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REPORT: FACILITIES FORENSIC ACCOUNTING PROJECT

RESPECT
FOR THE INDIVIDUAL

HIGH ETHICAL
STANDARDS

INNOVATION
CREATIVITY
CHANGE

MUTUAL TRUST

UNEQUIVOCAL
EXCELLENCE

BURBANK UNIFIED SCHOOL DISTRICT

OCTOBER 18, 2011



VICENTI • LLOYD • STUTZMAN LLP
BUSINESS CONSULTANTS AND CPAs

October 18, 2011

Board of Education
Burbank Unified School District
1900 West Olive Avenue
Burbank, CA 91506

RE: Report of Facilities Forensic Accounting Project

Vicenti, Lloyd & Stutzman LLP ("VLS") was retained by Burbank Unified School District ("District") on August 16, 2010 to provide an accounting of major facilities projects that have occurred in the District covering a fifteen year period; namely from fiscal year 1995/96 through 2009/10. These projects were completed with a variety of funding sources, including state facilities monies, local general obligation bond monies, City of Burbank redevelopment monies, and Community Development Block Grant funds. VLS was requested to create an accounting by major project of the use of these funds. It was also requested that VLS perform certain testing procedures on the revenue and expenditure transactions that were recorded in the District's accounting records during the period under review.

Over the past year, VLS has worked closely with a committee comprised of Burbank USD officials, the Superintendent of Burbank USD, City of Burbank representatives and district accounting staff to complete this project. Status meetings were held throughout the process and input was provided regarding scope of the project.

Our report regarding this Facilities Forensic Accounting Project is attached which provides a detailed explanation of the procedures performed and the results of those procedures. Supplemental detailed accounting schedules have been provided to the Burbank USD in electronic format and are too voluminous for full inclusion in the attached report. Summary financial data is included in this report. The completion of this project met the objective of providing a cumulative accounting of the facilities projects over this fifteen year time frame.

Sincerely,

Linda Saddlemire, CPA, CFE, CFF
Partner

Table of Contents

I. SUPERINTENDENT'S LETTER.....	3
II. EXECUTIVE SUMMARY	5
III. PURPOSE AND SCOPE	15
IV. OVERVIEW OF FACILITIES CONSTRUCTION PROJECTS	18
V. ACCOUNTING OF MAJOR FACILITIES PROJECTS	21
VI. REVENUE AND EXPENDITURE TESTING	31
A. PROCEDURES	31
B. RESULTS.....	39
VII. PAYROLL EXPENSE ANALYSIS	49
A. PROCEDURES	49
B. RESULTS.....	51
VIII. WARRANT CLEARING TESTING.....	55
A. PROCEDURES	55
B. RESULTS.....	56
IX. CITY OF BURBANK TESTING.....	57
A. PROCEDURES	57
B. RESULTS.....	63
X. RECOMMENDATIONS	68

List of Exhibits

- A - Summary of Revenues by Source and Expenditures by Major Project – All Construction Related Funds
- B - Revenue and Expenditure Testing Variances
- C - Burbank Schools Repair Needs
- D - General Obligation Bond Issuances (Series A, B, C): Purpose of Issue
- E - List of District Schools and Other Sites
- F - AR 3580: District Retention Policy
- G - California Code of Regulations, Title 5 §16020 – 16027, School District Record Retention
- H - List of Vendor Payments with No Support
- I - Descriptions of Construction Related Funds
- J - PeopleSoft Screen Shot of Cleared Warrant Information (Example)
- K - District Cash Receipt Log (Example)
- L - Invoice to City of Burbank (Example)
- M - District Interfund Transfers of Revenue from City of Burbank



Burbank Unified School District

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Stan A. Carrizosa

October 14, 2011

Linda Saddlemire
Vicenti, Lloyd & Stutzman LLP
2210 E. Route 66, Suite 100
Glendora, CA 91740

Dear Linda:

In the summer of 2010, BUSD officials were asked to provide historical records accounting for all facilities funds and construction revenues and expenditures from the 1997 GO bonds and state, local and city redevelopment funds used for school construction.

The current School Board and administration set out to retrieve and produce these documents for the Burbank City Council and for Burbank public record. The Board learned that the state and local accounting protocols for school construction funding have gone through various stages of change and evolution through both state legislation and state accounting system requirements.

It was found that Burbank Schools had generally adhered to all public account code standards throughout this 15 year period, but at different periods throughout this time frame different levels of detail were required to be maintained.

It was also found that over this 15-year period different district administrators had been in charge of facilities budgets, accounts, and records and through a change of district facilities/finance officials at least five different times, a lack of consistency and continuity existed up until the most recent state accountability standards were implemented in 2005.

In an effort to resolve any questions and concerns about past accounting for facilities and construction funds, the Burbank Unified School District hired the outside audit firm of Vicenti, Lloyd & Stutzman to conduct a forensic accounting of all construction funds back to 1995.

The team of auditors met regularly over the past year with a committee comprised of district officials, school board, and city finance staff. These meetings served to provide a constant review of the protocols and methods used in the audit and to provide historical and current information, documents, and records as requested by the auditors. In addition, a group of community members including active school advisory committee members, labor group representatives, and parents were invited for an update and to provide further community oversight and perspective in this process.

Some items of importance to note are as follows:

- The \$23 million contribution from the City of Burbank was a major portion of the facilities expenditures addressed within this report. The District was able to leverage the \$23 million City of Burbank contribution and the \$112.5 million in 1997 bond funds into the \$274 million total facilities revenues shown in this report.
- This report references the remaining \$8.5 million of revenues over expenditures in the District's facilities funds. The majority of these funds were held in fund 40, Special Reserve for Capital Outlay. Fund 40 had \$8.15 million in fund balance at the beginning of fiscal year 2010-11, and \$6.77 million in fund balance at June 30, 2011. Of the \$6.77 million in fund balance at June 30, 2011, \$4 million of that was held by the City of Burbank (BUSD account "Cash with Fiscal Agent") to be expended on the joint City-District Athletic Fields Project.
- District accounting procedures and protocols have continued to evolve and be refined in the last few years. The district can now track projects expenditures "by project" through SACS location codes which were added to the state accounting system in 2002. Fixed assets are also annually tracked and depreciated as a result of GASB 34 implementation in 2003. Many of the variances raised in this report from prior years are now adequately accounted for under current accounting procedures.
- It is important to note that some of the variances listed in this report are due to insufficient back-up documentation available. Under state record retention laws, the district is not required to keep the back-up documentation, agreements, and invoices beyond four years. Thus, simply due to the nature of record retention rules, some of the documentation history could not be recreated. We are pleased, however, with how much of the last 15 years of records were available here at BUSD.

The intent of district officials and the School Board is to request a joint public meeting of the Burbank School Board and City Council, at which the audit firm will present an executive summary of the forensic accounting study and answer questions from elected officials and the public.

Furthermore, it is the intent of the Burbank Unified School District and School Board to provide open, public access to this summary and the final report for any and all interested parties. This document shall serve as our best effort to respond to the ominous request to show public accounting records for all district, state, bond and city funds spent on school construction over the past 15 years. Current Board members or district officials were not in office or employed by the district for this entire period of time, yet it is our hope that the commitment to conduct this audit meets the expectation to publicly account for all funds and maintain and strengthen the bond of trust, confidence, and support shared between BUSD and the entire city of Burbank and our communities.

Most Respectfully,



Stan A. Carrizosa
Superintendent
Burbank Unified School District

Report: Facilities Forensic Accounting Project

Burbank Unified School District

October 18, 2011

II. Executive Summary

Purpose and Scope

Vicenti, Lloyd & Stutzman LLP ("VLS") was retained by the Burbank Unified School District ("BUSD" or "District") to provide an accounting of major facilities projects that have occurred in the District covering a fifteen year period; namely from fiscal year 1995/96 through 2009/10 ("Review Period").¹ These projects were completed with a variety of funding sources, including state facilities monies, local general obligation bond monies, City of Burbank redevelopment monies, and Community Development Block Grant funds. The District has accounted for these revenues and expenditures in various funds of the District, as appropriate, but there has not been a consistent system in place to account for the cumulative expenditures by project. VLS was requested to create an accounting by major project of the use of these funds.²

In addition to preparing an accounting of the various facilities projects, it was agreed that VLS would also perform the following procedures:

- (1) Review supporting documentation for a sample of revenues and expenditures in the Construction Related Funds for the Review Period to verify that the transactions were accurately recorded in the books and records of the District and expenditures were appropriate for the project and fund (Section VI).
- (2) Identify the names and titles of the employees whose salary and benefit expenses were allocated to the Construction Related Funds during the Review Period to verify the reasonableness of such allocations (Section VII).
- (3) Test a sample of cleared warrants (i.e., checks) from FY2002/03 through FY2009/10 to verify that the warrants cleared County Treasury as originally written (Section VIII).
- (4) Identify funding received from the City of Burbank during the Review Period for facility improvement projects, and trace the revenue received to the District's financials. On a sample basis, verify that the expenditures reimbursed by the City were recorded in the same fund in which the corresponding revenue was recorded (Section IX).

¹ The District's fiscal year begins on July 1 and ends on June 30. Future references to a fiscal year will be formatted as "FYXXXX/YY."

² See page 15 for a list of the funds included in the scope of this project.

Summary of Work Performed

A majority of the analysis and testing was conducted between September 2010 and May 2011. This included preparing the accounting of revenues received and expenditures incurred for major facilities projects in FY1995/96 through FY2009/10 for the six Construction Related Funds. During this time, VLS also conducted a majority of the testing and analysis required by items (1) through (4) above. Between May 2011 and September 2011, VLS worked with the District to finalize the analysis on funds received from the City of Burbank and close open items from the testing performed. Additionally, the report was written during this period.

VLS spent approximately 2,500 hours completing the various steps related to this project, which averages 167 hours per year. The following table includes a summary of the total hours incurred, to date, for the steps completed:

Description	Hours
Project planning, research, and administrative tasks	115
Data entry of fund activity; development of database; preparation of summary accounting (Section V)	940
Analyses; testing; documentation (Sections VI – IX)	825
Project oversight and review of workpapers	230
Preparation of written report including development of exhibits	235
Preparation for/attendance of status meetings with Oversight Committee	155
Total	<u>2,500</u>

The VLS team was led by Senior Manager, Jenny Dominguez, who is a CPA, a Certified Fraud Examiner ("CFE"), and is Certified in Financial Forensics ("CFF"). Ms. Dominguez has over eleven years of experience including working with one of the Big Four accounting firms and a major forensic consulting firm. Partner Linda Saddlemire, who is also a CPA, CFE and CFF, provided the overall project management and review of the project. Ms. Saddlemire has 30 years of experience in providing audit, investigation and consulting services primarily for public school districts in California.

Results of Analysis and Testing

Accounting of Revenues Received and Expenditures by Major Facilities Projects

VLS prepared an accounting of the revenues received and expenditures incurred for major facilities projects in FY1995/96 through FY2009/10 for the six Construction Related Funds identified above. See pages 24 to 26 for summaries of the revenues and expenditures.

During the Review Period, revenues recorded in the Construction Related Funds totaled \$273,984,832 and expenditures totaled \$265,432,147.³ The excess of fund revenues

³ Per the District, the \$8.5 million of revenues over expenditures remains in the District's Construction Related Funds. The majority of these funds were held in Fund 40.0 – Special Reserve Fund for Capital Outlay Projects. Fund 40.0 had a fund balance of \$8,154,587 available at the beginning of FY2010/11, and \$6,769,170 was in the fund balance

over expenditures is remaining in the Construction Related Fund balances and still available for expenditures at the end of FY2009/10.

Revenue and Expenditure Testing

The objective of this testing was to review supporting documentation for a sample of revenues and expenditures in the Construction Related Funds for the Review Period to verify that the transactions were accurately recorded in the books and records of the District.

The following table summarizes the number of transactions tested and the dollar value of those transactions. VLS tested a significant volume of the revenue and expenditure activity that flowed through the Construction Related Funds during the Review Period, as shown by the percentages reported below.

	Revenues	Expenditures
Total Transactions Tested	131	2,474
Dollar Value of Transactions Tested	\$ 209,985,549	\$ 200,597,978
Percentage of Total Dollar Activity ⁴	77%	76%
Number of Transactions - No Support Available ⁵	4	25
Dollar Value - No Support Available \$	(5,443)	\$ 189,953

Based on the volume and results of testing performed on revenue and expenditure transactions, a high degree of reliability can be placed on the accuracy of the amounts reported by the District. Although some variances were identified during testing, which are discussed further below, the variances have minimal impact on the total expenditures reported for each major facilities project (pages 24 to 26; **Exhibit A**). The Location Code variances, which total \$673,686 or 0.3% of expenditures tested, impact reported expenditures for certain major facilities projects; however, total expenditures on an annual basis and within each fund are not affected. The remaining variances discussed below do not have an impact on the project classification.

VLS tested various attributes for each revenue and expenditure transaction and identified transactions that appear to have been recorded incorrectly or inconsistently in the District's accounting records. The types of variances identified are listed below with a short description of the variance and impact on the financial records. VLS did not adjust the financial detail for these variances because (1) the variances are self-correcting timing differences, or (2) the variances do not affect total project expenditures. A complete list of the variances identified is included in **Exhibit B**.

at the end of FY2010/11. Of this ending fund balance, \$4,000,000 was held by the City of Burbank in a "Cash with Fiscal Agent" account to be spent on the joint City-District Athletic Fields Project.

⁴ These percentage figures are calculated using the revenue and expenditure totals reported on page 6 and in the schedules included on pages 24 to 26.

⁵ The transactions identified as "No Support Available" relate only to FY2006/07 through FY2009/10, the years in which VLS selected a sample for testing. Due to the District's retention policy, for FY1995/96 through FY2005/06, VLS tested transactions based on what support was available rather than selecting a sample.

Expenditure Accrual – Timing Difference:

VLS identified expenditures that were paid in the fiscal year following when the expenditure was incurred; however, the District did not accrue for the expenditure. This type of variance resulted in a timing difference in the District's financial records. Although the expenditure was not recorded in the proper fiscal year, the expenditure was still recorded; therefore, the total costs associated with the related projects are reflected accurately over time. This type of variance was last identified in FY2003/04. Currently, the District has implemented certain procedures to ensure that vendor invoices are received in a timely manner, and the appropriate accruals are created. The total accrual timing variances identified equal \$1,125,268. This number excludes four vendor payments for which there was not enough information contained in the invoice for VLS to calculate the variance.

Expenditure Accrual – Under/Over Accrual:

Expenditure accrual variances resulted because the District did not record the correct amount when accruing some vendor invoices. In most instances, the amount accrued was either higher or lower than the invoice and/or payment amount. In one instance, only a portion of the vendor invoice was accrued, which was appropriate, because the costs incurred related to two fiscal years. However, when the vendor invoice was paid, the entire payment amount was recorded against (debited to) Accounts Payable, creating a negative balance (debit balance) in Accounts Payable. These entries by the District resulted in the expenditure being understated until the Accounts Payable account was reconciled, which generally happened at the end of the fiscal year when preparing to record the new expenditure accruals. The amounts paid to the various vendors were accurate based on the support provided. This type of variance was last identified in FY2002/03. The total under/over accrual variances identified equal \$129,643.

Object Code Variances/Inconsistencies:

VLS identified instances in which the Object Code used did not appear appropriate considering the description provided in the support or was inconsistent with the Object Code used for other similar expenditures. The total variances identified for Object Code classifications equal \$2,547,246. A majority of these variances, \$2,492,784 (98%), were expenditures that were appropriately allocated to a major Object Code classification; however, the specific Object Code used within the major category did not appear appropriate or was inconsistent. For example, \$1,715,802 was paid to a vendor over the course of two years for construction management fees. These expenses were allocated to three different Object Codes: 6230 – "Construction – All Costs"; 6243 – "Construction – Building Construction / Project Management"; or 6244 – "Project Management – Management Fees." The remaining variances, totaling \$54,462, were coded to an Object Code category that did not appear appropriate based on the description included in the supporting documentation. For example, one transaction was recorded in 5XXX – "Services and Other Operating Expenses" when it appeared more appropriate to record the expenditure in 6XXX – "Capital Outlay." These variances do not impact the total expenditures reported for a particular fiscal year or project.

Location Code Variances:

VLS identified instances in which the Location Code recorded in the District's accounting records was not appropriate considering the information provided in the supporting documentation. The total variances identified for Location Code classifications equal \$673,686. This number excludes four vendor payments for which VLS does not have enough information to calculate the variance. Although the variances do have an impact on the expenditures reported for certain projects, total expenditures on an annual basis are not affected.

Scope Limitations:

In order to test the various attributes for each revenue and expenditure transaction, VLS reviewed the information contained in the supporting documentation. If the information contained in the supporting documentation was not sufficient to make a conclusion on the attribute being tested, the attribute was identified as having a "Scope Limitation." Thirteen transactions, totaling \$420,913, did not contain enough information in the supporting documentation to verify the accuracy of the Location Code and/or the Object Code recorded in the District's accounting system.

Other:

During testing, VLS identified other inconsistencies and/or deficiencies in the supporting documentation, including one transaction in which the account name was not consistent with the description of work performed (\$27,396), three transactions in which the invoice did not contain an approval signature (\$65,847), and one transaction in which the developer fee refund was overpaid by \$658 because the 10% processing fee was not withheld.

Fund Allocation Variances:

VLS identified variances when comparing the fund allocation shown on the supporting documentation to the actual fund to which the expenditure was recorded. A majority of the variances related to FY2003/04 and FY2004/05. The supporting documentation for multiple vendor payments indicated that the expenditure should be allocated to the Building Fund (Fund 21.0); however, the expenditure was actually allocated to the County School Facilities Fund (Fund 35.0). The District represented that the bond proceeds had been exhausted and therefore the District had to identify other sources of revenue to complete the existing construction projects. VLS confirmed that the Building Fund had an ending fund balance of \$0.11 at the end of FY2003/04; therefore supporting the statement that the bond funds had been exhausted. Additionally, it is not un-common for large construction projects to be funded by multiple revenue sources and have expenditures allocated to multiple funds. When these variances were identified, VLS verified that the type of expenditure was allowable for the fund from which it was actually paid. The accounting for these transactions was correct; however, the support did not provide sufficient explanation or documentation of the change in fund allocation.

Payroll Expense Analysis

The objective of this analysis was to identify the names and titles of the employees whose salary and benefit expenses were allocated to the Construction Related Funds during the Review Period to verify the reasonableness of such allocations.

VLS identified the Construction Related Funds that contained employee payroll allocations in each year. VLS used the Payroll Distribution Reports provided by the District to reconcile the total salary and benefit costs allocated to each of the Construction Related Funds. For each Construction Related Fund with payroll costs, VLS created a schedule of payroll and benefit allocation costs. The schedules include the name and title of each individual with payroll costs allocated to the related fund, the individual's gross salary according to the Payroll Distribution Report, and the portion of the individual's salary allocated to the related fund. These schedules were provided to the Committee to review for allocations that appeared inappropriate based on the title of the persons identified and the collective historical knowledge of District events possessed by the Committee members.⁶

During several years, a portion of the payroll costs for various custodians was allocated to one or more of the Construction Related funds. The District represented that custodians were used to move furniture in and out of classrooms during different construction projects. Most allocations related to custodial employees were minimal (less than 3% of gross salary or under \$3,000 in a given fiscal year). Other payroll allocation costs include employees who provided oversight on construction projects or provided administrative support for construction projects and the accounting of such projects. Additionally, some payroll allocations were made based on special projects that related to various construction projects. Generally, VLS assessed the reasonableness of the payroll charge based on the position or title of the employee.

VLS identified one employee in FY2003/04 that, based on the title (teacher's aide), appeared unusual. The payroll allocation for this employee totaled \$924.64. Supporting documentation, such as time cards, was not available, and after inquiring directly with the employee, the employee does not have a recollection of an assignment associated with facilities. Due to the fact that the time cards may have provided further information for the employee regarding the nature of this charge, the information available is insufficient to conclude whether this was an appropriate charge. The amount is nominal and isolated to one instance in FY2003/04.

With the exception of the \$924.64 allocation discussed above, the payroll cost allocations made to the Construction Related Funds during the Review Period appear reasonable. This conclusion is based on the employee titles identified and the explanations obtained from District personnel.

⁶ VLS was unable to perform this analysis for two fiscal years (FY1995/96 and FY1998/99) because the payroll allocation data was unavailable.

Warrant Clearing Testing

The objective of this procedure was to test a sample of cleared warrants from FY2002/03 through FY2009/10 to verify that the warrant cleared County Treasury as it was originally written.

VLS selected a sample of 220 warrants, totaling \$25,063,304, to verify that the warrant cleared County Treasury under the terms it was originally issued. The sample was selected from disbursements tested by VLS for FY2002/03 through FY2009/10. VLS was unable to test warrants issued prior to FY2002/03 because the District implemented the use of PeopleSoft in FY2002/03, and cleared warrant information is not available for years prior.⁷

VLS compared the copies of the warrants to the cleared warrant information stored in PeopleSoft and found that all warrants had cleared as originally issued. One warrant appeared as voided in PeopleSoft. VLS verified that the associated expenditure was also removed from the District's accounting records with an off-setting entry.

Based on a comparison of the warrants issued to the cleared warrant information stored in PeopleSoft, the selected warrants cleared County Treasury as they were originally written.

City of Burbank Testing

The objective of this testing was to identify funding received from the City of Burbank during the Review Period and trace the revenue received to the District's financials. Additionally, VLS tested a sample of reimbursements from the City to determine if the revenue was recorded in the same fund in which the expenditure was recorded.

VLS requested from the District documentation to support the amount billed and collected from the City for the Review Period. To ensure that all receipts from the City were captured, VLS requested that the City independently provide a list of all payments made to the District for the Review Period. Using the information provided, VLS determined that the District received \$36,919,946 from the City during the Review Period. Of this amount, \$30,733,255 was for the funding of various facility construction and improvement projects. This amount also includes all funds received from the City that were deposited directly into one of the Construction Related Funds. See the table included on page 66 for a breakdown and discussion of how these funds were accounted for by the District. VLS was unable to verify the purpose of funds received totaling \$1,372,318 as the District and City records were no longer available due to their respective retention policies.⁸

⁷ The District switched to PeopleSoft from its previous accounting software after County Treasury implemented the use of PeopleSoft. The District is required to use an accounting program that can communicate with County Treasury's accounting program.

⁸ These funds were received from the City in FY1995/96 through FY2002/03. The only information available for these receipts was an invoice number or brief description included in the District's cash receipt logs or the list of payments provided by the City. The descriptions were not sufficient to determine the purpose of the receipts from the City. The

Using the information contained in the District's cash receipt logs, VLS identified the District Fund into which each receipt from the City was deposited. From FY1995/96 through FY1999/00, the District deposited a majority of the proceeds from the City into the General Fund. These revenues were then transferred from the General Fund to the Special Reserve Fund for Capital Outlay Projects ("Special Reserve Fund") where the related expenditure was originally paid by the District. Beginning in FY2000/01, the District deposited the receipts from the City into the District Fund where the related expenditure was recorded.⁹

A majority of the proceeds received from the City were paid as a reimbursement of expenditures already incurred by the District. After the District incurred the cost and paid the vendor, an invoice was sent to the City. Generally, the invoices contained the vendor name, school site, account where the expenditure was recorded, and reimbursable amount. Where available, VLS obtained copies of the invoices sent to the City and, on a sample basis, verified that the expenditures were recorded in the fund listed on the invoice.¹⁰

Based on the information and documents reviewed, VLS identified the following findings:

- \$149,797: Receipts from the City that were deposited into the General Fund for which a related expenditure could not be identified in this fund. A majority of the receipts deposited into the General Fund were transferred to the Special Reserve Fund where the related expenditure was recorded. This amount was not transferred.
- \$176,378: Expenditures reimbursed by the City that were recorded in the State School Building Lease-Purchase Fund ("State School Building Fund"). The reimbursement from the City was deposited into the General Fund and was never transferred to the State School Building Fund. It appears that a portion of the related City reimbursement was transferred to the Special Reserve Fund.¹¹

Based on the two findings identified above, VLS believes it would be appropriate for the District to transfer \$149,797 from the General Fund to the Special Reserve Fund, as the State School Building Fund is now closed. The Special Reserve Fund is where a substantial portion of the reimbursements from the City were recorded, particularly related to the \$23 million and \$900,000 funding agreements with the City.

District believes that some of these funds related to facility usage fees and City Development Block Grant expenditures invoiced in FY1994/95.

⁹ One final Interfund Transfer from the General Fund to the Special Reserve Fund, which totaled \$406,916, was recorded in FY2002/03.

¹⁰ Due to the District's and City's respective retention policies, not all invoices issued to the City during the Review Period were available.

¹¹ Several of the Interfund Transfers of City revenues to the Special Reserve Fund were recorded in the District's financial records as lump-sum transactions, the support for which is no longer available. It appears that a portion of the reimbursement for this expenditure that was deposited into the General Fund was already transferred to the Special Reserve Fund because the total remaining in the General Fund is \$149,797.

Conclusion

VLS tested a significant volume of the revenue and expenditure activity that flowed through the Construction Related Funds during the Review Period in order to determine the accuracy of the transactions recorded in the District's accounting records. Additionally, VLS performed other analyses to determine the reliability of other data impacting the reported numbers. Based on the volume and results of testing performed, a high degree of reliability can be placed on the accuracy of the amounts reported by the District in the project accounting as well as in the District fund accounting. Except for the Location Code classification variances discussed above, the variances identified during testing do not affect the total expenditures reported by major facilities project.

In conclusion, the schedules included on pages 24 to 26 provide a reasonable summary accounting of revenues and expenditures for facilities projects recorded in the Construction Related Funds during the Review Period. The underlying detail used to prepare this summary accounting has been provided to the District so that the District has a reliable and complete set of records to account for the various facilities projects conducted over the 15 years ending June 30, 2010. This accounting is contained in over 240 Excel schedules, which contain thousands of line item transactions. The number of transactions in each fund varies from year to year based on the volume of activity for the particular fund.

Recommendations

The following recommendations were developed as a result of findings identified during the course of this engagement.

- 1) *The District should develop a robust document retention policy that addresses the following:*
 - a. *The specific types of documents classified as Disposable, Optional, and Permanent (e.g., vendor warrant packages; manual journal entries; etc.),*
 - b. *The location where documents will be stored,*
 - c. *The individual(s) responsible for overseeing and/or enforcing the document retention policy,*
 - d. *A more specific definition of the destruction date for Disposable records (this could include an example of how to calculate the destruction date),*
 - e. *The process for identifying and destroying documents that are no longer required to be retained, and*
 - f. *Whether documents will be retained in hard-copy or electronic format and the time period of retention for each.*
- 2) *Now that a fifteen year accounting of facilities related projects has been developed, the District should continue to maintain a comprehensive project listing that includes the project name, description of the project, location code(s) used for each project, approved project budget, and total project expenditures. The project listing should be updated regularly so that an accounting of project expenditures can be prepared as needed. The District should consider implementing the use of a project tracking software that can track the various attributes listed above and, preferably, integrate with the current accounting system. This software could be an external software package purchased by the District or an add-on to its existing financial accounting tools. Software designated for this purpose would be particularly beneficial as it would help prevent lost or outdated information due to employee turnover. The District must ensure that regular reconciliations are performed between the District's accounting records and the tool used to track project expenditures and other details.*
- 3) *The District should transfer \$149,797 from the General Fund to the Special Reserve Fund to properly account for reimbursements from the City of Burbank that could not be matched to specific expenditures in the General Fund.*

III. Purpose and Scope

Engagement Background and Objective

VLS was retained by the District to provide an accounting of major facilities projects that have occurred in the District covering a fifteen year period ("Review Period"). These projects were completed with a variety of funding sources, including state facilities monies, local general obligation bond monies, City of Burbank redevelopment monies, and Community Development Block Grant funds. The District has accounted for these revenues and expenditures in various funds of the District, as appropriate, but there has not been a consistent system in place to account for the cumulative expenditures by project. VLS was requested to create an accounting by major project of the use of these funds.

The funds in which the major facilities projects have been recorded include the following funds ("Construction Related Funds")¹²:

- Deferred Maintenance Fund
- Building Fund
- Capital Facilities Fund
- County School Facilities Fund
- State School Building Lease-Purchase Fund
- Special Reserve Fund for Capital Outlay Projects

In addition to preparing an accounting of the various facilities projects, it was agreed that VLS would also perform the following procedures:

- (1) Review supporting documentation for a sample of revenues and expenditures in the Construction Related Funds for the Review Period to verify that the transactions were accurately recorded in the books and records of the District and expenditures were appropriate for the project and fund (Section VI).
- (2) Identify the names and titles of the employees whose salary and benefit expenses were allocated to the Construction Related Funds during the Review Period to verify the reasonableness of such allocations (Section VII).
- (3) Test a sample of cleared warrants from FY2002/03 through FY2009/10 to verify that the warrants cleared the County Treasury as originally written (Section VIII).
- (4) Identify funding received from the City of Burbank during the Review Period for facility improvement projects, and trace the revenue received to the District's financials. On a sample basis, verify that the expenditures reimbursed by the City were recorded in the same fund in which the corresponding revenue was recorded (Section IX).

¹² See *Exhibit I* for a description of each fund.

Prior to engaging VLS, the District did not have a system in place to account for total revenues received and expenditures incurred on each facility project. Because of the magnitude of some facility projects, funding was secured from several different sources and expenditures were recorded in multiple funds. Additionally, some facility projects were completed over multiple fiscal years. VLS consolidated revenue and expenditure data for the six Construction Related Funds over the Review Period in order to prepare the accounting by major facility project, which was not previously available.

Oversight Committee

The District formed a committee to oversee the progress of this project and address questions related to the scope of the engagement. The committee members are representatives from the District and the City of Burbank, and include:

- Larry Applebaum, Board of Education, BUSD
- Stan Carrizosa, Superintendent, BUSD
- Cindy Giraldo, Financial Services Director, City of Burbank
- Justin Hess, Deputy City Manager, City of Burbank
- Debbie Kukta, Board of Education, BUSD
- Lina Sola, Fiscal Services Supervisor, BUSD
- Christine Statton, Assistant Superintendent – Administrative Services, BUSD

The committee members were involved throughout the project in determining the overall scope of the project to ensure the sufficiency of the procedures for the District's purpose. The committee was committed to assuring the District had a cumulative accounting available for these facilities projects.

Professional Standards

VLS performed this engagement in accordance with the American Institute of Certified Public Accountants ("AICPA") Statements on Standards for Consulting Services contained in Rule 201 of the AICPA Code of Professional Conduct. In consulting engagements, the nature and scope of work is determined solely by the agreement between the practitioner (VLS) and the client (Burbank Unified School District). The analysis and report does not constitute an audit, compilation, or review, in accordance with Standards of the AICPA, the objective of which would be the expression of an opinion on any specified elements, accounts, or items. Accordingly, VLS does not express such an opinion.

The District requested VLS to assist in preparing an accounting for facilities related projects as well as determine the reliability of this data. VLS worked in conjunction with the Oversight Committee to determine the general procedures to be performed. VLS used its professional judgment to select samples for testing, determine the sufficiency of supporting documents reviewed, and to present the results of the work performed. Although the engagement does not constitute a financial statement audit, the

procedures performed in regards to testing various attributes far exceeded the standards used in the typical external audit process.

The procedures VLS performed were not designed specifically to identify or detect fraud; however, had VLS identified evidence that supported the existence of fraud, this information would have been disclosed.

Scope of Engagement, Testing Sample Size, and Reported Findings

The work performed by VLS does not constitute a financial statement audit. The typical financial statement audit is limited in scope to only one fiscal year, typically the most current fiscal year. For this engagement, VLS prepared an accounting, and tested a sample, of revenues received and expenditures incurred over a 15-year period. Due to the expanded scope of this engagement, a financial statement audit would not be possible. Additionally, VLS was not engaged to conduct an audit as the District already received a separate financial statement audit for each year in the Review Period.

Section VI – “Revenue and Expenditure Testing” documents the methodology implemented by VLS in order to select a sample of revenue and expenditure transactions for testing. Generally, the number and dollar value of transactions tested in each fund and each year is larger than a typical sample size that might be selected during a financial statement audit. For example, in FY2009/10, VLS tested 98 transactions, totaling \$3,553,332, in the Special Reserve Fund for Capital Outlay Projects (Fund 40.0) – 74% of the net expenditures that flowed through Fund 40.0 in FY2009/10. In FY2003/04, VLS tested 250 transactions, totaling \$20,728,345, in the Building Fund (Fund 21.0) – 66% of the net expenditures that flowed through Fund 21.0 in FY2003/04.

VLS and the Committee did not establish a materiality level for this project and, therefore, all findings regardless of dollar amount are included in this report. Some of the amounts reported as findings could be considered minor as they would have little, if any, impact on the financial statements of the District. This approach is typical in forensic accounting projects and provides complete transparency of the results of testing performed.

General Disclosures

VLS created numerous electronic files, primarily in Excel, in order to prepare the accounting of major facilities projects. VLS has included in this report a limited number of the schedules created in order to provide an efficient summary of the procedures performed and findings. The electronic files have been provided to the District and are available upon request of the District.

The dollar values included in this report have been rounded to the nearest whole dollar. There may be some minor rounding errors when comparing the values included in this report to the underlying detail.

IV. Overview of Facilities Construction Projects

During the Review Period, the District initiated and completed several construction, improvement, and repair projects at the various District sites. Significant funding sources that facilitated the completion of these projects included the Series A, B, and C General Obligation Bonds issued in 1997, 1998, and 2002, respectively. The bond issuance documents included language that described the intended use of the proceeds received from each issuance (**Exhibit D**). Some of the language regarding the purpose for the bond issuances is included below:

General Obligation Bonds, 1997 Election, Series A (August 1, 1997):

- Renovations and repairs at three elementary schools and one middle school.
- Architectural, planning, and engineering services for four elementary schools and two comprehensive high schools.

General Obligation Bonds, 1997 Election, Series B (August 1, 1998):

- Modernization and renovation projects at seven elementary schools and one middle school. These projects include replacing utility systems such as sewer, water, and natural gas; replacing or repairing electrical systems; installing air conditioning; replacing windows; installing health and safety improvements such as fire alarm systems and disabled access; installing certain infrastructure for computer and technology systems; and repairing or replacing flooring.
- Various improvements to two comprehensive high schools. These projects include demolition and site preparation; construction of classrooms and science labs; and construction of a gymnasium.

General Obligation Bonds, 1997 Election, Series C (July 1, 2002):

- Renovation, modernization, and expansion of Burbank High School and John Burroughs High School.
- Modernization and renovation projects at two elementary schools, two middle schools, and a continuation high school.
- These projects include replacing utility systems such as sewer, water, and natural gas; replacing or repairing electrical systems; installing air conditioning; replacing windows; installing health and safety improvements such as fire alarm systems and disabled access; installing certain infrastructure for computer and technology systems; and repairing or replacing flooring.

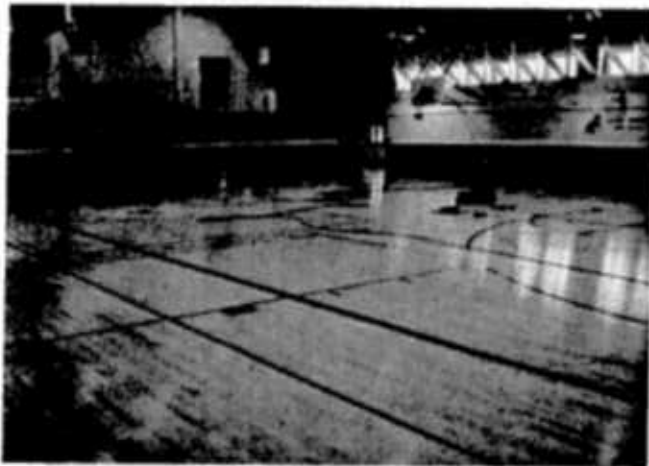
When testing expenditures recorded in the Bond Fund, VLS verified that the expenditures tested were appropriate according to the language in the bond issuance documents.

As part of the bond campaign launched in 1997 to approve the bond measure, the District published printed material that included a more exhaustive list of the various construction, improvement, and repair needs for each District site (**Exhibit C**).

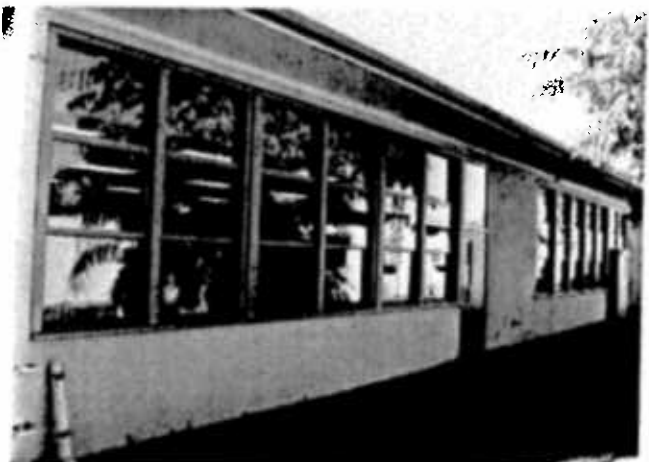
Other primary funding sources used to complete the various construction projects included:

- Facilities Apportionments from the State of California / Office of Public School Construction
- Deferred Maintenance Apportionments from the State of California / Office of Public School Construction
- Contributions from the City of Burbank, and
- Developer Fees

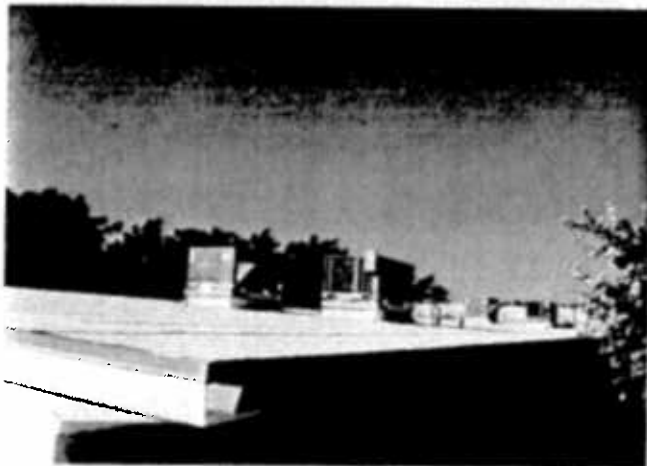
The District provided the following pictures, which show a small sample of the work completed with the funds received.¹³



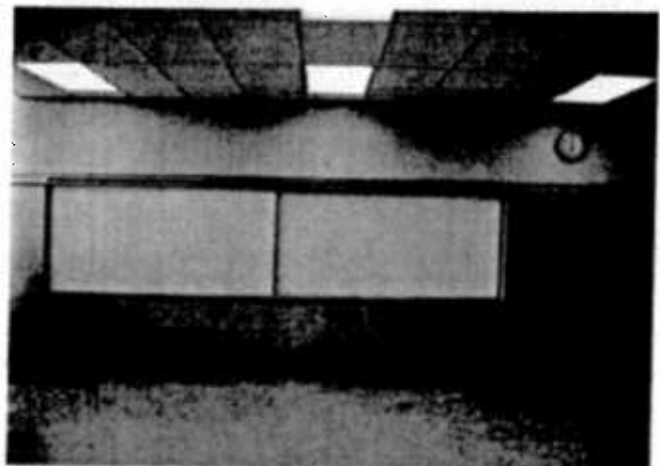
Luther Burbank Middle School – Gym Floor



Providencia Elementary School – New Windows

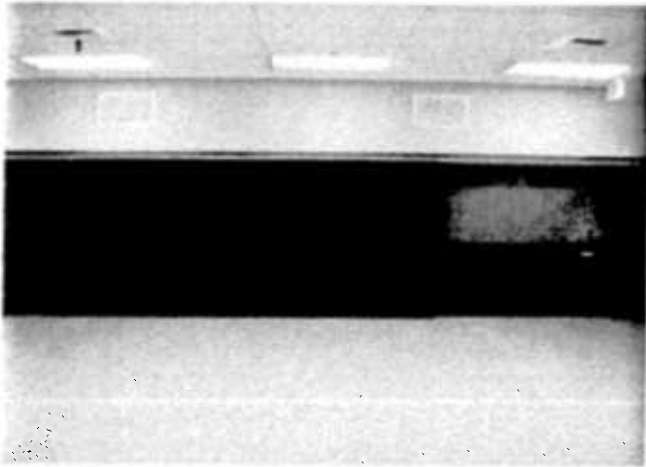


Providencia Elementary School – New Roofing



Providencia Elementary School – Updated Classroom

¹³ The District has more pictures available of the various facilities projects completed, including before and after pictures.



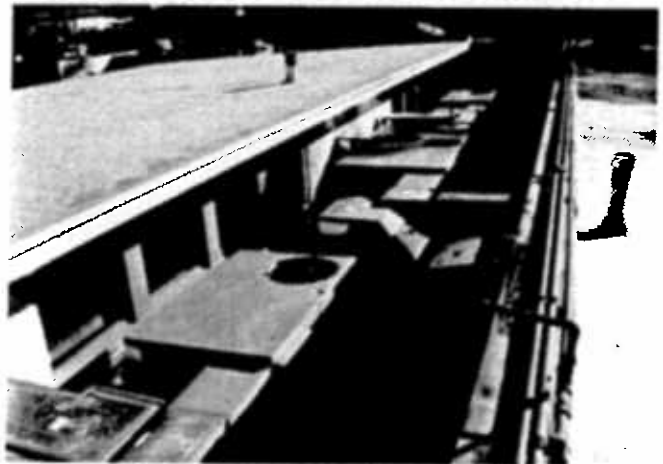
Monterey High School – Updated Classroom & New Lighting



Monterey High School – New Windows & Flooring



Monterey High School – Updated Hallway & New Lighting



Monterey High School – Air Conditioning



Edison Elementary School – New Auditorium Curtains & Rigging



Miller Elementary School – New Auditorium Curtains & Rigging

V. Accounting of Major Facilities Projects

Fund Identification

VLS prepared an accounting of the revenues received and expenditures incurred for major facilities projects in FY1995/96 through FY2009/10 for the six Construction Related Funds identified on page 15. The original scope of this project was to begin in FY1997/98; however, it was determined early in this process that significant revenues came into the District from the City of Burbank ("City") starting in approximately FY1995/96. The Committee decided to extend the original scope of this project to include FY1995/96 and 1996/97 to incorporate those additional revenues from the City.

Due to changes in funding sources over the period covered, not all of the Construction Related Funds identified above were utilized by the District in each year. The following table identifies which funds were in use by the District for each year in the Review Period. An "X" indicates that a fund was used by the District in a particular year. Below each fund name is the fund number, which, due to a change in the California School Accounting Manual guidelines, was revised in FY2002/03. The first fund number shown was used from FY1995/96 to FY2001/02. The second fund number was used beginning in FY2002/03.

Fiscal Year	Deferred Maintenance Fund (27.0 / 14.0)	Building Fund (70.0 / 21.0)	Capital Facilities Fund (73.0 / 25.0)	State School Building Lease-Purchase Fund (84.0 / 30.0)	County School Facilities Fund ¹⁴ (82.0 / 35.0)	Special Reserve Fund for Capital Outlay Projects (60.0 / 40.0)
FY1995/96	X	--	X	--	--	X
FY1996/97	X	--	X	X	--	X
FY1997/98	X	X	X	X	--	X
FY1998/99	X	X	X	X	--	X
FY1999/00	X	X	X	X	X	X
FY2000/01	X	X	X	X	X	X
FY2001/02	X	X	X	X	X	X
FY2002/03	X	X	X	X	X	X
FY2003/04	X	X	X	X	X	X
FY2004/05	X	X	X	--	X	X
FY2005/06	X	X	X	--	X	X
FY2006/07	X	--	X	--	X	X
FY2007/08	X	--	X	--	X	X
FY2008/09	X	--	X	--	X	X
FY2009/10	X	--	X	--	X	X

¹⁴ The County School Facilities Fund replaced the State School Building Lease-Purchase Fund; however, both funds existed and had activity from FY1999/00 to FY2003/04.

Data Collection

The District generated, directly from the accounting data processing system, a separate report of revenues and a separate report of expenditures for each Construction Related Fund and each year in the Review Period. The reports included detail of each revenue and expenditure transaction that occurred in the respective fund for the respective year. The type of information contained in each report included:

- Date of the transaction
- Object code – identifies the type of revenue (e.g., bond proceeds, interest, etc.) or expenditure (e.g., salaries, construction, etc.)
- Location code – identifies the particular school or other District location to which the transaction relates (e.g., Burbank High School)
- Vendor name
- Warrant number and/or Voucher ID number – for expenditures only
- Dollar amount of the transaction

For each year in the Review Period, VLS obtained the revenue report and expenditure report for each Construction Related Fund.¹⁵ For FY1995/96 through FY2001/02, the reports were available only in hard-copy format. The report data had to be converted to an electronic format that could be easily sorted for consolidation and presentation; therefore, VLS manually entered the data from the hard-copy reports into Microsoft Excel ("Excel"). Some of the expenditure data for these years was available in an electronic format, and, therefore, required less data entry. For FY2002/03 through FY2009/10, the revenue and expenditure reports were provided in an electronic format, and the data was exported into Excel. Although data entry was not required, significant manipulation of the data in Excel was required in order to get the data into a usable format.

A separate Excel file, containing revenue and expenditure transaction detail, was created for each Construction Related Fund and each year in the Review Period. For example, in FY1995/96, VLS created three different Excel files of data, one for each of the funds that existed in that year, as identified in the table above. The data for each fund and each year was kept separate in order to facilitate the identification of revenue sources and proper use of those revenues. Additionally, the volume of transactions that passed through some of the funds in a single year was significant; therefore, keeping the data segregated allowed for a more efficient use of the data.

Data Verification

To verify the accuracy of the data provided in the revenue and expenditure reports, VLS agreed the revenue, expenditure, and interfund transfer totals to the annual SACS¹⁶

¹⁵ For FY1995/96 through FY2001/02, the District provided report number PB0405-R1 or "405 Report." For FY2002/03 through FY2009/10, the District provided revenue report LAGL819C and expenditure report LAGL019C

¹⁶ Standardized Account Code Structure is a statewide, uniform financial reporting format required for all California public schools

reports for each fund. Each year, when the District undergoes its annual financial statement audit, the numbers reported on the SACS reports are reconciled to the audited financial statements. VLS was able to agree the totals to the SACS reports by major revenue or expenditure category, for example, interest income or salaries expense.

Data Consolidation & Presentation

Once the revenue and expenditure transaction detail was entered into Excel and verified for accuracy, VLS began organizing and consolidating the data so that it could be summarized by revenue source and major project. The results of this analysis are presented in the following three schedules *Total Revenues and Expenditures (By Project)*, *Total Revenues and Expenditures (By Major Object Code)*, and *Total Revenues and Expenditures (By Fund)* on pages 24 to 26.

These schedules present the consolidated total revenues and expenditures for all Construction Related Funds and all years in the Review Period. **Exhibit A** includes a more detailed schedule which presents the data by fiscal year and major project.

During the Review Period, revenues recorded in the Construction Related Funds totaled \$273,984,832 and expenditures totaled \$265,432,147.¹⁷ The excess of fund revenues over expenditures is remaining in the Construction Related Fund balances and still available for expenditures at the end of FY2009/10.

¹⁷ Per the District, the \$8.5 million of revenues over expenditures remains in the District's Construction Related Funds. The majority of these funds were held in Fund 40.0 – Special Reserve Fund for Capital Outlay Projects. Fund 40.0 had a fund balance of \$8,154,587 available at the beginning of FY2010/11, and \$6,769,170 was in the fund balance at the end of FY2010/11. Of this ending fund balance, \$4,000,000 was held by the City of Burbank in a "Cash with Fiscal Agent" account to be spent on the joint City-District Athletic Fields Project.

Total Revenues and Expenditures (By Project)

Fiscal Years 1995/96 through 2009/10	TOTAL
REVENUES	
Deferred Maintenance Apportionments	\$ 5,907,964
FEMA	802,241
Interest	20,936,431
Mitigation / Developer Fees	13,204,756
Other Federal Revenue	250,653
Other Local Income	533,669
Proceeds From Bond Issuance	112,494,996
Proceeds From Capital Leases (Other Sources)	378,403
Rents & Leases	236,724
Sale of Property	7,475,000
School Facilities Apportionments	78,457,775
City of Burbank	1,632,154
Transfers in From General Fund - City of Burbank	23,230,810
Net Interfund Transfers (To)/From General Fund	8,443,256
Total Revenue & Transfers (To)/From General Fund	\$ 273,984,832
Net Interfund Transfers (To)/From Other Facility Funds	-
Total Revenues & All Interfund Transfers	\$ 273,984,832
EXPENDITURES	
Walt Disney ES (Relocatable Buildings; Walkway; Modernization)	\$ 4,554,279
Thomas Edison ES	3,918,420
Ralph Emerson ES	5,092,342
Bret Harte ES	3,893,644
Thomas Jefferson ES	4,196,264
William McKinley ES (Modernization)	10,544,286
Joaquin Miller ES (Elementary/Kindergarten; Modernization)	13,464,982
Providencia ES (Modernization)	7,814,444
Theodore Roosevelt ES	3,819,800
R.L. Stevenson ES (Modernization)	4,463,355
George Washington ES	5,570,096
David Starr Jordan MS	7,552,114
Luther Burbank MS (Modernization; Sound Attenuation; Learning Center)	16,226,915
Monterey HS (Modernization)	5,663,350
John Muir MS (Modernization)	14,287,958
Burbank HS (Modernization; Solar Heating; Track & Field)	71,865,158
John Burroughs HS (Modernization; Solar Heating)	54,030,463
Burbank Adult School (Sound Attenuation)	2,146,092
Community Day School - Alt. Ed.	1,292,444
District Office (Districtwide; Facilities Master Planning; Facility Services)	22,562,503
Horace Mann Children Center	1,323,559
Other Minor Projects	166,604
Unallocated Expense FY 1999-00	981,593
Variances Between Financial Data and SACS Reports - Expenditures	1,482
Total Expenditures	\$ 265,432,147
Excess of Revenue over Expenditures	\$ 8,552,685
Beginning Fund Balance	\$ 3,978,825
Adjustments to Fund Balance	
Variances Between Financial Data and SACS Reports - Revenues	\$ 5
Audit Adjustments (Per SACS Report)	2,670,120
Adjustments for Restatements (Per SACS Report)	69,323
Ending Balance	\$ 15,270,958

Total Revenues and Expenditures (By Major Object Code)

Fiscal Years 1995/96 through 2009/10	TOTAL
REVENUES	
Deferred Maintenance Apportionments	\$ 5,907,964
FEMA	802,241
Interest	20,936,431
Mitigation / Developer Fees	13,204,756
Other Federal Revenue	250,653
Other Local Income	533,669
Proceeds From Bond Issuance	112,494,996
Proceeds From Capital Leases (Other Sources)	378,403
Rents & Leases	236,724
Sale of Property	7,475,000
School Facilities Apportionments	78,457,775
City of Burbank	1,632,154
Transfers In From General Fund - City of Burbank	23,230,810
Net Interfund Transfers (To)/From General Fund	8,443,256
Total Revenue & Transfers (To)/From General Fund	\$ 273,984,832
Net Interfund Transfers (To)/From Other Facility Funds	-
Total Revenues & All Interfund Transfers	\$ 273,984,832
EXPENDITURES	
2000 - Classified Salary Expense	\$ 4,735,859
3000 - Employee Benefit Expense	2,017,343
4000 - Books and Supplies	2,159,859
5000 - Services and Other Operating Expenditures	9,478,047
6000 - Capital Outlay	245,982,549
7000 - Other Outgo (Debt Service)	1,058,490
Total Expenditures	\$ 265,432,147
Excess of Revenue over Expenditures	\$ 8,552,685
Beginning Fund Balance	\$ 3,978,825
Adjustments to Fund Balance	
Variances Identified between financial data and SACS reports	\$ 5
Audit Adjustments (Per SACS Report)	2,670,120
Adjustments for Restatements (Per SACS Report)	69,323
Ending Balance	\$ 15,270,958
Ending Fund Balances	
Deferred Maintenance (Fund 27/14)	\$ 5,850,784
Special Reserve Fund for Capital Outlay Projects (Fund 60/40)	8,154,587
Building Fund (Fund 70/21)	-
Capital Facilities (Fund 73/25)	979,939
County School Facilities (Fund 82/35)	285,648
State School Building Lease-Purchase (Fund 84/30)	-
Ending Balance of All Funds	\$ 15,270,958

Total Revenues and Expenditures (By Fund)

Fiscal Years 1995/96 through 2009/10	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	State School Building Lease- Purchase Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	TOTAL
REVENUES							
Deferred Maintenance Apportionments	\$ 5,907,964	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,907,964
FEMA	-	-	-	-	-	802,241	802,241
Interest	1,818,728	9,557,123	293,421	591,648	3,912,116	4,763,385	20,936,431
Mitigation / Developer Fees	-	-	13,204,756	-	-	-	13,204,756
Other Federal Revenue	-	-	-	-	-	250,653	250,653
Other Local Income	-	400	1,761	-	-	531,508	533,669
Proceeds From Bond Issuance	-	112,494,996	-	-	-	-	112,494,996
Proceeds From Capital Leases (Other Sources)	-	-	378,403	-	-	-	378,403
Rents & Leases	-	-	-	-	-	236,724	236,724
Sale of Property	-	-	-	-	-	7,475,000	7,475,000
School Facilities Apportionments	-	-	-	4,584,824	73,872,951	-	78,457,775
City of Burbank	-	-	-	-	-	1,632,154	1,632,154
Transfers In From General Fund - City of Burbank	-	-	-	-	-	23,230,810	23,230,810
Net Interfund Transfers (To)/From General Fund	(1,584,548)	(59,600)	-	-	-	10,087,404	8,443,256
Total Revenue & Transfers (To)/From General Fund	\$ 6,142,144	\$ 121,992,919	\$ 13,878,341	\$ 5,176,472	\$ 77,785,067	\$ 49,009,889	\$ 273,984,832
Net Interfund Transfers (To)/From Other Facility Funds	1,674,410	(3,999,438)	-	803,415	18,371,483	(16,849,870)	-
Total Revenues & All Interfund Transfers	\$ 7,816,554	\$ 117,993,481	\$ 13,878,341	\$ 5,979,887	\$ 96,156,550	\$ 32,160,019	\$ 273,984,832
EXPENDITURES							
Walt Disney ES (Relocatable Buildings; Walkway; Modernization)	\$ 13,687	\$ 2,583,274	\$ 245,581	\$ 79,735	\$ 504,805	\$ 1,147,197	\$ 4,554,279
Thomas Edison ES	631,756	1,236,668	371,188	63,930	1,272,480	342,398	3,918,420
Ralph Emerson ES	42,419	2,606,328	14,251	64,038	1,307,086	1,058,220	5,092,342
Bret Harle ES	44,704	1,530,038	357,317	110,059	1,606,487	245,039	3,893,644
Thomas Jefferson ES	343,613	1,039,761	211,297	183,485	1,669,256	748,852	4,196,264
William McKinley ES (Modernization)	212,714	8,607	89,141	-	9,976,602	257,222	10,544,286
Joaquin Miller ES (Elementary/Kindergarten, Modernization)	164,977	2,717,410	651,599	114,398	(204,542)	10,021,140	13,484,982
Providence ES (Modernization)	49,633	58,808	212,625	89,801	7,140,425	263,152	7,814,444
Theodore Roosevelt ES	69,481	1,816,238	75,798	56,561	1,189,489	612,233	3,819,800
R L Stevenson ES (Modernization)	3,826	3,420,812	42,108	218,524	66,306	713,779	4,463,355
George Washington ES	106,679	731,891	223,383	73,833	1,437,494	2,996,816	5,570,096
David Starr Jordan MS	103,690	41,843	692,977	1,776,193	7,443	4,929,768	7,552,114
Luther Burbank MS (Modernization; Sound Attenuation; Learning Center)	138,973	97,787	779,209	-	14,461,825	749,121	16,226,915
Monteary HS (Modernization)	81,351	74,318	297,350	64,026	4,696,958	449,347	5,663,350
John Muir MS (Modernization)	115,272	8,580,732	36,003	49,177	4,105,742	1,401,032	14,287,958
Burbank HS (Modernization; Solar Heating; Track & Field)	51,883	51,759,325	2,168,209	625,287	12,257,568	5,002,686	71,865,158
John Burroughs HS (Modernization; Solar Heating)	9,082	37,096,698	2,568,081	574,491	9,493,573	4,288,538	54,030,463
Burbank Adult School (Sound Attenuation)	39,194	445	-	-	1,980,189	126,264	2,146,092
Community Day School - Alt. Ed.	-	-	958,383	-	-	334,061	1,292,444
District Office (Districtwide; Facilities Master Planning; Facility Services)	392,074	7,254,917	2,271,358	358,345	(2,127,477)	14,413,288	22,562,503
Horance Mann Children Center	39,965	-	733,720	-	-	549,374	1,323,559
Other Minor Projects	-	-	6,214	-	-	160,390	166,604
Unallocated Expense FY 1999-00	-	981,593	-	-	-	-	981,593
Variances Between Financial Data and SACS Reports - Expenditures	1	5	(187)	(1)	(1)	1,675	1,482
Total Expenditures	\$ 2,655,174	\$ 123,617,498	\$ 13,005,593	\$ 4,499,882	\$ 70,841,708	\$ 50,812,292	\$ 265,432,147
Excess of Revenue over Expenditures	\$ 5,161,380	\$ (5,624,017)	\$ 872,748	\$ 1,480,005	\$ 25,314,842	\$ (18,652,273)	\$ 8,552,685
Beginning Fund Balance	\$ 276,725	\$ -	\$ 107,191	\$ -	\$ -	\$ 3,594,900	\$ 3,978,825
Adjustments to Fund Balance							
Variances Between Financial Data and SACS Reports - Revenues	\$ 1	\$ 4	\$ -	\$ 19	\$ (20)	\$ 1	\$ 5
Audit Adjustments (Per SACS Report)	412,678	5,617,128	-	(1,480,024)	(482,297)	(1,397,365)	2,670,120
Adjustments for Restatements (Per SACS Report)	-	6,865	-	-	(24,548,877)	24,609,315	69,323
Ending Balance	\$ 5,850,784	\$ -	\$ 979,939	\$ -	\$ 265,848	\$ 8,154,587	\$ 15,270,958

To prepare the *Total Revenues and Expenditures* reports included above, VLS created multiple layers of data files, with each data file building upon the previous to ultimately create one consolidated report of revenue and expenditure activity for all Construction Related Fund activity during the Review Period. Each data file created is discussed below.

*Annual Summary of Revenues and Expenditures by Location Code*¹⁸

Each revenue and expenditure transaction includes an Object code, which identifies the revenue or expenditure type, and a Location code, which identifies the school site and/or project associated with the use of funds. For each year and each Construction Related Fund, VLS created a summary of the revenue and expenditure activity by the Location code. This allowed VLS to identify the revenue by funding source and the expenditures for each Location Code within a particular fund and year. This schedule was created in the same Excel file that contained the detail revenue and expenditure activity.

*Fund Summary of Revenues and Expenditures by Major Project*¹⁸

VLS consolidated the *Annual Summary of Revenues and Expenditures by Location* to arrive at the total revenue and expenditure activity for each Construction Related Fund. Six separate schedules were prepared, one for each Construction Related Fund, and each schedule contains the transaction activity for all years in the Review Period (displayed by year). VLS aggregated similar Location Codes in order to identify the total cost of each major project with expenditures in a particular fund. For example, the District used multiple Location Codes for the same modernization project at Burbank High School. The Location Codes pertaining to the Burbank High School modernization project were aggregated within each Construction Related Fund.

Although these schedules have not been included in this report, the format of each is the same as the schedule included in **Exhibit A**. The schedules contain five key pieces of information: beginning fund balance, revenues, expenditures, adjustments, and ending fund balance. Each of the sections is discussed further below.

Beginning Fund Balance

The beginning fund balance for FY1995/96 is the beginning balance shown in the SACS report for each Construction Related Fund. Starting in FY1996/97, the beginning fund balance is equal to the ending fund balance of the prior year.

Revenues

Each schedule identifies the total revenues by type (funding source), including the net of Interfund Transfers to/from the General Fund. Transfers from the General Fund into one of the Construction Related Funds generally consisted of:

¹⁸ The electronic files created have been provided to the District and are available upon request from the District.

- District contributions to the Deferred Maintenance Fund to match the apportionments received from the State of California,
- District contributions to the Deferred Maintenance Fund to meet the District's long-term maintenance plan,
- District contributions to the Special Reserve Fund for Capital Outlay Projects to finance the District's various construction projects, and
- Transfers to the Special Reserve Fund for Capital Outlay Projects for monies received from the City of Burbank to fund various construction projects.¹⁹

These various interfund transfers from the General Fund to the various Construction Related Funds are considered revenue sources for the Construction Related Funds; therefore, VLS included these sources within the revenue section. Interfund transfers between the various Construction Related Funds are shown separately because, once all of the Construction Related Funds are consolidated, these transfers cancel each other out.

Expenditures

VLS consolidated expenditures by District location, which primarily consist of school locations. **Exhibit E** includes a list of all District schools and other sites. Within each school location, VLS separated the expenditures according to the various projects identified at that particular location. Some projects are identified by a specific project number (e.g., Disney Project 0301). Whenever possible, a description was associated with the project number; however, this information was not available for all projects identified.

Similar projects are aggregated and reported on one line. For example, Joaquin Miller Elementary School had three different project codes for its modernization project. These project codes were consolidated to report one expenditure amount for the modernization project.

Near the bottom of the expenditure section, a line item is included for "Unallocated" expenditures. In FY1999/00, there is an audit adjustment of \$981,593 that is recorded in the expenditures of the Building Fund (Fund 70/21). This amount was an accumulation of adjustments that affected various projects. The District no longer had the detail that documented which projects were affected; therefore, this amount could not be allocated to the appropriate projects.²⁰

Lastly, a line item is included in the expenditure section for variances identified between the financial data provided to VLS and the SACS reports. Except for FY1996/97, these variances are the result of rounding differences caused when the District reported its

¹⁹ From FY1995/96 through FY1999/00, when the District received money from the City that was to be used on various construction projects, the District would deposit the funds into the General Fund and then transfer the revenue to the Special Reserve Fund for Capital Outlay Projects. Beginning in about FY2000/01, the District began depositing money received from the City directly into the fund from which the money was to be spent. Once this practice began, there was only one additional year (FY2002/03) in which money received from the City was deposited into the General Fund and then transferred to the Special Reserve Fund for Capital Outlay Projects.

²⁰ The District was not required to retain the documentation beyond four fiscal years.

financial information in the SACS report in whole numbers. For FY1996/97, the revenue and expenditure reports provided by the District were not the final version. The District represented that it was unable to locate the final draft of the reports, which would tie exactly to the SACS reports. The net difference of total expenditures for all funds is \$1,482.

Adjustments

There are three types of adjustments that are included below expenditures. These adjustments are necessary in order to arrive at the correct ending fund balance.

Variances between the Financial Data and the SACS Reports – Revenues: These adjustments are used to correct for rounding differences caused when the District reported its financial information in the SACS report using whole dollars. The cumulative total of this adjustment for all Construction Related Funds is \$5.

Audit Adjustments per the SACS Reports: When the District recorded an audit adjustment proposed by its external auditors, the adjustment was recorded directly to the subsequent year's beginning balance of the related fund and did not appear in the revenue or expenditure reports provided to VLS. In order for VLS to calculate the correct ending fund balances, the audit adjustment must be included. Generally, the audit adjustments relate to over/under-accruals of Accounts Receivable or Accounts Payable. A positive number increases the fund balance, whereas a negative number decreases the fund balance. The cumulative total of all audit adjustments during the Review Period and for all Construction Related Funds is \$2,670,120.

Adjustments for Restatements: These adjustments are for restatements made by the District and did not originate from the external audit. Similar to the audit adjustments, these adjustments were recorded against the beginning fund balance in the subsequent year. A positive number increases the fund balance, whereas a negative number decreases the fund balance. The cumulative total of all restatements during the Review Period and for all Construction Related Funds is \$69,323.

Ending Fund Balance

The ending fund balance is a calculation, which is as follows:

Beginning Fund Balance
+ Total Revenues & Net Interfund Transfers
- Total Expenditures
+/- Audit Adjustments Per the SACS Reports
<u>+/- Adjustments for Restatements</u>
Ending Fund Balance

VLS agreed the calculated ending fund balances to the ending fund balances reported in the SACS reports, which were reconciled each year in the audited financial statements.

VLS prepared two different formats of this schedule for each Construction Related Fund. The first version, described above, summarized expenditures by major facilities projects. In the second version, the section containing expenditures by major project was replaced with expenditures by major Object Code (classified salary, employee benefits, books and supplies, services and other operating, capital outlay, and other outgo).

Although not included with this report, these schedules have been provided to the District.

*Summary of Revenues and Expenditures by Major Project (All Construction Related Funds) – see **Exhibit A***

VLS consolidated, into one schedule, all revenue and expenditure activity for all Construction Related Funds and all years in the Review Period. This schedule contains the same components as the *Fund Summary of Revenues and Expenditures by Major Project* discussed above. The activity is presented by Fiscal Year with a total for all years included at the far right. This schedule includes the sum of all funding sources and all project costs associated with the Construction Related Fund during the Review Period.

VLS prepared two different formats of this schedule. One schedule presents expenditures by major project while the other presents expenditures by major Object Code.

VI. Revenue and Expenditure Testing

The objective of this testing was to review supporting documentation for a sample of revenues and expenditures in the Construction Related Funds for the Review Period to verify that the transactions were accurately recorded in the books and records of the District.

A. Procedures

Sample Selection Process

Document Retention Period

In order to determine the best approach for selecting a sample of revenues and expenditures for testing over such an extended time frame, VLS requested a copy of the District's retention policy and inquired as to the availability of supporting documents for the Review Period. According to discussions with District employees, District records are retained until the fourth fiscal year following the year in which the records originated. An example is presented below:

Fiscal Year of Record Origination	1 st School Year	2 nd School Year	3 rd School Year	4 th School Year	Record Destruction Begins
2005/06	2006/07	2007/08	2008/09	2009/10	July 2009

Based on the District's retention policy, records originating in FY2005/06 and prior would no longer be available. Additionally, some records originated in FY2006/07 would not be available as destruction of these records began in July 2010, approximately one month prior to when VLS was engaged by the District to perform this forensic accounting project.

District employees also informed VLS that original vendor warrant packages²¹ for construction projects were stored in the District's Warehouse.²² These vendor warrant packages were dated prior to FY2006/07; however, it was unknown if the records included support for all construction related vendor payments for FY1995/96 through FY2005/06.

The retention policy communicated by the District appears consistent with the written policy outlined in Section AR 3580 Business and Non-Instructional Operations (*Exhibit F*). The District retention policy defines three classes of records, as follows:

²¹ A vendor warrant package is created by Accounts Payable to support the vendor payment. These packages include a copy of the warrant issued to the vendor, an approved vendor invoice, and other supporting documents, if applicable. In many instances, the warrant packages also include a copy of the purchase order and/or vendor payment authorization, which identifies the account string to which the payment should be recorded.

²² The vendor warrant packages located in the Warehouse are files that were held by the Construction Accounts Payable desk. Under the supervision of the former Facilities Director, all construction project documents were to be held in one location. The organization of the documents was not completed and the documents have since been stored in the District's Warehouse.

- *Class 1 – Permanent:* annual reports, official actions, personnel records, student records, and property records.
- *Class 2 – Optional:* “any record considered temporarily worth keeping, but which is not a Class 1 record.” Class 2 records shall be retained until reclassified as Class 3 – Disposable.
- *Class 3 – Disposable:* “All records not classified as Class 1 (Permanent) or as Class 2 (Optional) shall be classified as Class 3 (Disposable).”

Generally, the type of District records that VLS would request in order to substantiate revenue and expenditure transactions would fall under Class 3 – Disposable (e.g., original signed record of cash receipt). The District's retention policy states the following regarding the retention period of records classified as Disposable: “All Class 3 (Disposable) records shall be destroyed during the third school year after the school year in which the records originated. In addition, Class 3 (Disposable) records shall not be destroyed until after the third school year following the completion of any legally required audit or the retention period required by an agency other than the State of California, whichever is later.”

The retention policy outlined by the District is very similar to the California Code of Regulations (“CCR”), Title 5 §16020 – 16027, Destruction of Records of School Districts (*Exhibit G*), which defines the same three classes of records described above. The CCR defines the retention period for Disposable records with a slight variation on wording. The CCR states, “Disposable records shall not be destroyed until after the third July 1 succeeding the completion of the audit required by Education Code Section 41020...” The following table illustrates the retention policy required by CCR:

Fiscal Year	Audit Completed	1st July 1	2nd July 1	3rd July 1	Year of Destruction
2005/06	2006/07	July 1, 2007	July 1, 2008	July 1, 2009	2009/10

The District's retention policy and practices are consistent with the requirements outlined by the CCR. Although technically in compliance with legal requirements, the District's retention policy lacks specificity and does not assign direct responsibility for implementation and enforcement. *The District should enhance its retention policy to provide more specific and direct guidance that will allow for more effective implementation.* See Recommendation #1 on page 68.

Sample Selection Methodology

The testing phase of this project began in late 2010, after the 2010/11 school year began; therefore, documents related to FY2005/06 and prior were generally disposed of according to the District's retention policy.²³ If VLS selected a sample for these years from the financial data, the District would not be able to locate the support for all transactions selected. Therefore, as agreed between VLS and the Committee, for FY1995/96 through FY2005/06, VLS tested revenues and expenditures based on the

²³ As mentioned previously, some original vendor warrant packages related to vendor construction payments prior to FY2006/07 were stored in the District Warehouse and still available for review.

supporting documentation still available at the District.²⁴ For FY2006/07 through FY2009/10, VLS selected a sample of revenue and expenditure transactions from the financial detail for each fund and requested supporting documentation from the District.²⁵ The following table summarizes the approach for selecting a sample based on the type of revenue/expenditure transaction and the fiscal year.

Transaction Type ²⁶	FY1995/96 - FY2005/06	FY2006/07 - FY2009/10
Revenues		
State Apportionments for School Facilities and Deferred Maintenance	All Transactions	All Transactions
Bond Proceeds	All Transactions	All Transactions
Developer Fees	None	Sample from Revenue Detail
Other revenue sources (e.g., other local)	None	Sample from Revenue Detail
Manual Journal Entries (contributions, transfers, etc.)	None	Sample from Revenue Detail
Interfund Transfers	All Transactions for FY1996/97 - FY2005/06	All Transactions
Expenditures		
Vendor payments	Payments ≥ \$25,000 from support located in the Warehouse	Sample from Expenditure Detail
Manual Journal Entries (expenditure transfers, accruals, etc.)	None	Sample from Expenditure Detail

All State Apportionments issued to the District for the County School Facilities and Deferred Maintenance Funds were tested because the information was readily available from the Office of Public School Construction. Similarly, all receipts of bond proceeds recorded in the Bond Fund were tested because the information was readily available in the bond issuance documents obtained from a third party source. Interfund Transfers were tested against the District's audited financial statements for FY1996/97 through FY2009/10. The District was unable to provide a copy of its audited financial statements for FY1995/96.

²⁴ This primarily consisted of the original vendor warrant packages stored in the District Warehouse.

²⁵ Because the District began destruction of FY2006/07 records in July 2010, some original documents were not available. This primarily consisted of original support for manual journal entries, although, some vendor warrant packages could not be located.

²⁶ Due to a low risk of error, it was determined by the Committee that VLS would not test interest revenue for any of the years in the Review Period. Revenue received from the City of Burbank was tested through a separate analysis discussed in Section IX. Payroll allocation expenditures were analyzed separately, as discussed in Section VII.

Sample Selection: FY2006/07 through FY2009/10

Once the Committee and VLS agreed on the methodology for selecting a testing sample, VLS selected a sample of revenues and expenditures from each fund with activity in FY2006/07 through FY2009/10. The process used to select a sample was judgmental and based on the level of activity in each fund and each year. The process is described further below.

Revenues – The volume of revenue transactions in each fund was significantly less than expenditure transactions; therefore, a sample was selected from the larger dollar transactions within the categories identified above. The Capital Facilities Fund (Fund 73.0 / 25.0) generally had the highest volume of revenue transactions compared to the other Construction Related Funds because Developer Fees²⁷ were deposited into this fund. Due to the nature of Developer Fees, the volume of these transactions was greater than other revenue types.

The following table lists the number of line item transactions selected for testing from the revenue transactions for FY2006/07 through FY2009/10.

Fund Name	Fund Number	FY2006/07	FY2007/08	FY2008/09	FY2009/10	Total
Deferred Maintenance Fund	14.0	2	5	2	1	10
Capital Facilities Fund	25.0	11	9	8	7	35
County School Facilities Fund	35.0	3	4	9	5	21
Special Reserve Fund	40.0	7	6	3	3	19
Totals		23	24	22	16	85

Expenditures – VLS estimated that testing an average of 50 expenditure transactions per fund, per year would provide adequate coverage. The volume of expenditure transactions varied significantly between funds in any given year; therefore, VLS adjusted the number of transactions selected in each fund according to the volume of transactions that went through the fund. Fewer than 50 transactions were selected in funds with a lower volume of activity, and more than 50 transactions were selected in funds with a greater volume of activity; however, the total sample selection for a given year was approximately equal to the number of funds with activity multiplied by 50. For example, FY2008/09 had three funds with expenditure activity. VLS selected a total of 153 transactions across all three funds; however, the number of transactions selected within each fund varied due to the volume and nature of the transactions.

VLS included several of the highest dollar transactions when selecting the sample; but not all of the transactions selected were amongst the highest in dollar value. Because construction was the primary expenditure in these funds, it was common to see only a few vendors as the recipients of the largest payments, and selecting only the largest dollar transactions could have resulted in reviewing expenditures related to a limited

²⁷ Developer fees are fees levied against a developer for construction within the boundaries of the District, for the purpose of funding the construction or reconstruction of school facilities. Source: California Education Code Section 17620.

number of vendors and/or projects. The goal was to select a sample from a broad range of vendors and different projects. When making the selections, VLS filtered the expenditures by vendor and by project so that a more representative sample could be selected. VLS also selected expenditure transactions with no vendor name, which would be either an Accounts Payable accrual or a manual journal entry. Including these allowed coverage across different types of transactions.

The following table lists the number of line item transactions selected for testing from the expenditure transactions for FY2006/07 through FY2009/10.

Fund Name	Fund Number	FY2006/07	FY2007/08	FY2008/09	FY2009/10	Total
Deferred Maintenance Fund	14.0	0	0	0	1	1
Capital Facilities Fund	25.0	46	19	43	8	116
County School Facilities Fund	35.0	46	56	61	54	217
Special Reserve Fund	40.0	41	49	49	102	241
Totals		133	124	153	165	575

The sample selections for FY2006/07 through FY2009/10 were sent to the District so that the supporting documentation could be pulled and made available to VLS. Once the supporting documents were pulled, VLS went to the District to review the originals. On page 37 is a discussion of the types of documentation reviewed.

Sample Selection: FY1995/96 through FY2006/07

Revenues – Due to the limited availability of supporting documentation for this time period, VLS did not select a sample from the financial data. Original documentation to support the various revenue transactions was classified as disposable and no longer retained. VLS identified other reliable sources that could be used to support the revenue transactions and tested accordingly. Starting on page 37 is a more detailed discussion of the types of sources used.

Expenditures – Although not required by the District's written policy, vendor payments made during this time period for construction projects were partially retained and available at the District Warehouse and District Office. VLS accompanied a District representative to the Warehouse to identify supporting documentation that could be tested against the District's accounting records. VLS considered only the supporting documentation that was a complete vendor warrant package created by Accounts Payable to support the vendor payment. Generally, the warrant packages located in the Warehouse were for payments made in FY1995/96 through FY2004/05. VLS was informed that warrant packages related to FY2005/06 were located at the District Office, although some warrant packages for FY2005/06 were found in the Warehouse.

Original vendor warrant packages were located in several places in the Warehouse, as described below:

- Four file cabinets containing four drawers each – 12 of the 16 drawers contained vendor warrant packages.
- One large black cabinet containing 34 binders of vendor warrant packages and other construction related documentation (change orders, vendor contracts, etc.).
- An additional nine binders that were stored in boxes in the Warehouse – The binders contained vendor warrant packages and other construction related documents.
- A small file room located inside the Warehouse, which contained over 600 binders of construction related documents – In this room VLS identified 14 binders that contained vendor warrant packages.

Upon initial inspection of the available documents, it was difficult to estimate the volume of vendor warrant packages and the time required to test each warrant package; therefore, VLS began by testing all warrant packages available. VLS quickly determined that there were significantly more vendor warrant packages than originally estimated, and recommended a testing threshold of \$25,000 or greater, which was agreed to by the Committee. VLS continued to inventory all vendor warrant packages located in the Warehouse and at the District Office for the period FY1995/96 through FY2005/06 so that the total volume of supporting documents available could be identified and reported.

The following table summarizes the number of vendor warrant packages identified and tested for FY1995/96 through FY2005/06. The warrant packages tested by VLS equaled approximately 32% of the quantity of warrant packages identified and 89% of the dollar value of those warrants.

Vendor Warrant Packages FY1995/96 – FY2005/06	
Count of Total Warrant Packages	4,816
Value of Total Warrant Packages \$	179,059,890
Count of Tested Warrant Packages	1,562
Value of Tested Warrant Packages \$	158,623,638

During this process, VLS identified some vendor payments \geq \$25,000 that were entirely expensed to the General Fund or were for payments made in a fiscal year prior to FY1995/96. These warrants were not tested and are excluded from the totals shown above.

The numbers in the table above do, however, include warrant packages in which the related expenditure was allocated to more than one fund or was expensed in more than one fiscal year. In some cases, this includes warrant packages that were partially allocated to a fund other than one of the Construction Related Funds (e.g., General Fund) or partially accrued in a year prior to the Review Period. The portion of the expenditure not applicable to the scope of this project was not tested.

Types of Supporting Documentation Reviewed

As previously discussed, the District's retention period requires that the District retain original support for cash receipts and vendor payments for a period of approximately four fiscal years. Although the District has retained support for some vendor payments for a period longer than required, not all original supporting documentation was available for review. VLS identified other sources of supporting documentation that could be used during the testing process and created a matrix of supporting document classifications.

The table on the following page identifies the types of supporting documentation VLS reviewed for the various revenue and expenditure transactions tested. VLS separated the supporting documentation types into categories, with Category 1 being the most reliable and Category 3 being the least reliable. If no supporting documentation was available for a selected transaction, it was identified as Category 4. Categories 1 through 3 are described further below.

- **Category 1** documents include original signed documentation generated by the District, documentation obtained by VLS from a 3rd party, the District's financial statement audit reports, or the District's approved Board of Education meeting minutes.
- **Category 2** documents include photocopies of original documents created by the District. Photocopies are considered less reliable because the originality of the information cannot be confirmed.
- **Category 3** documents include items that provide limited information on the transaction and do not include support that justifies the transaction or identifies the transaction as having been approved.

Category 1 (Most Reliable) <i>Revenues</i>	Category 2 <i>Revenues</i>	Category 3 (Least Reliable) <i>Revenues</i>	Category 4 <i>Revenues</i>
Original signed record of cash receipt	Photocopy of signed record of cash receipt	Cash receipt ledger/report	No supporting documentation provided
Fund release reports from Office of Public School Construction	Photocopy of approved journal entry with supporting documents/justification	Journal entry detail (without support/justification)	
Bond Issuance/Statement			
Original approved journal entry with supporting documents/justification			
Financial Audit for Interfund Transfers			
Board Approved Minutes			
Payment Schedule Provided by the City of Burbank			
Expenditures	Expenditures	Expenditures	Expenditures
Original approved vendor invoice	Photocopy of approved vendor invoice	SAB 50-06; SAB 40-24; SAB 184/184a	No supporting documentation provided
Original approved journal entry with supporting documents/justification	Photocopy of approved journal entry with supporting documents/justification	Journal Entry Detail (w/out support justification)	
Financial Audit for Interfund Transfers		Photocopy of check (w/out support justification)	
PeopleSoft report for cleared checks		Photocopy of invoice without approval signature	
Board Approved Minutes			

Attributes Tested During Supporting Documentation Review

VLS tested the following key attributes for each revenue and expenditure transaction.

Revenues

For each revenue transaction, VLS verified that:

- The revenue *amount* recorded in the accounting records matched the revenue received per the supporting documents.
- The revenue *type* recorded in the accounting records was appropriate based on the type of revenue received per the supporting documents.
- The revenue was recorded in the correct *fiscal year* based on when it was earned and/or received.
- The revenue was recorded in the correct *fund* based on the type of revenue received.

Expenditures

For each expenditure transaction, VLS verified that:

- The expenditure *amount* recorded in the accounting records matched the cost incurred per the supporting documents.
- The expenditure *type* recorded in the accounting records was appropriate based on the type of cost incurred per the supporting documents.
- The *School Site or District Location* recorded in the accounting records was appropriate based on the description provided in the supporting documents.
- The expenditure was recorded in the correct *fiscal year* based on when the cost was incurred.
- The expenditure was recorded in the correct *fund* based on the type of cost incurred.
- The expenditure was in accordance with the District's *Deferred Maintenance Plan* (Deferred Maintenance Fund only).
- The expenditure was in accordance with the purpose of funds as outlined in the *Bond Issuance* (Building Fund only).

B. Results

Testing Summary for FY1995/96 through FY2005/06

For FY1995/96 through FY2005/06, VLS tested revenue and expenditure transactions after identifying the original support retained by the District. As previously stated, the District was not required to keep original supporting documentation for cash receipts, vendor payments, and manual journal entries beyond approximately four fiscal years.

For revenue transactions, the District no longer had original supporting documentation available; however, VLS identified third party sources and other reliable sources to verify certain revenue transactions, which included:

- Deferred Maintenance Apportionments and School Facility Apportionments as reported by the Office of Public School Construction,
- Bond proceeds documented in the Bond Issuance obtained from the Municipal Securities Rulemaking Board²⁸,
- Payments from the City of Burbank verified against a list of payments obtained directly from the City, and
- Interfund Transfers identified in the District's audited financial statements.

For expenditure transactions during this time frame, the District retained some vendor payments related to construction projects completed during this period. VLS identified the available documents and set a threshold of \$25,000 for testing. Any vendor payment equal to or greater than \$25,000 was tested against the District's accounting records.

Included on the next page is a table that summarizes the results of testing revenue and expenditure transactions for FY1995/96 through FY2005/06. Categories 1 through 3 represent the type of documentation reviewed for each transaction tested. The definitions for these categories are included on page 37 of this report. Category 4 (Not Available) was excluded from this table because VLS did not select a sample of transactions from the accounting records; therefore, the testing sample was taken from the documents that were available and this category is not applicable. The difference between the "Net Fund Activity" and the "Total Agreed to Support" is due to the records not being available or the vendor payment being under the \$25,000 threshold for testing.

²⁸ <http://emma.msrb.org>.

Description		FY1995/96 - FY2005/06	
Revenues ²⁹		Dollar Value	Transactions
Net Fund Activity		\$ 260,299,681	
Total Agreed to Support			
Category 1 (Most Reliable)	\$ 182,724,667	50	
Category 2	\$ -	0	
Category 3 (Least Reliable)	\$ -	0	
Totals		\$ 182,724,667	50
Percentage of Fund Activity		70.2%	
Expenditures ³⁰		Dollar Value	Transactions
Net Fund Activity		\$ 230,205,884	
Total Agreed to Support			
Category 1 (Most Reliable)	\$ 150,554,345	1,840	
Category 2	\$ 3,608,186	77	
Category 3 (Least Reliable)	\$ -	7 ³¹	
Totals		\$ 154,162,531	1,924
Percentage of Fund Activity		67.0%	

The "Transactions" column represents the number of line items tested in the District's financial records. Some transactions included more than one line item, for example, when a vendor payment is allocated to more than one school site. Depending on how a transaction was selected for testing, VLS might not have tested all line items related to an individual transaction. The "Dollar Value" and "Transaction" included above accounts for only the portions of each transaction actually tested.

²⁹ The net revenue activity shown in this table and the table on page 42 equals \$302,985,420 (\$260,299,681 + \$42,685,739). This is the total of revenue transactions shown in the financial detail provided by the District. VLS adjusted this revenue amount for the following: \$(1,023,655) – Net Transfers In/Out shown in the SACS reports but not in the financial detail provided by the District; \$(28,041,234) – Interfund Transfers Out netted against Interfund Transfers In for presentation of total revenues; and \$64,301 increase in revenue for City of Burbank receipts booked as abatements and interest income variances between the financial detail and SACS reports. After these adjustments, the total revenue calculated by VLS is \$273,984,832, as shown in the schedule of Total Revenues and Expenditures at page 24.

³⁰ The net expenditure activity shown in this table and the table on page 42 equals \$293,463,707 (\$230,205,884 + \$63,257,823). This is the total of expenditure transactions shown in the financial detail provided by the District. VLS adjusted this expenditure amount for the following: \$(28,041,234) – Interfund Transfers Out netted against Interfund Transfers In for presentation of total revenues; \$1,482 – increase in expenditures for variances between the financial data and SACS reports; \$8,191 – increase in expenditures for City of Burbank revenue booked as abatements; and \$1 increase for rounding variance. After these adjustments, the total expenditures calculated by VLS is \$265,432,147, as shown in the schedule of Total Revenues and Expenditures at page 24.

³¹ Although seven transactions were selected for testing, the net effect of the transactions on fund expenditures was \$0. The transactions were manual journal entries that moved expenditures from the Capital Facilities Fund (25.0) to the County School Facilities Fund (Fund 35.0). The support reviewed was a copy of the manual journal entry printed from PeopleSoft, the District's accounting software. Original approved manual journal entries were no longer available for review during this period.

Testing Summary for FY2006/07 through FY2009/10

For FY2006/07 through FY2009/10, VLS selected a sample of transactions for testing from the detailed accounting records of the District. The table below identifies the sample size selected and the type of documentation reviewed for each transaction (represented by Category 1 through 3).

Description			FY2006/07 - FY2009/10	
Revenues	Dollar Value	Transactions		
Net Fund Activity	\$ 42,685,739			
Total Sample Selected	\$ 27,255,439	85		
Percentage of Fund Activity	64%			
Total Agreed to Support				
Category 1 (Most Reliable)	\$ 26,986,336	68		
Category 2	\$ -	0		
Category 3 (Least Reliable)	\$ 274,546	13		
Totals	\$ 27,260,882 ³²	81		
Percentage of Sample Selected	100.0%	95.3%		
No Support Available	\$ (5,443)	4		
Percentage of Sample Selected	0.0%	4.7%		
Expenditures	Dollar Value	Transactions		
Net Fund Activity	\$ 63,257,823			
Total Sample Selected	\$ 46,625,400	575		
Percentage of Fund Activity	73.7%			
Total Agreed to Support				
Category 1 (Most Reliable)	\$ 44,614,828	475		
Category 2	\$ 1,178,613	42		
Category 3 (Least Reliable)	\$ 642,006	33		
Totals	\$ 46,435,447	550		
Percentage of Sample Selected	99.6%	95.7%		
No Support Available	\$ 189,953	25		
Percentage of Sample Selected	0.4%	4.3%		

Category 3 transactions occurred in FY2006/07 and FY2007/08 and consist of the following types of transactions:

³² The sample selection for revenues included transactions that reduced revenue (e.g., refunds of developer refunds). The net activity for all transactions selected equals \$27,255,439. The total dollar value of transactions agreed to support is \$27,260,882, which is higher than the stated sample amount due to developer fee refunds for which the District was unable to provide support. When combined with the amount shown for "No Support Available" the total is equal to the sample selection.

- Cash receipts,
- Manual journal entries,
- Accounts payable accruals, and
- Vendor payments

For the cash receipt transactions, VLS reviewed a copy of the District's cash receipt log to identify the payer, amount, and description. For the other transaction types, VLS reviewed a copy of the journal entries printed from the District's accounting software.

The line item, "No Support Available," identifies the dollar value and quantity of transactions for which the District was unable to locate supporting documentation. These transactions occurred in all four years and primarily relate to vendor payments. A list of the vendor payments for which the District was unable to provide support is included in **Exhibit H**.

Variances Identified During Testing

During the review of supporting documentation for the sample selection, VLS tested several different attributes, which are listed on page 39. Transactions that appear to have been recorded incorrectly or inconsistently in the District's accounting records are included in **Exhibit B**. The transactions are separated into different lists depending on the type of variance identified. Each list includes the fiscal year in which the transaction was recorded, the fund number and name, the type of transaction (revenue / expenditure), the total amount tested, the amount of the variance, the type of variance, and a description of the variance. Each type of variance is discussed further below.

Expenditure Accrual – Timing Difference

The District's fiscal year begins on July 1 and ends on June 30 of the following calendar year. When an expenditure is incurred (the goods or services have been received) on or before June 30, but is not paid until after June 30 (in the next fiscal year), an accrual is recorded in the District's accounting records to record the amount owed to the vendor at the end of the fiscal year. This also ensures that expenditures are recorded in the fiscal year in which the costs were incurred.

During testing, VLS identified expenditures that were paid in the fiscal year following when the expenditure was incurred; however, the District did not accrue for the expenditure. In some cases, this occurred because the vendor invoice overlapped two fiscal years, and the expenditure was not distributed between the two fiscal years. When possible, VLS calculated the amount that should have been accrued in the prior year based on the information contained in the vendor's invoice. In some cases, the vendor invoice did not contain enough information to calculate the cost attributable to each fiscal year.

This type of variance resulted in a timing difference in the District's financial records. Although the expenditure was not recorded in the proper fiscal year, the expenditure was still recorded; therefore, the total costs associated with the related projects are reflected accurately over time.

This type of variance was last identified in FY2003/04. Currently, the District has implemented certain procedures to ensure that vendor invoices are received in a timely manner, and the appropriate accruals are created. In May of each year, the Accounts Payable Department reminds current vendors of the District's June 30th year-end to encourage vendors to submit invoices in a timely manner. Accounts Payable also calls vendors with open Purchase Orders ("PO's") to determine if shipments will arrive by June 30th. The Purchasing Department calls vendors with open PO's for which there has never been a payment to determine if the service or supplies will still be provided.

As mentioned above, some vendor invoices covered a period that overlapped two fiscal years (e.g., June and July), and the invoice did not always provide a break-down of the costs incurred in each month invoiced. The District has communicated to vendors the importance of submitting an invoice for the month of June that clearly states what services and supplies/equipment were provided in June.

The total accrual timing variances identified equal \$1,125,268. This number excludes four vendor payments for which there was not enough information contained in the invoice for VLS to calculate the variance. VLS did not adjust the financial detail for these variances as it is a timing difference and does not impact total project expenditures over time.

Expenditure Accrual – Under/Over

This type of variance resulted because the District did not record the correct amount when accruing a vendor invoice. In most instances, the amount accrued was either higher or lower than the invoice and/or payment amount. In one instance, only a portion of the vendor invoice was accrued, which was appropriate, because the cost incurred related to two fiscal years. However, when the vendor invoice was paid, the entire payment amount was recorded against (debited to) Accounts Payable, creating a negative balance (debit balance) in Accounts Payable. An example of this is illustrated below:

Scenario: In FY2 the District received a vendor invoice for \$50,000. \$25,000 of the invoice related to work performed in FY1 and the other \$25,000 related to work performed in FY2. In FY1, the District recorded an accrual for the \$25,000 cost incurred in FY1. The entry was recorded as follows:

Dr.	Expense	\$25,000
Cr.	Accounts payable	\$25,000

When the vendor payment was made, the \$25,000 cost incurred in FY2 should have been recorded in expenditures, and the \$25,000 recorded in Accounts Payable should have been cleared out. The transaction should have been recorded as follows:

Dr.	Accounts Payable	\$25,000
Dr.	Expense	\$25,000
Cr.	Cash	\$50,000

The actual entry recorded by the District was recorded similar to the following:

Dr.	Accounts Payable	\$50,000
Cr.	Cash	\$50,000

These entries by the District resulted in the expenditures being understated until the Accounts Payable account was corrected, which generally happened at the end of the fiscal year when preparing to record the new expenditure accruals. To clear out the negative (debit) balance in Accounts Payable the expenditure accounts were increased, therefore correcting the understated expenditure that was originally created. This type of variance resulted in a timing difference because the expenditures were ultimately recorded when the Accounts Payable account was corrected. This type of variance was last identified in FY2002/03.

The total accrual variances identified equal \$129,643. VLS did not adjust the financial detail for these variances because the project expenditures are reported accurately over time.

Currently, Accounts Payable accruals are created as vendor invoices are received. An invoice that is accrued is stamped with an "Accrual" stamp and the amount accrued is noted. Accruals are recorded directly in the accounting system until the second week in July. After this, the Accounts Payable clerks prepare manual accruals, which log all of the invoices that need to be accrued. The Fiscal Services Supervisor³³ creates and posts manual journal entries based on the detail provided in the manual accruals prepared by the Accounts Payable clerks. As payments are made, the Accounts Payable clerks make notations on the manual accruals.

An Accounting Technician monitors and reconciles the Accounts Payable account throughout the year. Open and unpaid entries are researched, and adjustments are made through manual journal entries as needed.

Object Code Variances/Inconsistencies

The Object Code portion of the account string identifies the type of revenue or expenditure transaction. Revenue transactions use an Object Code that begins with "8" and are segregated into four main revenue types: Revenue Limit Sources, Federal, Other State, and Local. The expenditure Object Codes include seven main categories as shown below:

- 1XXX – Certificated Salary Expense
- 2XXX – Classified Salary Expense
- 3XXX – Employee Benefit Expense
- 4XXX – Books and Supplies
- 5XXX – Services and Other Operating Expenses
- 6XXX – Capital Outlay

³³ Beginning in FY2010/11, this step is now performed by the Accounting Technician.

7XXX – All Other Financing Uses/Other Outgo

Within each revenue and expenditure category, the Object Codes are further defined into very specific descriptions. For example, Object Code 6205 is for Architect Fees/Reimbursable. When testing revenue and expenditure transactions, VLS verified that the Object Code used was consistent with the description included on the supporting documentation being reviewed.

VLS identified instances in which the Object Code used did not appear appropriate considering the description provided on the support or was inconsistent with the Object Code used for other similar transactions. Although the specific Object Code used did not appear appropriate, the expenditures consolidated into the same major Object Code category for reporting purposes in the District's SACS reports. A majority of the expenditures identified with this specific variance were appropriately allocated to 62XX – "Buildings and Improvements of Buildings," but the specific Object Code used was inconsistent or there was another Object Code that better defined the type of expenditure incurred. These variances total \$2,492,784.

In one instance, an expenditure of \$54,462 was recorded in the Object Code category 5XXX – "Services and Other Operating Expenses." Based on the description provided in the supporting documents, an Object Code in the 6XXX – "Capital Outlay" category would have been more appropriate.

The total variances identified for Object Code classifications equal \$2,547,246. These variances do not impact the total expenditures reported for a particular fiscal year or project; therefore, VLS did not make adjustments to the financial detail to reflect these variances.

Location Code Variances

The Location Code portion of the account string identifies the school site or other District location to which the revenue or expenditure transaction relates. The Location Code can also identify the type of project being performed at a particular location. Most revenue transactions recorded by the District did not assign a Location Code, and, except for apportionments received from the State of California, VLS left the revenue dollars "Unallocated."

Most expenditure transactions were assigned a Location Code by the District. In order to prepare the summary accounting included on pages 24 to 26, VLS re-allocated expenditure transactions that were recorded in the "Unallocated" Location Code. When performing the test work on expenditure transactions, VLS verified that the Location Code recorded in the District's accounting records was consistent and/or reasonable based on the information provided in the supporting documentation.

VLS identified instances in which the Location Code recorded in the District's accounting records was not appropriate considering the information provided in the supporting documentation. The specific variances identified include the following:

- Entire invoice was expensed to one location when it should have been allocated between two or more locations
- Invoice was allocated 50/50 to two locations when it should have been allocated proportionate to the actual costs incurred at each location as provided by the detailed invoice
- Entire invoice was allocated to the wrong location
- Invoice was allocated to the wrong project type for the location

The list of variances in **Exhibit B** includes the dollar amount of the invoice that was not correctly allocated. In some instances, the vendor invoice did not contain enough information to calculate the amount that should have been allocated between the two or more schools where the work was performed.

The total variances identified for Location Code classifications equal \$673,686. This number excludes four vendor payments for which VLS does not have enough information to calculate the variance. Although the variances do have an impact on the expenditures reported for certain projects, total expenditures on an annual basis are not affected; therefore, VLS did not adjust the financial detail to reflect these variances.

Scope Limitations

In order to test the various attributes for each revenue and expenditure transaction, VLS reviewed the information contained in the supporting documentation. If the information contained in the supporting documentation was not sufficient to make a conclusion on the attribute being tested, the attribute was identified as having a "Scope Limitation." Thirteen transactions, totaling \$420,913, did not contain enough information in the supporting documentation to verify the accuracy of the Location Code and/or the Object Code recorded in the accounting system.

Other

During testing, VLS identified other inconsistencies and/or deficiencies in the supporting documentation, including:

- One transaction in which the account name was not consistent with the description of work performed (\$27,396)
- Three transactions in which the invoice did not contain an approval signature (\$65,847)
- One Developer Fee refund which was overpaid by \$658 because the 10% processing fee was not withheld

Fund Allocation Variances³⁴

Each of the Construction Related Funds has a specific purpose for which the money deposited into the funds should be used. Some funds have a more broad purpose while others are more restrictive. California Education Code provides language that defines

³⁴ This variance type has been excluded from **Exhibit B** because the accounting was not incorrect, and the expenditures were appropriate for the fund in which they were recorded. This particular variance is included in this report because the support did not provide sufficient explanation or documentation of the change in fund allocation.

the appropriate types of expenditures, and exclusions, related to each of the District funds. Using California Education Code, VLS identified the allowable and unallowable revenue and expenditure types for each Construction Related Fund.

For each transaction tested, VLS verified that the revenue or expenditure type was appropriate for the particular fund. For example, bond proceeds received by the District from the issuance of a bond must be deposited into the Building Fund, and the expenditures paid out of the Building Fund must relate to the purpose identified in the Bond Issuance document. Generally, one would see construction type activity being paid for out of the Building Fund as well as other expenditures directly related to the construction activities identified in the issuance document. See *Exhibit I* for a description of each of the Construction Related Funds and applicable code sections.

For each revenue and expenditure transaction tested, the activity appeared appropriate considering the purpose of the fund, the allowable and un-allowable expenditures identified in the California Education Code, and the available documentation.

VLS identified variances when comparing the fund shown on the supporting documentation to the actual fund to which the expenditure was recorded. The supporting documentation reviewed usually included a copy of the District purchase order and/or a form called the "Vendor Payment Authorization." Both documents, if attached, provided the account to which the expenditure was recorded.³⁵ VLS identified instances in which the fund documented on the purchase order or the Vendor Payment Authorization varied from the fund in which the expenditure was actually recorded. For example, in FY2003/04 and FY2004/05, VLS identified multiple vendor payments with support that indicated the expenditure was to be allocated to the Building Fund (Fund 21.0); however, the expenditure was actually paid out of the County School Facilities Fund (Fund 35.0).

The District represented that the bond proceeds had been exhausted and the District had to identify other sources of revenue to complete the existing construction projects. It is not un-common for large construction projects to be funded by multiple revenue sources and have expenditures allocated to multiple funds.

VLS verified that the type of expenditure was allowable for the fund from which it was actually paid. Additionally, the Building Fund had an ending fund balance of \$0.11 at the end of FY2003/04; therefore supporting the statement that the bond funds had been exhausted. Both local bond monies and state facilities monies were necessary to fully fund these projects and, therefore, it is reasonable that the accounting for these expenditures impacted both funds.

³⁵ The District account string coding is consistent with the format approved by the California State Board of Education and published in the California School Accounting Manual. The first two digits of the account string identify the fund to which the transaction is recorded.

VII. Payroll Expense Analysis

The objective of this analysis was to identify the names and titles of the employees whose salary and benefit expenses were allocated to the Construction Related Funds during the Review Period to verify the reasonableness of such allocations.

A. Procedures

Background

While preparing an accounting of each Construction Related Fund during the Review Period, VLS identified several funds that contained allocations of employee salary and benefit costs. Per discussions with District employees, these allocations were made to a Construction Related Fund when a District employee performed work that directly related to a project paid for out of that same fund. For example, the salary and benefit costs of a Project Manager that is responsible for overseeing the progress of a particular construction project would be allocated to the fund from which the costs related to that particular project are paid.

Because of the various employee classifications and benefit types, the payroll allocations made to a particular fund for one year could contain several hundred line items. Similar to supporting documentation for vendor payments, the underlying support for payroll allocations is kept for only the period designated by the District's retention policy. The Committee decided that VLS would not test the supporting documentation for the payroll allocations made; however, to verify that the allocations made were reasonable, the Committee asked VLS to identify the names and titles of the employees whose salary and benefit costs were allocated to the Construction Related Funds during the Review Period.

Payroll Allocation Process

A Personnel Transaction Request ("PTR") is used to identify a District employee's funding source upon hire and to request changes to the funding source. The funding source used is based upon the work being performed by the employee and sufficient budget resources in the funding source. Department heads are responsible for designating funding source allocations, which are approved by the employee's supervisor and the Budget and Personnel Departments.

Accounting assigns the appropriate salary allocations based on the approved PTR. During each payroll run, the payroll system, HRS, automatically allocates employee salary and benefit costs based on the approved funding source allocations. If an adjustment is required due to an error in the allocation amount, a separate manual journal entry is created. VLS was able to distinguish between allocations that were generated by the payroll system versus those created through a manual journal entry based on the reference number or Journal ID associated with each transaction.

Classified employee (i.e., non-certificated) salaries are recorded in the 2XXX range of Object Codes. The related benefit costs are recorded in the 3XXX Object Code ranges. Salary cost allocations made to the Construction Related Funds during the Review Period were made to the following Object Code categories:

- 22XX – Classified Support Salaries
- 23XX – Classified Supervisors' and Administrators' Salaries
- 24XX – Clerical, Technical, and Office Staff Salaries
- 29XX – Other Classified Salaries

Available Payroll Data

Beginning in FY1996/97, the Los Angeles County Office of Education ("LACOE") created an electronic back-up file of the District's payroll data at the end of each fiscal year. This back-up file is stored separately from the District's financial data and stores information related to employee salary and benefit costs, including allocations of these costs to the various funds. The back-up data is used by the District to access detailed information related to payroll allocations that were posted to the District's financial system.

Payroll Allocation Analysis

VLS identified the Construction Related Funds that contained employee payroll allocations in each year, which are identified with an "X" in the following table.

Fiscal Year	Deferred Maintenance Fund (27.0 / 14.0)	Building Fund (70.0 / 21.0)	Capital Facilities Fund (73.0 / 25.0)	State School Building Lease- Purchase Fund (84.0 / 30.0)	County School Facilities Fund³⁶ (82.0 / 35.0)	Special Reserve Fund for Capital Outlay Projects (60.0 / 40.0)
FY1995/96	X	--	X	--	--	X
FY1996/97	X	--	X	--	--	X
FY1997/98	X	--	X	--	--	X
FY1998/99	X	--	X	--	--	X
FY1999/00	X	X	X	--	--	X
FY2000/01	X	X	X	--	--	--
FY2001/02	X	X	X	--	--	X
FY2002/03	--	X	X	--	X	X
FY2003/04	--	X	--	--	X	X
FY2004/05	--	--	--	--	--	X
FY2005/06	--	--	--	--	--	X
FY2006/07	--	--	--	--	--	X
FY2007/08	--	--	--	--	--	X
FY2008/09	--	--	--	--	--	X
FY2009/10	--	--	--	--	--	X

³⁶ The County School Facilities Fund replaced the State School Building Lease-Purchase Fund; however, both funds existed and had activity from FY1999/00 to FY2003/04.

The following table provides the payroll costs allocated to each Construction Related Fund and the percentage of total expenditures represented by payroll costs.

	Deferred Maintenance Fund (27.0 / 14.0)	Building Fund (70.0 / 21.0)	Capital Facilities Fund (73.0 / 25.0)	State School Building Lease- Purchase Fund (84.0 / 30.0)	County School Facilities Fund (82.0 / 35.0)	Special Reserve Fund for Capital Outlay Projects (60.0 / 40.0)
Total Payroll Costs	\$ 140,078	\$ 2,670,102	\$ 69,612	\$ -	\$ 6,067	\$ 3,867,343
Percentage of Total Expenditures	5.28%	2.16%	0.54%	0.00%	0.01%	7.6%

The District used the payroll back-up file created by LACOE to generate reports that identified the names of the individuals whose salaries were allocated to the funds identified above. A separate report was generated for each fund and each year so that the report totals could be reconciled to the financial data being analyzed by VLS. This report included only salary costs for each person allocated to an Object Code in the 2XXX range.

The District then provided a Payroll Distribution Report for each employee identified using the report above. The Payroll Distribution Report provided the employee's gross salary and benefit costs per payroll period, broken out by the fund to which the costs were allocated. VLS used the Payroll Distribution Report to reconcile the total salary and benefit costs allocated to each of the Construction Related Funds. This reconciliation was performed in order to verify that the payroll reports provided by the District matched the payroll expense allocations that appeared in the various fund detail.³⁷

For each Construction Related Fund with payroll costs, VLS created a schedule of payroll and benefit allocation costs. The schedules include the name and title of each individual with payroll costs allocated to the related fund, the individual's gross salary, and the portion of the individual's salary allocated to the related fund.³⁸ These schedules, prepared by VLS, were provided to the Committee to review for allocations that appeared inappropriate based on the title of the persons identified and the collective historical knowledge of District events possessed by the Committee members.

B. Results

VLS obtained information from the District on payroll costs allocated to the Construction Related Funds for FY1996/97, FY1997/98, and FY1999/00 through FY2009/10. The data back-up process used to retrieve this information had not been implemented in FY1995/96. Additionally, the District was unsuccessful in locating the back-up file for

³⁷ For FY2002/03 through FY2009/10, some variances were identified between the Payroll Distribution Report and the financial data; however, the variances were minor and were generally related to the benefit allocations. FY1996/97, FY1997/98, and FY1999/00 through FY2001/02, the reports provided by the District did not reconcile to the financial data (see Results section).

³⁸ Gross salary figures were obtained from the Payroll Distribution Report provided by the District.

FY1998/99.³⁹ VLS was unable to perform an analysis on the two years for which the payroll allocation data was unavailable.

For FY1996/97, FY1997/98, and FY1999/00 through FY2001/02, the Labor Distribution Reports provided by the District had variances when compared to the payroll cost allocations made to the Construction Related Funds. Upon further investigation by Lina Sola, Fiscal Services Supervisor, she discovered that the payroll back-up files created by LACOE included duplicate payroll runs and/or were missing some payroll runs. The duplicate and missing data in the payroll back-up file did not impact the accuracy of the numbers reported in the District's financial records; however, VLS was unable to reconcile between the Labor Distribution Reports and the financial records. VLS informed the Committee of these variances.

For the thirteen years available, VLS identified the names and titles of the employees whose salary and benefit costs were allocated to one of the Construction Related Funds. For FY2002/03 through FY2009/10, VLS included the gross salary and amount of salary allocation for each employee. For FY2001/02 and prior, VLS was unable to report gross salary and salary allocation amounts due to the missing and duplicate data in the Labor Distribution Reports.

In reviewing each person and title, VLS identified two employee salary allocations that appeared unusual.

- In FY2003/04, \$924.64 of the payroll costs for a secondary school aide was allocated to the Building Fund (Fund 21.0). The District did not recall the purpose of this allocation and was unable to provide the employee time cards that support this allocation. VLS contacted the District employee directly; however, the employee did not have a recollection of performing work that could be associated with construction activity.
- In FY2007/08, \$1,466.42 of the payroll costs for an elementary school aide was allocated to the Special Reserve Fund for Capital Outlay Projects (Fund 40.0). The District recalled that this aide was used during one of the construction projects to keep the students away from the construction area.

During several years, a portion of the payroll costs for various custodians were allocated to one or more of the Construction Related Funds. Per the District, custodians were used to move furniture in and out of classrooms during different construction projects. Other payroll allocation costs included employees who provided oversight on construction projects or provided administrative support for construction projects and the accounting of such projects.

³⁹ LACOE, the entity that owns the HRS payroll software and creates the payroll back-up files, was contacted to see if a copy of the file could be provided to the District. According to the District, LACOE was not able to locate a copy of the file.

Included below is a list of the titles for the employees whose salary and benefit costs were allocated to one or more of the Construction Related Funds during the Review Period. An asterisk (*) represents those titles for which a substantial portion of the employee's payroll costs were allocated to one or more of the Construction Related Funds. For the remaining titles, the allocations were typically a low percentage of the total annual salary or a low dollar amount. For example, a majority of the allocations for custodian type titles were less than 3%, or under \$3,000. Generally, allocations greater than this were related to work performed for special projects.

Accounting Clerk	Painter - G
Accounting Clerk II	Plasterer - Cement
Administrative	Plumber
Area Custodial	Project Account Technician*
Area Custodian	Project Manager*
Budget/Accounting*	Purchasing Clerk
Building Maintenance	School Aide - Secondary
Building Service	School Aide Elementary
Buyer	Secretary/Senior Secretary
Campus Support Assistant	Senior Secretary
Carpenter	Senior Administrative Secretary*
Chief Facilities Officer*	Senior Administrative Secretary/Construction*
Chief Facilities & Development*	Senior Buyer
Construction	Senior Buyer & Warehouse
Continuation High School/CDS SR	Senior Custodian
Custodial Plant Support	Senior Director
Custodial Services	Senior Grounds
Custodian	Senior Project Manager*
Director Building Services	Senior Secretary
Director of Facilities	Senior Secretary – 12*
Director of Facilities Planning	Senior Secretary – 12/Construction
Electrical	School Office Manager - Elementary
Electrical Technician	Senior Director of Facilities*
Facilities Worker	Supervisor - Trades
Financial Services*	Supervisor Tech
Fiscal Services*	Swim Pool Custodian
Grounds Leadperson	Tech
Grounds Tech	Tech Infrastructure
Grounds Tech/Custodian	Tech Infrastructure Sup./Tech Infrastructure
HVAC Mech	Tech Infrastructure Support
Lead Custodian	Tech Supervisor
Locksmith	Technology Support*
Maintenance Supervisor	Technology Support Specialist
Maintenance Worker	Trades Supervisor
Notary Public	Typist Clerk
OFC Machine Technician	Vehicle & Equipment Mechanic

VLS is unable to determine the appropriateness of the \$924.64 allocation made to the Building Fund in FY2003/04 based on the limited information available. This is an isolated incident as it is related to only one pay period and is the only allocation of this type in this fiscal year. Additionally, the remaining salary for this employee was allocated to the General Fund. The allocation to a different fund source for this pay period may be for a legitimate reason; however, the employee does not recall performing any duties related to construction.

With the exception of the \$924.64 allocation discussed above, the payroll cost allocations made to the Construction Related Funds during the Review Period appear reasonable. This conclusion is based on the employee titles identified and the explanations obtained from District personnel.

VIII. Warrant Clearing Testing

The objective of this testing was to test a sample of cleared warrants from FY2002/03 through FY2009/10 to verify that the warrant cleared County Treasury as it was originally written.

A. Procedures

According to California Education Code, money received or collected by a school district, or apportioned to it by another government agency, shall be deposited with the County Treasury to the credit of the school district.⁴⁰ Because the funds of the District are held with the County Treasury, the District does not prepare its own payments to vendors. The District prepares a payment request, with supporting documentation, which is approved by the person(s) authorized by the Board of Education. The approved payment request is forwarded to the County Treasury for review and approval by the Assistant Superintendent of Business Service, and a warrant is drawn against the District's funds held at the County Treasury. Vendor payments are made as invoices are received and approved.

Monthly reconciliations are performed by the Treasurer of Los Angeles County, and cleared warrant information is automatically updated in the District's data processing system, PeopleSoft. Payment information stored within PeopleSoft includes, but is not limited to, warrant number, vendor name and number, warrant amount, warrant issue date, payment status, warrant cleared date, and reconciliation date. Per discussions with District personnel, District employees do not have the capability to update this information in PeopleSoft.

VLS selected a sample of 220 warrants, totaling \$25,063,304, to verify that the warrant cleared the County Treasury under the terms it was originally issued. The sample was selected from disbursements tested by VLS for FY2002/03 through FY2009/10.⁴¹ VLS was unable to test warrants issued prior to FY2002/03 because the District implemented the use of PeopleSoft in FY2002/03, and cleared warrant information is not available for years prior.

For each of the warrants in the sample, the District provided a screen-shot of the "Payment Information" as stored in PeopleSoft (an example is included in *Exhibit J*). VLS compared the warrant number, warrant amount, issue date, and vendor name as stored in PeopleSoft to the copy of the warrant retained by the District with the vendor warrant package. VLS confirmed that the PeopleSoft information included a "Cleared On" date, indicating that the warrant had cleared the County Treasury. Additionally, VLS confirmed that the "Payment Status" in PeopleSoft indicated "Paid" or "Void." A warrant

⁴⁰ See California Education Code Sec. 41000 – 41060.

⁴¹ As previously discussed, disbursement packages created by Accounts Payable ("vendor warrant packages") include a copy of the actual warrant issued to the vendor. The copy of the warrant was used in performing the testing procedures.

that had not yet cleared would contain the "Paid" status, but would not contain a "Cleared On" date.

B. Results

VLS compared the copies of the warrants to the cleared warrant information stored in PeopleSoft and found that all warrants had cleared as originally issued. One warrant appeared as voided in PeopleSoft. VLS verified that the associated expenditure was also removed from the District's accounting records with an off-setting entry.

IX. City of Burbank Testing

The objective of this testing was to identify funding received from the City of Burbank during the Review Period and to trace the revenue received to the District's financials to verify the funds were accounted for properly. Additionally, VLS tested a sample of reimbursements from the City to determine if the expenditure was recorded in the same fund in which the revenue was recorded.

A. Procedures

Background

During the Review Period, the District completed several large construction projects at its various school sites. Part of the funding for these projects came from the City of Burbank ("City"). In particular, the District negotiated two agreements with the City: \$900,000 for minor repairs of the various school sites and \$23 million for improvements to facilities of the District. There were various additional agreements negotiated from FY1995/96 through FY2009/10 between the District and the City for smaller scale projects and grants. Generally, the funds were received from the City as a reimbursement of costs. The District would incur the costs, pay the vendors, and then bill the City for the reimbursable costs approved under the terms of the agreements.

Based on the purpose of the various Construction Related Funds, it would be most appropriate for the District to accumulate and use City funds out of the Special Reserve Fund for Capital Outlay Projects ("Special Reserve Fund").⁴² It would also be appropriate for the District to use the General Fund as long as the money was used for the designated purpose.

Per discussions with City representatives, the City would have reviewed each invoice with support prior to authorizing for payment. VLS has relied on the City's review and approval process to ensure only authorized expenditures were reimbursed, and that expenditures met the terms of the various agreements with the City.

Identification of Total Receipts from the City of Burbank

VLS requested from the District documentation to support the amount billed and collected from the City during the Review Period. Original receipt documentation was not required to be kept beyond approximately four fiscal years due to the District's retention policy. However, the District was able to provide cash receipt logs for each fiscal year in the Review Period (see example included in *Exhibit K*).⁴³ The cash receipt logs include a list of all payments received by the District in the respective fiscal year. Other information detailed in the cash receipt logs includes the receipt number, date of

⁴² See *Exhibit I* for descriptions of the Construction Related Funds.

⁴³ For FY1995/96, 1996/97, and 1999/00, the hardcopy cash receipt logs were no longer available. The District accessed the electronic cash receipt information through its previous accounting software, Dbase. The format used to view the cash receipt data was "read only," and the District was not able to print or export the cash receipt information to provide to VLS. The District manually entered into Microsoft Excel the cash receipts received from the City. VLS verified the accuracy of the data in Excel by comparing it to the information in Dbase.

receipt, payer name, amount received, description of receipt, and the fund and account string to which the payment was applied. If a payment received was for more than one invoice, the receipt logs also included the amount received for each invoice and the fund and account string to which the payment was applied.

VLS used the cash receipt logs to identify the total funds received from the City of Burbank in each fiscal year during the Review Period, which is summarized in the table below.

Fiscal Year	Total Receipts from City
1995/96	\$ 4,306,853
1996/97	4,173,906
1997/98	5,339,838
1998/99	7,116,697
1999/00	2,293,193
2000/01	5,786,298
2001/02	635,253
2002/03	726,763
2003/04	799,175
2004/05	386,136
2005/06	821,474
2006/07	2,069,692
2007/08	719,653
2008/09	840,860
2009/10	904,155
Total \$	<u>36,919,946</u>

To ensure that all payments from the City were captured, VLS requested that the City independently provide a list of all payments made to the District for the Review Period. The list provided to VLS included payments beginning in February 1999, when the City implemented use of its current accounting software. Payment information prior to this was not available. The list provided by the City included the invoice number, invoice date, amount paid, and, for some invoices, a description.

Identification of Purpose of Funds

VLS reviewed the information available for each payment received from the City to determine if it was related to a facility construction project. Payments from the City related to a purpose other than facility construction, improvement, or repair are outside the scope of this project and were excluded from further analysis. The payments that were related to a facility construction project were identified as "Construction," and payments for a different purpose were identified as "Non Construction." The information used to identify the purpose of each payment included:

- Invoice number,⁴⁴
- Description included on the invoice and other supporting documentation,⁴⁵
- Description included on the list of payments provided by the City, or
- Description included on the cash receipt logs provided by the District.

VLS determined that \$30,733,255 received from the City during the Review Period was related to facility construction, improvement, and repair projects. This amount includes the following:

- Reimbursements related to the \$23 million facility improvement agreement,
- Reimbursements related to the \$900,000 facility repairs agreement,
- City Development Block Grant ("CDBG") proceeds used for facility projects,⁴⁶
- Other invoices billed to the City for construction and facility improvement purposes, and
- Payments received from the City that were deposited directly into one of the Construction Related Funds.

The tables on page 60 summarize the purpose of the funds received from the City during the Review Period. Each of the categories is defined further below:

- "Construction" – Amounts received for the purpose of facility construction, improvement, and repair projects, including amounts deposited directly into one of the Construction Related Funds.
- "Non Construction" – Amounts received for music programs, summer youth employment programs, summer food programs, various energy credits and rebates, and student scholarships.
- "Sale of Property" – Principal payment of \$1,000,000 plus interest of \$44,348 related to the sale of property to the City in 1983.⁴⁷
- "Other Receipts" – Due to the District's and City's retention policies, not all invoices issued to the City were available for review by VLS. This column identifies amounts received from the City for which VLS was unable to obtain information sufficient to determine the purpose of the funds.

⁴⁴ Invoices sent to the City for reimbursement of facility repair costs related to the \$900,000 agreement were identified by an invoice number with the format "900-XX." Invoices related to the \$23 million agreement for facility improvements were identified by an invoice number with the format "23MXXX."

⁴⁵ Due to the District's and City's retention policies, VLS was unable to obtain a copy of all District invoices paid by the City during the Review Period.

⁴⁶ Community Development Block Grant ("CDBG") program is a federal program that distributes funds to state and local governments, which can be used in a variety of ways, primarily to benefit low income individuals. A common use of these funds is to improve public facilities, like public school facilities.

⁴⁷ The District performed additional research related to these amounts and represented to VLS that the Redevelopment Agency of the City purchased land from the District in 1983 for \$3,000,000. A Financial Detriment Agreement was executed between the two parties that allowed the Redevelopment Agency to retain the purchase price for 10 years and pay interest, on a quarterly basis, to the District. In 1993, an Amendment to the Financial Detriment Agreement was executed that allowed the Redevelopment Agency to retain \$1,000,000 for an additional five years and continue to pay interest to the District on the amount retained. The District believes that these receipts represent the final principal payment of \$1,000,000 plus interest of \$44,348. Based on the documentation that the District was able to provide and the information contained in the FY1995/96 cash receipts log for these amounts, this appears to be a reasonable conclusion as to the nature of these receipts.

Only those amounts identified as "Construction" are included in any further analysis. The "Non Construction," "Sale of Property," and "Other Receipts" categories have been excluded from further analysis as they are deemed to be outside the scope of this project.

The information is presented in two tables to separate fiscal years no longer within the District's retention period. This represents information which VLS did not expect to be available; however, the District and City were able to provide limited information related to these transactions.

FY1995/96 through FY2005/06 – No Longer Within District Retention Period

Fiscal Year	Construction	Non Construction	Sale of Property	Other Receipts ⁴⁸	Total
1995/96	\$ 2,518,983	\$ 1,398	\$ 1,044,348	\$ 742,124	\$ 4,306,853
1996/97	3,882,665	61,519	-	229,722	4,173,906
1997/98	5,135,966	-	-	203,872	5,339,838
1998/99	6,876,616	63,497	-	176,584	7,116,697
1999/00	2,126,568	166,625	-	-	2,293,193
2000/01	5,382,389	402,939	-	970	5,786,298
2001/02	291,628	343,625	-	-	635,253
2002/03	422,302	285,415	-	19,046	726,763
2003/04	358,066	441,109	-	-	799,175
2004/05	297,376	88,760	-	-	386,136
2005/06	217,787	603,687	-	-	821,474
Total	\$ 27,510,346	\$ 2,458,574	\$ 1,044,348	\$ 1,372,318	\$ 32,385,586

FY2006/07 through FY2009/10 – Within District Retention Period

Fiscal Year	Construction	Non Construction	Sale of Property	Other Receipts	Total
2006/07	\$ 1,900,318	\$ 169,374	\$ -	\$ -	\$ 2,069,692
2007/08	530,361	189,292	-	-	719,653
2008/09	513,172	327,688	-	-	840,860
2009/10	279,058	625,097	-	-	904,155
Total	\$ 3,222,909	\$ 1,311,451	\$ -	\$ -	\$ 4,534,360

Grand Total \$ 30,733,255 \$ 3,770,025 \$ 1,044,348 \$ 1,372,318 \$ 36,919,946

⁴⁸ Due to the District's and City's respective retention periods, there was limited information available for these receipts from the City. Generally, the only information available for these receipts was the invoice number, which was obtained from the District's cash receipt logs. Based on the invoice numbers, VLS was able to exclude these receipts as being related to the \$23 million and \$900,000 facility improvement agreements with the City. Based on additional research conducted by the District, the District believes that some of these receipts relate to payments from the City for facility use fees and CDBG revenues billed and recorded in FY1994/95.

Reimbursed Expenditures

Generally, the payments from the City to the District for construction projects were paid by reimbursement. The District incurred the cost, paid the vendor, and then invoiced the City for approved expenditures. Invoices to the City usually included multiple vendor payments made by the District (see **Exhibit L** for an example invoice). The information presented in each invoice included the vendor name, warrant number of the payment to the vendor, and the account string, including fund number, where the expenditure was recorded in the District's accounting records. When invoicing the City, the District included copies of the vendor invoices and warrants issued to substantiate the costs incurred.

On a sample basis, VLS verified that the expenditures were recorded in the funds listed on the invoices to the City. This sample was taken only from those invoices available.⁴⁹ The following tables summarize the City invoices that were available and the sample size tested for each fiscal year ("Construction" related invoices only).

FY1995/96 through FY2005/06 – No Longer Within District Retention Period

Fiscal Year	Invoice Available ⁴⁹	Invoice Unavailable ⁵⁰	No Invoice Required ⁵¹	Verified Expenditure Accounting for Available Invoices	Percentage of Invoices Available
1995/96	\$ 506,414	\$ 2,012,569	\$ -	\$ 167,763	33%
1996/97	2,129,592	1,753,074	-	275,537	13%
1997/98	3,287,679	1,848,287	-	774,552	24%
1998/99	6,774,773	101,843	-	3,549,961	52%
1999/00	1,873,227	236,486	16,854	1,215,545	65%
2000/01	2,770,669	136,720	2,475,000	1,528,009	55%
2001/02	-	141,628	150,000	-	Not Applicable
2002/03	-	406,916	15,386	-	Not Applicable
2003/04	342,866	15,200	-	342,866	100%
2004/05	91,494	-	205,882	91,494	100%
2005/06	38,852	-	178,936	38,852	100%
Total	\$ 17,815,566	\$ 6,652,723	\$ 3,042,058	\$ 7,984,579	45%

⁴⁹ For FY2004/05 through FY2009/10, the District was able to provide copies of all invoices issued to the City. For years prior to FY2004/05, the District had limited documentation available for the City invoices. Some invoices issued to the City in FY1995/96 through FY2000/01 were included in two binders found in the District Warehouse. These invoices related to the \$23 million and \$900,000 agreements and CDBG funds. The binders contained copies of checks received from the City with the invoices and support attached. Additionally, the District located a Microsoft Excel file that contained completed invoice templates related to the \$23 million funding agreement.

⁵⁰ Due to the District's retention policy, which requires that most documents be kept for only four fiscal years, the District was not able to provide a copy of these invoices.

⁵¹ This column represents amounts received from the City that were not originated by an invoice from the District. VLS excluded these from the sample expenditure testing because there was not a specific related expenditure. Rather, the City sent a refund or pre-calculated payment to the District. Generally, these receipts were deposited directly into one of the Construction Related Funds and include refunds, rebates for certain programs, AB1290 funds, and payments for the sale of property.

FY2006/07 through FY2009/10 – Within District Retention Period

Fiscal Year	Invoice Available	Invoice Unavailable	No Invoice Required	Verified Expenditure Accounting for Available Invoices	Percentage of Invoices Available
2006/07	\$ 14,954	\$ -	\$ 1,885,363	\$ 14,954	100%
2007/08	252,221	-	278,140	252,221	100%
2008/09	343,200	-	169,972	343,200	100%
2009/10	24,000	-	255,058	24,000	100%
Total	\$ 634,375	\$ -	\$ 2,588,533	\$ 634,375	100%

Grand Total \$ 18,449,941 \$ 6,652,723 \$ 5,630,591 \$ 8,618,954 47%

Based on the expenditure testing performed and discussions with District representatives, the District began much needed construction projects on the various school sites prior to establishing the \$900,000 and \$23 million agreements with the City. Once the agreements were established, the District sought reimbursement of expenditures that were incurred as early as FY1993/94.

Most of the expenditures reimbursed by the City were expended by the District out of the Special Reserve Fund, particularly those expenditures related to the \$900,000 and \$23 million funding agreements, which were invoiced from FY1995/96 through FY2000/01. In more recent years, starting in approximately FY2003/04, expenditures reimbursed by the City were also recorded in the General Fund.

Deposit of Construction Related Receipts from the City

VLS used information obtained from the District cash receipt logs to determine the District Fund into which each Construction related receipt from the City was deposited. This analysis was performed to determine if the District deposited the receipts from the City into the same fund from which the related expenditure was made.

From this analysis, VLS determined that City cash receipts from FY1995/96 through FY1999/00 were primarily deposited into the General Fund.⁵² The District then made Interfund Transfers from the General Fund to the Special Reserve Fund. In FY2000/01 the District began depositing the receipts from the City directly into the Special Reserve Fund or General Fund based on where the related expenditure was recorded.

VLS reviewed the transaction detail associated with the Interfund Transfers recorded in the Special Reserve Fund to identify those transfers specifically related to City funding. The "Reference" or "Document" column of the revenue transaction detail included one of the following descriptors that helped to identify the transfer as City funds:

⁵² \$10,000 was deposited into the General Fund and \$14,638 was deposited into the Special Reserve Fund for Capital Outlay Projects as expenditure abatements.

- Invoice number that matched with a City of Burbank invoice
- Receipt number that matched a City of Burbank receipt
- "City"
- "CDBG"

In conjunction with the reference information, VLS compared the transfer amounts and transfer dates, where appropriate, to conclude whether the transfer was related to funding provided by the City. The last Interfund Transfer of City revenue occurred in FY2002/03. See **Exhibit M** for a list of all Interfund Transfers of City revenue.

B. Results

The District's retention policy requires that it keep supporting documentation for approximately four fiscal years; therefore, the District was able to provide limited information on invoices issued to the City and cash receipts received from the City for fiscal years prior to FY2006/07. A significant portion of the funding received from the City was received in FY1995/96 through FY2000/01, years in which the documentation available was limited. The following results are based on the information that was available for review.

Identification of Total Receipts from the City of Burbank

VLS identified \$36,919,946 of cash receipts that the District received from the City of Burbank (see table on page 58). VLS primarily relied upon the District's cash receipt logs to identify the total cash receipts from the City. To ensure the completeness of the cash receipt logs, VLS compared the receipt detail to a list of payments provided independently by the City. Through this comparison, VLS identified \$1,196 that the City identified as paid to the District, but that did not appear in the District's cash receipt logs. Although missing from the cash receipt logs, these payments are included in the total cash receipts reported above. See the table below for a list of these payments from the City:

Invoice Date	Invoice Number	Invoice Amount	Description	City GL Date	Payment Method
7-Oct-99	3-Nov	\$ 30.00	RSVP BOB KRAMER	7-Oct-99	Check
30-Apr-01	80181002500A	969.67	CLOSING BILL REFUND	30-Apr-01	Check
8-Jul-02	1700FS	196.30	PAY GRANT REIMB OF COSTS	22-Jul-02	Check
		<u>\$ 1,195.97</u>			

Due to the date of these payments, the City was unable to provide copies of the canceled checks issued to the District. VLS was unable to identify a revenue transaction or expenditure abatement in the District's financials that correspond to these amounts. In comparison to the total cash receipts identified, these amounts are minor and additional inquiry or review is not warranted.

Expenditure Testing

Construction related expenditures incurred by the District that were reimbursed by the City were primarily recorded in the Special Reserve Fund and General Fund; however, VLS identified expenditures that were paid from other Construction Related Funds, as follows:

- (A) \$264,811 – Paid from the Building Fund in FY1998/99 (Invoice #121 of the \$23 million agreement): The expenditure was reimbursed by the City when invoiced; however, the District did not record the cash receipt in the Building Fund. The only sources of revenue in the Building Fund were Proceeds from Bond Issuance, Interest, and Other Local Income. Other Local Income totaled only \$400 and did not originate from the City. Upon further review by VLS, it was determined that this expenditure was transferred from the Building Fund to the Special Reserve Fund in FY1999/00. The Special Reserve Fund is where a majority of the receipts from the City were recorded; therefore, this transfer appears appropriate.
- (B) \$176,378 – Paid from the State School Building Lease-Purchase Fund ("State School Building Fund") in FY1998/99 (Invoice #123 of the \$23 million agreement): The expenditure was reimbursed by the City when invoiced; however, the District did not record the cash receipt in the State School Building Fund. The primary sources of revenue in this fund were School Facilities Apportionments from the State of California and Interest. VLS was not able to identify a transfer that moved this expenditure to the Special Reserve Fund. Additionally, the cash receipt from the City, which was deposited into the General Fund, was never transferred to this fund. As of FY2003/04, this fund had no additional activity and was closed.

The \$264,811 expenditure recorded in the Building Fund was later moved to the Special Reserve Fund. As a majority of the construction projects reimbursements received from the City were recorded in the Special Reserve, no additional action is required by the District related to this finding.

The reimbursement from the City for the \$176,378 expenditure recorded in the State School Building Fund was not accounted for properly by the District. Because the State School Building Fund is now closed, VLS believes it would be appropriate for the District to transfer the cash receipt from the City to the Special Reserve Fund as this is where a majority of construction project expenditures funded by City monies have been recorded. Based on the analysis VLS performed on the deposit of City receipts (see "Deposit of Receipts from City of Burbank" section that begins below), there is only \$149,797 of City revenues remaining in the General Fund that have not been accounted for.⁵³ *The District should transfer \$149,797 from the General Fund to the Special Reserve Fund. See Recommendation #3 on page 69.*

⁵³ Several of the Interfund Transfers of City revenues to the Special Reserve Fund were recorded in the District's financial records as lump-sum transactions, the support for which is no longer available. As such, it appears that a portion of the revenue received from the City related to this expenditure was already transferred to the Special Reserve Fund. See the table on page 66 for a summary of how the receipts from the City were accounted for.

Deposit of Receipts from City of Burbank

The District received \$30,733,255 from the City during the Review Period related to various construction and facility improvement projects.⁵⁴ To ensure that the monies received from the City were accounted for properly, VLS identified the District Fund into which each receipt was deposited. Due to the significant time that has passed since most of these transactions originated, the District had limited information available. VLS relied heavily on transaction descriptions and references included in the District's financial ledgers to determine how receipts and expenditures were recorded. Additionally, when the District recorded Interfund Transfers related to City invoices, they were often done in lump sum amounts that did not tie to individual invoices or receipts. Without the supporting documentation for these transfers, which are no longer available for years prior to FY2006/07, VLS could not identify the specific invoice amounts being transferred.

From FY1995/96 to FY2000/01, a majority of the reimbursements from the City were deposited into the General Fund, whereas the expenditures were recorded in the Special Reserve Fund. To determine whether the City reimbursements were accounted for properly, which included recording reimbursements in the same Fund(s) where the expenditures were recorded, VLS compared the total receipts from the City to total Interfund Transfers.⁵⁵ For example, in FY1995/96 the District received a total of \$2,518,346⁵⁶ in Construction related receipts from the City, which were deposited into the General Fund. The District transferred, in two lump-sum amounts, \$2,191,926 from the General Fund to the Special Reserve Fund. Although the amount transferred in this fiscal year was less than the amount received from the City, transfer amounts were greater than City receipts in other years. VLS performed this comparison for each fiscal year in the Review Period.

After analyzing deposits and Interfund Transfers for each fiscal year in the Review Period, VLS determined that \$149,797 deposited into the General Fund was not transferred to the Special Reserve Fund and could not be matched to facility construction project expenditures.⁵⁷ The following table summarizes how the Construction related funds received from the City were accounted for by the District.

⁵⁴ This total includes all receipts from the City deposited into the Construction Related Funds during the Review Period.

⁵⁵ VLS included in this analysis only those Interfund Transfers that could specifically be identified as a transfer of City funds based on information included in the transaction detail.

⁵⁶ \$2,518,983 was received from the City in FY1995/96; however, \$637 was deposited into one of the Construction Related Funds as an expenditure abatement.

⁵⁷ This amount excludes \$28,950 deposited into the General Fund in FY2005/06 for which the expenditures were made out of the General Fund, therefore not requiring a transfer.

Amount	Description
\$ 24,862,964	(A) Deposits and transfers into the Special Reserve Fund to reimburse for expenditures related to the \$23 million, \$900,000, and other facility construction agreements with the City. This total also includes approximately \$940,000 of AB1290 funds received from the City.
1,513,470	(B) Deposits into the General Fund to reimburse for various facility construction, improvements, and repairs.
59,632	(C) Refunds recorded as expenditure abatements in the various Construction Related Funds.
2,475,000	(D) Deposit into Special Reserve Fund for sale of property.
1,671,692	(E) Deposit and transfer into Special Reserve Fund to account for Refund on Ovrom Park Project.
700	(F) Deposit in Building Fund against Accounts Receivable.
149,797	(G) Remaining deposits in General Fund.
\$ 30,733,255 Total Construction Related Funds Received from City	

- (A) From FY1995/96 through FY1999/00, substantially all of the cash receipts from the City were deposited into the General Fund.⁵⁸ The revenues were then transferred from the General Fund to the Special Reserve Fund, where the related expenditures were recorded by the District. The Interfund Transfers to the Special Reserve Fund totaled \$23,230,810.⁵⁹ During the review period, an additional \$1,632,154 from the City was deposited directly into the Special Reserve Fund. The purpose of these receipts was to reimburse the District for facility construction, improvement, and repair expenditures incurred. These totals appear under the revenue section of the tables on pages 24 through 26 as "City of Burbank" and "Transfers In From General Fund – City of Burbank."
- (B) In some instances, the District deposited the funds received from the City into the General Fund and expended the proceeds from the same fund. For example, in FY2007/08, the City reimbursed the District for window replacements at George Washington Elementary School. The expenditures associated with this work, as well as the reimbursement from the City, were recorded in the General Fund. VLS verified the proper recording of the revenue and expenditures associated with these transactions, except for \$25,200 related to two expenditures incurred in FY1999/00 and FY2003/04, for which the invoices were no longer available. These reimbursements from the City do not appear on the tables on page 24 through 26 because the General Fund was not included in the scope of this project accounting.
- (C) Refunds from the City were deposited into the various Construction Related Funds as expenditure abatements. Since refunds are a reduction of expenditures, they appropriately do not appear as revenue in the District's financials. These reimbursements from the City do not appear in the revenue section on the tables on page 24 through 26 because they were recorded as expenditure abatements, which reduce project expenditures.

⁵⁸ \$15,276 was deposited into the Construction Related Funds as expenditure abatements.

⁵⁹ This total includes an Interfund Transfer of \$406,916 in FY2002/03. This was the final Interfund Transfer from the General Fund to the Special Reserve Fund related to the City of Burbank receipts.

- (D) Proceeds received from the City for the sale of property were deposited into the Special Reserve Fund. As described in **Exhibit I – Fund Descriptions**, proceeds from the sale of property may be accounted for in the Special Reserve Fund and spent for capital outlay purposes, maintenance of District property, and maintenance and renovation of school sites. This amount is included in the revenue section of the tables on pages 24 through 26 as “Sale of Property.”
- (E) Per the District, this was a refund of money that the District deposited in an escrow account in anticipation of a joint project with the City at the Ovrom Park site. The refund included an initial deposit of \$1,500,000 and interest earned of \$171,692. Both amounts are included in the revenue section of the tables on pages 24 through 26. The initial deposit of \$1,500,000 is included in “Net Interfund Transfers (To)/From General Fund” because revenue was originally recorded in the General Fund, but then transferred to the Special Reserve Fund. The earned interest is included in “Interest.”
- (F) This amount was deposited into the Building Fund against Accounts Receivable in FY2001/02. VLS was unable to identify a related revenue transaction or expenditure abatement to account for these funds from the City. In comparison to the total dollars received from the City during the Review Period, the \$700 is minor and does not warrant further review or inquiry. This amount is not included in the tables on pages 24 through 26.
- (G) This amount represents receipts from the City that were deposited into the General Fund, but for which a related expenditure could not be identified. Based on the analysis performed on the accounting of expenditures reimbursed by the City (see page 64), VLS recommends that this amount be transferred to the Special Reserve Fund. See Recommendation #3 on page 69.

Based on the information available and the procedures performed by VLS, the District appears to have appropriately matched revenues received from the City with expenditures incurred. Additionally, the \$24,862,964 from the City of Burbank identified in the project accounting (on pages 24 through 26) is a fair presentation of the revenues received from the City to assist the District with facility construction, improvements, and repairs.

X. Recommendations

The following recommendations were developed as a result of findings identified during the course of this engagement.

Retention Policy

1) *The District should develop a robust document retention policy that addresses the following:*

- a. The specific types of documents classified as Disposable, Optional, and Permanent (e.g., vendor warrant packages; manual journal entries; etc.),***
- b. The location where documents will be stored,***
- c. The individual(s) responsible for overseeing and/or enforcing the document retention policy,***
- d. A more specific definition of the destruction date for Disposable records (this could include an example of how to calculate the destruction date),***
- e. The process for identifying and destroying documents that are no longer required to be retained, and***
- f. Whether documents will be retained in hard-copy or electronic format and the time period of retention for each.***

During the planning phase of this engagement, VLS reviewed the District's current retention policy (***Exhibit F***) in order to identify the documents that should be available for review during the testing phase. The District's current policy is written very similar to California Code of Regulations ("CCR"), Title 5 §16020 – 16027, Destruction of Records of School Districts (***Exhibit G***). The District's current policy is difficult to implement and enforce because it does not assign responsibility to District personnel for implementing the requirements. Additionally, it does not clearly and specifically define which documents are to be retained and for how long.

By writing and implementing a more robust document retention policy, the District will have better oversight and knowledge of the documents still available at a given point in time. The new policy should be communicated to all relevant District personnel so that responsibility is clearly established.

Project Tracking System

2) *Now that a fifteen year accounting of facilities related projects has been developed, the District should continue to maintain a comprehensive project listing that includes the project name, description of the project, location code(s) used for each project, approved project budget, and total project expenditures. The project listing should be updated regularly so that an accounting of project expenditures can be prepared as needed. The District should consider implementing the use of a project tracking software that can track the various attributes listed above and, preferably, integrate with the*

current accounting system. This software could be an external software package purchased by the District or an add-on to its existing financial accounting tools. Software designated for this purpose would be particularly beneficial as it would help prevent lost or outdated information due to employee turnover. The District must ensure that regular reconciliations are performed between the District's accounting records and the tool used to track project expenditures and other details.

VLS was retained by the District to perform an accounting of the various construction projects performed by the District during the Review Period. The results of the work performed have been provided to the District, a summary of which is included in this report. In order to prevent the need for a similar engagement in the future, the District should implement a process for tracking the various key attributes and metrics of the construction projects performed. The District can begin with the information provided from this engagement and add new projects as they are approved each year.

Transfer of Funds

- 3) The District should transfer \$149,797 from the General Fund to the Special Reserve Fund to properly account for reimbursements from the City of Burbank that could not be matched to specific expenditures in the General Fund.***

VLS identified expenditures totaling \$176,378 that were recorded in the State School Building Lease-Purchase Fund ("State School Building Fund"). The expenditures were reimbursed by the City of Burbank, but the District did not properly account for the reimbursement as the funds were deposited in the General Fund and never transferred to the State School Building Fund. The State School Building Fund is now closed.

Additionally, after analyzing all receipts from the City, VLS determined that \$149,797 of receipts deposited into the General Fund could not be matched to specific expenditures. It appears that a portion of the reimbursement related to the expenditure in the State School Building Fund was transferred to the Special Reserve Fund. The remaining balance of unmatched receipts deposited into the General Fund should be transferred to the Special Reserve Fund, where the majority of facilities construction project expenditures reimbursed by the City were recorded.

Exhibit A

EXHIBIT A - SUMMARY OF REVENUES BY SOURCE AND EXPENDITURES BY MAJOR PROJECT - ALL CONSTRUCTION RELATED FUNDS| A-

	FY 1998-99	FY 1999-00	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	TOTAL		
Beginning Balance	\$ 3,978,825.00	\$ 2,171,434.00	\$ 6,262,543.00	\$ 17,920,319.00	\$ 49,398,937.00	\$ 52,455,790.00	\$ 57,291,179.00	\$ 15,410,347.00	\$ 88,864,579.22	\$ 48,455,876.07	\$ 39,915,793.17	\$ 37,770,752.67	\$ 40,382,724.75	\$ 34,379,054.20	\$ 28,368,883.10
REVENUES															
Deferred Maintenance Apportionments	\$ 155,776.00	\$ 83,120.00	\$ 286,949.00	\$ 345,125.00	\$ 374,273.00	\$ 418,338.00	\$ 448,528.00	\$ 551,759.00	\$ 203,454.00	\$ 616,949.00	\$ 668,495.00	\$ 620,286.00	\$ 605,157.00	\$ 529,755.00	\$ 5,907,964.00
FEMA							802,240.95								802,240.95
Interest	144,879.92	172,387.00	677,257.38	2,882,804.14	2,759,955.26	3,136,246.91	1,455,249.66	1,646,768.05	832,027.27	1,012,447.46	1,471,371.32	2,095,459.26	1,631,935.37	731,854.12	20,936,431.42
Mitigation / Developer Fees	148,824.25	212,825.52	395,219.48	562,285.29	714,052.68	1,214,172.95	739,861.98	890,276.72	1,040,462.45	1,318,642.46	2,390,236.91	1,308,237.33	859,497.93	1,129,766.02	13,204,755.87
Other Federal Revenue	-	-	-	-	-	-	-	-	250,653.00	-	-	-	-	-	250,653.00
Other Local Income	-	-	-	61,347.85	38.60	1,056.76	2,106.81	1,748.50	-	68,125.00	2,100.00	223,657.85	3,187.50	168,768.82	533,669.42
Proceeds From Bond Issuance	-	-	7,497,787.05	39,996,369.75	-	-	-	65,000,839.35	-	-	-	-	-	-	112,494,996.15
Proceeds From Capital Leases (Other Sources)	-	-	-	-	378,403.00	-	-	-	-	-	-	-	-	-	378,403.00
Rents & Leases	-	-	-	-	95,869.00	140,855.00	-	-	-	-	-	-	-	-	236,724.00
Sale of Property	-	-	5,000,000.00	-	-	2,475,000.00	-	-	-	-	-	-	-	-	7,475,000.00
School Facilities Apportionments	-	2,893,721.50	147,376.00	-	8,746,774.73	8,281,130.50	-	46,078,489.00	-	-	5,944,467.00	2,968,525.00	3,397,291.00	-	78,457,774.73
City of Burbank	-	-	-	6,160.51	-	109,465.88	250,000.00	-	-	196,216.08	178,935.65	196,030.78	278,140.47	162,147.25	255,057.75
Transfers In From General Fund - City of Burbank	2,191,925.62	5,212,457.58	5,602,148.26	5,933,328.57	3,884,033.95	-	-	406,915.67	-	-	-	-	-	-	23,230,809.65
Net Interfund Transfers (To)/From General Fund	460,000.00	210,000.00	288,381.00	4,780,328.69	3,618,391.81	1,958,796.25	(1,023,655.00)	-	-	-	2,000,000.00	750,916.00	100,000.00	(4,699,902.45)	8,443,256.30
Total Revenue & Transfers (To)/From General Fund	\$ 3,101,405.79	\$ 8,784,511.60	\$ 19,895,118.17	\$ 54,567,749.80	\$ 20,571,792.03	\$ 17,735,062.25	\$ 2,674,332.40	\$ 114,576,796.29	\$ 2,326,596.72	\$ 3,212,380.00	\$ 4,711,138.88	\$ 12,388,138.22	\$ 7,097,359.27	\$ 6,219,582.21	\$ (3,877,130.77)
Net Interfund Transfers (To)/From Other Facility Funds	-	-	-	-	-	-	-	0.00	-	-	-	-	-	-	0.00
Total Revenues & All Interfund Transfers	\$ 3,101,405.79	\$ 8,784,511.60	\$ 19,895,118.17	\$ 54,567,749.80	\$ 20,571,792.03	\$ 17,735,062.25	\$ 2,674,332.40	\$ 114,576,796.29	\$ 2,326,596.72	\$ 3,212,380.00	\$ 4,711,138.88	\$ 12,388,138.22	\$ 7,097,359.27	\$ 6,219,582.21	\$ (3,877,130.77)
EXPENDITURES															
Walt Disney ES															
Disney Project 0202 Relocatable Bldgs & Walkway Cover	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 752,797.05	\$ 4,103.87	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 756,900.92
Disney Project 0301	-	-	-	-	-	-	-	226.57	-	-	-	-	-	-	226.57
Disney Project 9606 Modernization Phase 2	-	-	-	-	-	-	-	1,788,936.67	336,368.50	(26,432.11)	-	-	-	-	2,098,873.06
Walt Disney Elementary	99,909.01	511,533.55	58,441.42	241,375.47	129,858.05	262,830.26	310,994.17	12,076.14	27,931.66	-	7,294.26	23,835.99	12,198.40	-	1,698,278.38
	\$ 99,909.01	\$ 511,533.55	\$ 58,441.42	\$ 241,375.47	\$ 129,858.05	\$ 262,830.26	\$ 310,994.17	\$ 2,554,036.43	\$ 368,404.03	\$ (26,432.11)	\$ 7,294.26	\$ 23,835.99	\$ 12,198.40	\$ -	\$ 4,554,278.93
Thomas Edison ES															
Edison Bldg Improv / Modern Project 0201	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,383.35	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,383.35
Edison Project 9705 Bond Security Payment	-	-	-	-	-	-	-	14,426.55	21,541.10	13,568.22	-	-	-	-	49,535.87
Thomas Edison Elementary	260,273.67	55,284.35	99,290.94	625,633.94	2,162,923.44	331,225.32	147,315.69	158,277.30	14,276.48	-	-	-	-	-	3,854,501.13
	\$ 260,273.67	\$ 55,284.35	\$ 99,290.94	\$ 625,633.94	\$ 2,162,923.44	\$ 331,225.32	\$ 147,315.69	\$ 187,087.20	\$ 35,817.58	\$ 13,568.22	\$ -	\$ -	\$ -	\$ -	\$ 3,918,420.35
Ralph Emerson ES															
Emerson Project 9603	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,005.00	\$ 60.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,065.00
Emerson Project 9704	-	-	-	-	-	-	-	1,905.43	3,377.50	-	-	-	-	-	5,282.93
Ralph Emerson Elementary	45,580.18	117,543.23	30,527.16	3,161,106.37	1,476,792.57	113,835.12	116,529.28	-	4,879.82	-	17,200.00	-	-	-	5,083,993.73
	\$ 45,580.18	\$ 117,543.23	\$ 30,527.16	\$ 3,161,106.37	\$ 1,476,792.57	\$ 113,835.12	\$ 116,529.28	\$ 4,910.43	\$ 4,939.82	\$ 3,377.50	\$ 17,200.00	\$ -	\$ -	\$ -	\$ 5,092,341.66
Bret Harte ES															
Bret Harte Elementary	\$ 73,778.17	\$ 40,771.16	\$ 197,968.44	\$ 538,585.79	\$ 2,461,123.84	\$ 497,823.14	\$ 27,398.78	\$ 2,775.00	\$ -	\$ -	\$ -	\$ 4,347.64	\$ 4,777.14	\$ 638.47	\$ 3,849,987.57
Harte Project 9706 Teaching Materials	-	-	-	-	-	-	-	-	-	26,515.00	2,343.20	-	14,798.58	-	43,656.78
	\$ 73,778.17	\$ 40,771.16	\$ 197,968.44	\$ 538,585.79	\$ 2,461,123.84	\$ 497,823.14	\$ 27,398.78	\$ 2,775.00	\$ -	\$ 26,515.00	\$ 2,343.20	\$ -	\$ 19,146.22	\$ 4,777.14	\$ 3,893,644.35
Thomas Jefferson ES															
Jefferson Project 9708	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,097.58	\$ 3,230.00	\$ (2,002.26)	\$ 3,774.85	\$ -	\$ -	\$ -	\$ 14,100.17
Thomas Jefferson Elementary	384,518.94	62,323.75	150,353.24	227,039.13	2,529,878.71	517,342.99	247,132.72	1,637.00	30,061.22	-	9,160.00	4,458.65	14,048.22	4,209.00	4,182,163.57
	\$ 384,518.94	\$ 62,323.75	\$ 150,353.24	\$ 227,039.13	\$ 2,529,878.71	\$ 517,342.99	\$ 247,132.72	\$ 10,734.58	\$ 33,291.22	\$ (2,002.26)	\$ 3,774.85	\$ 9,160.00	\$ 4,458.65	\$ 14,048.22	\$ 4,196,263.74
William McKinley ES															
McKinley Elementary Modernization	\$ 1,155.80	\$ 4,734.00	\$ 8,607.16	\$ 86,708.67	\$ 5,337.50	\$ -	\$ 96,251.88	\$ 106,053.63	\$ 25,584.13	\$ 160,093.42	\$ 346,536.71	\$ 1,263,833.21	\$ 6,273,795.41	\$ 1,878,801.55	\$ 10,295,245.51
William McKinley Elementary	34,802.05	213,563.12	-	1,125.59	(450.00)	-	-	-	-	-	-	-	-	-	249,040.76
	\$ 35,957.85	\$ 218,297.12	\$ 8,607.16	\$ 87,834.26	\$ 4,887.50	\$ -	\$ 96,251.88	\$ 106,053.63	\$ 25,584.13	\$ 160,093.42	\$ 346,536.71	\$ 1,263,833.21	\$ 6,273,795.41	\$ 1,878,801.55	\$ 10,544,286.27
Joaquin Miller ES															
Joaquin Miller Elementary	\$ 104,122.27	\$ 231,597.22	\$ 2,315,669.75	\$ 2,999,905.24	\$ (179,801.06)	\$ -	\$ 281,918.18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,753,411.60
Miller - Mod Repairs	-	-	-	-	-	-	-	-	-	8,300.00	2,000.00	-	-	-	10,300.00
Miller Elementary	236,924.39	186,498.82	75,496.20	1,491,221.83	178,207.91	49,454.16	1,370,387.92	-	-	94,988.42	46,384.79	364,733.00	-	2,290.00	4,096,587.44
Miller Kindergarten	449,974.73	108.56	-	-	756,669.01	1,128,645.00	-	-	-	-	-	-	-	-	2,335,397.30
Miller Project 0101	-	-	-	-	-	-	-	2,840.78	-	-	-	-	-	-	2,840.78
Miller Project Modernization	-	-	-	-	-	-	-	1,190,150.52	37,433.69	38,861.01	-	-	-	-	1,266,445.22
	\$ 791,021.39	\$ 418,204.60	\$ 2,391,165.95	\$ 4,491,127.07	\$ 755,075.86	\$ 1,178,099.16	\$ 1,652,306.10	\$ 1,192,991.30	\$ 37,433.69	\$ 38,861.01	\$ 103,288.42	\$ 48,384.79	\$ 364,733.00	\$ -	\$ 13,464,982.34
Providencia ES															
Providencia Elementary	\$ 201,146.86	\$ 109,296.47	\$ 103,160.60	\$ 130,199.21	\$ 99,715.39	\$ 4,850.00	\$ 459.61	\$ 3,250.00	\$ -	\$ -	\$ -	\$ 2,993.68	\$ -	\$ -	\$ 655,071.82
Providencia Project	-	-	-	-	-	-	-	-	1,926.57	-	-	-	-	-	1,926.57
Providencia Project 0301	-	-	-	-	-	-	-	-	226.57	0.00	-	-	-	-	226.57
Providencia Project 0401 Modernization	-	-	-	-	-	-	-	-	290.00	220,489.22	288,726.20	41,095.19	252,762.82	2,763,424.76	7,157,219.18
	\$ 201,146.86	\$ 109,296.47	\$ 103,160.60	\$ 130,199.21	\$ 99,715.395										

EXHIBIT A - SUMMARY OF REVENUES BY SOURCE AND EXPENDITURES BY MAJOR PROJECT - ALL CONSTRUCTION RELATED FUNDS| A-2

	FY 1998-99	FY 1999-00	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	TOTAL
Theodore Roosevelt ES													
Roosevelt Bldg Improv / Modern	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,003.17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,003.17
Roosevelt Project 9608	-	-	-	-	-	-	16,589.54	-	-	-	-	-	16,589.54
Roosevelt Project 9706	-	-	-	-	-	-	(9,368.30)	-	-	-	-	-	(9,368.30)
Theodore Roosevelt Elementary	72,350.53	120,335.50	464,977.10	282,885.81	2,002,262.22	576,555.96	242,949.76	21,474.92	5,545.36	1,237.95	-	-	3,790,575.11
	\$ 72,350.53	\$ 120,335.50	\$ 464,977.10	\$ 282,885.81	\$ 2,002,262.22	\$ 576,555.96	\$ 242,949.76	\$ 50,699.33	\$ 5,545.36	\$ 1,237.95	\$ -	\$ -	\$ 3,819,799.52
R.L. Stevenson ES													
R.L. Stevenson Elementary	\$ 26,477.49	\$ 253,586.72	\$ 126,489.14	\$ 14,047.56	\$ 65,423.86	\$ 179,428.91	\$ 1,659,839.87	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,325,293.55
Stevenson Project Modernization	-	-	-	-	-	-	-	1,925,672.23	193,721.29	18,667.85	-	-	2,138,061.37
	\$ 26,477.49	\$ 253,586.72	\$ 126,489.14	\$ 14,047.56	\$ 65,423.86	\$ 179,428.91	\$ 1,659,839.87	\$ 1,925,672.23	\$ 193,721.29	\$ 18,667.85	\$ -	\$ -	\$ 4,463,354.92
George Washington ES													
George Washington Elementary	\$ 157,742.13	\$ 680,221.22	\$ 579,566.25	\$ 3,057,671.48	\$ 765,528.36	\$ 140,041.26	\$ 70,938.29	\$ 7,455.00	\$ -	\$ -	\$ 7,713.08	\$ -	\$ 5,495,055.28
Washington Paving/Modular Project	-	-	-	-	-	-	-	-	-	-	-	6,235.60	6,235.60
Washington Project 0901	-	-	-	-	-	-	-	226.73	-	-	-	-	226.73
Washington Project 9604	-	-	-	-	-	-	-	(0.00)	-	-	-	-	(0.00)
Washington Project 9708	-	-	-	-	-	-	-	21,387.33	-	7,859.44	-	-	29,246.77
Washington-Windows Project	-	-	-	-	-	-	-	-	-	-	39,331.36	-	39,331.36
	\$ 157,742.13	\$ 680,221.22	\$ 579,566.25	\$ 3,057,671.48	\$ 765,528.36	\$ 140,041.26	\$ 70,938.29	\$ 29,069.06	\$ -	\$ 7,859.44	\$ 7,713.08	\$ 28,178.21	\$ 5,570,095.74
David Starr Jordan MS													
David Starr Jordan M.S.	\$ 300,389.50	\$ 450,224.63	\$ 2,037,403.71	\$ 3,557,562.81	\$ 308,473.91	\$ 21,359.68	\$ 539,239.91	\$ -	\$ 1,491.05	\$ -	\$ -	\$ 22,449.69	\$ 7,250,777.75
Jordan Field Work Parking Project - Joint City	-	-	-	-	-	-	-	-	-	-	181,818.72	1,465.28	270,564.82
Jordan Project 0102	-	-	-	-	-	-	-	-	-	5,952.00	-	-	5,952.00
Jordan Project 9601	-	-	-	-	-	-	-	24,819.21	-	-	-	-	24,819.21
	\$ 300,389.50	\$ 450,224.63	\$ 2,037,403.71	\$ 3,557,562.81	\$ 308,473.91	\$ 21,359.68	\$ 539,239.91	\$ 24,819.21	\$ 1,491.05	\$ 5,952.00	\$ 181,818.72	\$ 23,914.97	\$ 7,552,113.78
Luther Burbank MS													
Luther Burbank Middle School	\$ 91,652.82	\$ 118,269.41	\$ 106,866.26	\$ 33,308.49	\$ 3,653.89	\$ 30,944.91	\$ 24,861.79	\$ -	\$ 19,720.96	\$ -	\$ 29,229.97	\$ 59,381.86	\$ 688,078.84
Luther OCLC Off-Campus Learning Center Bldgs	-	-	-	-	-	-	-	-	-	-	-	32,851.34	636,032.00
Luther Phase I FAA Project 0201 Modernization & Sound Attenuation	-	-	-	-	-	-	-	81,022.72	30,043.00	1,557,642.74	991,276.54	1,548.00	2,725,690.58
Luther Phase II Modernization Project 0401	-	-	-	-	-	-	-	-	285,943.16	984,559.42	5,155,245.35	4,665,045.85	12,177,113.33
	\$ 91,652.82	\$ 118,269.41	\$ 106,866.26	\$ 33,308.49	\$ 3,653.89	\$ 30,944.91	\$ 24,861.79	\$ 81,022.72	\$ 49,763.96	\$ 1,843,585.90	\$ 2,005,065.93	\$ 5,216,175.21	\$ 16,226,914.75
Monterey HS													
Monterey Growth Project 07-08	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,275.84	\$ -	\$ 297,350.12
Monterey H.S	81,082.59	107,030.96	198,458.15	210,196.30	2,905.47	-	-	-	-	-	-	-	599,673.47
Monterey Modern Project 0401	-	-	-	-	-	-	-	257.95	133,462.20	74,503.76	55,659.29	46,176.83	4,766,326.83
	\$ 81,082.59	\$ 107,030.96	\$ 198,458.15	\$ 210,196.30	\$ 2,905.47	\$ -	\$ -	\$ 257.95	\$ 133,462.20	\$ 74,503.76	\$ 55,659.29	\$ 59,452.67	\$ 5,663,350.42
John Muir MS													
John Muir Middle School	\$ 154,848.47	\$ 149,555.11	\$ 20,438.19	\$ 63,810.14	\$ -	\$ 209,327.84	\$ 220,349.09	\$ -	\$ -	\$ -	\$ -	\$ 9,089.52	\$ 834,617.30
Muir Electrical Replacement Project	-	-	-	-	-	-	-	-	-	-	-	220,706.42	220,706.42
Muir Project 0001 Modernization	-	-	-	-	-	-	-	2,419,216.45	8,154,387.45	1,540,330.02	1,096,594.10	5,741.32	13,232,634.64
	\$ 154,848.47	\$ 149,555.11	\$ 20,438.19	\$ 63,810.14	\$ -	\$ 209,327.84	\$ 220,349.09	\$ 2,419,216.45	\$ 8,154,387.45	\$ 1,540,330.02	\$ 1,096,594.10	\$ 14,830.84	\$ 14,287,958.36
Burbank HS													
Burbank H.S.	\$ 635,308.07	\$ 163,226.78	\$ 392,729.04	\$ 204,970.88	\$ 1,182,413.39	\$ 4,941,125.81	\$ 21,134,226.17	\$ -	\$ 40,164.67	\$ -	\$ 5,937.19	\$ 55,359.62	\$ 28,937,815.14
Burbank High - Project 0002 Modernization & Phase 2 Const.	-	-	-	-	-	-	-	14,126,347.57	20,985,614.00	6,042,381.29	438,240.21	2,534.21	41,646,938.19
Burbank High Project 0901 Modernization & Phase 1 Const.	-	-	-	-	-	-	-	455.42	-	-	-	-	455.42
Burbank High Project 9604 Reconstruction & Expansion	-	-	-	-	-	-	-	226,454.31	-	-	-	-	226,454.31
Burbank Security Camera System	-	-	-	-	-	-	-	-	-	-	-	58,497.25	58,497.25
Burbank Solar Heating Project	-	-	-	-	-	-	-	-	122,409.81	515,391.99	-	-	637,801.80
Burbank Track & Field Project	-	-	-	-	-	-	-	-	-	5,254.36	26,900.75	(5,850.37)	357,195.73
	\$ 635,308.07	\$ 163,226.78	\$ 392,729.04	\$ 204,970.88	\$ 1,182,413.39	\$ 4,941,125.81	\$ 21,134,226.17	\$ 14,353,257.30	\$ 21,025,778.67	\$ 6,164,791.10	\$ 959,569.39	\$ 63,148.19	\$ 71,865,157.84
John Burroughs HS													
Burroughs - Modernization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,622,908.74	\$ 12,090,791.44	\$ 1,416,466.17	\$ 312,754.39	\$ 5,024.31	\$ 29,447,945.05
Burroughs Security Camera System	-	-	-	-	-	-	-	-	-	-	-	53,203.25	53,203.25
Burroughs Solar Heating Project	-	-	-	-	-	-	-	-	964,578.42	404,904.50	-	-	1,369,482.92
Burroughs Summer 04 Project	-	-	-	-	-	-	-	-	3,561.10	-	-	-	3,561.10
Burroughs Project 0002 Modernization	-	-	-	-	-	-	-	2,384.00	-	(0.00)	-	-	2,384.00
Burroughs Project 9606	-	-	-	-	-	-	-	218.04	-	-	-	-	218.04
Burroughs Project 0611 Reconstruction	-	-	-	-	-	-	-	76,514.37	-	-	-	-	76,514.37
JBHS Growth Proj -Hurst 07-08 Relocatable Classroom Bldgs	-	-	-	-	-	-	-	-	-	-	17,673.04	296,328.93	320,486.93
JBHS Roof Project	-	-	-	-	-	-	-	-	-	-	6,200.43	17,345.47	23,545.90
John Burroughs H.S	1,029,145.39	126,201.89	327,357.11	392,299.22	1,112,581.29	3,106,729.25	16,020,400.44	7,177.75	22,892.70	-	40,582.38	296,662.69	22,733,121.46
	\$ 1,029,145.39	\$ 126,201.89	\$ 327,357.11	\$ 392,299.22	\$ 1,112,581.29	\$ 3,106,729.25	\$ 16,020,400.44	\$ 15,709,202.90	\$ 12,117,245.24	\$ 2,381,044.59	\$ 758,241.27	\$ 301,687.00	\$ 54,030,463.02

EXHIBIT A - SUMMARY OF REVENUES BY SOURCE AND EXPENDITURES BY MAJOR PROJECT - ALL CONSTRUCTION RELATED FUNDS| A-1

	FY 1999-00	FY 1999-01	FY 1999-02	FY 1999-03	FY 1999-04	FY 2000-01	FY 2000-02	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	TOTAL
Burbank Adult School																
Adult Ed - Authorized & Fee Based	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adult Ed Project 9601 Sound Attenuation	-	-	-	-	-	-	-	883,585.67	428,847.90	273,915.28	-	-	-	-	-	1,586,348.85
Adult Ed-Subsidized & Self-Supporting Fee Based	-	-	-	-	-	-	-	-	395.00	-	-	-	-	-	5,025.00	5,420.00
Burbank Adult School	8,619.55	32,310.00	37,135.00	6,850.28	29,313.73	-	2,735.23	-	-	-	-	-	-	-	-	116,963.79
Mingey	-	-	-	-	8,957.60	74,018.97	354,382.40	-	-	-	-	-	-	-	-	437,358.97
	\$ 8,619.55	\$ 32,310.00	\$ 37,135.00	\$ 6,850.28	\$ 38,271.33	\$ 74,018.97	\$ 357,117.63	\$ 883,585.67	\$ 429,242.90	\$ 273,915.28	\$ -	\$ -	\$ -	\$ -	\$ 5,025.00	\$ 2,146,091.61
Community Day School - Alt. Ed.																
Burbank Community Day School	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 238,344.68	\$ 425.28	\$ 125,245.12	\$ 73,501.20	\$ 39,402.38	\$ 53,274.14	\$ 697,642.37	\$ 21,452.92	\$ 43,155.50	\$ -	\$ 1,292,443.59
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 238,344.68	\$ 425.28	\$ 125,245.12	\$ 73,501.20	\$ 39,402.38	\$ 53,274.14	\$ 697,642.37	\$ 21,452.92	\$ 43,155.50	\$ -	\$ 1,292,443.59
District Office																
Board of Education Bond Election	\$ -	\$ -	\$ 203,098.46	\$ 86,566.14	\$ 1,802.00	\$ 4,825.05	\$ 3,673.91	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 299,965.56
Business Office	(47,010.46)	-	-	117.92	128.80	47.55	-	-	-	-	-	-	-	-	-	(46,716.19)
D/W - Rigging Project	-	-	-	-	-	-	-	-	-	-	-	-	-	467,640.01	159,283.17	626,923.18
D/W Projectors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	219,562.40	219,562.40
D/W Substitutes/Hourly	-	-	-	-	-	-	-	(1,070.37)	-	-	-	-	-	-	-	(1,070.37)
District Copy Center	-	-	-	-	-	-	-	-	-	-	-	-	-	-	133,787.62	133,787.62
District Office	-	-	-	-	-	-	-	17,516.24	5,105.70	5,170.14	41,690.62	11,373.86	7,332.93	26,381.93	250.00	114,821.42
Districtwide	12,992.96	30,165.59	87,391.75	4,917,390.12	1,965,639.52	181,212.47	458,090.15	87,815.71	87,815.71	-	-	2,833.00	-	-	-	7,831,346.98
Facilities Master Planning	418,694.54	385,321.62	478,657.17	678,543.52	413,489.48	594,957.40	568,996.64	550,149.71	1,512,066.17	1,395,641.90	767,337.44	721,221.67	602,911.65	606,792.72	1,088,320.49	10,783,102.12
Facilities Planning - Office	-	-	-	-	-	-	-	46,482.12	51,435.95	(0.00)	57,120.06	131,036.17	84,377.58	78,586.59	80,349.80	529,388.27
Facilities Planning-Bond Interest	-	-	-	-	-	-	-	67,244.12	7,435.88	-	-	-	-	-	-	74,680.00
Facilities Planning-Discretionary	-	-	-	-	-	-	-	12,221.31	40,708.94	299.66	1,310.95	2,397.82	2,220.30	1,317.03	1,283.08	61,759.09
Facilities Services-LTM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,497.58	31,497.58
Facility Services	34,257.84	245,911.26	1,260.00	-	24,206.45	32,455.12	128,545.51	111,848.71	98,640.72	(1,015.79)	68,181.94	833.20	29,395.16	34,566.77	185,628.99	994,715.88
Fiscal Services - Admin	21,864.89	15,720.31	14,151.06	1.00	5,259.77	(0.00)	137.92	-	-	-	-	-	-	-	-	57,134.95
Fiscal Services Discretionary	-	-	-	-	-	-	-	5,751.08	1,340.85	(0.00)	20,298.41	5,239.79	2,836.59	-	-	35,466.72
Nazerian Group	-	-	-	-	-	-	-	1,950.00	-	-	-	-	-	-	-	1,950.00
Personnel - Admin	-	1,955.24	-	-	-	-	-	-	-	-	-	-	-	-	-	1,955.24
Personnel - Substitutes	-	-	-	-	-	-	27,954.91	-	-	-	-	-	-	-	-	27,954.91
Pupil Services	-	184,025.74	10,653.88	(350.00)	-	-	-	-	-	-	-	-	-	-	-	194,329.62
Purchasing Services	-	-	-	-	-	-	-	4,100.57	10,417.92	(0.00)	9,724.20	13,224.20	13,511.38	13,904.78	14,267.02	79,150.07
Technology Services	-	-	-	-	-	-	-	-	-	-	-	1,143.90	-	-	-	1,143.90
Technology Services Erate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	77,133.75	77,133.75
Technology Services-Modernization-Bond Interest	-	-	-	-	-	-	-	127,333.57	127,286.36	(0.00)	33,599.29	34,387.81	37,617.08	37,887.89	34,408.42	432,520.42
	\$ 440,799.77	\$ 863,099.76	\$ 795,212.32	\$ 5,682,268.70	\$ 2,410,526.02	\$ 813,497.59	\$ 1,187,399.04	\$ 1,031,342.77	\$ 1,942,254.20	\$ 1,400,095.91	\$ 999,262.91	\$ 923,691.42	\$ 780,202.67	\$ 1,267,077.72	\$ 2,025,772.32	\$ 22,562,503.12
Horace Mann Children Center																
Mann Asphalt Paving, Teacher Materials, Playground Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,756.67	\$ -	\$ -	\$ -	\$ 8,489.00	\$ 163,356.27	\$ -	\$ 185,601.94
Mann Center Asphalt Paving, Teacher Materials, Playground Equipment	-	-	86,581.19	-	-	-	-	-	-	-	-	-	-	-	-	86,581.19
Mann Preschool-Special Ed Project	-	-	-	-	-	-	-	-	-	-	-	-	36,867.92	676,679.77	8,205.40	721,753.09
Mann Water Line	-	-	-	-	-	-	-	-	-	-	-	-	-	-	102,032.05	102,032.05
Horace Mann Preschool	16,864.64	94,608.00	24,612.68	80,360.34	2,645.00	8,500.00	-	-	-	-	-	-	-	-	-	227,590.66
	\$ 16,864.64	\$ 94,608.00	\$ 111,193.87	\$ 80,360.34	\$ 2,645.00	\$ 8,500.00	\$ -	\$ -	\$ 13,756.67	\$ -	\$ -	\$ -	\$ 45,356.92	\$ 840,036.04	\$ 110,237.45	\$ 1,323,558.93
Other Minor Projects																
High School	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.00
Kindergarten Growth Project	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,214.16	6,214.16
Magnolia Park School	1,329.26	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,329.26
OutReach Center	-	-	-	-	-	-	-	-	-	14.00	-	-	-	-	-	14.00
Rental Prop. 414 N. Lamer	-	-	-	-	-	-	-	-	-	-	57,500.00	-	-	-	-	57,500.00
Rental Prop. Santa Anita A	-	-	-	-	-	-	-	-	-	-	101,546.50	-	-	-	-	101,546.50
	\$ 1,329.26	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.00	\$ -	\$ 14.00	\$ 159,046.50	\$ -	\$ -	\$ -	\$ 6,214.16	\$ 166,603.92
Unallocated																
Unallocated	\$ 0.00	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ 981,593.50	\$ 0.00	\$ (0.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 981,593.50
Variances between financial data and SACS reports - Expenditures	1.72	1,476.79	1.95	(0.74)	1.40	1.15	0.50	(1.00)	-	-	-	-	-	-	-	1,481.77
Total Expenditures	\$ 4,908,798.00	\$ 4,693,401.00	\$ 8,237,343.00	\$ 23,089,132.51	\$ 18,496,535.00	\$ 13,245,882.00	\$ 44,056,136.00	\$ 40,695,196.90	\$ 44,514,632.98	\$ 14,238,876.62	\$ 6,856,179.38	\$ 8,652,684.01	\$ 13,154,483.82	\$ 11,797,964.79	\$ 8,794,900.56	\$ 265,432,146.57
Variances between financial data and SACS reports - Revenues	1.21	(1.60)	0.83	0.71	1.97	0.75	(1.40)	0.83	(19.72)	19.72	-	-	-	-	-	-
Audit Adjustments (Per SACS Report)	-	-	-	-	981,594.00	346,208.00	(568,350.00)	(427,368.00)	1,779,352.83	2,486,394.00	-	(1,123,482.13)	53,454.00	(431,788.52)	(425,894.00)	-
Adjustments for Restatements (Per SACS Report)	-	-	-	-	-	-	69,323.00	-	-	-	-	-	-	-	-	-
Ending Balance	\$ 2,171,434.00	\$ 6,262,543.00	\$ 17,920,319.00	\$ 49,398,937.00	\$ 52,455,790.00	\$ 57,291,179.00	\$ 15,410,347.00	\$ 88,864,579.22	\$ 48,455,876.07	\$ 39,915,793.17	\$ 37,770,752.67	\$ 40,382,724.75	\$ 34,379,054.20	\$ 28,368,883.10	\$ 15,270,957.77	

Exhibit B

Summary of Variances

Fiscal Year	Accruals – Timing Difference	Accruals – Under/Over	Object Code	Location Code	Scope Limitations	Other	Total
1995/96	\$ 1,667.75	\$ -	\$ -	\$ 109,920.15	\$ 31,365.40	\$ 27,396.00	\$ 170,349.30
1996/97	29,114.64	-	54,461.70	51,828.28	-	-	135,404.62
1997/98	35,761.08	106,533.00	-	-	15,230.70	-	157,524.78
1998/99	32,861.70	180.00	-	-	36,561.28	-	69,602.98
1999/00	41,329.10	-	-	-	-	-	41,329.10
2000/01	539,854.28	-	-	39,225.06	-	-	579,079.34
2001/02	179,807.21	1,000.00	-	-	-	-	180,807.21
2002/03	264,871.88	21,930.00	2,440,200.21	52,482.70	40,500.00	52,838.50	2,872,823.29
2003/04	-	-	49,950.00	-	-	-	49,950.00
2004/05	-	-	-	-	-	-	-
2005/06	-	-	-	414,629.90	-	-	414,629.90
2006/07	-	-	-	-	-	-	-
2007/08	-	-	-	-	-	-	-
2008/09	-	-	2,438.40	5,600.00	572,806.01	13,566.14	594,510.55
2009/10	-	-	195.55	-	(275,550.21)	-	(275,354.66)
Total	\$ 1,125,267.64	\$ 129,643.00	\$ 2,547,245.86	\$ 673,686.09	\$ 420,913.18	\$ 93,900.64	\$ 4,990,656.41

Accruals – Timing Difference: These variances resulted in expenditures not being recorded in the proper fiscal year; however, the expenditures were still recorded. Total project expenditures are reflected accurately over time.

Accruals – Under/Over: These variances resulted in expenditures being under/over reported at the time of accrual and/or payment; however, the expenditures were corrected when Accounts Payable were reconciled each year. Vendor payments related to these variances were accurately paid over time.

Object Code: These variances relate to the specific object code(s) used to report the various expenditures. Total expenditures by fiscal year and project are not affected.

Location Code: These variances impact total expenditures reported for the respective projects; however, annual expenditures are not affected.

Scope Limitations: These variances were identified when the information contained in the supporting documentation was not sufficient to make a conclusion on the attribute being tested. This does not mean that the accounting was not proper, but rather that VLS was not able to verify that the accounting was proper.

Other: This category includes other types of variances identified during testing.

Accruals – Timing Difference

The following variances resulted in expenditures not being recorded in the proper fiscal year; however, the expenditures were still recorded. Total costs associated with the related projects are reflected accurately over time. Some of the dollar variances identified are minor but have been included in this report for full disclosure.

Fiscal Year	Fund	Type of Transaction	Total Amount Tested	Amount of Variance	Type of Variance	Additional Explanation
1995/96	60.0 - Special Reserve	Expenditure	\$ 33,354.90	\$ 1,667.75	Accrual - Timing Difference	This invoice covers work performed in the period from 6/28/96 to 7/24/96. \$31,687.15 was expensed in FY1996/97 and \$1,667.75 should have been accrued in FY1995/96.
1996/97	60.0 - Special Reserve	Expenditure	29,114.64	29,114.64	Accrual - Timing Difference	Per the contractor invoice, the work was performed through June 1996. This invoice should have been accrued in FY1995/96.
1997/98	60.0 - Special Reserve	Expenditure	35,761.08	35,761.08	Accrual - Timing Difference	Per the contractor invoice, the work was performed in June 1997. This invoice should have been accrued in FY1996/97.
1998/99	60.0 - Special Reserve	Expenditure	32,861.70	32,861.70	Accrual - Timing Difference	Per the contractor invoice, the work was performed prior to June 30, 1998. This invoice should have been accrued in FY1997/98.
1999/00	60.0 - Special Reserve	Expenditure	91,069.45	Not Enough Detail to Calculate	Accrual - Possible Timing Difference	Per the contractor invoice, the work was performed in the period from 6/1/99 to 9/30/99. The costs associated with the work performed in June 1999 should have been accrued in FY1998/99; however, the entire invoice was expensed in FY1999/00. The contractor invoice does not contain enough information to determine the amount that should have been accrued in FY1998/99.
1999/00	70.0 - Building Fund	Expenditure	59,868.82	Not Enough Detail to Calculate	Accrual - Possible Timing Difference	Per the contractor invoice, the work was performed in the period from 6/1/99 to 7/31/99. The costs associated with the work performed in June 1999 should have been accrued in FY1998/99; however, the entire invoice was expensed in FY1999/00. The contractor invoice does not contain enough information to determine the amount that should have been accrued in FY1998/99.

Accruals – Timing Difference

The following variances resulted in expenditures not being recorded in the proper fiscal year; however, the expenditures were still recorded. Total costs associated with the related projects are reflected accurately over time. Some of the dollar variances identified are minor but have been included in this report for full disclosure.

Fiscal Year	Fund	Type of Transaction	Total Amount Tested	Amount of Variance	Type of Variance	Additional Explanation
1999/00	70.0 – Building Fund	Expenditure	200,000.00	41,329.10	Accrual – Timing Difference	An accrual for \$200,000 was made for this vendor invoice; however, only \$158,670.90 was actually billed and paid. Additionally, the vendor invoice indicates work was performed through 7/12/2000; however, the entire invoice was accrued in FY1999/00. It is possible that a portion of the invoice should have been expensed in FY2000/01; however, the invoice did not contain enough detail to determine this.
2000/01	60.0 - Special Reserve	Expenditure	183,561.00	Not Enough Detail to Calculate	Accrual – Possible Timing Difference	Per the contractor invoice, the work was performed in the period from 3/1/00 to 7/31/00. The costs associated with the work performed prior to 6/30/00 should have been accrued in FY1999/00; however, the entire invoice was expensed in FY2000/01. The contractor invoice does not contain enough information to determine the amount that should have been accrued in FY1999/00.
2000/01	70.0 - Building Fund	Expenditure	289,971.00	193,314.00	Accrual - Timing Difference	The invoice is for construction management fees for the period from 3/1/00 to 8/31/00. The management fees for the months through 6/30/00 should have been accrued in FY1999/00; however, the entire invoice was expensed in FY2000/01. We calculated the exception amount assuming a fixed monthly management fee of \$48,328.50 (\$289,971 + 6).
2000/01	70.0 - Building Fund	Expenditure	40,455.98	40,455.98	Accrual - Timing Difference	Per the contractor invoice, the work was performed through to June 30, 2000. This invoice should have been accrued in FY1999/00.

Accruals – Timing Difference

The following variances resulted in expenditures not being recorded in the proper fiscal year; however, the expenditures were still recorded. Total costs associated with the related projects are reflected accurately over time. Some of the dollar variances identified are minor but have been included in this report for full disclosure.

Fiscal Year	Fund	Type of Transaction	Total Amount Tested	Amount of Variance	Type of Variance	Additional Explanation
2000/01	82.0 - County School Facilities	Expenditure	52,178.60	52,178.60	Accrual - Timing Difference	Per the contractor invoice, the work was performed through to March 7, 2000. This invoice should have been accrued in FY1999/00.
2001/02	60.0 - Special Reserve	Expenditure	67,920.99	67,920.99	Accrual - Timing Difference	Per the contractor invoice, the work was performed in June 2001. This invoice should have been accrued in FY2000/01.
2001/02	70.0 - Building Fund	Expenditure	38,826.00	38,826.00	Accrual - Timing Difference	Per the contractor invoice, the work was performed in May 2001. This invoice should have been accrued in FY2000/01.
2001/02	70.0 - Building Fund	Expenditure	59,343.00	59,343.00	Accrual - Timing Difference	Per the contractor invoice, the work was performed in June 2001. This invoice should have been accrued in FY2000/01.
2001/02	73.0 - Capital Facilities	Expenditure	87,815.71	87,815.71	Accrual - Timing Difference	Per the contractor invoice, the work was performed in June 2001. This invoice should have been accrued in FY2000/01.
2002/03	35.0 - County School Facilities	Expenditure	17,955.00	17,955.00	Accrual - Timing Difference	This work was performed from 6/1/2002 through 6/30/2002 and should have been accrued in FY2001/02.
2002/03	21.0 - Building Fund	Expenditure	160,007.00	80,003.50	Accrual - Timing Difference	The invoice is for construction management fees for the period from 6/1/02 to 7/31/02. The management fees for June 2002 should have been accrued in FY2001/02; however, the entire invoice was expensed in FY2002/03. We calculated the exception amount using a fixed monthly management fee of \$80,003.50 (\$160,007 ÷ 2).
2002/03	21.0 - Building Fund	Expenditure	29,799.00	29,799.00	Accrual - Timing Difference	Per the contractor invoice, the work was performed through July 1, 2002. This invoice should have been accrued in FY2001/02.

Accruals – Timing Difference

The following variances resulted in expenditures not being recorded in the proper fiscal year; however, the expenditures were still recorded. Total costs associated with the related projects are reflected accurately over time. Some of the dollar variances identified are minor but have been included in this report for full disclosure.

Fiscal Year	Fund	Type of Transaction	Total Amount Tested	Amount of Variance	Type of Variance	Additional Explanation
2002/03	40.0 - Special Reserve for Capital Outlay	Expenditure	26,249.21	26,249.21	Accrual - Timing Difference	Per the contractor invoice, the work was performed from 6/1/2002 through 6/30/2002. This invoice should have been accrued in FY2001/02.
2002/03	21.0 - Building Fund	Expenditure	226,454.31	Not Enough Detail to Calculate	Accrual - Possible Timing Difference	It appears that this invoice should have been accrued in FY2001/02. Although the date of the invoice is 8/31/2002, it states "This Invoice Supersedes Invoice Dated February 28, 2002"; therefore, it would appear that at least a portion of this invoice should have been accrued in FY2001/02. The invoice does not provide enough detail to determine what portion of the cost was incurred prior to 6/30/2002.
2002/03	21.0 - Building Fund	Expenditure	25,800.50	25,800.50	Accrual - Timing Difference	Per the contractor invoice, the work was performed in May 2002. This invoice should have been accrued in FY2001/02.
2003/04	21.0 - Building Fund	Expenditure	119,813.10	119,813.10	Accrual - Timing Difference	Per the contractor invoice, the work was performed in June 2003. This invoice should have been accrued in FY2002/03.
2003/04	21.0 - Building Fund	Expenditure	52,650.00	52,650.00	Accrual - Timing Difference	Per the contractor invoice, the work was performed in May 2003. This invoice should have been accrued in FY2002/03.
2003/04	21.0 - Building Fund	Expenditure	63,715.50	63,715.50	Accrual - Timing Difference	Per the vendor invoice, the work was performed in May 2003. This invoice should have been accrued in FY2002/03.
2003/04	35.0 - County School Facilities	Expenditure	28,693.28	28,693.28	Accrual - Timing Difference	Per the vendor invoice, the work was performed in April 2003. This invoice should have been accrued in FY2002/03.
			\$ 2,053,239.77	\$ 1,125,267.64		

Accruals – Under/Over

The following variances resulted in expenditures being under/over reported at the time of accrual and/or payment; however, the expenditures were corrected when Accounts Payable were reconciled each year. Vendor payments related to these variances were accurately paid over time. Some of the dollar variances identified are minor but have been included in this report for full disclosure.

Fiscal Year	Fund	Type of Transaction	Total Amount Tested	Amount of Variance	Type of Variance	Additional Explanation
1997/98	Fund 60.0 - Special Reserve: Capital Outlay	Expenditure	\$ 152,190.00	\$ 106,533.00	Under-Accrual / No Accrual	This invoice was for services performed in FY1996/97 and FY1997/98. The portion related to FY1996/97 (\$45,657) was appropriately accrued in that year. When the vendor invoice was paid, the entire amount was booked against Accounts Payable rather than expensing the portion that was related to FY1997/98.
1998/99	Fund 60.0 - Special Reserve: Capital Outlay & Fund 84.0 - State School Lease Purchase	Expenditure	110,330.12	180.00	Over-Accrual	The total invoiced and paid was \$110,330.12. The expenditure was allocated between Fund 60.0 and Fund 84.0. The amount accrued in Fund 60.0 was over by \$87.18. The amount accrued in Fund 84.0 was over by \$92.82.
2001/02	70.0 - Building Fund	Expenditure	79,362.00	1,000.00	Under-Accrual	This invoice was for services performed in April 2002 and was appropriately accrued in FY2001/02. \$30,871 was supposed to be allocated to each Joaquin Miller and Stevenson Elementary; however, only \$30,371 was allocated to each school, resulting in an under-accrual of \$1,000. \$17,620 was accurately accrued to John Muir. The appropriate amount was paid to the vendor.
2002/03	21.0 - Building Fund	Expenditure	85,592.00	21,930.00	Over-Accrual	The vendor invoice was accrued twice in FY2002/03. The District created an audit adjustment to correct for several duplicate accruals; however, this portion of the duplicate accrual was not included in the audit adjustment. This over-accrual would have been adjusted when Accounts Payable is reconciled each year.
			\$ 427,474.12	\$ 129,643.00		

Object Code

These variances relate to the specific object code(s) used to report the various expenditures. Total expenditures by fiscal year and project are not affected. Some of the dollar variances identified are minor but have been included in this report for full disclosure.

Fiscal Year	Fund	Type of Transaction	Total Amount Tested	Amount of Variance	Type of Variance	Additional Explanation
1996/97	60.0 - Special Reserve	Expenditure	\$ 54,461.70	\$ 54,461.70	Object Code	The vendor invoice indicates that the work performed was for furnishing and installing playground equipment. The expense was allocated to Object Code 56420, "Repair by Vendor - Facilities." This object code classification does not appear appropriate for this type of expense.
2002/03	21.0 - Building Fund	Expenditure	1,715,801.79	1,715,801.79	Inconsistent Object Code	This exception includes various invoices from Bernard Brothers. The invoices indicate costs are for "Construction Management Basic Fee" and "General Conditions." The object codes used for these costs have been inconsistent. For some invoices, the costs are coded to 6230 "Construction - All Costs" (\$773,948.65) and 6252 "Other Soft Costs" (\$315,963.14). Other invoices are coded to 6243 "Construction - Building Construction / Project Management" (\$366,849.00) and 6244 "Construction - Project Management - Management Fees" (\$259,041.00). In the District SACS reports, these expenditures are consolidated into the major object code classification 62XX "Buildings and Improvements of Buildings" for reporting purposes.

Object Code

These variances relate to the specific object code(s) used to report the various expenditures. Total expenditures by fiscal year and project are not affected. Some of the dollar variances identified are minor but have been included in this report for full disclosure.

Fiscal Year	Fund	Type of Transaction	Total Amount Tested	Amount of Variance	Type of Variance	Additional Explanation
2002/03	21.0 - Building Fund	Expenditure	724,398.42	724,398.42	Inconsistent Object Code	This exception includes multiple invoices for variations of hazardous material removal and interior demolition. These types of invoices have been allocated to 6230 - Construction/All Costs, 6231 - Asbestos/Lead Abate Consultants & Construction, or a combination of these two object codes. The object codes used to expense these types of invoices has been inconsistent. In the District SACS reports, these expenditures are consolidated into the major object code classification 62XX "Buildings and Improvements of Buildings" for reporting purposes.
2003/04	35.0 - County School Facilities	Expenditure	49,950.00	49,950.00	Object Code	Per the vendor invoice, the work performed was for demolition. This cost should have been allocated to Demolition (6231); however, it was allocated to Construction (6230). In the District SACS reports, these expenditures are consolidated into the major object code classification 62XX "Buildings and Improvements of Buildings" for reporting purposes.

Object Code

These variances relate to the specific object code(s) used to report the various expenditures. Total expenditures by fiscal year and project are not affected. Some of the dollar variances identified are minor but have been included in this report for full disclosure.

Fiscal Year	Fund	Type of Transaction	Total Amount Tested	Amount of Variance	Type of Variance	Additional Explanation
2008/09	40.0 - Special Reserve for Capital Outlay	Expenditure	2,438.40	2,438.40	Object Code	Per the vendor invoice, this cost is for professional architectural/engineering services for July 2008. Other invoices from this same vendor were coded to object code 6205 - "Architect Fees/Reimbursables." This invoice was coded to object code 6230 - "Construction." In the District SACS reports, these expenditures are consolidated into the major object code classification 62XX "Buildings and Improvements of Buildings" for reporting purposes.
2009/10	40.0 - Special Reserve for Capital Outlay	Expenditure	32,164.27	195.55	Object Code	Total invoice paid to vendor was for \$39,379.94; however, only \$32,164.27 was selected for our sample selection. ¹ The purchase order indicates that \$32,359.82 should have been expensed to object code 4310 - "Instructional Materials & Supplies"; however, only \$32,164.27 was allocated to this object code, a difference of \$195.55. The remainder of this vendor payment was allocated to object code 4410 - "New Non Cap-New Equipment \$500-\$4,999."
			\$ 2,579,214.58	\$ 2,547,245.86		

¹ Vendor invoices that are split between more than one Object Code and/or Location Code appear as multiple expenditure line items in the District's 405 report. The line item expenditure selected for testing is part of a larger vendor payment. VLS did not select the other expenditure line item related to this vendor payment.

Location Code

The following variances have an impact only on total expenditures reported for each project. Total expenditures on an annual basis are not affected. Some of the dollar variances identified are minor but have been included in this report for full disclosure.

Fiscal Year	Fund	Type of Transaction	Total Amount Tested	Amount of Variance	Type of Variance	Additional Explanation
1995/96	27.0 - Deferred Maintenance & 60.0 - Special Reserve	Expenditure	\$ 27,900.00	\$ 15,235.00	Location Code	Entire invoice was expensed to Edison Elementary; however, \$15,235 should have been allocated to Miller Elementary (\$12,650 directly related to Miller plus 55% of mobilization costs).
1995/96	27.0 - Deferred Maintenance & 60.0 - Special Reserve	Expenditure	49,545.00	8,262.50	Location Code	The invoice was expensed equally between Edison Elementary and Miller Elementary; however, it should have been allocated between Edison Elementary and Miller Elementary according to the breakdown provided by the contractor.
1995/96	27.0 - Deferred Maintenance & 60.0 - Special Reserve	Expenditure	45,873.00	827.10	Location Code	The invoice was expensed equally between Edison Elementary and Miller Elementary; however, it should have been allocated between Edison Elementary and Miller Elementary according to the breakdown provided by the contractor.
1995/96	27.0 - Deferred Maintenance & 60.0 - Special Reserve	Expenditure	31,068.00	7,888.50	Location Code	The invoice was expensed equally between Edison Elementary and Miller Elementary; however, it should have been allocated between Edison Elementary and Miller Elementary according to the breakdown provided by the contractor.

Location Code

The following variances have an impact only on total expenditures reported for each project. Total expenditures on an annual basis are not affected. Some of the dollar variances identified are minor but have been included in this report for full disclosure.

Fiscal Year	Fund	Type of Transaction	Total Amount Tested	Amount of Variance	Type of Variance	Additional Explanation
1995/96	27.0 - Deferred Maintenance	Expenditure	61,092.00	21,321.00	Location Code	The invoice was expensed equally between Edison Elementary and Miller Elementary; however, it should have been allocated between Edison Elementary and Miller Elementary according to the breakdown provided by the contractor.
1995/96	27.0 - Deferred Maintenance	Expenditure	40,815.00	Not Enough Detail to Calculate	Location Code	The invoice was expensed equally between Edison Elementary and Miller Elementary; however, it should have been allocated between Edison Elementary and Miller Elementary according to the breakdown provided by the contractor.
1995/96	27.0 - Deferred Maintenance & 60.0 - Special Reserve	Expenditure	49,680.00	9,482.00	Location Code	This invoice was for work performed at Monterey H.S. and Stevenson Elementary. The cost should have been split between the two locations according to the cost breakdown provided by the contractor. \$10,475.60 should have been allocated to Stevenson Elementary, but only \$993.60 was allocated in Fund 60.
1995/96	60.0 - Special Reserve	Expenditure	45,178.02	7,648.47	Location Code	Costs were not allocated to Providencia although work was performed at this location according to the contractor's invoice.
1995/96	60.0 - Special Reserve	Expenditure	57,792.15	713.58	Location Code	Costs were not accurately allocated between Roosevelt & Miller Elementary Schools.

Location Code

The following variances have an impact only on total expenditures reported for each project. Total expenditures on an annual basis are not affected. Some of the dollar variances identified are minor but have been included in this report for full disclosure.

Fiscal Year	Fund	Type of Transaction	Total Amount Tested	Amount of Variance	Type of Variance	Additional Explanation
1995/96	60.0 - Special Reserve	Expenditure	38,542.00	38,542.00	Location Code	Per the contractor invoice, this expenditure was for interior/exterior painting at Burbank High School; however, the cost was allocated to Facility Planning.
1996/97	60.0 - Special Reserve	Expenditure	27,830.15	5,085.90	Location Code	Costs were not accurately allocated between Luther Burbank and Muir Middle Schools.
1996/97	60.0 - Special Reserve	Expenditure	37,767.00	17,273.01	Location Code	The contractor invoice indicates that the work was performed at Monterey High School and Stevenson Elementary. The entire cost on this invoice was allocated to Stevenson Elementary.
1996/97	60.0 - Special Reserve	Expenditure	57,771.00	3,189.37	Location Code	The contractor invoice indicates that the work was performed at Monterey High School and Stevenson Elementary. The entire cost on this invoice was allocated to Stevenson Elementary.
1996/97	60.0 - Special Reserve	Expenditure	26,280.00	26,280.00	Location Code	Per the contractor invoice, this expenditure was for interior/exterior painting at Burbank High School; however, the cost was allocated to Facility Planning.
2000/01	60.0 - Special Reserve	Expenditure	37,245.00	37,245.00	Location Code	The contractor invoice indicates that the work was performed at John Burroughs High School; however, the costs were allocated to Facility Planning.

Location Code

The following variances have an impact only on total expenditures reported for each project. Total expenditures on an annual basis are not affected. Some of the dollar variances identified are minor but have been included in this report for full disclosure.

Fiscal Year	Fund	Type of Transaction	Total Amount Tested	Amount of Variance	Type of Variance	Additional Explanation
2000/01	70.0 - Building Fund	Expenditure	9,165.72	1,980.06	Location Code	Per the contractor invoice, the work was performed at John Burroughs High School; however, the cost was allocated to Burbank High School in the financials.
2002/03	21.0 - Building Fund	Expenditure	42,561.90	42,561.90	Location Code	The contractor invoice indicates that the work was performed at Burbank High School; however, the costs were allocated to Burroughs High School.
2002/03	21.0 - Building Fund	Expenditure	30,993.00	7,048.00	Location Code	Per the purchase order, 40% of the construction management basic service fee should have been allocated to John Muir. Instead, this portion of the service fee was allocated to Stevenson Elementary.
2002/03	35.0 - County School Facilities	Expenditure	17,955.00	2,872.80	Location Code	The contractor invoice indicates that the work was performed at Disney, Edison & Roosevelt. Although the vendor did not provide a breakdown of the cost attributable to each location, there is a handwritten note that indicates the following breakdown: Disney - \$15,082.20; Edison - \$1,741.64; Roosevelt - \$1,131.16. The entire invoice was allocated to Disney Elementary.

Location Code

The following variances have an impact only on total expenditures reported for each project. Total expenditures on an annual basis are not affected. Some of the dollar variances identified are minor but have been included in this report for full disclosure.

Fiscal Year	Fund	Type of Transaction	Total Amount Tested	Amount of Variance	Type of Variance	Additional Explanation
2003/04	21.0 - Building Fund	Expenditure	172,242.00	Not Enough Detail to Calculate	Location Code	This includes 4 invoices from Bernard Brothers for construction management services for modernization projects at Miller Elementary, Stevenson Elementary, and John Muir Middle School. All 4 invoices were allocated to John Muir Middle School rather than being allocated proportionately to all 3 schools. The contractor's invoices do not provide enough breakdown to determine the allocation to the other 2 schools.
2003/04	35.0 - County School Facilities	Expenditure	145,500.01	Not Enough Detail to Calculate	Location Code	This includes 3 invoices from Bernard Brothers for construction management services for modernization projects at Miller Elementary, Stevenson Elementary, and John Muir Middle School. All 3 invoices were allocated to John Muir Middle School rather than being allocated proportionately to all 3 schools. The contractor's invoices do not provide enough breakdown to determine the allocation to the other 2 schools.
2004/05	35.0 - County School Facilities	Expenditure	93,718.90	Not Enough Detail to Calculate	Location Code	Per the vendor invoice, this cost was related to 3 different sites; however, the entire invoice was expensed to John Muir Middle School.
2005/06	35.0 - County School Facilities	Expenditure	295,207.80	295,207.80	Location Code	Per the vendor invoice, this cost was related to baseball field fencing improvements at Burbank and John Burroughs High Schools. The cost was allocated to a Project/Location Code with a description of Solar Heating.

Location Code

The following variances have an impact only on total expenditures reported for each project. Total expenditures on an annual basis are not affected. Some of the dollar variances identified are minor but have been included in this report for full disclosure.

Fiscal Year	Fund	Type of Transaction	Total Amount Tested	Amount of Variance	Type of Variance	Additional Explanation
2005/06	35.0 - County School Facilities	Expenditure	86,059.10	86,059.10	Location Code	Per the vendor invoice, this cost was related to baseball field fencing improvements at Burbank (\$47,634.10) and John Burroughs (\$38,425.00) High Schools. The entire cost was allocated to Burbank High School. Additionally, the Project/Location Code used was for a Solar Heating project, which is not consistent with the description of actual work performed.
2005/06	35.0 - County School Facilities	Expenditure	33,363.00	33,363.00	Location Code	Per the vendor invoice, this cost was related to baseball field fencing improvements at Burbank (\$32,235.00) and John Burroughs (\$2,420.00) High Schools. The entire cost was allocated to Burbank High School. Additionally, the Project/Location Code used was for a Solar Heating project, which is not consistent with the description of actual work performed.
2008/09	35.0 - County School Facilities	Expenditure	5,600.00	5,600.00	Location Code	The vendor invoice indicates the location of the interim housing unit was Providencia Elementary; however, the cost was allocated to Monterey High School.
			\$ 1,566,744.75	\$ 673,686.09		

Scope Limitations

The following variances were identified when the information contained in the supporting documentation was not sufficient to make a conclusion on the attribute being tested. This does not mean that the accounting was not proper, but rather that VLS was not able to verify that the accounting was proper. Some of the dollar variances identified are minor but have been included in this report for full disclosure.

Fiscal Year	Fund	Type of Transaction	Total Amount Tested	Amount of Variance	Type of Variance	Additional Explanation
1995/96	60.0 - Special Reserve	Expenditure	\$ 31,365.40	\$ 31,365.40	Unable to Verify Location Code	Not able to verify the location code as the copy of the vendor invoice does not provide a location.
1997/98	73.0 - Capital Facilities	Expenditure	15,230.70	15,230.70	Unable to Verify Location Code	Not able to verify the location code as the copy of the vendor invoice does not provide a location.
1998/99	60.0 - Special Reserve	Expenditure	36,561.28	36,561.28	Unable to Verify Location Code	Not able to verify the location code as the copy of the vendor invoice does not provide a location.
2002/03	35.0 - County School Facilities	Expenditure	40,500.00	40,500.00	Unable to Verify Object Code Classification	VLS was unable to verify that this invoice was expensed to the correct object code (62131 - Asbestos / Lead Abate Consultants & Construction) as the vendor invoice does not indicate the specific work being performed. The invoice does contain a notation that the cost should be allocated to this object code.
2008/09	25.0 - Capital Facilities Fund	Expenditure	34,375.70	34,375.70	Unable to Verify Object Code and Location Code	This expenditure was a manual journal entry to transfer accruals to the correct account string. VLS reviewed the original journal entry with approval signatures; however, the support attached did not provide documentation sufficient to determine the appropriateness of the Object Code and Location Code classifications.
2008-09	25.0 - Capital Facilities Fund	Expenditure	13,008.61	13,008.61	Unable to Verify Location Code	The District was not able to locate the original of this invoice and warrant and, therefore, provided a copy. The vendor invoice did not provide the location where services were provided, and the attached purchase order was not legible due to poor copy quality.

Scope Limitations

The following variances were identified when the information contained in the supporting documentation was not sufficient to make a conclusion on the attribute being tested. This does not mean that the accounting was not proper, but rather that VLS was not able to verify that the accounting was proper. Some of the dollar variances identified are minor but have been included in this report for full disclosure.

Fiscal Year	Fund	Type of Transaction	Total Amount Tested	Amount of Variance	Type of Variance	Additional Explanation
2008/09	35.0 - County School Facilities	Expenditure	129,862.00	129,862.00	Unable to Verify Location Code	This expenditure is part of an Accounts Payable accrual for late invoices. The supporting documentation attached did not contain information sufficient to determine the appropriateness of the Location Code classification.
2008/09	35.0 - County School Facilities	Expenditure	385,994.70	385,994.70	Unable to Verify Location Code	This expenditure is part of an Accounts Payable accrual for late invoices. The supporting documentation attached did not contain information sufficient to determine the appropriateness of the Location Code classification.
2008/09	40.0 - Special Reserve: Capital Outlay	Expenditure	800.00	800.00	Unable to Verify Location Code	This expenditure is part of a manual journal entry to correct 2007/08 accruals for paid invoices. The supporting documentation attached did not contain information sufficient to determine the appropriateness of the Location Code classification.
2008/09	40.0 - Special Reserve: Capital Outlay	Expenditure	8,765.00	8,765.00	Unable to Verify Location Code	This expenditure is part of an Accounts Payable accrual for late invoices. The supporting documentation attached did not contain information sufficient to determine the appropriateness of the Location Code classification.
2009/10	25.0 - Capital Facilities Fund	Expenditure	109,612.62	109,612.62	Unable to Verify Object Code and Location Code	This expenditure is part of a manual journal entry to accrue for open Purchase Orders. The supporting documentation attached did not contain information sufficient to determine the appropriateness of the Object Code and Location Code classifications.

Scope Limitations

The following variances were identified when the information contained in the supporting documentation was not sufficient to make a conclusion on the attribute being tested. This does not mean that the accounting was not proper, but rather that VLS was not able to verify that the accounting was proper. Some of the dollar variances identified are minor but have been included in this report for full disclosure.

Fiscal Year	Fund	Type of Transaction	Total Amount Tested	Amount of Variance	Type of Variance	Additional Explanation
2009/10	35.0 - County School Facilities	Expenditure	(425,894.00)	(425,894.00)	Unable to Verify Object Code and Location Code	This expenditure is part of a manual journal entry to correct 2008/09 accruals for paid invoices. There was no support attached to the signed journal entry; therefore, VLS was unable to verify the appropriateness of the Object Code and Location Code classifications.
2009/10	40.0 - Special Reserve: Capital Outlay	Expenditure	40,731.17	40,731.17	Unable to Verify Object Code and Location Code	This expenditure is part of a manual journal entry to record Accounts Payable accruals for construction. The supporting documentation attached did not contain information sufficient to determine the appropriateness of the Object Code and Location Code classifications.
			\$ 420,913.18	\$ 420,913.18		

EXHIBIT B: REVENUE AND EXPENDITURE TESTING VARIANCES | B-19

Other

The following list includes other types of variances identified during testing. Some of the dollar variances identified are minor but have been included in this report for full disclosure.

Fiscal Year	Fund	Type of Transaction	Total Amount Tested	Amount of Variance	Type of Variance	Additional Explanation
1995/96	60.0 - Special Reserve	Expenditure	\$ 27,396.00	\$ 27,396.00	Incorrect Account Name	Invoice indicates that work is for interior and exterior painting of buildings and rooms at John Burroughs High School. Account Name description indicates the repair is for windows.
2002/03	21.0 - Building Fund	Expenditure	25,800.50	25,800.50	Invoice Approval	The invoice does not contain a signature authorizing payment.
2002/03	21.0 - Building Fund	Expenditure	27,038.00	27,038.00	Invoice Approval	The invoice does not contain a signature authorizing payment.
2008/09	25.0 - Capital Facilities Fund	Expenditure	13,008.61	13,008.61	Invoice Approval	The invoice does not contain a signature authorizing payment.
2008/09	25.0 - Capital Facilities Fund	Revenue	(6,575.30)	657.53	Overpayment of Developer Fee Refund	Developer Fee Refunds are recorded in the accounting records as a negative revenue item. When refunds are issued by the District, 10% of the original fee amount is withheld as a processing fee. The 10% processing fee was not withheld from this refund.
			\$ 86,667.81	\$ 93,900.64		

Exhibit C

BURBANK SCHOOLS REPAIR NEEDS

WALT DISNEY ELEMENTARY

Disney Elementary was built in the 1930's to serve about 400 children. Today, it serves nearly 400 children. Unlike its namesake, Disney Elementary School is not a wonderland for its students. Even though it has become a model elementary technology school, due in large part to parent involvement, wear and tear over decades of use have made this learning environment inadequate. Many of the classrooms require complete renovation of the heating and ventilation systems. Roof leaks have resulted in ceiling tiles that are stained and water soaked. The asphalt play area needs repaving. In addition, there is an urgent need to upgrade the electrical service and provide more electrical outlets in every classroom.

Specific needs include:

- repair and/or replace heating and ventilation systems in some classrooms
- replace dry rotted windows and window treatments
- upgrade electrical service and add outlets to classrooms
- replace worn-out flooring in classrooms and library
- install air conditioning in classrooms with southern exposure
- remove and replace playground equipment
- repair and replace cracked asphalt play area
- repair and replace deteriorated ceiling tiles
- install energy-efficient lighting for classrooms
- install new fire doors, frames and hardware
- install exterior ramp with conforming rails for disabled access
- replace worn-out drinking fountains
- refurbish fifty year old classroom cabinetry
- replace deteriorated water and sewer piping
- repair and replace roofing, gutters and down spouts
- add portable classrooms to accommodate students

STEVENSON ELEMENTARY

Stevenson Elementary was built nearly fifty years ago, in 1948. The wear and tear over the years have taken a toll on the aging facility.

Stevenson Elementary's staff, students and parents worked together to create an effective, positive educational program that

resulted in Stevenson being named a California Distinguished School. The condition of our facilities doesn't match our quality program. The school's entire infrastructure needs to be replaced (including plumbing and sewer systems, heating and ventilation systems, and fire alarm and clock systems). In addition, classroom floors and wall systems are deteriorated, and many roofs, gutters, and down spouts need to be repaired.

Specific needs include:

- replace worn-out flooring in classrooms
- upgrade lighting in classrooms and auditorium
- repair and replace plumbing and sewer systems
- install new heating and ventilation systems
- renovation and repair of rusted fixtures and stalls in restrooms
- repair and replace doors, frames and hardware
- replace inadequate fire alarm and clock system
- upgrade restroom to accommodate disabled access
- replace worn-out chalkboards
- repair tile ceiling in auditorium
- replace deteriorated window covering
- repair cracked and uneven asphalt
- repair and replace roofs, gutters and down spouts
- add relocatable classrooms to accommodate students

EMERSON ELEMENTARY

Emerson Elementary's first buildings date back to 1924. Over the years, our parents and other community members have shown great support of our school. They painted the exterior and interior of the facility, and they volunteer thousands of hours each year helping in the classroom. Despite this type of public support, Emerson is in need of major repairs. Windows are literally falling out of their frames. Circuit breakers blow-out constantly. The electrical capacity needs to be increased to accommodate technology and modern teaching methods. Some of our piping is original, over seventy years old and creates back ups and low water pressure. We need to replace roofs in the auditorium that have been repeatedly patched and have created severely damaged ceiling tiles.

Specific needs include:

- install new windows with safety glass
- renovate two story buildings for disabled student access
- replace worn-out flooring tiles
- install additional electrical outlets and service
- repair blocked drains
- repair and renovate old restrooms
- replace plumbing and sewer systems
- repair leaky roofs and damaged ceiling tiles
- renovate the library
- renovate inadequate student service area
- improve parking and revise drop off zones for safety
- install new air conditioning systems in classrooms
- replace aged and worn hardware and locks
- replace dim, inefficient lighting with energy-saving fixtures

BRET HARTE ELEMENTARY

Built in 1940, Bret Harte Elementary has served several generations of students well for over fifty-five years. Named a California Distinguished School, Bret Harte currently educates 665 students in grades K-5. However, the school suffers from inadequate plumbing and an aging electrical system. Both systems are outdated and require modernization. In addition, windows are old and restrooms are deteriorated and unsightly.

Specific needs include:

- replace old and unsafe windows
- repair and replace deteriorated flooring
- improve electrical service to classrooms for safety and access to technology
- replace roofs and stained ceiling tiles
- replace deteriorated plumbing and sewer systems
- renovate restroom facilities (including stalls, tiles and fixtures)
- replace dim, inefficient lighting with energy-saving fixtures
- install new drinking fountains
- install required emergency lighting
- expand outdoor lunch shelter
- install new relocatable classrooms
- replace old, ineffective clock and bell system

ROOSEVELT ELEMENTARY

A California Distinguished School, Roosevelt was built in 1925. Roosevelt has well served many students for over seventy years. Age and wear and tear have taken their toll on the school buildings. The heating and ventilation systems are unreliable and insufficient. Classroom temperatures range from 52 to 100 degrees in the course of the school year. Roof and window leaks have caused interior plaster to peel and mold to grow inside walls of at least two classrooms. Restrooms are antiquated and need renovation including fixtures, stalls and tile. In addition, more restrooms are needed to adequately serve our students.

Specific needs include:

- renovate heating and ventilation systems
- replace worn-out flooring
- provide for disabled student access
- increase electrical capacity and upgrade distribution to all buildings
- install additional electrical outlets in classrooms
- upgrade interior lighting
- replace old plumbing and sewer system
- replace old and deteriorated roofs
- renovate boys' and girls' restrooms including new toilets
- repair roofs, gutters and down spouts
- replace old, rusted water fountains
- repair and replace windows and frames
- upgrade fire alarm and clock systems
- install conduit system to accommodate technology
- add relocatable classrooms to accommodate students

JOHN MUIR MIDDLE SCHOOL

John Muir Middle School, built in the 1950s, is one of our newer schools. It has been twice recognized as a California Distinguished School, and has been selected as a California Partnership School and a California Demonstration School for Language Arts. The strong academic performance and emphasis on technology are in stark contrast to the condition of the school buildings and systems. The electrical system needs to be rewired to provide adequate electrical outlets and to provide more access to technology. John Muir's restrooms need complete renovation. The existing boiler heating system is outdated and works sporadically, often leaving classrooms cold. In addition, lighting needs to be upgraded to provide more effective and energy-efficient fixtures.

Specific needs include:

- improve and upgrade lighting
- provide adequate cabinets, storage and wallboards in classrooms
- replace deteriorating floors in classrooms
- provide for disabled student access

- install adequate electrical capacity and outlets in classrooms to meet modern educational needs
- replace existing boiler with gas-fired heating and ventilation units to improve indoor air quality, safety and energy efficiency
- add storage space to classrooms
- renovate restrooms including new toilets, sinks, urinals, tiles and stalls
- replace plumbing and sewer systems
- replace damaged and fallen ceiling tiles
- provide weather proofing exterior paint
- replace existing and add two new water fountains
- replace windows and window frames
- install new locks and door hardware for security

BURBANK HIGH SCHOOL

Burbank High School's buildings date back to 1922. The school's entire infrastructure (heating, ventilation, sewer, plumbing, drains, and electrical) is antiquated and totally inadequate to serve our students. Within the last five years the student body has grown approximately 20%. Consequently, students are crammed into every viable space. Classrooms are very small and inadequate to house 30+ students. We will need to construct a significant number of new classrooms to meet the enrollment growth, and replace portable and permanent structures which have outlived their useful life. Restrooms need renovation to accommodate the increased numbers of students. The school needs public address, security, and telephone systems to enhance communication and to provide security for materials, records and technology. The lunchroom and athletic facilities need to be expanded to accommodate increased growth and increased use by both students and community members.

Specific needs include:

- add additional classrooms to relieve overcrowding
- build new bathrooms to meet needs of the student population
- replace deteriorated portable classrooms
- replace worn-out hallway and ceiling tiles
- rewire classrooms to provide additional electrical outlets and service to the classrooms
- replace original plumbing in various locations throughout the schools
- install a new heating and ventilation system
- replace deteriorated window frames
- install new security and public address systems
- renovate lunch room to accommodate more students
- repair cracked and uneven asphalt
- renovate to provide for disabled access throughout the school

- install new library windows to replace the leaky 1925 originals
- replace exterior doors, locks and hardware

JOHN BURROUGHS HIGH SCHOOL

John Burroughs High School's main buildings were completed in the 1920s. Although it has well served many students over the years, the over seventy year old facilities are in need of serious repair and renovation. Asbestos wrapped around water pipes must be removed. The school's plumbing and drainage systems clog frequently and need to be repaired. Roofs leak regularly during the rainy season damaging classroom materials and creating safety problems when water comes in contact with ceiling lighting. The heating system is also inadequate and takes days to begin working properly. We will need to replace classrooms which have outlived their useful life, and construct a significant number of new classrooms to accommodate a rapidly growing student population.

Specific needs include:

- construct additional classrooms to accommodate growth
- revise pick-up and drop-off zones for student safety
- replace outdated, inadequate electrical systems
- provide for adequate science facilities
- remove/abate asbestos as needed
- install adequate conduit system for new technology
- install new heating and air conditioning system
- replace roofs and ceiling tiles
- renovate drainage system to prevent flooding
- renovate and modernize library including asbestos abatement, roof replacement, and access to technology
- provide for disabled access throughout the school
- weather proof and paint exterior
- replace poorly functioning drinking fountains
- repair and replace doors, locks and hardware
- repair and replace flooring in classrooms and library
- install adequate public address system

LUTHER BURBANK MIDDLE SCHOOL

Luther Burbank Middle School, a California Distinguished School, was built in 1947. The basic infrastructure (electrical, heating, sewers, and water line) of the campus is obsolete. Electrical power is lost once a week due to limited electrical capacity. The school needs to be rewired to provide adequate electrical outlets and provide access to technology. The flooring is old, musty and deteriorated in many classrooms. Roofs leak and there is a severe lack of storage space.

Specific needs include:

- improve lighting in hallways for safety
- repair old and worn flooring
- renovate classrooms to provide increased electrical capacity
- replace plumbing in various locations throughout the school
- replace heating and air conditioning units
- repair roofs and skylights that leak
- add storage cabinets to classrooms
- install adequate electrical service and outlets in classrooms for safety
- upgrade buildings and grounds for disabled student access
- renovate student restrooms including replacing fixtures
- upgrade alarm system for computer labs and library
- repair exterior plaster and weather proof

EDISON ELEMENTARY

Built over fifty years ago, Edison has served our students well. We are proud of our students' academic achievements, our parents' active involvement, and our excellent staff who continually participate in professional development activities. Since the 1940's Edison has not received any major renovation. The sewer system is old and worn out. Linoleum and some carpets need to be replaced. Many of the restrooms suffer from odors due to urine embedded in the grout from years of use. Gutters and down spouts are deteriorated and need to be replaced, as well as windows and window hardware. Window treatments are over fifty years old and dry rot has taken its toll. Throughout the school asbestos needs to be abated for student and staff safety. In addition, the lighting in the classrooms is dim and inefficient and needs to be upgraded.

Specific needs include:

- renovate boys' and girls' restrooms including new toilets, sinks, urinals, tiles, and stalls
- replace linoleum flooring and carpeting
- overhaul heating and air conditioning systems
- replace stained ceiling tiles
- replace plumbing throughout the school
- repair and replace deteriorated sewer system
- improve and upgrade interior lighting
- asbestos abatement where needed
- install new windows for safety
- replace deteriorating gutters
- install storage cabinets in classrooms
- repair and expand outdoor lunch shelter

JORDAN MIDDLE SCHOOL

Built in 1947, Jordan Middle School is a California Distinguished School. Most of the school buildings have received no major renovations in nearly fifty years. The heating system is as old as the school itself. Restrooms lack proper ventilation and require complete renovation. Floor tiles, wallboards, and plumbing

need replacement. Drinking fountains are old and rusted. Science classes are limited due to inadequate lab space. We need to renovate two regular classrooms to make them into labs and upgrade the two science labs that we have.

Specific needs include:

- repair old, rusted, and missing water fountains
- repair deteriorated doors, door frames and hardware
- paint hallways of school buildings
- install adequate electrical service and outlets in the classrooms
- replace damaged tiles and chipped floorboards
- replace nearly fifty year old heating system
- renovate restrooms, including fixtures, tiles, sinks, urinals, toilets and stalls
- upgrade buildings to meet current safety standards
- replace antiquated sewer system
- replace gutters and down spouts
- renovate two classrooms into science labs
- replace antiquated fire alarm and sound systems

MCKINLEY ELEMENTARY

McKinley Elementary School was built over 70 years ago in 1923. Some of our students are the third generation in their family to attend McKinley. Although there have been some improvements over the years, McKinley continues to have serious repair needs. Age and general wear and tear have taken their toll on both the electrical and plumbing systems, and they need to be repaired or replaced. Water pressure is low and pipes are rusted and flow with discolored water when they are turned on. The playground asphalt is covered with cracks and uneven areas causing "trip hazards" for children. In addition, enrollment growth has created the need for more classrooms.

Specific needs include:

- replace old and worn ceiling tiles
- install adequate electrical service and outlets in classrooms for safety and use of modern technology
- repair old plumbing systems
- install more efficient and cost conscious heating and air conditioning systems
- replace old, deteriorated wallboard systems
- renovate library to provide adequate space for students, materials and equipment
- renovate restrooms including new toilets, sinks, urinals, tiles and stalls
- install new portable classrooms to accommodate students
- add back-up emergency lighting in case of power outage

MILLER ELEMENTARY

Miller Elementary School was built in 1956. It is currently the largest elementary school in Burbank. A unique partnership with the city of Burbank brought about the successful

development of Miller Park, a shared city and school recreational space on the school campus. Students and the community have benefited from this joint effort to provide an area for the neighborhood to use after school hours. Yet, in spite of community and parental support, age and wear and tear have taken their toll on our school buildings. The doors in the school are literally falling out of their frames. Lighting in the auditorium and in some of the classrooms is the original installed and is both dim and inefficient. Ceiling tiles are damaged and the windows need to be replaced.

Specific needs include:

- renovate and upgrade existing electrical service
- replace water damaged ceilings and tiles
- replace rotted window treatments throughout the school
- install new flooring in classrooms
- install efficient air conditioning systems
- install new lighting in some classrooms
- repair cracked and uneven asphalt
- construct new and safe door frames
- repair lighting in auditorium
- install new clock system and upgrade fire alarm
- expand lunch areas and re-roof covered walkways
- build additional classrooms to accommodate students
- renovate the student service area
- replace antiquated plumbing and sewer systems
- repair and replace locks and hardware for classroom doors

JEFFERSON ELEMENTARY

Built in 1946, Jefferson Elementary School has well served several generations of students. It is a California Distinguished School with an active PTA and parent volunteers. Jefferson's fifty year old school buildings are showing their age. Windows need replacing and roofs need repairing. Current electrical service in some areas is inadequate and needs to be replaced to safely support modern teaching equipment. Classrooms need to be painted and lighting needs to be updated.

Specific needs include:

- replace deteriorated windows
- install new flooring throughout classrooms
- expand and renovate lunch shelter
- rewire electrical systems for safety and access to technology
- replace old and worn out plumbing and sewer systems
- repair leaky roofs
- renovate boys' and girls' restrooms including new stalls, tiles, toilets and urinals
- replace inadequate lighting
- improve outdoor instructional area
- replace poorly functioning drinking fountains
- install new air conditioning system in all classrooms
- replace clocks/fire alarms throughout
- replace deteriorated gutters

PROVIDENCIA ELEMENTARY

Though Providencia may look good on the outside, there are some critical repair needs on the inside. Built in 1950, Providencia Elementary has served our students well for many years. However, space to house the students and staff is extremely limited. The school has severe water leakage problems; walls and ceiling tiles are badly damaged. The plumbing and sewer systems back up and windows blow open because locking mechanisms no longer work. In addition, flooring has worn out in many classrooms, and our bells and clocks are no longer reliable.

Specific needs include:

- replace leaky roof and damaged ceiling tiles
- repair and replace plumbing system
- renovate air conditioning system so it is accessible throughout the school
- replace rusted and deteriorated stalls in bathrooms
- replace windows and install secure locking devices
- abate asbestos where needed
- repair clocks and bells
- update telephone system for safety
- replace lighting in library and auditorium
- install additional classrooms
- install additional electrical service and electrical outlets
- install additional drinking fountains
- revise parking and student drop-off zones for safety

GEORGE WASHINGTON ELEMENTARY SCHOOL

George Washington Elementary, a California Distinguished School, is sixty-eight years old. While Washington proudly celebrates our students, parents, staff and partnerships with NBC, Warner Bros., and other community organizations, our facilities have become deteriorated with age. Electrical service to classrooms is inadequate for modern teaching methods. Heating and ventilation systems are outdated. The size of our library is inadequate for our students, materials and equipment. In addition, our current lunch shelter space for over 700 students is too small and we have no indoor eating area.

Specific needs include:

- upgrade electrical service and add electrical outlets to provide access to technology
- repair and replace sewer and plumbing system
- repair leaky roofs
- renovate heating and ventilation systems
- renovate kindergarten boys' and girls' restrooms including walls, toilets, tiles, mirrors
- replace deteriorated windows

- expand lunch area
- renovate library
- replace old and rusted drinking fountains
- update communication and fire alarm systems for safety
- provide adequate cabinets and storage space
- improve lighting in portable classrooms
- install additional lighting in auditorium
- replace clocks and fire alarm system
- install additional classrooms

HORACE MANN CHILDREN CENTER

Horace Mann, which includes the Child Care Center, Tripod (communicatively disabled program), a state-funded pre-school, and a special education class, now provides care for approximately 200 pre-school children three months to five years of age. The exterior of the building is in dire need of painting, as is the office area and all bathrooms. Windows need to be replaced in all classrooms. Floor and ceiling tiles need to be replaced. The blacktop is full of cracks and needs to be resurfaced.

Specific needs include:

- repair old and rusted drinking fountains
- paint exterior of buildings and replace or repaint all exterior doors
- install additional electrical outlets in classroom and office areas
- replace damaged ceiling tiles
- replace bathroom fixtures, toilet paper holders, mirrors, paper towel holders, etc.
- resurface blacktop area
- replace window treatments in all classrooms
- replace deteriorated floor

BURBANK ADULT SCHOOL

Burbank Adult School is housed at the Henry Mingay Campus (formerly an elementary school). The school opened in 1945. There are 28 classrooms. The program provides education and training to adults during the day, afternoon, and evening. The majority of the classrooms have no air conditioning. Window leaks have caused interior plaster to peel and mold to grow on the window frames in the office. When it rains, there is a drainage problem in the yard causing some of the parent education classrooms to flood. The rain also causes the moisture to seep through the roof and causes lights to short out in classrooms.

Specific needs include:

- repair large cracks on walls
- paint the inside and outside of the school
- renovate the heating and ventilation systems
- replace worn-out carpets and floors

- increase electrical capacity and add additional outlets to classrooms
- upgrade lighting in the halls and corridors
- replace deteriorating windows in the office
- correct grading problem in the yard to help drainage
- replace ceiling tile in the auditorium
- replace drinking fountains
- provide hot water in restrooms and parent education classrooms

MONTEREY HIGH SCHOOL

Monterey High School opened as the continuation school serving the students of Burbank in 1963. There were few modifications made in the school since the time it had served as an elementary school. The school was originally named "Monterey Elementary School" and it was built in 1948. Currently, the school houses a school program that operates year round, yet the heating and ventilation systems are inadequate. Although the school offers high school curriculum, the necessary modifications to the classrooms (water and gas in the science room, for instance) have only minimally accommodated the student needs. Many of our classrooms still use overhead lighting which requires 750 watt bulbs. These are not efficient. They are hot and, in the case of an earthquake, could be unsafe. Last year, due to the poor conditions of the window frames, the school was broken into and we suffered great equipment losses. Due to the condition of the window frames, 75% of our windows had to be nailed shut. (This is very problematic in the summer!)

Specific needs include:

- renovate the heating and ventilation systems
- provide for disabled student access
- replace deteriorating
- provide for disabled student access windows
- replace interior lighting
- install outside security lighting
- upgrade classrooms for science lab use
- install new chalkboards and wall systems for high school age students
- install air conditioning in buildings used during summer



Exhibit D

EXHIBIT D GENERAL OBLIGATION BONDS (SERIES A, B, C) PURPOSE OF ISSUE| D-1

NEW ISSUE—FULL BOOK-ENTRY

RATINGS: Moody's: Aaa

Standard & Poor's: AAA

Financial Guaranty Insured

(See "RATINGS" and "BOND INSURANCE" herein.)

In the opinion of Quinn & Thimig LLP, San Francisco, California, Bond Counsel, subject, however, to certain qualifications described herein, under existing law, the interest on the Series A Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "LEGAL MATTERS—Tax Matters Exemptions" herein.

\$7,497,787.85

BURBANK UNIFIED SCHOOL DISTRICT (Los Angeles County, California) General Obligation Bonds, 1997 Election, Series A

Dated: Current Interest Series A Bonds August 1, 1997

Date: August 1, as shown below

Capital Appreciation Series A Bonds: Date of Delivery

The Burbank Unified School District (Los Angeles County, California) General Obligation Bonds, 1997 Election, Series A (the "Series A Bonds"), in the aggregate principal amount of \$7,497,787.85, are being issued by the County of Los Angeles on behalf of the Burbank Unified School District (the "District") to fund certain renovation and construction projects. The Series A Bonds will be issued as current interest Series A Bonds (the "Current Interest Series A Bonds") and capital appreciation Series A Bonds (the "Capital Appreciation Series A Bonds"). The Series A Bonds were authorized at a special election of the registered voters of the District held on April 8, 1997, at which more than two-thirds of the persons voting on the proposition voted to authorize the issuance and sale of not to exceed \$112,500,000 principal amount of general obligation bonds of the District to renovate, construct, and modernize classrooms and school facilities. The Series A Bonds are the first series of bonds issued pursuant to such authorization.

The Series A Bonds represent a general obligation of the District, and the Board of Supervisors of Los Angeles County has power and is obligated to annually levy ad valorem taxes for the payment of interest on, and principal of, the Series A Bonds upon all property subject to taxation by the District without limitation of rate or amount (except certain personal property which is taxable at special rates).

The Series A Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (collectively referred to herein as "DTC"). Purchasers will not receive physical certificates representing their interest in the Series A Bonds. Interest with respect to the Current Interest Series A Bonds accrues from August 1, 1997, and is payable semiannually by check or draft mailed on February 1 and August 1 of each year, commencing February 1, 1998. Payments to owners of \$1,000.00 or more in principal amount of the Current Interest Series A Bonds, at the owner's option, will be by wire transfer. The Current Interest Series A Bonds are issuable as fully registered Series A Bonds in denominations of \$5,000 principal amount or any integral multiple thereof. The Capital Appreciation Series A Bonds are dated the date of delivery of the Series A Bonds and accrue interest from such date, compounded semiannually on February 1 and August 1 of each year, commencing February 1, 1998. The Capital Appreciation Series A Bonds are issuable as fully registered Series A Bonds in denominations of \$5,000 maturity value or any integral multiple thereof.

Payments of principal and accrued value of and interest on the Series A Bonds will be paid by First Trust of California, National Association, as registrar, transfer agent, and paying agent (the "Paying Agent"), to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Series A Bonds. (See "THE SERIES A BONDS—Book-Entry-Only System.")

The Current Interest Series A Bonds are subject to optional redemption prior to maturity as described herein. The Capital Appreciation Series A Bonds are not subject to optional redemption prior to maturity.

The scheduled payment of principal of and interest on the Series A Bonds when due will be secured by a municipal bond insurance policy to be issued by Financial Guaranty Insurance Company, doing business in California as FGIC Insurance Company ("Financial Guaranty"), simultaneously with the delivery of the Series A Bonds.



Financial Guaranty Insurance
Company

FGIC is a registered member of the Securities Investor Protection Corporation, a private company not affiliated with any Self-Regulatory Agency.

MATURITY SCHEDULE

\$3,985,000 Current Interest Series A Bonds

Maturity August 1	Principal Amount	Interest Rate	Yield	Maturity August 1	Principal Amount	Interest Rate	Yield
1999	\$280,000	3.90%	3.90%	2004	\$405,000	4.30%	4.30%
2000	300,000	4.00	4.00	2005	435,000	4.40	4.40
2001	325,000	4.05	4.05	2006	470,000	4.50	4.50
2002	350,000	4.15	4.15	2007	505,000	4.60	4.60
2003	375,000	4.25	4.25	2008	540,000	4.70	4.70

(plus accrued interest from August 1, 1997)

\$3,512,787.86 Capital Appreciation Series A Bonds

Maturity August 1	Original Principal Amount	Yield to Maturity	Final Accrued Value	Maturity August 1	Original Principal Amount	Yield to Maturity	Final Accrued Value
2009	\$317,822.60	5.18	\$540,000	2014	\$242,948.70	5.60%	\$690,000
2010	306,139.49	5.20	595,000	2017	131,050.75	5.65	705,000
2011	294,129.88	5.30	610,000	2018	225,699.75	5.65	725,000
2012	283,925.08	5.35	625,000	2019	217,883.66	5.65	740,000
2013	273,637.60	5.40	640,000	2020	209,296.40	5.70	760,000
2014	261,194.33	5.50	655,000	2021	203,085.20	5.70	780,000
2015	248,683.90	5.60	670,000	2022	196,088.00	5.70	800,000

This cover page contains information for general reference only. It is not a summary of all the provisions of the Series A Bonds. Investors must read the entire official statement to obtain information essential in making an informed investment decision.

The Series A Bonds are offered when, as and if issued, subject to the approval as to their legality by Quinn & Thimig LLP, San Francisco, California, Bond Counsel, and certain other conditions. Certain legal matters are being passed upon for the District by the District's counsel, Currier & Hubbard, El Cajon, California, and for the County of Los Angeles by its County Counsel. It is anticipated that the Series A Bonds in definitive form will be available for delivery to Cede & Co., as nominee of The Depository Trust Company, on or about August 21, 1997 in New York, New York.

Stone & Youngberg LLC

Prager, McCarthy & Sealy

Rauscher Pierce Refsnes, Inc.

The date of this Official Statement is August 6, 1997

THE SERIES A BONDS

Authority for Issuance

The Series A Bonds are issued pursuant to the provisions of Chapter 2 of Part 10 of Division 1 of Title 1 of the California Education Code (the "Act") and pursuant to resolutions adopted by the Board of Education of the District on July 3, 1997, and by the Board of Supervisors of the County on July 29, 1997 (collectively, the "Resolution"). The District received authorization at an election held on April 8, 1997, by an affirmative vote of 72% of the votes cast by eligible voters within the District to issue \$112,500,000 of general obligation bonds (the "Authorization"). The Series A Bonds represent the initial series of bonds within the Authorization.

Purpose of Issue

Bonds issued pursuant to the Authorization may be used to rehabilitate District schools, including replacing electrical, plumbing, heating and air conditioning systems; to comply with fire, earthquake, health and safety standards; and to renovate, construct, and modernize classrooms and school facilities.

The net proceeds of the Series A Bonds are intended to be used for various renovations and repairs to several District schools and for architectural, planning, and engineering services associated with projects at other schools. Renovations and repairs will be conducted at three elementary schools and one middle school beginning in the fall of 1997. The design and planning services to be funded from the proceeds of the Series A Bonds will be for future renovations and repairs to four elementary schools and the District's two comprehensive high schools. For all of these projects, the proceeds of the Series A Bonds will represent only a portion of the total cost, with the balance of funds coming from revenues provided to the District from the City.

Security

The Series A Bonds represent a general obligation of the District. The Board of Supervisors of the County has power and is obligated to levy ad valorem taxes for the payment of the Series A Bonds and the interest thereon upon all property within the District subject to taxation by the District without limitation of rate or amount (except certain personal property which is taxable at limited rates). Such taxes are required to be levied annually, in addition to all other taxes, during the period that the Series A Bonds are outstanding in an amount sufficient to pay the principal and accreted value of and interest on the Series A Bonds when due. Such taxes, when collected, will be deposited into the Burbank Unified School District, General Obligation Bonds 1997 Election, Series A, Interest and Sinking Fund (the "Debt Service Fund"), which is maintained by the County and which is created by statute for the payment of principal and accreted value of and interest on the Series A Bonds when due. Although the County is obligated to levy an ad valorem tax for the payment of the Series A Bonds, and will maintain the Debt Service Fund pledged to the repayment of the Series A Bonds, the Series A Bonds are not a debt of the County.

NEW ISSUE — FULL BOOK-ENTRY

**RATING: Moody's: Aaa
Standard & Poor's: AAA
Financial Guaranty Insured**

(See "RATINGS" and "BOND INSURANCE" herein.)

In the opinion of Quint & Thinning LLP, San Francisco, California, Bond Counsel, subject, however, to certain qualifications described herein, under existing law, the interest on the Series B Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS — Tax Matters" herein.

\$39,996,369.75

**BURBANK UNIFIED SCHOOL DISTRICT
(Los Angeles County, California)
General Obligation Bonds, 1997 Election, Series B**

**Dated: Current Interest Series B Bonds: August 1, 1998
Capital Appreciation Series B Bonds: Date of Delivery**

Due: August 1, as shown below

The Burbank Unified School District (Los Angeles County, California) General Obligation Bonds, 1997 Election, Series B (the "Series B Bonds"), in the aggregate principal amount of \$39,996,369.75, are being issued by the County of Los Angeles on behalf of the Burbank Unified School District (the "District"). The Series B Bonds will be issued as current interest Series B Bonds (the "Current Interest Series B Bonds") and capital appreciation Series B Bonds (the "Capital Appreciation Series B Bonds"). The Series B Bonds were authorized at a special election of the registered voters of the District held on April 8, 1997, at which more than two-thirds of the persons voting on the proposition voted to authorize the issuance and sale of not to exceed \$112,500,000 principal amount of general obligation bonds of the District to renovate, construct, and modernize classrooms and school facilities. The Series B Bonds are the second series of bonds issued pursuant to such authorization.

The Series B Bonds represent a general obligation of the District, and the Board of Supervisors of Los Angeles County has power and is obligated to annually levy ad valorem taxes for the payment of interest on, and principal of, the Series B Bonds upon all property subject to taxation by the District without limitation of rate or amount (except certain personal property which is taxable at limited rates).

The Series B Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (collectively referred to herein as "DTC"). Purchasers of the Series B Bonds (the "Beneficial Owners") will not receive physical certificates representing their interests in the Series B Bonds. Interest with respect to the Current Interest Series B Bonds accrues from August 1, 1998, and is payable semiannually by check or draft mailed on February 1 and August 1 of each year, commencing February 1, 1999. Payment to owners of \$1,000.00 or more in principal amount of the Current Interest Series B Bonds at the owner's option, will be by wire transfer. The Current Interest Series B Bonds are issuable as fully registered Series B Bonds in denominations of \$5,000 principal amount of any integral multiple thereof. The Capital Appreciation Series Bonds are dated the date of delivery of the Series B Bonds and accrete interest from such date, compounded semiannually on February 1 and August 1 of each year, commencing February 1, 1999. The Capital Appreciation Series B Bonds are issuable as fully registered Series B Bonds in denominations of \$5,000 maturity value or any integral multiple thereof. Payments of principal and accreted value of and interest on the Series B Bonds will be paid by U.S. Bank Trust National Association (formerly First Trust of California, National Association), as registrar, transfer agent, and paying agent (the "Paying Agent"), to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Series B Bonds. (See "THE SERIES B BONDS — Book-Entry-Only System.")

The Current Interest Series B Bonds are subject to optional redemption prior to maturity as described herein. The Capital Appreciation Series B Bonds are not subject to optional redemption prior to maturity.

Payment of the principal and accreted value of and interest on the Series B Bonds when due will be guaranteed by a municipal bond insurance policy issued simultaneously with the delivery of the Series B Bonds by Financial Guaranty Insurance Company, doing business in California as FGI Insurance Company.



**Financial Guaranty Insurance
Company**

FGIC is a registered service mark used by Financial Guaranty Insurance Company, a private company not affiliated with any U.S. Government agency.

MATURITY SCHEDULE

\$22,445,000 Current Interest Series B Bonds

Maturity August 1	Principal Amount	Interest Rate	Yield	Maturity August 1	Principal Amount	Interest Rate	Yield
2000	\$1,350,000.00	4.370%	4.85%	2006	\$2,150,000.00	4.400%	4.90%
2001	1,465,000.00	4.375	4.90	2007	2,310,000.00	4.700	4.40
2002	1,590,000.00	4.800	4.00	2008	2,490,000.00	4.400	4.45
2003	1,725,000.00	4.100	4.10	2009	2,670,000.00	4.500	4.55
2004	1,855,000.00	4.200	4.15	2010	2,860,000.00	4.600	4.65
2005	2,000,000.00	4.250	4.25				

(plus accreted interest from August 1, 1998)

\$17,531,369.75 Capital Appreciation Series B Bonds

Maturity August 1	Original Principal Amount	Yield to Maturity	Final Accreted Value	Maturity August 1	Original Principal Amount	Yield to Maturity	Final Accreted Value
2011	\$1,619,732.00	5.00%	\$1,070,000	2018	\$1,290,232.00	5.25%	\$3,650,000
2012	1,558,001.55	5.10	3,145,000	2019	1,263,035.40	5.25	3,740,000
2013	1,508,139.00	5.15	3,225,000	2020	1,229,731.10	5.25	3,835,000
2014	1,464,379.40	5.17	3,305,000	2021	1,183,244.40	5.30	3,930,000
2015	1,420,240.40	5.20	3,390,000	2022	1,150,063.25	5.30	4,025,000
2016	1,378,150.25	5.22	3,475,000	2023	1,119,932.10	5.30	4,130,000
2017	1,338,468.00	5.23	3,560,000				

This cover page contains information for general reference only. It is not a summary of all the provisions of the Series B Bonds. Investors must read the entire official statement to obtain information essential in making an informed investment decision.

The Series B Bonds are offered when, as and if issued, subject to the approval as to their legality by Quint & Thinning LLP, San Francisco, California, Bond Counsel, and certain other conditions. Certain legal matters are being passed upon for the District by the District's counsel, Corner & Hudson, El Cerrito, California, and for the County of Los Angeles by its County Counsel. It is anticipated that the Series B Bonds in definitive form will be available for delivery to Cede & Co., as nominee of The Depository Trust Company, on or about August 20, 1998, in New York, New York.

Stone & Youngberg LLC

Dain Rauscher, Inc.

Prager, McCarthy & Sealy

The date of this Official Statement is August 5, 1998.

THE SERIES B BONDS

Authority for Issuance

The Series B Bonds are issued pursuant to the provisions of Chapter 2 of Part 10 of Division 1 of Title 1 of the California Education Code (the "Act") and pursuant to resolutions adopted by the Board of Education of the District on July 3, 1997, and by the Board of Supervisors of the County on July 29, 1997 (collectively, the "Resolution"). The District received authorization at an election held on April 8, 1997, by an affirmative vote of 72% of the votes cast by eligible voters within the District (the "Authorization") to issue \$112,500,000 of general obligation bonds (the "Bonds"). The District issued an initial series of Bonds in August 1997 in the principal amount of \$7,497,787.50 (the "Series A Bonds"). The Series B Bonds represent the second series of Bonds within the Authorization.

Purpose of Issue

Bonds issued pursuant to the Authorization may be used to rehabilitate District schools, including replacing electrical, plumbing, heating and air conditioning systems; to comply with fire, earthquake, health and safety standards; and to renovate, construct, and modernize classrooms and school facilities.

The net proceeds of the Series B Bonds are intended to be used for various renovations and repairs to several District schools. The District intends to conduct modernization and renovation projects at seven elementary schools and one middle school. These projects include replacing utility systems such as sewer, water, and natural gas; replacing or repairing electrical systems; installing air conditioning; replacing windows; installing health and safety improvements such as fire alarm systems and disabled access; installing certain infrastructure for computer and technology systems; and repairing or replacing flooring.

The District also intends to use a portion of the proceeds of the Series B Bonds for various improvements to its two comprehensive high schools, including certain demolition and site preparation; the construction of classrooms and science labs; and the construction of a gymnasium. These improvements represent a portion of the first phase of renovation projects to be conducted at the two comprehensive high schools.

Security

The Series B Bonds represent a general obligation of the District. The Board of Supervisors of the County has power and is obligated to levy ad valorem taxes for the payment of the Series B Bonds and the interest thereon upon all property within the District subject to taxation by the District without limitation of rate or amount (except certain personal property which is taxable at limited rates). Such taxes are required to be levied annually, in addition to all other taxes, during the period that the Series B Bonds are outstanding in an amount sufficient to pay the principal and accreted value of and interest on the Series B Bonds when due. Such taxes, when collected,

NEW ISSUE — FULL BOOK-ENTRY**RATINGS:** Fitch: AAA

Standard & Poor's: AAA

Financial Guaranty Insured

(See "RATINGS" and "BOND INSURANCE" herein.)

In the opinion of Quinn & Thomas LLP, San Francisco, California, Bond Counsel, subject, however, to certain qualifications described herein, under existing law, the interest on the Series C Bonds is excluded from gross income for federal income tax purposes and such interest is not on item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "LEGAL MATTERS — Tax Matters" herein.

\$65,000,839.35
BURBANK UNIFIED SCHOOL DISTRICT
 (Los Angeles County, California)
General Obligation Bonds, 1997 Election, Series C

Dated: Current Interest Series C Bonds: July 1, 2002

Due: August 1 and July 1, as shown below


Capital Appreciation Series C Bonds: Date of Delivery

The Burbank Unified School District (Los Angeles County, California) General Obligation Bonds, 1997 Election, Series C (the "Series C Bonds"), in the aggregate principal amount of \$65,000,839.35, are being issued by the County of Los Angeles on behalf of the Burbank Unified School District (the "District"). The Series C Bonds will be issued as current interest Series C Bonds (the "Current Interest Series C Bonds") and capital appreciation Series C Bonds (the "Capital Appreciation Series C Bonds"). The Series C Bonds were authorized at a special election of the registered voters of the District held on April 8, 1997, at which more than two-thirds of the persons voting on the proposition voted to authorize the issuance and sale of not to exceed \$112,500,000 principal amount of general obligation bonds of the District to renovate, construct, and modernize classrooms and school facilities. The Series C Bonds are the third and final series of bonds issued pursuant to such authorization.

The Series C Bonds represent an obligation of the District payable solely from all revenue property taxes levied and collected by the County of Los Angeles ("the County"). The Board of Supervisors of the County has power and is obligated to annually levy ad valorem taxes for the payment of interest on, and principal and accreted value of, the Series C Bonds upon all property subject to taxation by the District without limitation of rate or amount (except certain personal property which is taxable at limited rates).

The Series C Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (collectively referred to herein as "DTC"). Purchasers of the Series C Bonds (the "Beneficial Owners") will not receive physical certificates representing their interests in the Series C Bonds. Interest with respect to the Current Interest Series C Bonds accrues from July 1, 2002, and is payable semiannually by check or draft mailed on February 1 and August 1 of each year, commencing February 1, 2003. Payment to owners of \$1,000,000 or more in principal amount of the Current Interest Series C Bonds, at the owner's option, will be by wire transfer. The Current Interest Series C Bonds are issuable as fully registered Series C Bonds in denominations of \$5,000 principal amount or any integral multiple thereof. The Capital Appreciation Series C Bonds maturing August 1, 2015, to August 1, 2026, are dated the date of delivery of the Series C Bonds and accrete interest from such date, compounded semiannually on February 1 and August 1 of each year, commencing August 1, 2002. The Capital Appreciation Series C Bonds maturing July 1, 2027, are dated the date of delivery and accrete interest from such date, compounded semiannually on January 1 and July 1 of each year, commencing January 1, 2003. The Capital Appreciation Series C Bonds are issuable as fully registered Series C Bonds in denominations of \$5,000 maturity value or any integral multiple thereof. Payments of principal and accreted value of and interest on the Series C Bonds will be paid by the Treasurer and Tax Collector of the County, as Paying Agent, to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Series C Bonds. (See "THE SERIES C BONDS — Book-Entry-Only System.")

The scheduled payment of the principal (or accreted value in the case of the Capital Appreciation Series C Bonds) of and interest on the Series C Bonds when due will be insured by a municipal bond insurance policy to be issued by Financial Guaranty Insurance Company, doing business in California as FGC Insurance Company ("Financial Guaranty"), simultaneously with the delivery of the Series C Bonds.

 **Financial Guaranty Insurance Company**

Fitch is a registered service mark and the Financial Guaranty Insurance Company is a registered company for purposes of the Uniform Securities Act.

The Current Interest Series C Bonds are subject to optional redemption prior to maturity as described herein. The Capital Appreciation Series C Bonds are not subject to optional redemption prior to maturity.

MATURITY SCHEDULE**\$36,750,000 Current Interest Series C Bonds**

Maturity August 1	Principal Amount	Interest Rate	Yield	Maturity August 1	Principal Amount	Interest Rate	Yield
2004	\$2,265,000.00	3.000%	1.95%	2010	\$3,480,000.00	4.000%	3.75%
2005	2,435,000.00	3.000	2.15	2011	3,745,000.00	5.000	3.85
2006	2,620,000.00	3.000	2.70	2012	4,060,000.00	4.000	4.00
2007	2,810,000.00	3.250	3.00	2013	4,355,000.00	5.375	4.10
2008	3,015,000.00	3.500	3.25	2014	4,725,000.00	5.250	4.22
2009	3,240,000.00	3.750	3.50				

(plus accreted interest from July 1, 2002)

\$28,250,839.35 Capital Appreciation Series C Bonds

Maturity August 1	Original Principal Amount	Yield to Maturity	Final Accreted Value	Maturity August 1	Original Principal Amount	Yield to Maturity	Final Accreted Value
2015	\$2,704,978.50	4.93%	\$3,110,000	2021	\$2,131,785.90	5.53%	\$6,050,000
2016	2,613,364.05	5.03	3,235,000	2022	2,053,362.00	5.18	6,200,000
2017	2,518,074.00	5.13	3,400,000	2023	1,979,820.00	5.63	6,375,000
2018	2,414,416.50	5.25	3,550,000	2024	1,911,945.00	5.66	6,550,000
2019	2,317,656.25	5.35	3,765,000	2025	1,846,804.35	5.69	6,735,000
2020	2,220,723.60	5.45	3,865,000	2026	1,791,042.00	5.70	6,925,000

\$1,744,827.30 Capital Appreciation Series C Bonds due July 1, 2027 — Yield to Maturity 5.71%**Final Accreted Value \$7,120,000**

This cover page contains information for general reference only. It is not a summary of all the provisions of the Series C Bonds. Investors must read the entire official statement to obtain information essential in making an informed investment decision.

The Series C Bonds are offered when, as and if issued, subject to the approval as to their legality by Quinn & Thomas LLP, San Francisco, California, Bond Counsel, and certain other conditions. Certain legal matters are being passed upon for the District by the District's counsel, Carrier & Hadwin, El Cajon, California, and for the County of Los Angeles by its County Counsel. It is anticipated that the Series C Bonds in definitive form will be available for delivery to Cede & Co., as nominee of The Depository Trust Company, on or about July 9, 2002, in New York, New York.

Stone & Youngberg LLC

The date of this Official Statement is June 21, 2002.

THE SERIES C BONDS

Authority for Issuance

The Series C Bonds are issued pursuant to the provisions of Chapter 2 of Part 10 of Division 1 of Title 1 of the Education Code of the State of California (the "Act") and other applicable law, and pursuant to resolutions adopted by the Board of Education of the District on May 2, 2002, and by the Board of Supervisors of the County on June 4, 2002 (collectively, the "Resolution"). The District received authorization at an election held on April 8, 1997, by an affirmative vote of 72% of the votes cast by eligible voters within the District (the "Authorization") to issue \$112,500,000 of general obligation bonds (the "Bonds"). The District issued an initial series of Bonds in August 1997 in the principal amount of \$7,497,787.50 (the "Series A Bonds"). The District issued a second series of Bonds in August 1998 in the principal amount of \$39,996,369.75 (The "Series B Bonds"). The Series C Bonds represent the third and final series of Bonds within the Authorization.

Purpose of Issue

Bonds issued pursuant to the Authorization may be used to rehabilitate District schools, including replacing electrical, plumbing, heating and air conditioning systems; to comply with fire, earthquake, health and safety standards; and to renovate, construct, and modernize classrooms and school facilities.

The net proceeds of the Series C Bonds are intended to be used for various construction, repair, and renovation projects at several District schools. The District intends to use a portion of the proceeds of the Series C Bonds to complete the renovation, modernization, and expansion of Burbank High School and John Burroughs High School. The District also intends to conduct modernization and renovation projects at two elementary schools, two middle schools, and a continuation high school. These projects include replacing utility systems such as sewer, water, and natural gas; replacing or repairing electrical systems; installing air conditioning; replacing windows; installing health and safety improvements such as fire alarm systems and disabled access; installing certain infrastructure for computer and technology systems; and repairing or replacing flooring.

Security

The Series C Bonds represent an obligation of the District payable solely from *ad valorem* property taxes levied and collected by the County. The Board of Supervisors of the County has power and is obligated to levy *ad valorem* taxes for the payment of the Series C Bonds and the interest thereon upon all property within the District subject to taxation by the District without limitation of rate or amount (except certain personal property which is taxable at limited rates). Such taxes are required to be levied annually, in addition to all other taxes, during the period that the Series C Bonds are outstanding in an amount sufficient to pay the principal and accreted value of and interest on the Series C Bonds when due. Such taxes, when collected, will be

Exhibit E

Elementary Schools

- Walt Disney Elementary – 1220 West Orange Grove Avenue
- Thomas Edison Elementary – 2110 West Chestnut Street
- Ralph Emerson Elementary - 720 East Cypress Avenue
- Bret Harte Elementary - 3200 West Jeffries Avenue
- Thomas Jefferson Elementary - 1900 N. Sixth Street
- William McKinley Elementary - 349 W. Valencia Avenue
- Joaquin Miller Elementary - 720 East Providencia Avenue
- Providencia Elementary - 1919 North Ontario Street
- Theodore Roosevelt Elementary - 850 North Cordova Street
- R. L. Stevenson Elementary - 3333 Oak Street
- George Washington Elementary - 2322 North Lincoln Street

Middle Schools

- Luther Burbank Middle School - 3700 West Jeffries Avenue
- David Starr Jordan Middle School - 420 South Mariposa Street
- John Muir Middle School - 1111 North Kenneth Road

High Schools

- Burbank High School - 902 North Third Street
- John Burroughs High School - 1920 Clark Avenue
- Monterey High School - 1915 Monterey Avenue

Adult School

- Burbank Adult School - 3811 Allan Avenue

Alternative Schools

- Community Day School - 223 E. Santa Anita Avenue
- Magnolia Park School - 827 North Avon Avenue

Other Sites

- Horace Mann Children Center – 3401 Scott Road
- District Office – 1900 West Olive Avenue
- District Service Center – 510 South Shelton Street

Exhibit F

GAMUT Online - Burbank USD - District Records AR 3580

Page 1 of

Burbank USD - AR 3580 - Business and Noninstructional Operations

District Records

Classification of Records

Records means all records, maps, books, papers, and documents of a school district required by law to be prepared or retained as necessary or convenient to the discharge of official duty. (5 CCR 16020)

(cf. 1340 - Access to District Records)

Before January 1, the Superintendent or designee shall review the prior year's records and shall classify them as either a Class 1 (Permanent), Class 2 (Optional), or Class 3 (Disposable) record. (5 CCR 16022)

Records of continuing nature (active and useful for administrative, legal, fiscal, or other purposes over a period of years) shall not be classified until such usefulness has ceased. (5 CCR 16022)

An inventory of equipment shall be a continuing record and shall not be classified until the inventory is superseded or until the equipment is removed from district ownership. (5 CCR 16022)

(cf. 3440 - Inventories)

A student's cumulative record is a continuing record until the student ceases to be enrolled in the district. (5 CCR 16022)

(cf. 5125 - Student Records)

When an electronic or photographed copy of a Class 1 (Permanent) record has been made, the copy may be classified as Class 1 (Permanent) and the original classified as either Class 2 (Optional) or Class 3 (Disposable). However, no original record that is basic to any required audit may be destroyed prior to the second July 1st succeeding the completion of the audit. (Education Code 35254)

Class 1 - Permanent Records

The original of each of the following records, or one exact copy of it when the original is required by law to be filed with another agency, is a Class 1 (Permanent) record and shall be retained indefinitely unless microfilmed in accordance with 5 CCR 16022: (5 CCR 16023)

1. Annual Reports

- a. Official budget
- b. Financial reports of all funds, including cafeteria and student body funds
- c. Audit of all funds
- d. Average daily attendance, including Period 1 and Period 2 reports
- e. Other major annual reports, including:
 - (1) Those containing information relating to property, activities, financial condition, or transactions
 - (2) Those declared by Board of Education minutes to be permanent

<http://gamutonline.net/district/burbank/DisplayPolicy/477361/>

11/8/2010

GAMUT Online : Burbank USD : District Records AR 3580

Page 2 of

(cf. 3100 - Budget)

(cf. 3452 - Student Activity Funds)

(cf. 3460 - Financial Reports and Accountability)

(cf. 3551 - Food Service Operations Cafeteria Fund)

2. Official Actions

a. Minutes of the Board or Board committees, including the text of rules, regulations, policies, or resolutions included by reference only

b. The call for and the result of any elections called, conducted, or canvassed by the Board

c. Records transmitted by another agency pertaining to its action with respect to district reorganization

(cf. 7214 - General Obligation Bonds)

(cf. 9324 - Minutes and Recordings)

3. Personnel Records

Class 1 (Permanent) records include all detailed records relating to employment; assignment; amounts and dates of service rendered; termination or dismissal of an employee in any position; sick leave record; rate of compensation, salaries, or wages paid; and deductions or withholdings made and the person or agency to whom such amounts were paid. In lieu of the detailed records, a complete proven summary payroll record for each employee containing the same data may be classified as Class 1 (Permanent) and the detailed records may then be classified as Class 3 (Disposable).

Information of a derogatory nature as defined in Education Code 44031 shall be Class 1 (Permanent) only when the time for filing a grievance has passed or the document has been sustained by the grievance process.

(cf. 4112.6/4212.6/4312.6 - Personnel Files)

(cf. 4112.62/4212.62/4312.62 - Maintenance of Criminal Offender Records)

4. Student Records

The records of enrollment and scholarship for each student required by 5 CCR 432 and all records pertaining to any accident or injury involving a minor for which a claim for damages had been filed as required by law shall be classified as Class 1 (Permanent) records. This includes any related policy of liability insurance except that these records cease to be Class 1 (Permanent) one year after the claim has been settled or the statute of limitations has expired.

(cf. 5111.1 - District Residency)

(cf. 5141 - Health Care and Emergencies)

(cf. 5143 - Insurance)

5. Property Records

Class 1 (Permanent) records include all detailed records relating to land, buildings, and equipment. In lieu of detailed records, a complete property ledger may be classified as Class 1 (Permanent). The detailed records may then be classified

<http://gamutonline.net/district/burbank/DisplayPolicy-477361/>

11/8/2010

GAMUT Online - Burbank USD : District Records AR 3580

Page 3 of

as Class 3 (Disposable) if the property ledger includes all fixed assets; an equipment inventory; and, for each piece of property, the date of acquisition, name of previous owner, a legal description, the amount paid, and comparable data if the unit is disposed of.

(cf. 3280 - Sale or Lease of District-Owned Real Property)

Class 2 - Optional Records

Any record considered temporarily worth keeping, but which is not a Class 1 record, may be classified as Class 2 (Optional) and shall be retained until it is reclassified as Class 3 (Disposable). If by agreement of the Board and Superintendent or designee, classification of the prior year records has not been made before January 1 as specified in 5 CCR 16022, all records of the prior year may be classified Class 2 (Optional) pending further review and classification within one year. (5 CCR 16024)

Class 3 - Disposable Records

All records not classified as Class 1 (Permanent) or as Class 2 (Optional) shall be classified as Class 3 (Disposable). These include, but are not limited to, detailed records basic to audit, including those relating to attendance, average daily attendance, or business or financial transactions; detailed records used in preparing another report; teachers' registers if all information required by 5 CCR 432 is retained in other records or if the General Records pages are removed from the register and classified as Class 1 (Permanent); and periodic reports, including daily, weekly, and monthly reports, bulletins, and instructions. (5 CCR 16025)

All Class 3 (Disposable) records shall be destroyed during the third school year after the school year in which the records originated. In addition, Class 3 (Disposable) records shall not be destroyed until after the third school year following the completion of any legally required audit or the retention period required by any agency other than the State of California, whichever is later. A continuing record shall not be destroyed until the fourth year after it has been classified as Class 3 (Disposable). (5 CCR 16026, 16027)

(cf. 5113.2 - Work Permits)

Regulation BURBANK UNIFIED SCHOOL DISTRICT

approved: June 3, 2010 Burbank, California

GAMUT Online : Title 5 : Subchapter 2. Destruction of Records of School Districts. Article 1. General Pro... Page 1 of
Legal Resources | Title 5 | TS 16020

Subchapter 2. Destruction of Records of School Districts. Article 1. General Provisions. Definition of Records.

(a) As used in this article, "records" means all records, maps, books, papers, and documents of a school district required by law to be prepared or retained or which are prepared or retained as necessary or convenient to the discharge of official duty.

Authority Cited:

Education Code 35253

Reference:

Education Code 35250-35255

(Amended by Register 83, No. 51.)

<http://gamutonline.net/district/burbank/displayPolicy/187473/index.html>

11/8/2010

GAMUT Online : Title 5 : Classification of Records, ES 16022

Page 1 of

Legal Resources | Title 5 | ES 16022

Classification of Records.

(a) **Prior Year Records.** Before January 1, the district superintendent (or a person designated by the district not employing a superintendent) shall review documents and papers originating during the prior school year and classify them as Class 1-Permanent, Class 2-Optional, or Class 3-Disposable.

(b) **Continuing Records.** Records of a continuing nature, i.e., active and useful for administrative, legal, fiscal, or other purposes over a period of years, shall not be classified until such usefulness has ceased. A pupil's cumulative record, if not transferred, is a continuing record until the pupil ceases to be enrolled in the district.

(c) **Microfilm Copy.** Whenever an original record is photographed, microphotographed, or otherwise reproduced on film, the copy thus made is hereby classified as Class 1-Permanent. The original record, unless classified as Class 2-Optional, may be classified as Class 3-Disposable and may then be destroyed in accordance with this chapter if the following conditions have been met:

(1) The reproduction was accurate in detail and on film of a type approved for permanent, photographic records by the United States Bureau of Standards.

(2) The superintendent has attached to or incorporated in the microfilm copy his signed and dated certification of compliance with the provisions of Section 1531 of the Evidence Code.

(3) The microfilm copy was placed in a conveniently accessible file, and provision was made for preserving permanently, examining and using same.

(d) Any "historical inventory of equipment" shall be a continuing record as provided in subdivision (b) and shall not be subject to classification for retention or destruction until the inventory is superseded or until the equipment is removed from district ownership.

Authority Cited:

Education Code 35253

Reference:

Education Code 35168

Education Code 35254

(Amended by Register 83, No. 51.)

Exhibit G

NOTE: Authority cited: Section 33031, Education Code. Reference: Sections 49430, 49431 and 49431.2, Education Code; and 21 CFR Part 101.9(c)(6)(iii).

HISTORY

1. New section filed 8-4-2008, operative 9-1-2008 (Register 2008, No. 32).

§ 15578. Sale of Food Items.

(a) Any food items appearing together on a menu and sold together as if they were a single food item, and typically combined for simultaneous consumption (e.g., pita with hummus, salad with dressing, chicken patty on a bun), shall be considered as one item for compliance (1) with the fat restriction, saturated fat restriction, sugar restriction and caloric restriction for a snack item or (2) with the fat restriction and caloric restriction for an entrée item.

(b) All non-exempt food items for sale must meet the fat restriction, saturated fat restriction, sugar restriction and caloric restriction for a snack item or the fat restriction and caloric restriction for an entrée item.

(c) A food item for sale containing non-exempted foods or ingredients combined with fruits, vegetables, nuts, nut butters, seeds, eggs, or legumes shall comply with the restrictions for non-exempted foods as described in section 15578(b).

(d) A food item for sale containing solely a mix of exempted foods is exempt from the fat restriction, saturated fat restriction, sugar restriction and caloric restriction.

NOTE: Authority cited: Section 33031, Education Code. Reference: Sections 49430, 49431 and 49431.2, Education Code.

HISTORY

1. New section filed 8-4-2008, operative 9-1-2008 (Register 2008, No. 32).

Chapter 16. Governing Boards of School Districts

Subchapter 1. Contracts with Federal Agencies

Article 1. Approval of Contracts

§ 16000. Approval of Contracts with Federal Agency.

The governing board of a school district shall not execute or complete any contract, agreement or arrangement with any agency of the Federal Government for any loan or advance to aid in financing the cost of architectural, engineering, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other action preliminary to school plant construction until the Bureau of School Facilities Planning, State Department of Education shall have given said board its approval, in writing, of the school plant construction on account of which such loan or advance is desired as conforming to the over-all state policy for school plant construction.

Such approval shall include the following conditions:

(a) No payment due an architect or engineer under a contract between the governing board of a school district and the architect or engineer for the completion of preliminary plans which are subject to the approval of the Bureau of School Planning, State Department of Education, shall be made from funds lent or advanced by any agency of the Federal Government until such preliminary plans bear the written approval of said bureau.

(b) No final payment for completion of plans and specifications by the architect and engineer under the contract between the school district and the architect and engineer from funds lent or advanced by any agency of the Federal Government shall be made without the written approval of the Department of General Services required by Article 3 of Chapter 2 of Part 23 of the Education Code.

NOTE: Authority cited for Chapter 1: Sections 13313 and 33114, Education Code. Issuing agency: Superintendent of Public Instruction.

HISTORY

1. New Chapter 1 (§§ 16000 and 16001) filed 12-18-69, effective thirtieth day thereafter (Register 69, No. 51).
2. Amendment of section and NOTE filed 9-13-77, effective thirtieth day thereafter (Register 77, No. 39).

§ 16001. Contracts with Federal Agency by School District or County Superintendent of Schools.

NOTE: Authority cited: Section 33113, Education Code. Reference: Sections 33113 and 33114, Education Code.

HISTORY

1. Repealer filed 12-14-83, effective thirtieth day thereafter (Register 83, No. 51).

Subchapter 2. Destruction of Records of School Districts

Article 1. General Provisions

§ 16020. Definition of Records.

(a) As used in this article, "records" means all records, maps, books, papers, and documents of a school district required by law to be prepared or retained or which are prepared or retained as necessary or convenient to the discharge of official duty.

NOTE: Authority cited: Section 35253, Education Code. Reference: Sections 15250-35255, Education Code.

HISTORY

1. New Chapter 2 (§§ 16020-16030) filed 2-24-70, effective thirtieth day thereafter (Register 70, No. 9).
2. Amendment of subsection (b)(2) filed 2-18-71, effective thirtieth day thereafter (Register 71, No. 8).
3. Amendment of NOTE filed 9-23-77, effective thirtieth day thereafter (Register 77, No. 39).
4. Amendment filed 12-14-83, effective thirtieth day thereafter (Register 83, No. 51).

§ 16021. Scope of Chapter.

HISTORY

1. Repealer filed 12-14-83, effective thirtieth day thereafter (Register 83, No. 51).

§ 16022. Classification of Records.

(a) Prior Year Records. Before January 1, the district superintendent (or a person designated by the district not employing a superintendent) shall review documents and papers originating during the prior school year and classify them as Class 1—Permanent, Class 2—Optional, or Class 3—Disposable.

(b) Continuing Records. Records of a continuing nature, i.e., active and useful for administrative, legal, fiscal, or other purposes over a period of years, shall not be classified until such usefulness has ceased. A pupil's cumulative record, if not transferred, is a continuing record until the pupil ceases to be enrolled in the district.

(c) Microfilm Copy. Whenever an original record is photographed, microphotographed, or otherwise reproduced on film, the copy thus made is hereby classified as Class 1—Permanent. The original record, unless classified as Class 2—Optional, may be classified as Class 3—Disposable and may then be destroyed in accordance with this chapter if the following conditions have been met:

(1) The reproduction was accurate in detail and on film of a type approved for permanent, photographic records by the United States Bureau of Standards.

(2) The superintendent has attached to or incorporated in the microfilm copy his signed and dated certification of compliance with the provisions of Section 1531 of the Evidence Code.

(3) The microfilm copy was placed in a conveniently accessible file, and provision was made for preserving permanently, examining and using same.

(d) Any "historical inventory of equipment" shall be a continuing record as provided in subdivision (b) and shall not be subject to classification for retention or destruction until the inventory is superseded or until the equipment is removed from district ownership.

Title 5

California Department of Education

§ 16023

NOTE: Authority cited: Section 35291, Education Code. Reference: Sections 35168 and 35254, Education Code.

HISTORY

1. Amendment filed 12/14/83; effective thirty day thereafter (Register 83, No. 51).

Article 2. Period of Retention**§ 16023. Class 1—Permanent Records.**

The original of each of the records listed in this section, or one exact copy thereof when the original is required by law to be filed with another agency, is a Class 1—Permanent record and shall be retained indefinitely, unless microfilmed in accordance with Section 16022(e).

- (a) Annual Reports.
 - (1) Official budget.
 - (2) Financial report of all funds, including cafeteria and student body funds.
 - (3) Audit of all funds.
 - (4) Average daily attendance, including Period 1 and Period 2 reports.
 - (5) Other major annual reports, including:
 - (A) Those containing information relating to property, activities, financial condition, or transactions.
 - (B) Those declared by board minutes to be permanent.
 - (b) Official Actions.
 - (1) Minutes of the Board or Committees Thereof, including the text of a rule, regulation, policy, or resolution not set forth verbatim in the minutes but included therein by reference only.
 - (2) Elections, including the call, if any, for and the result (but not including detail documents, such as ballots) of an election called, conducted or canvassed by the governing board for a board member, his recall, issuance of bonds incurring any long-term liability, change in maximum tax rates, reorganization, or any other purpose.

(A) Records transmitted by another agency that pertain to that agency's action with respect to district reorganization.

(c) Personnel Records.

(1) Employees.

(A) All detail records relating to employment, assignment, amounts and dates of service rendered, termination or dismissal of an employee in any position, sick leave received, rate of compensation, salaries or wages paid, deductions or withholdings made and the person or agency to whom such amounts were paid. In lieu of the detail records, a complete proven summary payroll record for every employee of the school district containing the same data may be classified as Class 1—Permanent, and the detail records may then be classified as Class 3—Disposable.

(B) Information of a derogatory nature as defined in Education Code Section 44031 shall be Class 1—Permanent only after it becomes final. This information becomes final when:

- 1. The time for filing a grievance has lapsed, or
- 2. The document has been sustained by the grievance process.

(C) Information of a derogatory nature as defined in Education Code Section 44031 shall be Class 3—Disposable if prior to the effective date of this section the document was subject of grievance process and was not sustained.

(2) Pupils.

(A) The records of enrollment and scholarship for each pupil required by Section 432.

(B) All records pertaining to any accident or injury involving a minor for which a claim for damages has been filed as required by law, including any policy of liability insurance relating thereto, except that these records cease to be Class 1—Permanent records one year after the claim has been settled or the statute of limitations has run.

(d) Property Records. All detail records relating to land, buildings, and equipment. In lieu of such detail records, a complete property ledger may

(The next page is 184.37.)

Title 5

California Department of Education

§ 16040

be classified as Class 1—Permanent, and the detail records may then be classified as Class 3—Disposable, if the property ledger includes:

- (1) All fixed assets;
- (2) An equipment inventory;
- (3) For each unit of property, the date of acquisition or augmentation, the person from whom acquired, an adequate description or identification, and the amount paid, and comparable data if the unit is disposed of by sale, loss, or otherwise.

NOTE: Authority cited: Section 35253, Education Code. Reference: Section 35253, Education Code.

HISTORY

1. Amendment of subsection (c)(2)(A) filed 9-27-76, effective thirtieth day thereafter (Register 76, No. 40).
2. Amendment of subsection (c) filed 5-31-78, effective thirtieth day thereafter (Register 78, No. 12). Issuing agency: State Board of Education.
3. Amendment filed 12-14-83, effective thirtieth day thereafter (Register 83, No. 51).

§ 16024. Class 2—Optional Records.

Any record worthy of temporary preservation but not classified as Class 1—Permanent may be classified as Class 2—Optional and shall then be retained until reclassified as Class 3—Disposable. If the superintendent and governing board agree that classification should not be made by the time specified in section 16022, all records of the prior year may be classified as Class 2—Optional pending further review and classification within one year.

NOTE: Authority cited: Section 35253, Education Code. Reference: Section 35253, Education Code.

HISTORY

1. Amendment filed 12-14-83, effective thirtieth day thereafter (Register 83, No. 51).
2. Editorial correction of printing error restoring dropped text (Register 91, No. 20).

§ 16025. Class 3—Disposable Records.

All records not classified as Class 1—Permanent or Class 2—Optional shall be classified as Class 3—Disposable, including but not limited to detail records relating to:

(a) Records Basic to Audit, including those relating to attendance, average daily attendance, or a business or financial transaction (purchase orders, invoices, warrants, ledger sheets, cancelled checks and stubs, student body and cafeteria fund records, etc.), and detail records used in the preparation of any other report. Teachers' registers may be classified as Class 3—Disposable only if all information required in Section 432 is retained in other records or if the General Record pages are removed from the register and are classified as Class 1—Permanent.

(b) Periodic Reports, including daily, weekly, and monthly reports, bulletins and instructions.

HISTORY

1. Repealer of subsection (c) filed 2-18-71, effective thirtieth day thereafter (Register 71, No. 8).
2. Amendment filed 9-27-76, effective thirtieth day thereafter (Register 76, No. 40).

§ 16026. Retention Period.

A Class 3—Disposable record shall not be destroyed until after the third July 1 succeeding the completion of the audit required by Education Code Section 41020 or of any other legally required audit, or after the ending date of any retention period required by any agency other than the State of California, whichever date is later. A continuing record shall not be destroyed until the fourth year after it has been classified as Class 3—Disposable.

HISTORY

1. Amendment filed 9-23-77, effective thirtieth day thereafter (Register 77, No. 39).
2. Amendment filed 12-6-77, effective thirtieth day thereafter (Register 77, No. 50).

§ 16027. Destruction of Records.

Unless otherwise specified in this chapter, all Class 3—Disposable records shall be destroyed during the third school year after the school year

in which they originated (e.g., 1976-77 records may be destroyed after July 1, 1980).

NOTE: Authority cited: Section 35253, Education Code. Reference: Section 35253, Education Code.

HISTORY

1. Amendment filed 12-14-83, effective thirtieth day thereafter (Register 83, No. 51).

§ 16028. Transfer of Records.

HISTORY

1. Amendment of subsections (a) and (b) filed 9-27-76, effective thirtieth day thereafter (Register 76, No. 40).
2. Repealer filed 12-14-83, effective thirtieth day thereafter (Register 83, No. 51).

Article 3. Steps in Destruction

NOTE: Authority cited: Section 35253, Education Code. Reference: Sections 35250-35255, Education Code.

HISTORY

1. Repealer of Article 3 (Sections 16029-16030) filed 11-9-79, effective thirtieth day thereafter (Register 79, No. 45).

Subchapter 2.5. Historical Inventory of Equipment

§ 16038. Definition of Terms.

(a) As used in this article, "historical inventory of equipment," herein referred to as inventory, means a list, a card file, or electronic data-processed information containing the description, name, identification numbers and original cost of all items of district-owned equipment whose current market value exceeds \$200 per item (or exceeds any lesser amount approved by the local governing board), the date of acquisition, the location of use, and the date and mode of disposal.

(b) Any other system in use in a school district on June 30, 1973, may be approved by the State Superintendent of Public Instruction after due consideration of the requirements and suggestions in the State manuals, Administration of School Risk Management Program and California School Accounting, 1976.

(c) Any "historical inventory of equipment" shall be a continuing record as provided in Section 16022(d) herein and shall not be subject to classification for retention or destruction until the inventory is superseded or until the equipment is removed from district ownership.

NOTE: Authority cited for Chapter 2.5 (Sections 16035 and 16036), Section 35168, Education Code.

HISTORY

1. New Chapter 2.5 (Sections 16035 and 16036) filed 3-22-74, effective thirtieth day thereafter (Register 74, No. 12).
2. Amendment of section and NOTE filed 9-23-77, effective thirtieth day thereafter (Register 77, No. 39).
3. Repealer of Article 1 heading only filed 9-13-84, effective thirtieth day thereafter (Register 84, No. 37).

§ 16038. Listing.

NOTE: Authority cited: Sections 35031 and 35168, Education Code. Reference: Section 35168, Education Code.

HISTORY

1. Repealer of Article 2 heading and Section 16036 filed 9-13-84, effective thirtieth day thereafter (Register 84, No. 37), shall be kept as a Class 3 record and shall be destroyed only in accordance with Section 16026.

Subchapter 3. School Libraries

Article 1. School Library Services

§ 16040. Definitions.

(a) "School library services" include, but are not limited to, the provision, organization, and utilization of materials and related services supportive of the educational requirements prescribed by law and by the school districts which may include the following:

Exhibit H

The following table identifies the vendor payments selected for testing in FY2006/07 through FY2009/10 for which the District was unable to provide supporting documentation. VLS obtained copies of the canceled warrants for a sample of the vendor payments below – see vendor names with an asterisk (*). VLS verified that each canceled warrant was made payable to the vendor shown in the District's records. Additionally, VLS reviewed the canceled warrants for endorsements or markings that might indicate the warrant was deposited or cashed by someone other than the vendor indicated. VLS did not identify any such markings.¹

Fiscal Year	Fund Number / Name	Vendor Name	Expenditure Amount	Annual Total
2006/07	25.0 - Capital Facilities Fund	Tech Depot*	\$ 2,202.89	
2006/07	25.0 - Capital Facilities Fund	Troxell Communications, Inc.	1,044.62	
2006/07	25.0 - Capital Facilities Fund	CDW Government Inc.	1,154.49	
2006/07	25.0 - Capital Facilities Fund	Dell Marketing, L.P.	4,202.91	
2006/07	25.0 - Capital Facilities Fund	Smardan Supply Burbank*	2,485.11	
2006/07	25.0 - Capital Facilities Fund	Troxell Communications, Inc.	2,238.61	
2006/07	25.0 - Capital Facilities Fund	Home Depot Commercial Account	1,080.33	
2006/07	25.0 - Capital Facilities Fund	Sys Technology, Inc.*	10,559.79	
2006/07	25.0 - Capital Facilities Fund	Davis Wholesale Electric*	7,042.22	
2006/07	25.0 - Capital Facilities Fund	All Phase Electric Supply Co.	1,260.37	
2006/07	40.0 - Special Reserve Fund	BUSD Revolving Cash	2,833.00	\$ 36,104.34
2007/08	35.0 - County School Facilities Fund	Union Bank of California*	72,248.08	
2007/08	35.0 - County School Facilities Fund	Carrier Southern CA	8,484.64	
2007/08	40.0 - Special Reserve Fund	Apple Computer Inc.	1,303.92	
2007/08	40.0 - Special Reserve Fund	Doumanian & Associates*	6,090.23	
2007/08	40.0 - Special Reserve Fund	State of California*	25,305.01	113,431.88
2008/09	25.0 - Capital Facilities Fund	Waxie Sanitary Supply	2,575.86	
2008/09	35.0 - County School Facilities Fund	VAS Security Systems	8,358.43	
2008/09	35.0 - County School Facilities Fund	All Phase Electric Supply Co.	19.55	
2008/09	40.0 - Special Reserve Fund	CSMG*	19,984.35	30,938.19
2009/10	40.0 - Special Reserve Fund	Dallas Midwest	1,721.58	
2009/10	40.0 - Special Reserve Fund	Letner Roofing Company	6,943.82	
2009/10	40.0 - Special Reserve Fund	Creative Deizgn*	2,978.82	
2009/10	40.0 - Special Reserve Fund	Pride Enterprises	1,937.09	13,581.31

Total Unsupported Expenditures \$ 194,055.72 ²

¹ Due to low quality image scanning and/or copying, the back of some canceled warrants were difficult to read. The back of one warrant was completely blacked out. The front of the canceled warrants, which contained the payee and amount, were legible. Per the District, this was the quality of the canceled warrants as received from County Treasury.

² Excludes a journal entry transaction equal to \$(4,102.54). The transaction was excluded because it was not related to a vendor payment. If included, the total unsupported expenditures would equal \$189,953.18.

Exhibit I

The following fund descriptions were taken from the 2008 Edition of the California School Accounting Manual.

Deferred Maintenance Fund

(Education Code Sections 17582 – 17592)

This fund is used to account separately for state apportionments and the District's contributions for deferred maintenance purposes. The principal revenues in this fund are:

- Deferred Maintenance Apportionments from the State
- Interest
- Interfund Transfers In

Moneys in this fund may be expended only for the following purposes:

- Major repair or replacement of plumbing, heating, air-conditioning, electrical, roofing, and floor systems
- Exterior and interior painting of school buildings, including a facility that a county office of education is authorized to use
- The inspection, sampling, and analysis of building materials
- The encapsulation or removal of asbestos-containing materials
- The inspection, identification, sampling, and analysis of building materials to determine the presence of lead-containing materials
- Any other items of maintenance approved by the State Allocation Board

Whenever the state funds provided (apportionments from the State Allocation Board) are insufficient to fully match the local funds deposited in this fund, the Board of Education of the District may transfer the excess local funds deposited in this fund to any other expenditure classifications in other funds of the district.

Building Fund

(Education Code Sections 15146, 17462, 41003, 16058)

This fund exists primarily to account separately for proceeds from the sale of bonds and may not be used for any purposes other than those for which the bonds were issued. Other authorized revenues to the Building Fund are proceeds from the sale or lease-with-option-to-purchase of real property and revenue from rentals and leases of real property specifically authorized for deposit into the fund by the governing board.

The principal revenues and other sources in this fund are:

- Rentals and Leases
- Interest
- Proceeds from the Sale of Bonds
- Proceeds from the Sale/Lease-Purchase of Land and Buildings

Expenditures in the Building Fund are most commonly made against the 6XXX Object Codes for capital outlay.

Capital Facilities Fund

(Education Code Sections 17620 – 17626; Government Code Sections 65970 – 65981 & 66006)

This fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development. The authority for these levies may be county/city ordinances or private agreements between the District and the developer. Interest earned in the Capital Facilities Fund is restricted to that fund.

The principal revenues in this fund are the following:

- Interest
- Mitigation/Developer Fees

Expenditures in the Capital Facilities Fund are restricted to the purposes specified in *Government Code* sections 65970–65981 or to the items specified in agreements with the developer (*Government Code* Section 66006). Expenditures incurred in another fund may be reimbursed to that fund by means of an interfund transfer.

County School Facilities Fund

(Education Code Sections 17070 et seq.)

This fund is established to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), or the 2004 State School Facilities Fund (Proposition 55) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998.

The principal revenues and other sources in this fund are:

- School Facilities Apportionments
- Interest
- Interfund Transfers In

Typical expenditures in this fund are payments for the costs of sites, site improvements, buildings, building improvements, and furniture and fixtures capitalized as a part of the construction project.

State School Building Lease-Purchase Fund

(Education Code Section 17000 et seq.)

This fund is used primarily to account separately for state apportionments for the reconstruction, remodeling, or replacing of existing school buildings or the acquisition of new school sites and buildings, as provided in the Leroy F. Greene State School Building Lease-Purchase Law of 1976. The District may be required to transfer to this

fund any available moneys from other funds as the District's contribution to a particular project.

The principal revenues and other sources in this fund are:

- Interest
- Interfund Transfers In
- School Facilities Apportionments

Typical expenditures in this fund are items charged to Object 62XX, Buildings and Improvement of Buildings, and Object 63XX, Books and Media for New School Libraries or Major Expansion of School Libraries.

Special Reserve Fund for Capital Outlay Projects

(Education Code Sections 42840, 41003, 17462)

This fund exists primarily to provide for the accumulation of general fund moneys for capital outlay purposes. This fund may also be used to account for any other revenues specifically for capital projects that are not restricted to funds 21 (Building Fund), 25 (Capital Facilities Fund), 30 (State School Building Lease-Purchase Fund), or 35 (County School Facilities Fund). Other authorized resources that may be transferred to the Special Reserve Fund for Capital Outlay Projects are proceeds from the sale or lease-with-option-to-purchase of real property and rentals and leases of real property specifically authorized for deposit to the fund by the Board of Education.

The principal revenues and other sources in this fund are:

- Federal, State, or Local Revenues
- Rentals and Leases
- Interest
- Other Authorized Interfund Transfers In
- Proceeds from Sale/Lease-Purchase of Land and Buildings
- Federal Emergency Management Act (FEMA)

Transfers authorized by the Board of Education from the general fund must be expended for capital outlay purposes. Proceeds from the sale or lease-with-option-to-purchase may be spent for capital outlay purposes, costs of maintenance of the District's property, and future maintenance and renovation of school sites. Expenditures for capital outlay are most commonly made against the 6XXX Object Codes for capital outlay.

Salaries of school district employees whose work is directly related to projects financed by Special Reserve Fund revenues are capitalized as a part of the capital facilities project.

Exhibit J

Enter Voucher Information: Register - Payment Information

File Edit View Go Favorites Use Process Print Help

Payment Information

Serial: MODEL Bank: DTIC Account: 8U98 Reference: 1058953

Remit Vendor: CON0005421 KOERTON IRON WORKS

Amount: 281,403.86 US Dollar Created: 04/10/2003
 Dated: 04/11/2003 Cleared On: 04/14/2003
 Payment Method: Check Reconciled On: 04/15/2003
 Payment Status: Paid Days outstanding: 3
 Post Status: Posted
 Cancel Status: No Cancel Action
 Comments: Schedule

Business Unit	Advice ID	Advice Sequence	Advice Date	Discount Amount	Paid Amount
1 64337	282880	1	04/07/2003	0.00	0.00

Start Stop LACOE Peoplesoft Escape Regulations Novel GroupWise Enter Voucher Info Update Display

11:55 AM

Exhibit K

EXHIBIT K DISTRICT CASH RECEIPT LOG | K-1

JULY 26, 2018

PAGE 15

BURBANK UNIFIED SCHOOL DISTRICT
FACILITIES FORENSIC ACCOUNTING PROJECT

RECEIPT	DATE	PAID TO	DESCRIPTION	AMT. RECEIVED
A228941	12/11/97	BURBANK CITY OF	INV 21M084	51,152.16
01	8690-000000-0000	51,152.16		
A228941	12/11/97	BURBANK CITY OF	INV 21M097-92	250,290.20
01	8690-000000-0000	250,290.20		
A228942	12/11/97	BURBANK CITY OF	INV 21M090-01	76,500.00
01	8690-000000-0000	76,500.00		
A228944	12/23/97	BURBANK CITY OF	INV 21M085/M083/M086, M087	594,240.00
01	8690-000000-0000	112,697.56	8690-000000-0000197,092.09	
	8690-000000-0000	1,514.06		
	8690-000000-0000	11,567.88	8690-000000-0000 21,448.49	
A228946	11/24/97	BURBANK CITY OF	INV 21M090	513,471.56
01	8690-000000-0000	513,471.56		
A228960	02/04/98	BURBANK CITY OF	INV 21M091/21M089	93,323.92
01	8690-000000-0000	27,585.64	8690-000000-0000 65,738.28	
A228964	02/18/98	BURBANK CITY OF	INV 027786	67,494.45
03	8690-000000-0000	67,494.45		
A228982	02/24/98	BURBANK CITY OF	INV 21M092/21M093/21M094	832,968.04
01	8690-000000-0000	145,264.56	8690-000000-0000467,194.98	
	8690-000000-0000	220,298.50		
A228986	03/24/98	BURBANK CITY OF	FINAL LYHT MAINT 06/97	8,500.00
01	8690-000000-0000	8,500.00		
A228988	04/24/98	BURBANK CITY OF	INV 210-26/0280PS	9,100.70
01	8690-000000-0000	7,280.00		
A228984	04/24/98	BURBANK CITY OF	INV 800-26/0246PS-0100	1,820.70
01	8690-000000-0000	1,820.70		
A228987	04/24/98	BURBANK CITY OF	INV 210/8141PS/26/2141215	65,021.18
01	8690-000000-0000	14,620.00		
A228988	04/24/98	BURBANK CITY OF	INV 210PS/09/1196/214/215	1.00
01	8690-000000-0000	1,000.00	9101-000000-0000 2,165.00	
	8690-000000-0000	21,538.00	9114-000000-0000 03,116.18	

Receipt Date

Burbank Unified School District

09/11/2003

Receipt No.	Date	From	Check No.	B Receipt	Description	Account #	Amount
A000756	06/11/2003	BURBANK, VIRGINIA			INV 9774 USE OF FACILITY	01 0-00000 0-00000-00000-8651-0000000	17.10
							1218.00
A000157	06/09/2003	BURBANK, CITY OF			REBATE: ENERGY SOLUTIONS	01 0-00000 0-00000-00000-8679-0000000	1218.00
							801000.00
A000152	01/13/2003	BURBANK, CITY OF			REFUND-CLOSING BILL	01 0-00000 0-00000-00000-8550-7400000	801000.00
							7.02
A000150	12/23/2002	BURBANK, CITY OF			REFUND	01 0-00000 0-00000-00000-8679-0000000	7.02
							335.90
A000153	01/18/2003	BURBANK, CITY OF			INV 03002PS	01 0-00103 0-00000-00000-8659-0000000	335.90
						01 0-00000 0-00000-00000-8659-0000000	66311.32
							3198.04
A000759	05/27/2003	BURBANK, CITY OF			INV 03003PS	01 0-00103 0-00000-00000-8659-0000000	70300.00
							64300.00
A000887	12/02/2002	BURGESS, TAMM-CARL SCOUTS			FACILITY APP FEE	01 0-00707 0-00000-00000-8686-7401000	64300.00
							45.00
A0002946	05/01/2003	BURROUGHS ASB			INV 5 001833 FOOD SERVICES	01 0-53100 0-00000-00000-8654-7495000	45.00
							49.35
A0000736	06/24/2002	BURROUGHS INDEBT			INCOME & ABATEMENT	01 0-00000 0-11100-10000-4119-4321000	49.35
							1366.00
A0000735	09/25/2002	BURROUGHS INDEBT			INCOME & ABATEMENT	01 0-00000 0-11100-10000-4119-4321000	1366.00
							1797.00
A0000730	09/25/2002	BURROUGHS INDEBT			INCOME & ABATEMENT	01 0-00000 0-11100-10000-4119-4321000	3757.00
							806.00
A0000740	09/25/2002	BURROUGHS INDEBT			INCOME & ABATEMENT	01 0-00000 0-11100-10000-4119-4321000	806.00
							100.00
A0001823	02/19/2003	BURROUGHS INDEBT			INDEBT & ABATEMENT	01 0-00000 0-11100-10000-4119-4321000	100.00
							648.00
A0001824	02/20/2003	BURROUGHS INDEBT			INDEBT & ABATEMENT	01 0-00000 0-11100-10000-4119-4321000	648.00
							967.00
A0001830	02/26/2003	BURROUGHS INDEBT			INDEBT & ABATEMENT	01 0-00000 0-11100-10000-4119-4321000	967.00
							364.00

Page: 36

Exhibit L

EXHIBIT L EXAMPLE OF INVOICE TO CITY OF BURBANK L-1

100's

5/10/17
Approved
12/17/98
20,000

INVOICE NO. 23M113

BURBANK UNIFIED SCHOOL DISTRICT
330 NORTH BUENA VISTA STREET
BURBANK, CALIFORNIA 91505
(818)558-5372

TO: CITY OF BURBANK
Finance Dept.
275 E. Olive Ave
Burbank, Ca 91502

DATE: 12/17/98

PAGE 1 OF 1

DESCRIPTION		TOTAL
C-DAD Construction Warrant# 21586350 60-62100-16960400-0118 Washington		\$ 91,584.00
Nazenan Const. Warrant# 21649551 60-62100-14960300-0114 Roosevelt		\$7,078.84
Mobile Mini Warrant# 21397677 60-62100-21960200-0121		\$961.32
Mobile Mini Warrant# 21321521 60-62100-21960200-0121		\$1,210.20
Mobile Mini Warrant# 21397676 60-62100-21960200-0121		\$400.55
TOTAL		\$ 101,234.91

Please give our invoice number when making payment.

Exhibit M

EXHIBIT M: INTERFUND TRANSFERS OF CITY REVENUE | M-1

Fiscal Year	Fund	Date	Object	Account Name	Reference	Income Received	Annual Total
1995/96	60	01/10/96	89150	INTERFUND TRANSFER - from GF	CityFnd	\$1,213,652.37	
1995/96	60	05/14/96	89150	INTERFUND TRANSFER - from GF	CityFnd	978,273.25	\$ 2,191,925.62
1996/97	60	11/07/96	89150	INTERFUND TRANSFER - from GF	23MO29	7,421.50	
1996/97	60	11/07/96	89150	INTERFUND TRANSFER - from GF	23MO30	145,860.43	
1996/97	60	11/07/96	89150	INTERFUND TRANSFER - from GF	23MO31	18,537.51	
1996/97	60	11/07/96	89150	INTERFUND TRANSFER - from GF	23MO32	55,384.21	
1996/97	60	11/07/96	89150	INTERFUND TRANSFER - from GF	23MO33	16,116.30	
1996/97	60	11/07/96	89150	INTERFUND TRANSFER - from GF	23MO34	15,553.08	
1996/97	60	11/07/96	89150	INTERFUND TRANSFER - from GF	23MO35	15,822.80	
1996/97	60	11/07/96	89150	INTERFUND TRANSFER - from GF	23MO22	29,266.25	
1996/97	60	11/07/96	89150	INTERFUND TRANSFER - from GF	23MO23	24,414.02	
1996/97	60	11/07/96	89150	INTERFUND TRANSFER - from GF	23MO24	22,615.10	
1996/97	60	11/07/96	89150	INTERFUND TRANSFER - from GF	23MO25	19,939.71	
1996/97	60	11/07/96	89150	INTERFUND TRANSFER - from GF	23MO26	7,677.16	
1996/97	60	11/07/96	89150	INTERFUND TRANSFER - from GF	23MO27	47,696.45	
1996/97	60	11/07/96	89150	INTERFUND TRANSFER - from GF	23MO28	83,565.03	
1996/97	60	01/14/97	89190	INTERFUND TRANSFER - from GF	TRCITYFD	1,000,000.00	
1996/97	60	6/61/97	89190	INTERFUND TRANSFER	CITY	120,130.05	
1996/97	60	6/66/97	89190	INTERFUND TRANSFER	CITY	103,872.82	
1996/97	60	08/07/97	89190	INTERFUND TRANSFER	CITY	678,951.02	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	09960149	646.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	099601C2	159,900.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	099601C3	17,100.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	139518C1	8,415.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	32960436	9,889.20	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	32960437	28,810.80	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	32960451	7,044.60	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	09950440	1,000.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	13950340	999.80	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	21960541	25,289.78	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	21960548	12,610.35	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	21960550	3,781.90	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	32960914	289.65	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	95100140	3,847.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	139518C2	46,585.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	16960354	1,803.19	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	169603C1	8,415.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	169603C1	83,700.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	169603C2	62,865.00	

EXHIBIT M INTERFUND TRANSFERS OF CITY REVENUE | M-2

Fiscal Year	Fund	Date	Object	Account Name	Reference	Income Received	Annual Total
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	169603C3	19,667.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	32960964	5,173.27	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	169603C3	17,602.12	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	18960139	5,000.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	208517C1	6,778.17	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	209511C1	6,778.17	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	209511C4	8,637.14	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	209511C4	13,915.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	209511C4	7,860.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	209517C4	7,860.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	209517C4	8,637.23	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	209517C4	13,915.07	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	20960240	17,138.97	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	20960241	16,980.32	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	20960450	31,090.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	20960450	692.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	09940257	40,647.50	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	09940257	8,906.50	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	32960538	262.81	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	40960564	395.96	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	32960537	19,478.30	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	32960537	17,108.77	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	32960537	13,423.83	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	32960538	1,316.05	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	32960551	32.41	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	32960551	6,474.42	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	32960553	46,729.23	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	20950957	780.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	20950957	520.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	21950857	780.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	21950857	520.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	22951657	780.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	22951657	520.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	32960566	56,759.08	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	01951738	431.07	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	01951749	160.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	09940357	6,001.73	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	22951627	200.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	22960242	12,402.00	

EXHIBIT M INTERFUND TRANSFERS OF CITY REVENUE | M-3

Fiscal Year	Fund	Date	Object	Account Name	Reference	Income Received	Annual Total
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	22960250	1,997.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	22960265	5,571.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	03960354	2,950.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	10951838	862.14	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	10951849	160.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	10960653	80,300.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	16951740	640.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	16951742	640.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	16960361	1,540.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	15960137	993.50	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	16960361	12,976.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	16960440	21,600.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	16960442	36,000.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	16960451	28,800.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	16960453	18,900.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	18960137	8,200.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	15960139	33,840.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	15960142	10,257.75	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	15960148	11,097.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	15960151	57,771.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	15960242	30,773.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	30950239	30,285.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	30950248	36,439.88	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	16951746	51,762.62	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	16951752	5,751.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	32951749	6,338.91	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	32951750	2,209.81	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	32951757	3,328.64	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	32951760	13,549.50	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	40960550	77,008.40	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	019603C2	76,834.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	019603C3	8,537.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	09960249	3,434.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	09960252	1,977.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	13951049	4,291.50	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	32960452	264.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	32960454	591.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	13951052	2,473.50	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	31960639	33,354.90	

EXHIBIT M. INTERFUND TRANSFERS OF CITY REVENUE | M-4

Fiscal Year	Fund	Date	Object	Account Name	Reference	Income Received	Annual Total
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	31960640	34,444.89	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	31960641	11,587.79	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	31960642	54,322.66	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	31960647	12,877.62	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	32952139	14,290.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	019502S1	143.03	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	019503S1	143.03	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	029501S1	146.08	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	029502S1	146.08	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	039501S1	149.88	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	31960648	5,202.08	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	31960649	17,900.87	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	039502S1	149.88	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	059501S1	144.55	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	059502S1	160.44	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	059503S1	114.64	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	099501S1	144.55	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	099502S1	144.55	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	109501S1	144.55	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	0149502S	143.79	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	109502S1	145.31	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	149501S1	145.31	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	149503S1	143.79	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	149504S1	151.41	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	189502S1	139.88	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	209501S1	150.64	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	209502S1	150.64	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	209503S1	150.64	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	209504S1	150.64	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	209505S1	150.64	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	209522S1	144.55	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	219521S1	147.50	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	219522S1	138.46	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	219523S1	138.46	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	219523S1	138.46	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	229502S1	139.98	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	229503S1	139.98	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	229504S1	139.22	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	229505S1	139.22	

EXHIBIT M: INTERFUND TRANSFERS OF CITY REVENUE | M-5

Fiscal Year	Fund	Date	Object	Account Name	Reference	Income Received	Annual Total
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	229506S1	139.22	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	229507S1	139.98	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	229508S1	140.75	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	229509S1	140.75	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	229510S1	140.75	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	309501S1	146.08	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	319502S1	149.12	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	329502S1	149.12	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	089501S1	150.64	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	31960436	356.29	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	31960452	32,026.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	31960641	1,167.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	329504S1	146.08	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	329505S1	146.08	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	339501S1	144.55	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	13940158	1,237.50	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	16940158	1,237.50	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	31960446	57,406.98	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	31960453	32,017.13	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	31960466	64,297.75	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	31960637	13,878.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	31960642	6,064.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	15960347	8,404.50	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	15960350	1,753.53	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	18960139	5,686.70	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	1896147	7,584.20	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	30960647	3,663.50	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	30960650	1,753.44	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	31951847	9,482.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	02960264	477.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	03960364	14,539.78	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	05950464	1,062.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	13960584	950.40	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	18950164	18,070.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	31951850	1,753.43	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	45960565	1,368.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	14960364	477.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	15951364	1,062.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	16951736	29,114.64	

EXHIBIT M: INTERFUND TRANSFERS OF CITY REVENUE | M-6

Fiscal Year	Fund	Date	Object	Account Name	Reference	Income Received	Annual Total
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	16960465	14,554.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	21960264	22,393.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	30960564	477.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	31961165	1,425.60	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	01950758	460.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	16951739	14,340.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	16951741	7,354.55	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	16951747	3,649.50	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	16951749	5,233.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	20950958	61.20	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	32960438	163.20	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	02951151	8,831.93	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	20950950	173.33	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	20950958	1,560.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	21950838	1,560.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	21950838	173.33	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	22950858	1,560.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	22950858	173.34	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	02951146	3,325.96	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	02951152	1,096.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	02951154	1,350.88	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	05960246	3,967.82	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	05960251	10,536.34	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	05960252	1,096.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	05960254	1,611.57	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	45950143	2,905.48	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	45950143	5,968.91	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	45950144	2,904.10	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	45950144	5,966.08	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	45950145	5,824.29	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	45950145	5,546.93	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	45950145	2,714.69	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	18960151	5,969.38	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	20960941	900.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	21960439	37,895.40	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	21960442	67,027.60	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	21960453	7,189.10	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	45950143	5,963.85	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	45950144	5,961.01	

EXHIBIT M INTERFUND TRANSFERS OF CITY REVENUE | M-7

Fiscal Year	Fund	Date	Object	Account Name	Reference	Income Received	Annual Total
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	06960446	9,636.64	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	06960451	5,355.14	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	06960454	1,665.75	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	20960346	14,216.42	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	20960351	7,900.15	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	20960352	936.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	20960354	2,457.40	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	45950143	1,072.39	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	45950144	975.14	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	45950145	975.11	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	45960540	1,925.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	45960540	1,085.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	45960547	2,205.73	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	51960641	8,157.16	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	32960437	1,290.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	32960438	167.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	45960548	465.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	45960548	1,187.04	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	09960261	601.20	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	13951061	751.50	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	15960161	37,767.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	16077461	15,936.96	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	16960461	2,170.52	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	18960161	8.56	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	71960661	42.90	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	13960563	1,687.50	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	14960363	2,484.09	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	16960361	12,976.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	16960361	1,540.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	21960463	12,456.90	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	30960563	2,484.09	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	31961163	5,062.50	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	02960263	2,484.09	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	03960363	84,413.25	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	05950463	4,791.16	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	15951363	2,469.90	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	15960163	538.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	30950263	538.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	32960566	56,759.08	

EXHIBIT M: INTERFUND TRANSFERS OF CITY REVENUE | M-8

Fiscal Year	Fund	Date	Object	Account Name	Reference	Income Received	Annual Total
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	16960666	23,013.39	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	2290366	20,864.00	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	31960466	64,297.75	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	32950966	8,111.25	
1996/97	60	06/16/97	89150	INTERFUND TRANSFER	45960566	333.59	5,212,457.58
1997/98	60	01/15/98	89120	INTERFUND TRANSFER - from GF	23MO80	158,516.14	
1997/98	60	01/15/98	89120	INTERFUND TRANSFER - from GF	23MO81	32,249.67	
1997/98	60	01/15/98	89120	INTERFUND TRANSFER - from GF	23MO82	143,378.05	
1997/98	60	01/15/98	89120	INTERFUND TRANSFER - from GF	23MO83	397,092.09	
1997/98	60	01/15/98	89120	INTERFUND TRANSFER - from GF	23MO84	112,657.56	
1997/98	60	01/15/98	89120	INTERFUND TRANSFER - from GF	23MO84	51,352.36	
1997/98	60	01/15/98	89120	INTERFUND TRANSFER - from GF	23MO86	1,514.06	
1997/98	60	01/15/98	89120	INTERFUND TRANSFER - from GF	23MO87	71,448.49	
1997/98	60	01/15/98	89120	INTERFUND TRANSFER - from GF	23MO88	11,567.88	
1997/98	60	01/15/98	89120	INTERFUND TRANSFER - from GF	23MO89	313,471.56	
1997/98	60	01/15/98	89120	INTERFUND TRANSFER - from GF	CDBG9702	250,290.00	
1997/98	60	01/15/98	89120	INTERFUND TRANSFER - from GF	CDBG9702	76,500.00	
1997/98	60	04/28/98	89120	INTERFUND TRANSFER - from GF	23MO89	65,738.28	
1997/98	60	04/28/98	89120	INTERFUND TRANSFER - from GF	23MO91	27,585.64	
1997/98	60	04/28/98	89120	INTERFUND TRANSFER - from GF	23MO92	145,264.56	
1997/98	60	04/28/98	89120	INTERFUND TRANSFER - from GF	23MO93	467,394.98	
1997/98	60	04/28/98	89120	INTERFUND TRANSFER - from GF	23MO94	220,288.50	
1997/98	60	04/28/98	89120	INTERFUND TRANSFER - from GF	900-26	7,280.00	
1997/98	60	06/29/98	89120	INTERFUND TRANSFER - from GF	23MO95	24,942.88	
1997/98	60	06/29/98	89120	INTERFUND TRANSFER - from GF	23MO96	818,658.00	
1997/98	60	06/29/98	89120	INTERFUND TRANSFER - from GF	23MO97	672,046.59	
1997/98	60	06/29/98	89120	INTERFUND TRANSFER - from GF	ENGCR	100,000.00	
1997/98	60	06/29/98	89120	INTERFUND TRANSFER - from GF	23MO95	24,942.88	
1997/98	60	06/29/98	89120	INTERFUND TRANSFER - from GF	23MO96	818,658.00	
1997/98	60	06/29/98	89120	INTERFUND TRANSFER - from GF	23MO97	672,046.59	
1997/98	60	06/30/98	89120	INTERFUND TRANSFER - from GF	23MO95	(24,942.88)	
1997/98	60	06/30/98	89120	INTERFUND TRANSFER - from GF	23MO96	(818,658.00)	
1997/98	60	06/30/98	89120	INTERFUND TRANSFER - from GF	23MO97	(672,046.59)	
1997/98	60	08/17/97	89150	INTERFUND TRANSFER - from GF	CITYPYA	(678,951.02)	
1997/98	60	08/17/97	89150	INTERFUND TRANSFER - from GF	CITYREIM	2,111,861.99	5,602,148.26
1998/99	60	01/27/99	89120	INTERFUND TRANSFER - from GF	23M113	101,234.91	
1998/99	60	01/27/99	89120	INTERFUND TRANSFER - from GF	23M114	1,036,124.58	
1998/99	60	01/27/99	89120	INTERFUND TRANSFER - from GF	23M115	40,457.73	
1998/99	60	01/27/99	89120	INTERFUND TRANSFER - from GF	23M116	58,586.58	

EXHIBIT M: INTERFUND TRANSFERS OF CITY REVENUE | M-9

Fiscal Year	Fund	Date	Object	Account Name	Reference	Income Received	Annual Total
1998/99	60	02/16/99	89120	INTERFUND TRANSFER - from GF	23M117	485,204.60	
1998/99	60	05/12/99	89120	INTERFUND TRANSFER - from GF	23M117	(255,598.18)	
1998/99	60	05/12/99	89120	INTERFUND TRANSFER - from GF	23M118	171,257.09	
1998/99	60	05/12/99	89120	INTERFUND TRANSFER - from GF	23M119	94,561.12	
1998/99	60	05/12/99	89120	INTERFUND TRANSFER - from GF	23M120	329,587.65	
1998/99	60	05/12/99	89120	INTERFUND TRANSFER - from GF	23M121	1,084,819.96	
1998/99	60	05/12/99	89120	INTERFUND TRANSFER - from GF	23M122	11,617.95	
1998/99	60	6/43/99	89120	INTERFUND TRANSFER - from GF	23M112	605,820.70	
1998/99	60	11/20/98	89150	INTERFUND TRANSFER - from GF	23M104	(1,697.76)	
1998/99	60	11/20/98	89150	INTERFUND TRANSFER - from GF	23M108	605,413.84	
1998/99	60	11/20/98	89150	INTERFUND TRANSFER - from GF	23M108	168,910.14	
1998/99	60	11/20/98	89150	INTERFUND TRANSFER - from GF	23M109	29,288.41	
1998/99	60	11/20/98	89150	INTERFUND TRANSFER - from GF	23M110	666,642.50	
1998/99	60	11/20/98	89150	INTERFUND TRANSFER - from GF	23M110	605,413.84	
1998/99	60	11/20/98	89150	INTERFUND TRANSFER - from GF	CDBG9704	95,682.91	5,933,328.57
1999/00	60	6/72/00	89190	Interfund Transfer - from GF	CDBG99-2	5,080.00	
1999/00	60	6/72/00	89190	Interfund Transfer - from GF	CITY	3,878,953.95	3,884,033.95
2002/03	40	09/04/03	8919	Other Authorized Interfund Transfers In	EXPTR082	406,915.67	406,915.67
						<u>\$ 23,230,809.65</u>	