

PROPOSITION O
OF
BOND BUILDING FUND
SWEETWATER UNION HIGH SCHOOL DISTRICT
SAN DIEGO COUNTY
AUDIT REPORT
June 30, 2008

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**PROPOSITION O BOND BUILDING FUND OF
SWEETWATER UNION HIGH SCHOOL DISTRICT
Introduction and Citizens' Bond Oversight Committee Member Listing
June 30, 2008**

Sweetwater Union High School District (the District) was established in 1920 and covers approximately 153 square miles. The District provides education for grades 7-12 and is currently operating ten middle schools, twelve high schools, one continuation, four adult schools and four alternative education schools. One charter school also operates within the district boundaries.

On November 7, 2006, the voters of San Diego County approved by more than 55% Proposition O, authorizing the issuance and sale of \$644,000,000 of general obligation bonds. On March 12, 2008, the District issued Series 2008A of the Election of 2006 General Obligation Bonds in the amount of \$180,000,000.

Proposition O was a Proposition 39 bond. The passage of Proposition 39 in March 2008 amended the California Constitution to include accountability measures. Specifically, the District must conduct an annual independent performance audit to ensure that funds have been expended only on the specific projects listed as well as an annual, independent financial audit of the proceeds from the sale of the bonds until all of the proceeds have been expended for facilities projects.

Upon passage of Proposition 39, an accompanying piece of legislation, AB 1908 (Chapter 44, Statutes of 2000), was also enacted, which amended the Education Code to establish additional procedures which must be followed if a District seeks approval of a bond measure pursuant to the 55% majority authorized in Proposition O including formation, composition and purpose of the Citizens' Bond Oversight Committee, and authorization for injunctive relief against the improper expenditure of bond revenues. The Citizens' Bond Oversight Committee was comprised of the following members as of June 30, 2008:

Name	Title	Representation
Rudy Gonzalez	Chairperson	Senior Citizen Organization
Yolanda Hernandez	Vice Chairperson	At Large Member
Debbie Espe	Member	Taxpayer Association
Robert Garcia	Member	Parent Organization
Jane McGill	Member	At Large Member
Cynthia Melcher	Member	Parent Organization
Lourdes Valdez	Member	Business Community



A Professional
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Proposition O Citizens' Bond Oversight Committee and
Governing Board Members of
Sweetwater Union High School District
Chula Vista, California

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying balance sheet of the Proposition O Bond Building Fund of Sweetwater Union High School District (the "District") and the related statement of revenues, expenditures and changes in fund balance as of and for the year ended June 30, 2008. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1A, the financial statements present only the individual Proposition O Bond Building Fund and are not intended to present fairly the financial position of the District in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Proposition O Bond Building Fund of Sweetwater Union High School District as of June 30, 2008 and for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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