

June 30, 2008

TOTAL SCHOOL SOLUTIONS  
4751 MANGELS BOULEVARD  
FAIRFIELD, CA 94534

MEASURE O  
PERFORMANCE AUDIT  
PERIOD ENDED JUNE 30, 2007

SWEETWATER UNION  
HIGH SCHOOL DISTRICT

# Sweetwater Union High School District

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June 30, 2007

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Karl Bradley, Assistant Superintendent, Facilities and Operations

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## INTRODUCTION

On November 7, 2006, the Sweetwater Union High School District (the "District") submitted a bond measure for voter approval to authorize the sale of \$644 million in bonds to improve school facilities. Because the bond measure was placed on the ballot in accordance with Proposition 39, it required only 55 percent of the vote for passage.

Article XIII of the California State Constitution requires a district issuing bonds passed under the provisions of Proposition 39 to establish a citizens' bond oversight committee and to conduct two independent audits. The first audit is a financial audit similar to a district's annual financial audit; the second is a performance audit, which measures the effectiveness, economy and efficiency of the bond facilities program.

The District engaged the firm Total School Solutions (TSS) to conduct the annual independent performance audit of the Measure O bond program and report its findings to the Board of Trustees and to the Independent Citizens' Bond Oversight Committee. The report contained herein represents the first annual performance audit of the Sweetwater Union High School District's Proposition 39 bond program. This report covers the bond program and related activities from July 1, 2006, through June 30, 2007.

Besides ensuring that the District uses bond funds in conformance with the provisions listed in the Measure O ballot, the scope of this examination includes a review of the bond management plan/program, design and construction schedules and timelines; design and construction cost budgets; payment procedures, use of best practices regarding the planning and construction of school facilities; bond management structure including the adequacy of program management personnel; procedures for claims avoidance; school management and construction budgets; change orders/claim procedures and results; compliance with law, District policies and guidelines regarding facilities and procurement; best practices for management of procurement of materials and services; the effectiveness of the public outreach program and communication channels among the stakeholders and evaluation of the public outreach program.

In accordance with Proposition 39, the District intends to have a performance audit completed annually until all Measure O funds have been expended. These reports are designed to meet the requirement of Article XIII of the California State Constitution and inform the community of the appropriate use of funds generated through the sale of bonds authorized by Measure O.