



**SWEETWATER**  
UNION HIGH SCHOOL DISTRICT  
*Thomas J. Calhoun CCM, LEED AP*  
*Chief Facilities Executive*

## Office of the Chief Facilities Executive

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# MEMORANDUM

**DATE:** January 8, 2014  
**TO:** Citizens Bond Oversight Committee (CBOC)  
**FROM:** Thomas J. Calhoun, Chief Facilities Executive  
**RE: AGENDA ITEM #8 IRS AUDIT OF PROP O**

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In 2008 the Internal Revenue Service (IRS) announced that it would be undertaking an increasing number of audits of municipal tax-exempt securities, such as the Prop O Bonds and the L Street Bonds. The exact purpose of the IRS audits of the Prop O Bonds and the L Street Bonds have, in keeping with IRS procedures, not been made known to the Sweetwater Union High School District (“School District”). These audits may focus on arbitrage issues, rebate issues or use of proceeds. At this point in time, School District staff has not received any indication from the IRS that there was, or is, any violation of federal tax requirements with respect to the Prop O Bonds or the L Street Bonds. School District staff will continue to fully cooperate with the IRS in their audit examinations.

➤ **IRS Audit on Prop O:**

The IRS has undertaken an audit of the School District’s General Obligation Bonds, 2006 Election, Series A (“Prop O Bonds”), which were issued by the School District in March 2008. The letter from the IRS indicates that the audit is part of a routine audit process conducted by the IRS to determine compliance with federal tax requirements. This audit was initially begun in October 2012 and the School District finance and accounting staff has fully cooperated with the IRS in this audit process.

TC: cm

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*The Sweetwater Union High School District will fulfill the promise of 100% student success.*

Sweetwater Union High School District programs and activities shall be free from discrimination based on gender, sex, race, color, religion, ancestry, national origin, ethnic group identification, marital or parental status, physical or mental disability, sexual orientation or the perception of one or more of such characteristics.

SUHSD Board Policy 0410.