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950 West D Street
Ontario, CA 91762
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Board Approved:)HEUXDU\

Financial and Performance Audits
Building Fund (Measure K)
June 30, 2022

Ontario Montclair School District

eidebailly.com

Financial Audit

Building Fund (Measure K)

June 30, 2022

Ontario-Montclair School District

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from interna 3.4044 c

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 13, 2022 on our consideration of the Building Fund (Measure K) of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Building Fund (Measure K) of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Building Fund (Measure K) of the District's internal control over financial reporting and compliance.

Rancho Cucamonga, considering

Assets		
Investments	$	3,448,091
Receivables		14,722
Total assets	$	3,462,813
Liabilities and Fund Balance		
Liabilities		
Accounts payable	$	1,567,273
Fund balance		
Restricted for capital projects		1,895,540
Total liabilities and fund balance	$	3,462,813

Note 1 r Summary of Significant Accounting Policies

Encumbrances

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated when the commitments are paid, and all outstanding encumbrances lapse at June 30.

Fund Balance – Building Fund (Measure K)

As of June 30, 2022, the fund balance is classified as follows:

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Spending Order Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Note 2 – Investments

Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State: U.S. Treasury instrument; registered State warrants or treasury notes: securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreement; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security, and collateralized mortgage obligations.

Investment in County Treasury

The District is [illegible]

Interest Rate Risk

Interest rate risk is the risk

Note 5 – Commitments and Contingencies

As of June 30, 2022, the Building Fund (Measure K) had the following commitments with respect to unfinished projects:

	Remaining Construction Commitment*	Expected Date of Completion
Arroyo 7 & 8 Grd Reconfg	$ 305,921	08/31/2022
El Camino Parking Lot	531,562	08/31/2022
Vina Danks Relo't Classroom Relocations	3,000,000	08/31/2023
Haynes Relo Restroom Add't	137,256	08/31/2023
Moreno Relocatables	900,000	08/31/2023
Elem School CCTV Cameras	4,809,600	12/30/2023
Vina Danks HVAC	16,315,511	06/30/2024

Independent Auditor's Report

June 30, 2022

Ontario-Montclair School District

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Governing Board and
Citizens Oversight Committee
Ontario r

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Building Fund (Measure K) of the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which

None reported.

Performance Audit
Building Fund (Measure K)
June 30, 2022

Ontario Montclair School District

Independent Auditor's Report on Performance

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

We were engaged to conduct a performance audit of the Building Fund (Measure K) of the Ontario Montclair School District (the District) for the year ended June 30, 2022.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIIIA, Section 1(b)(3)(C) of the California Constitution and Appendix A contained in the 2021 2022 Guide for Annual Audits of K 12 Local Education Agencies and State Compliance Reporting issued by the California Education Audit Appeals Panel. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39 and outlined in Article XIIIA, Section 1(b)(3)(C) of the California Constitution, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

In

   c. We selected all expenditures that were individually significant expenditures. Individually significant expenditures were identified based on our assessment of materiality.

3. Our sample included transactions totaling $8,595,470. This represents 54.7% of the total expenditures of $15,722,527.

4. We reviewed the actual invoices and other supporting documentation to determine that:
   a. Expenditures were supported by invoices with evidence of proper approval and documentation of [illegible]

None reported.