

BAKERSFIELD CITY SCHOOL DISTRICT

**BUILDING FUND (MEASURE G)
FINANCIAL AUDIT**

JUNE 30, 2015

**BAKERSFIELD CITY SCHOOL DISTRICT
BUILDING FUND (MEASURE G)**

**TABLE OF CONTENTS
JUNE 30, 2015**

FINANCIAL SECTION

Independent Auditor's Report	2
Building Fund (Measure G)	
Balance Sheet	4
Statement of Revenues, Expenditures, and Changes in Fund Balance	5
Notes to Financial Statements	6

SUPPLEMENTARY INFORMATION

Schedule of Long-Term Obligations	12
Reconciliation of Annual Financial Report With Audited Building Fund (Measure G)	15
Note to Supplementary Information	16

INDEPENDENT AUDITOR'S REPORT

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	18
--	----

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Financial Statement Findings	21
Summary Schedule of Prior Audit Findings	22

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Governing Board and Citizens Oversight Committee
Bakersfield City School District
Bakersfield, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Bakersfield City School District's (the District), Building Fund (Measure G), as of and for the year ended June 30, 2015, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statement in accordance with accounting principles generally accepted in the United States of America; this includes 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 Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Building Fund (Measure G) of the Bakersfield City School District at June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2015, on our consideration of the District's Building Fund (Measure G) 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 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 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 District's Building Fund (Measure G) internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

Vannink, Trine, Day & Co., LLP

Fresno, California
November 9, 2015

**BAKERSFIELD CITY SCHOOL DISTRICT
BUILDING FUND (MEASURE G)**

**BALANCE SHEET
JUNE 30, 2015**

ASSETS

Deposits and investments	\$	710,376
Accounts receivable		1,028
Total Assets	\$	711,404

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$	209,746
Due to other funds		389
Total Liabilities		210,135

Fund Balance:

Restricted		501,269
Total Fund Balance		501,269
Total Liabilities and Fund Balance	\$	711,404

The accompanying notes are an integral part of these financial statements.

**BAKERSFIELD CITY SCHOOL DISTRICT
BUILDING FUND (MEASURE G)**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015**

REVENUES

Local income	
Interest income	\$ 4,357
Total Revenues	<u>4,357</u>

EXPENDITURES

Current	
Supplies	
Materials and supplies	4,628
Noncapitalized equipment	88,340
Services and other operating expenditures	
Rentals, leases, repairs	54,802
Professional/consulting services and operating expenditures	36,450
Capital outlay	
Land improvements	140,173
Building and improvements to buildings	808,427
Other outgo	
Debt service principal	26,290,000
Debt service interest and other charges	1,451,761
Total Expenditures	<u>28,874,581</u>

DEFICIENCY OF REVENUES OVER EXPENDITURES (28,870,224)

Other Financing Uses:

Other sources - proceeds from bond issuance	27,741,761
Net Financing Uses	<u>27,741,761</u>

NET CHANGE IN FUND BALANCE (1,128,463)

FUND BALANCE - BEGINNING 1,629,732

FUND BALANCE - ENDING \$ 501,269

The accompanying notes are an integral part of these financial statements.

**BAKERSFIELD CITY SCHOOL DISTRICT
BUILDING FUND (MEASURE G)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Bakersfield City School District's (the District) Building Fund (Measure G) conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). The Bakersfield City School District Building Fund accounts for financial transactions in accordance with the policies and procedures of the California School Accounting Manual.

Financial Reporting Entity

The financial statements include only the Building Fund of the Bakersfield City School District used to account for Measure G projects. This Fund was established to account for the expenditures of general obligation bonds issued under Measure G. These financial statements are not intended to present fairly the financial position and results of operations of the Bakersfield City School District in compliance with accounting principles generally accepted in the United States of America.

Fund Accounting

The operations of the Building Fund are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Basis of Accounting

The Building Fund is accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. The District's governing board adopts an operating budget no later than July 1 in accordance with State law. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. The Board revises this budget during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

**BAKERSFIELD CITY SCHOOL DISTRICT
BUILDING FUND (MEASURE G)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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 are liquidated at June 30 since they do not constitute expenditures or liabilities.

Fund Balance - Building Fund (Measure G)

As of June 30, 2015, 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

Summary of Investments

Investments as of June 30, 2015, are classified in the accompanying financial statements as follows:

Deposits with county treasurer	<u>\$ 710,376</u>
--------------------------------	-------------------

**BAKERSFIELD CITY SCHOOL DISTRICT
BUILDING FUND (MEASURE G)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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 instruments; 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 agreements; 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 considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

**BAKERSFIELD CITY SCHOOL DISTRICT
BUILDING FUND (MEASURE G)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Specific Identification

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuation is provided by the following schedule that shows the distribution of the District's investment by maturity:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Average Days To Maturity</u>
County treasury investment pool	<u>\$ 707,668</u>	<u>474</u>

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the County Pool are not required to be rated, nor have they been rated as of June 30, 2015.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year End</u>			
			<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Unrated</u>
County treasury investment pool	<u>\$ 707,668</u>	N/A	<u>\$ 21,230</u>	<u>\$ 290,144</u>	<u>\$ 311,374</u>	<u>\$ 84,920</u>

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2015, consists of interest. All accounts receivable are considered collectible in full.

Interest	<u>\$ 1,028</u>
----------	-----------------

NOTE 4 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2015, consist of the following:

Vendor payables	<u>\$ 209,746</u>
-----------------	-------------------

**BAKERSFIELD CITY SCHOOL DISTRICT
BUILDING FUND (MEASURE G)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5 - INTERFUND TRANSACTIONS

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2015, between governmental funds are as follows:

The Building Fund owes the General Fund for cell phone charges. \$ 389

NOTE 6 - FUND BALANCES

Fund balances are composed of the following elements:

Restricted
Capital projects \$ 501,269

NOTE 7 - COMMITMENTS AND CONTINGENCIES

Litigation

The District is not currently a party to any legal proceedings.

NOTE 8 - SUBSEQUENT EVENTS

2006, Series E and F, General Obligation Bond Issuance

On July 30, 2015, the District issued \$13,520,000 in general obligation bonds (Series E - \$12,770,000 Qualified School Construction Bonds and Series F - \$750,000). The 2006, Series E and F issuances were approved by the voters in the District on November 7, 2006, for an amount not to exceed \$100,000,000 for various district improvements. The interest rates of the bonds range from 1.129 percent - 5.00 percent and consist of current interest bonds maturing from May 1, 2016 through May 1, 2039.

SUPPLEMENTARY INFORMATION

**BAKERSFIELD CITY SCHOOL DISTRICT
BUILDING FUND (MEASURE G)**

**SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2015**

General Obligation Bonds

The general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate %	Original Issue	Bonds Outstanding July 1, 2014	Interest Accreted/ Issued	Redeemed	Bonds Outstanding June 30, 2015
2007, A	2018	4.00-5.25	\$ 34,000,000	\$ 29,995,000	\$ -	\$ 27,275,000	\$ 2,720,000
2012, B	2033	4.39	18,050,000	18,020,000	-	15,000	18,005,000
2012, C	2047	5.75-5.90	16,146,619	17,911,132	1,069,250	-	18,980,382
2012, D	2019	1.515-2.749	1,090,000	1,090,000	-	270,000	820,000
2015, A	2033	2.00-5.00	25,930,000	-	25,930,000	-	25,930,000
			<u>\$ 95,216,619</u>	<u>\$ 67,016,132</u>	<u>\$ 26,999,250</u>	<u>\$ 27,560,000</u>	<u>\$ 66,455,382</u>

Measure G, Series A General Obligation Bonds

On February 22, 2007, the District issued \$34,000,000 in Measure G, Series A General Obligation Bonds. Proceeds from the bonds will be used for improving the quality of education, upgrading restrooms and plumbing systems, renovating electrical systems to improve student access to computers/technology, acquiring and constructing classrooms and new schools to reduce overcrowding, making health, safety and security improvements, improving facilities and qualifying the District for up to \$57,000,000 in State grants. At June 30, 2015, the principal balance outstanding was \$2,720,000.

The bonds mature through 2018 as follows:

Current Interest Bonds

Fiscal Year	Principal	Interest to Maturity	Total
2016	\$ 725,000	\$ 94,300	\$ 819,300
2017	900,000	61,800	961,800
2018	1,095,000	21,900	1,116,900
Total	<u>\$ 2,720,000</u>	<u>\$ 178,000</u>	<u>\$ 2,898,000</u>

**BAKERSFIELD CITY SCHOOL DISTRICT
BUILDING FUND (MEASURE G)**

**SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2015**

Measure G, Series B, C, and D General Obligation Bonds

On July 12, 2012, the District issued \$35,286,619 in Measure G, Series B (\$18,050,000), Series C (\$16,146,619), and Series D (\$1,090,000) General Obligation Bonds. Proceeds from the bonds will be used to for improving the quality of education, upgrading restrooms and plumbing systems, renovating electrical systems to improve student access to computers/technology, acquiring and constructing classrooms and new schools to reduce overcrowding, making health, safety and security improvements, improving facilities and qualifying the District for up to \$57,000,000 in State grants. At June 30, 2015, the principal balance outstanding was \$37,805,382.

The Series B bond matures through 2033 as follows:

Current Interest Bonds

Fiscal Year	Principal	Interest to Maturity	Total
2016	\$ -	\$ 790,420	\$ 790,420
2017	5,000	790,419	795,419
2018	5,000	790,200	795,200
2019	5,000	789,981	794,981
2020	605,000	789,761	1,394,761
2021-2025	3,780,000	3,460,639	7,240,639
2026-2030	3,605,000	2,726,850	6,331,850
2031-2033	10,000,000	1,026,382	11,026,382
Total	<u>\$ 18,005,000</u>	<u>\$ 11,164,652</u>	<u>\$ 29,169,652</u>

The Series C bond matures through 2047 as follows:

Convertible Capital Appreciation Bonds

Fiscal Year	Principal
2037	\$ 7,750,000
2042	17,070,000
2047	28,720,000
Total Requirements	<u>53,540,000</u>
Less Unaccrued Principal	<u>(34,559,618)</u>
Total Current Obligation	<u>\$ 18,980,382</u>

**BAKERSFIELD CITY SCHOOL DISTRICT
BUILDING FUND (MEASURE G)**

**SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2015**

Upon maturity of Capital Appreciation Bonds, the bonds convert to Current Interest Bonds with the following mandatory early redemption requirements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2031-2035	\$ 3,330,000	\$ 6,171,780	\$ 9,501,780
2036-2040	13,495,000	13,327,093	26,822,093
2041-2045	23,540,000	8,324,200	31,864,200
2046-2047	13,175,000	1,184,130	14,359,130
Total	<u>\$ 53,540,000</u>	<u>\$ 29,007,203</u>	<u>\$ 82,547,203</u>

The Series D bond matures through 2018 as follows:

Current Interest Bonds

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2016	\$ 215,000	\$ 19,673	\$ 234,673
2017	145,000	15,631	160,631
2018	70,000	12,470	82,470
2019	390,000	10,721	400,721
Total	<u>\$ 820,000</u>	<u>\$ 58,495</u>	<u>\$ 878,495</u>

General Obligation Refunding Bonds, 2015 Series A

On February 25, 2015, the District issued \$25,930,000 Series A General Obligation Refunding Bonds. Proceeds from the bonds will be used to refund a portion (\$26,290,000) of the \$34,000,000 aggregate principal amount of 2006 Election General Obligation Bonds 2007 Series A.

The bonds mature through 2033 as follows:

Current Interest Bonds

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2016	\$ 570,000	\$ 1,056,600	\$ 1,626,600
2017	-	1,050,900	1,050,900
2018	-	1,050,900	1,050,900
2019	1,305,000	1,031,325	2,336,325
2020	1,120,000	989,350	2,109,350
2021-2025	6,070,000	4,236,500	10,306,500
2026-2030	11,445,000	2,174,425	13,619,425
2031-2033	5,420,000	163,800	5,583,800
Total	<u>\$ 25,930,000</u>	<u>\$ 11,753,800</u>	<u>\$ 37,683,800</u>

**BAKERSFIELD CITY SCHOOL DISTRICT
BUILDING FUND (MEASURE G)**

**RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED
BUILDING FUND (MEASURE G)
JUNE 30, 2015**

There were no adjustments to the Unaudited Actual Building Fund (Measure G), which required reconciliation to the audited financial statements at June 30, 2015.

**BAKERSFIELD CITY SCHOOL DISTRICT
BUILDING FUND (MEASURE G)**

**NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Long-Term Obligations

This schedule provides a debt repayment schedule associated with the bond proceeds received through issuance of Building Fund Measure G obligations.

Reconciliation of Annual Financial Report With Audited General Obligation Bond Fund

This schedule provides the information necessary to reconcile the fund balance of the Building Fund (Measure G) reported on the Unaudited Actual Financial Report to the audited financial statements.

INDEPENDENT AUDITOR'S REPORT



**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
Bakersfield City School District
Bakersfield, California

We have audited, in accordance with the 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, the accompanying financial statements of the Bakersfield City School District (the District) Building Fund (Measure G), as of and for the year ended June 30, 2015, and the related notes of the financial statements, and have issued our report thereon dated November 9, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Bakersfield City School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bakersfield City School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Bakersfield City School District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be, significant deficiencies or material weaknesses. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bakersfield City School District's Building Fund (Measure G) financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vannink, Trine, Day & Co, LLP

Fresno, California
November 9, 2015

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**BAKERSFIELD CITY SCHOOL DISTRICT
BUILDING FUND (MEASURE G)**

**FINANCIAL STATEMENT FINDINGS
JUNE 30, 2015**

None reported.

**BAKERSFIELD CITY SCHOOL DISTRICT
BUILDING FUND (MEASURE G)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015**

There were no audit findings reported in the prior year's schedule of financial statement findings.