

**FORTUNA UNION HIGH SCHOOL DISTRICT**  
**County of Humboldt**  
**Fortuna, California**

**MEASURE D GENERAL OBLIGATION BOND OF 2012**  
**FINANCIAL STATEMENTS**

**Year Ended June 30, 2021**

**With**

**INDEPENDENT AUDITOR'S REPORT**

FORTUNA UNION HIGH SCHOOL DISTRICT  
MEASURE D GENERAL OBLIGATION BOND OF 2012

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June 30, 2021

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FORTUNA UNION HIGH SCHOOL DISTRICT  
MEASURE D GENERAL OBLIGATION BOND OF 2012

INDEPENDENT AUDITOR'S REPORT

Board of Trustees and Citizens' Oversight Committee  
Fortuna Union High School District  
735 13th Street  
Fortuna, California 95540

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Fortuna Union High School District's (the "District") Measure D General Obligation Bond of 2012 Building Fund (the Fund), which comprise the balance sheet of the Fund as of June 30, 2021, and the related statement of revenues, expenditures and changes in fund balance of the Fund for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements 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 opinions 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 the financial statements, whether due to fraud or error. 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 policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

FORTUNA UNION HIGH SCHOOL DISTRICT  
MEASURE D GENERAL OBLIGATION BOND OF 2012  
INDEPENDENT AUDITOR'S REPORT - CONTINUED

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District's Measure D General Obligation Bond of 2012 Building Fund as of June 30, 2021, and the Fund's changes in fund balance 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 March 31, 2023, on our consideration 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 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 District's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS  
Eureka, California  
March 31, 2023

FORTUNA UNION HIGH SCHOOL DISTRICT  
MEASURE D GENERAL OBLIGATION BOND OF 2012

BALANCE SHEET

June 30, 2021

	<u>Building Fund</u>
<b>ASSETS</b>	
Cash	\$ 5,075,024
Accounts receivable	44,691
Total assets	<u>5,119,715</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Total deferred outflows of resources	<u>-</u>
Total assets and deferred outflows of resources	<u><u>\$ 5,119,715</u></u>
<b>LIABILITIES</b>	
Accounts payable	<u>\$ 172,125</u>
Total liabilities	<u>172,125</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Total deferred inflows of resources	<u>-</u>
<b>FUND BALANCES</b>	
Restricted	<u>4,947,590</u>
Total fund balances	<u>4,947,590</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 5,119,715</u></u>

FORTUNA UNION HIGH SCHOOL DISTRICT  
MEASURE D GENERAL OBLIGATION BOND OF 2012

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE

For The Year Ended June 30, 2021

	<u>Building Fund</u>
Revenues:	
Other local revenue	\$ 44,027
Total revenues	<u>44,027</u>
Expenditures:	
Services and other operating expenditures	15,831
Capital outlay	<u>364,361</u>
Total expenditures	<u>380,192</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(336,165)</u>
Other financing sources (uses):	<u>                    </u>
Total other financing sources (uses)	<u>-</u>
Net change in fund balance	(336,165)
Fund balances, July 1, 2020	<u>5,283,755</u>
Fund balances, June 30, 2021	<u><u>\$ 4,947,590</u></u>

FORTUNA UNION HIGH SCHOOL DISTRICT  
MEASURE D GENERAL OBLIGATION BOND OF 2012

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2021

1. Summary of Significant Accounting Policies

A. Accounting Policies

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

B. Reporting Entity and Background Information

The fund financial statements presented are for the Measure D General Obligation Bond of 2012 Building Fund. Since this is just one component of the District, these financial statements are not intended to be a complete presentation of the District's financial position or results of operations. Accordingly, these fund statements do not include a government wide financial statement, management discussion and analysis or related organizational disclosures. The audited financial statements of Fortuna Union High School District include the Measure D General Obligation Bond Building Fund activities, related debt and disclosures as well as management's discussion and analysis.

California Proposition 39, the Smaller Classes, Safer School, and Financial Accountability Act, was approved by voters on November 7, 2000. Proposition 39 amended the California Constitution in Article XIII A, Section 1(b)(3) to allow the approval of bonded debt by 55 percent of voters, provided that the bond proposition meets the following requirements:

1. Proceeds from the sale of the bonds shall be used only for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities.
2. The bond proposition includes a list of the specific school facilities projects to be funded, and a certification that the Governing Board of the District evaluated safety, class size reduction, and information technology needs in developing the list.
3. The Governing Board conducts an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed.
4. The Governing Board conduct an annual independent financial audit of the proceeds from the sale of the bonds until all of the proceeds have been expended for the school facilities projects.

In addition, the California Education Code was amended to include Section 15278, which provided an additional requirement that a school district must establish and appoint members to an independent citizens' oversight committee.

FORTUNA UNION HIGH SCHOOL DISTRICT  
MEASURE D GENERAL OBLIGATION BOND OF 2012

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

For The Year Ended June 30, 2021

The Fortuna Union High School District Measure D General Obligation Bond of 2012 (the "Bond") was approved by voters on November 6, 2012 to provide \$10 million in improvements to the District's facilities. The Bond proceeds are to be used for the purposes as described in the following summary of the proposition on the official ballot:

To modernize, construct and renovate outdated classrooms, restrooms and school facilities; repair or replace leaky roofs; increase student access to computers and modern technology; replace old heating, ventilation, and air-conditioning systems; improve energy efficiency; and make health and safety improvements.

The first sale of the Bond measure occurred on February 28, 2013 in the amount of \$3,500,000. The first expenditures for facilities improvements occurred on March 7, 2013. The first project funded by the bond proceeds, the new East High Continuation High School building, was completed in August 2014. The second sale of the Bond measure occurred on October 28, 2015 in the amount of \$3,000,000. The third and final sale of the Bond measure occurred on November 3, 2016, for \$3,425,000.

The District approved members for the Citizens' Oversight Committee on April 9, 2013. California Education Code Section 15282(a) requires that the Citizen's Oversight Committee be comprised of at least seven members, with one member who is active in a business organization representing the business community within the District's boundaries, one member who is active in a senior citizen's organization, one member who is active in a bona fide taxpayers' organization, one member who is a parent or guardian of a student enrolled in the District, and one member who is both a parent or guardian of a student enrolled in the District and active in a parent-teacher organization.

The District records all financial activity related to the Bond in Fund 21 (Building Fund). The Building Fund was presented as a major fund in the District's audited financial statements for the year ended June 30, 2021.

C. Basis of Presentation

The Building Fund is accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for this fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Governmental funds use the modified accrual basis of accounting.

Revenues – Exchange and Non-exchange Transactions:



FORTUNA UNION HIGH SCHOOL DISTRICT  
MEASURE D GENERAL OBLIGATION BOND OF 2012

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
For The Year Ended June 30, 2021

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the modified accrual basis in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Generally, "available" means collectible within the current period or within 60 days after year-end. However, to achieve comparability of reporting among California school districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined "available" for school districts as collectible within one year.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants and entitlements. Under the modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

Expenses/Expenditures:

On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, capital outlay and debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The Building Fund is used to account for the proceeds and expenditures of general obligation bonds.

F. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds. By state law, the District's governing board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

FORTUNA UNION HIGH SCHOOL DISTRICT  
MEASURE D GENERAL OBLIGATION BOND OF 2012

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

For The Year Ended June 30, 2021

These budgets are revised by the District's governing board and the District Superintendent during the year to give consideration to unanticipated income and expenditures.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

G. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity

1. Deposits and Investments

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Humboldt County Treasury. The County pools these funds with those of other districts in the County and invests the cash. These pooled funds are carried at cost which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq.

The Humboldt County Treasury has no investments in derivatives.

The District does not have a specific policy which relates to interest rate risk.

2. Capital Assets and Noncurrent Obligations

The Building Fund utilizes the modified accrual basis of accounting. Under the modified accrual basis of accounting, capital outlay and debt service expenditures are recorded only when payment is due. This means that capital assets and noncurrent obligations are recorded as expenditures and not reported on the balance sheet.

3. Fund Balance

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" provides clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable — amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted — amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are

FORTUNA UNION HIGH SCHOOL DISTRICT  
MEASURE D GENERAL OBLIGATION BOND OF 2012

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

For The Year Ended June 30, 2021

externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed — amounts that can be used only for specific purposes determined by a formal action of the District's Governing Board. The District's Governing Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Governing Board.

Assigned — amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the Governing Board may assign amounts for specific purposes.

Unassigned — all other spendable amounts.

The entire fund balance of the Building Fund is reported as restricted.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 during the reporting period. Actual results could differ from those estimates.

2. Cash and Investments

Cash and investments at June 30, 2021 consisted of the following:

Pooled Cash in County Treasury	<u>\$ 5,075,024</u>
Total Cash and Investments	<u>\$ 5,075,024</u>

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Humboldt County Treasury as part of the common investment pool. The County is restricted by Government Code Section 53635, pursuant to Section 53601, to invest in time deposits, U.S. Government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, banker's acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements.

Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The three levels of the fair value hierarchy under generally accepted accounting principles are as follows:

FORTUNA UNION HIGH SCHOOL DISTRICT  
MEASURE D GENERAL OBLIGATION BOND OF 2012

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
For The Year Ended June 30, 2021

Level 1 - inputs are quoted prices in active markets for identical assets or liabilities.

Level 2 - inputs include:

- a) Quoted prices for similar assets or liabilities in active markets;
- b) Quoted prices for identical assets or liabilities in inactive markets;
- c) Inputs other than quoted prices that are observable for the asset or liability;
- d) Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - inputs are significant unobservable inputs.

As of June 30, 2021, the District held no individual investments. The District's fair value measurements were as follows at June 30, 2021:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Level</u>
Pooled Cash in County Treasury	\$ 5,096,451	2

The District has not recorded fair value adjustments in the basic financial statements as they were determined to be immaterial to the District.

Credit Risk - Investments

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 County Treasurer's investments consist of 52.84 percent federal agencies, 26.45 percent money markets, 2.13 percent municipal bonds, 13.42 percent treasury coupons, 3.58 percent medium term notes, and 1.58 percent miscellaneous coupon securities. The S & P credit ratings for these investments include AAA, AA, A+e, and Ae, and non-rated for certificates of deposit and the California State Treasurer's local agency investment fund.

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that in the event of a failure of the counter party (e.g. broker-dealer) to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Neither the California Government Code nor the County's investment policy contains legal or policy requirements that would limit the District's exposure to custodial credit risk for deposits or investments, except that the California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial

FORTUNA UNION HIGH SCHOOL DISTRICT  
MEASURE D GENERAL OBLIGATION BOND OF 2012

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
For The Year Ended June 30, 2021

institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits. As of June 30, 2021, none of the District's deposits were exposed to custodial credit risk.

Interest Rate Risk – Investments

Interest rate risk is the measurement of how changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the more sensitive to changes in market interest rates of its fair value. One of the ways the County of Humboldt Treasurer manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so a portion of its portfolio is maturing or coming close to maturity to ensure the cash flow and liquidity of operations. The weighted average maturity of the County of Humboldt Treasurer's investments is 800 days.

3. Receivables

Receivables at June 30, 2021 consist of the following:

	Building Fund
Interest	\$ 44,691
Total Receivables	\$ <u>44,691</u>

4. General Obligation Bonds

Bond proceeds and uses of bond funds through June 30, 2021 were as follows:

FORTUNA UNION HIGH SCHOOL DISTRICT  
MEASURE D GENERAL OBLIGATION BOND OF 2012

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

For The Year Ended June 30, 2021

	For The Year Ended June 30, 2021	For The Years Ended June 30, 2013 - 2020	Total
<b>Bond Proceeds:</b>			
Face value of bonds		\$ 9,925,000	\$ 9,925,000
Bond premium (discount)		74,170	74,170
Interest income	\$ 44,027	367,709	411,736
Transfer to Debt Service Fund		(189,238)	(189,238)
Net bond proceeds	44,027	10,177,641	10,221,668
<b>Uses of Bond Funds:</b>			
<u>General/Planning</u>			
Bond issuance costs		582,141	582,141
Geotechnical engineering services		40,000	40,000
Architectural services		32,301	32,301
Surveys		30,000	30,000
Inspection services		1,940	1,940
Planning and reporting costs	5,500	5,500	11,000
<u>East High</u>			
Architectural services		308,341	308,341
Geotechnical engineering services		3,600	3,600
Plan review		20,720	20,720
Hazardous material removal		5,408	5,408
Surveys		22,861	22,861
Advertising		275	275
Preconstruction planning services		5,427	5,427
Acoustical consultation services		7,500	7,500
Inspection services		38,040	38,040
Construction		1,952,160	1,952,160
<u>Fortuna High Gym</u>			
Architectural services		1,579,038	1,579,038
Geotechnical engineering services		20,663	20,663
Hazardous material removal		12,413	12,413
Surveys		567	567
Preconstruction planning services		67,447	67,447
Construction	364,362		364,362
Advertising	1,085		1,085
Inspection services	9,245		9,245
Plan review		4,900	4,900
<u>Power Systems Upgrade</u>			
Architectural services		861	861
Construction		144,298	144,298
Inspection services		7,485	7,485
Total Expenditures	380,192	4,893,886	5,274,078
Total Proceeds Over (Under) Uses	(336,165)	5,283,755	4,947,590
<b>Unexpended Proceeds at Year-End</b>	<u>\$ 4,947,590</u>	<u>\$ 5,283,755</u>	<u>\$ 4,947,590</u>

FORTUNA UNION HIGH SCHOOL DISTRICT  
MEASURE D GENERAL OBLIGATION BOND OF 2012

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
For The Year Ended June 30, 2021

5. Risk Management

The District is exposed to various risks of loss related to torts, theft or destruction of assets, errors and omissions, and natural disasters. The District manages these risks of loss through participation in public entity risk pools. There have been no significant reductions in insurance coverage from the prior year. For the past three years, settlements did not exceed insurance coverage.

**OTHER INDEPENDENT AUDITOR'S REPORTS**



Mark G. Wetzel, CPA

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FORTUNA UNION HIGH SCHOOL DISTRICT  
MEASURE D GENERAL OBLIGATION BOND OF 2012

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

Board of Trustees and Citizens' Oversight Committee  
Fortuna Union High School District  
735 13th Street  
Fortuna, California 95540

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 fund financial statements of the Measure D General Obligation Bond of 2012 Building Fund of the Fortuna Union High School District (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated March 31, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 a 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 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

FORTUNA UNION HIGH SCHOOL DISTRICT  
MEASURE D GENERAL OBLIGATION BOND OF 2012

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 - CONTINUED

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 were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's Measure D General Obligation Bond of 2012 Building Fund 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 could have a direct and material effect on the financial statements. 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 District'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.



CERTIFIED PUBLIC ACCOUNTANTS  
Eureka, California  
March 31, 2023

## **FINDINGS AND RESPONSES**

FORTUNA UNION HIGH SCHOOL DISTRICT  
MEASURE D GENERAL OBLIGATION BOND OF 2012

SCHEDULE OF FINDINGS AND RESPONSES

June 30, 2021

None reported.

FORTUNA UNION HIGH SCHOOL DISTRICT  
MEASURE D GENERAL OBLIGATION BOND OF 2012

SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2021

None reported.