

Dixon Unified School District

GOVERNING BOARD

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BRIAN DOLAN
SUPERINTENDENT OF SCHOOLS

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Dear Committee Members:

The District Board is in receipt of several requests from one of your members, Gary Riddle. It is unclear from his communications whether he is speaking on behalf of the entire Committee or in his individual capacity. Notwithstanding this fact, as his requests concern the Committee's business, we felt it best to address the issues to the Committee as a whole. In his latest communication, Mr. Riddle requests the Board to direct the Auditor to modify its report and findings.

As you know, Education Code section 15278 spells out the duties of the Committee. With respect to the audit in question, the Committee's duty is to ensure that bond revenues are expended only for appropriate bond-related purposes. To assist the Committee with this duty, this same section allows the Committee to "receive and review" financial audit reports.

If the Committee finds something in the report that indicates funds were inappropriately used, the Committee should report it. However, requesting modifications to the audit report falls outside the scope of the Committee's work unless the changes are needed to assist the Committee in determining whether the funds are expended appropriately. It's not clear to the Board that Mr. Riddle's request for changes to the audit and findings pertains to this function.

For example, a request that the auditor make findings that the Committee was formed beyond the statutory deadline has no bearing on whether funds were expended for bond purposes. Such a finding goes beyond the Committee's duty to verify that bond funds are solely used for bond purposes. Moreover, such a finding goes beyond the scope of the auditor's responsibilities as it would essentially require a finding of a *legal* rather than *financial* nature. Similarly, the request that the auditor find that the report was not provided to the Committee at the same time as the Governing Board does not pertain to the issue of whether bond funds were expended appropriately.

With respect to the other requests for changes referenced in Mr. Riddle's request, if they indeed assist the Committee to better understand how the funds are being used (and provided such requests are consistent with appropriate fiscal and accounting reporting standards) the auditor may decide to modify its report accordingly going forward.

Pursuant to Education Code section 15280(a)(2), the Governing Board is obligated to provide the Committee with responses to any and all findings, recommendations, and concerns addressed in the annual, independent financial and performance audits within 3 months of receiving the audits.

Accordingly, please advise the Board as to whether this request is an official request of the Committee (perhaps after discussing the issue at a properly agendized Committee meeting).

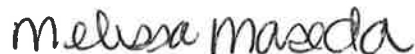
If the request does in fact represent the will of the Committee as a whole, the Board could respond to the auditor with a request that the auditor implement the items that will better assist the Committee in performing its statutory duties, going forward.

A copy of this communication and any response will be shared with the Committee in due course. We appreciate the important work performed by the Committee.

Should you have any questions or concerns regarding the foregoing, please contact Melissa Maseda at Melissa.maseda@dixonusd.org.

Sincerely,
The Governing Board of the Dixon Unified School District

Melissa Maseda
Governing Board President

Handwritten signature of Melissa Maseda in cursive script.