



309 North Rios Avenue  
Solana Beach, California  
92075

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## BOARD OF DIRECTORS

**Eric Dill,**

Chairperson,

San Dieguito Union High

School District

**Nancy Lynch,**

Vice Chairperson,

Solana Beach School

District

**Doug Rafner,**

Director,

Del Mar Union School

District

**Mark Risco,**

Executive Director and

Board Secretary

# North City West School Facilities Financing Authority Board of Directors' Meeting

September 11, 2014 309 North Rios Avenue Solana Beach, CA 92075

3:30 p.m.

Phone: (858) 792-6937; Fax: (858) 792-8270

## Welcome...

### PUBLIC COMMENTS

With the exception of personnel items, individuals wishing to address the Board concerning an agenda item (or on other topics pertaining to JPA/CFD jurisdiction) are invited to do so at this time.

In the interest of time, **public presentations are limited to five (5) minutes per person, per topic.** If you wish to speak, please complete a card (located at the sign-in desk); and present it to the Board chairperson before commencement of the meeting. When the chairperson invites you to speak, please state your name, address and/or organization before making your presentation.

**Please note:** The law does not permit complaints and/or charges against an employee or staff member in an open Board of Directors' meeting.

In accordance with the Brown Act, there shall be no action taken for an item that has not been scheduled on a published agenda. Instead, the Board may:

- 1) Acknowledge receipt of the information,
- 2) Refer to staff for further study, or
- 3) Defer the matter to a future agenda.

We appreciate your cooperation.

### PUBLIC INSPECTION OF DOCUMENTS

In compliance with *Government Code 54957.5*, agenda related documents distributed to the Board less than 72 hours prior to meetings are available for inspection at North City West School Facilities Financing Authority executive offices located at 27368 Via Industria, Suite 110, Temecula, California.

### CLOSED SESSION

To consider timely, qualified matters of litigation, personnel, or on real estate negotiations, the Board may meet in a closed session.

### AMERICANS WITH DISABILITIES ACT

In compliance with the *Americans with Disabilities Act*, please contact the director at (858) 792-6937 by **noon**, the day before the Board meeting, to arrange reasonable accessibility for meeting participation.

Please set cellular phones and pagers to **silent mode**, and engage in conversations outside the meeting room.

# North City West School Facilities Financing Authority

**Directors:**

Eric Dill, Chairperson, San Dieguito Union High School District  
 Nancy Lynch, Vice Chairperson, Solana Beach School District  
 Doug Rafner, Director, Del Mar Union School District  
 Mark Risco, Executive Director and Board Secretary

## AGENDA

<u>Items</u>	<u>Page No.</u>
<b>1. CALL TO ORDER</b>	
<b>2. PLEDGE OF ALLEGIANCE</b>	
<b>3. APPROVAL OF AGENDA</b>	<b>1-2</b>
<b>4. APPROVAL OF MINUTES</b>	<b>3-5</b>
A. Regular meeting, June 5, 2014	
<b>5. PUBLIC COMMENT</b>	
<p>In accordance with the Brown Act, unless an item has been placed on the published agenda, there shall be no action taken. The Board may 1) acknowledge receipt of the information, 2) refer to staff for further study, or 3) refer the matter to the next agenda.</p>	
<b>6. FINANCIAL REPORTS</b>	<b>6-14</b>
<p>The following reports record the routine business of the JPA/CFD for Fiscal Year 2013/14. Members of the Board, the administration or the public may request that specific items be discussed prior to their acknowledgement.</p>	
A. Executive Summary	
B. Building Permit Activity	
C. Financial Overview	
D. Income	
E. Expenditures (through June 2014)	
<b>7. EXECUTIVE DIRECTOR'S REPORT</b>	
A. Delinquency Management Update	

# North City West School Facilities Financing Authority

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B. FY 2014-15 Levy has been submitted to San Diego County

## 8. ACTION ITEMS

15-17

- A. Approve contract for FY 2013-14 annual independent audit with Wilkinson Hadley & King Co., LLP for an amount not to exceed \$5,800, including expenses, and amend the FY 2014-15 budget for the annual audit fee from \$5,500 to \$5,800.
- B. Approve to amend FY 2014-15 budget for Demography Study Fee from \$7,000 to \$30,000.

## 9. DISCUSSION ITEMS

- A. Dates of Upcoming Board Meetings  
December 11, 2014    March 12, 2015    June 11, 2015
- B. Upcoming CASH conference February 23-25, 2015 at the Sacramento Convention Center.
- C. NCW funding possibility for the modernization of schools
- D. San Dieguito UHSD Middle School No. 5 Update

## 10. ADJOURNMENT

The next scheduled Board Meeting will be held on December 11, 2014 at the Solana Beach District Office. The District Office is located at 309 North Rios Avenue, Solana Beach, CA. 92075



CARMEL VALLEY

# North City West School Facilities Financing Authority

## Directors:

Eric Dill, Chairperson, San Dieguito Union High School District  
Nancy Lynch, Vice Chairperson, Solana Beach School District  
Doug Rafner, Director, Del Mar Union School District  
Mark Risco, Executive Director and Board Secretary

### ITEM 4A

### MINUTES

The Directors of the **North City West School Facilities Financing Authority** and Community Facilities District 1 & 2 of the North City West School Facilities Financing Authority held a **Regular Meeting** on **June 5, 2014** at Solana Beach School District Offices, 309 North Rios Avenue, Solana Beach, CA, 92075. (The letters "JPA" will be used in place of North City West School Facilities Financing Authority and the letters "CFD" will be used in place of Community Facilities Districts 1 & 2).

#### PRESENT:

Directors: Eric Dill, San Dieguito Union High School District  
Nancy Lynch, Solana Beach School District  
Doug Rafner, Director, Del Mar Union School District

Other Personnel, Member Districts:  
Caroline Brown, Solana Beach School District  
Carlos Estella, Solana Beach School District  
Holly McClurg, Del Mar Union School District

Administration: Mark Risco, Willdan Financial Services  
Gladys Medina, Willdan Financial Services

#### **1. CALL TO ORDER, PLEDGE OF ALLEGIANCE**

The meeting was called to order at 2:34 p.m.

#### **2. PLEDGE OF ALLEGIANCE**

#### **3. APPROVAL OF AGENDA**

Moved by Rafner, seconded by Lynch to approve the agenda. Carried unanimously.

#### **4. APPROVAL OF MINUTES**

Moved by Rafner, seconded by Lynch to approve the agenda. Carried unanimously.

#### **5. PUBLIC COMMENT**

There was no comment from the public.

#### **6. FINANCIAL REPORTS**

There were no comments from the Board Members.

# North City West School Facilities Financing Authority

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## 7. EXECUTIVE DIRECTOR'S REPORT

- Nine (9) out of thirteen (13) apportionments for FY 2013-14 have been received.
- Low delinquencies for CFD 1 (1.01%) and CFD 2 (less than 2.0%). Delinquencies for CFD 2 are slightly higher due to fewer parcels in this district.
- There are sufficient funds available to meet encumbrances and debt service.
- During May 2014, there was building permit activity for property outside the CFD boundaries. Mitigation fees of over \$200,000 were collected relating to these properties.

## 8. ACTION ITEMS

- Review and approve NCW JPA Administrative Budget for Fiscal Year 2014-15.

Moved by Lynch, seconded by Rafner to approve the budget. Carried unanimously.

- Election of NCW JPA Board officers for Fiscal Year 2014-15

Moved by Lynch, seconded by Rafner to elect Eric Dill as Chairperson of the NCW JPA/CFD for Fiscal Year 2014-15. Carried unanimously.

Moved by Rafner, seconded by Dill to elect Nancy Lynch as Vice-chairperson of the NCW JPA/CFD for Fiscal Year 2014-15. Carried unanimously.

Moved by Rafner, seconded by Lynch to elect Mark Risco as Secretary the NCW JPA/CFD for Fiscal Year 2014-15. Carried unanimously.

- The dates for the regular NCW JPA Board meetings for Fiscal Year 2014-15 will be:  
September 11, 2014, December 11, 2014, March 12, 2015, and June 11, 2015.

Moved by Rafner, seconded by Lynch to accept the dates. Carried unanimously.

- Approve Annual Special Tax levy for CFD No. 1 Special Taxes for Fiscal Year 2014-15.

Moved by Rafner, seconded by Lynch. Carried unanimously.

- Approve Annual Special Tax levy for CFD No. 2 Special Taxes for Fiscal Year 2014-15.

Moved by Lynch, seconded by Rafner. Carried unanimously.

- Approve Resolution 14-03 to appoint representatives and alternates to the San Diego County Schools Risk Management JPA. Moved by Lynch, seconded by Rafner to appoint Mark Risco and Gladys Medina as representative and Carlos Estrella and Eric Dill as alternates. Carried unanimously.

# North City West School Facilities Financing Authority

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- Approve signature authority for Fiscal Year 2014-15 for the following: Office of Education warrants and mail; Wells Fargo Zero Balance account; San Diego County Treasurer fund transfers; and Trustee (US Bank) bond fund. Moved by Rafner, seconded by Lynch that Mark Risco, Gladys Medina and Eric Dill be granted signing authority, with two signatures required and Eric Dill designated as second signer on all checks to Willdan. Carried unanimously.

## 9. DISCUSSION ITEMS

- Dates of Upcoming Board Meetings were approved under Action Items.
- Consult with the legal counsel regarding North City West funding possibility for the modernization of schools. Since modernization was not part of the originally approved CFD facilities, a vote of the registered voters within the CFD boundaries would be required.
- San Dieguito UHSD Middle School No. 5 boundaries are being finalized.

## 10. ADJOURNMENT OF MEETING

Moved by Lynch, seconded by Rafner to adjourn the meeting at 3:15 p.m. Carried unanimously.

The next scheduled Board Meeting will be held on September 11, 2014 at the Solana Beach District Office. The District Office is located at 309 North Rios Avenue, Solana Beach, CA. 92075



CARMEL VALLEY



# North City West School Facilities Financing Authority

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## ITEM 6A

### **SUBJECT: EXECUTIVE SUMMARY, FINANCIAL REPORTING THROUGH July 31, 2014**

**1. School fees/building permits for CFD No.1**

For Fiscal Year 2014/15, school fees for zero (0) homes were paid.

**2. Direct Master Plan school fee permits forecast:**

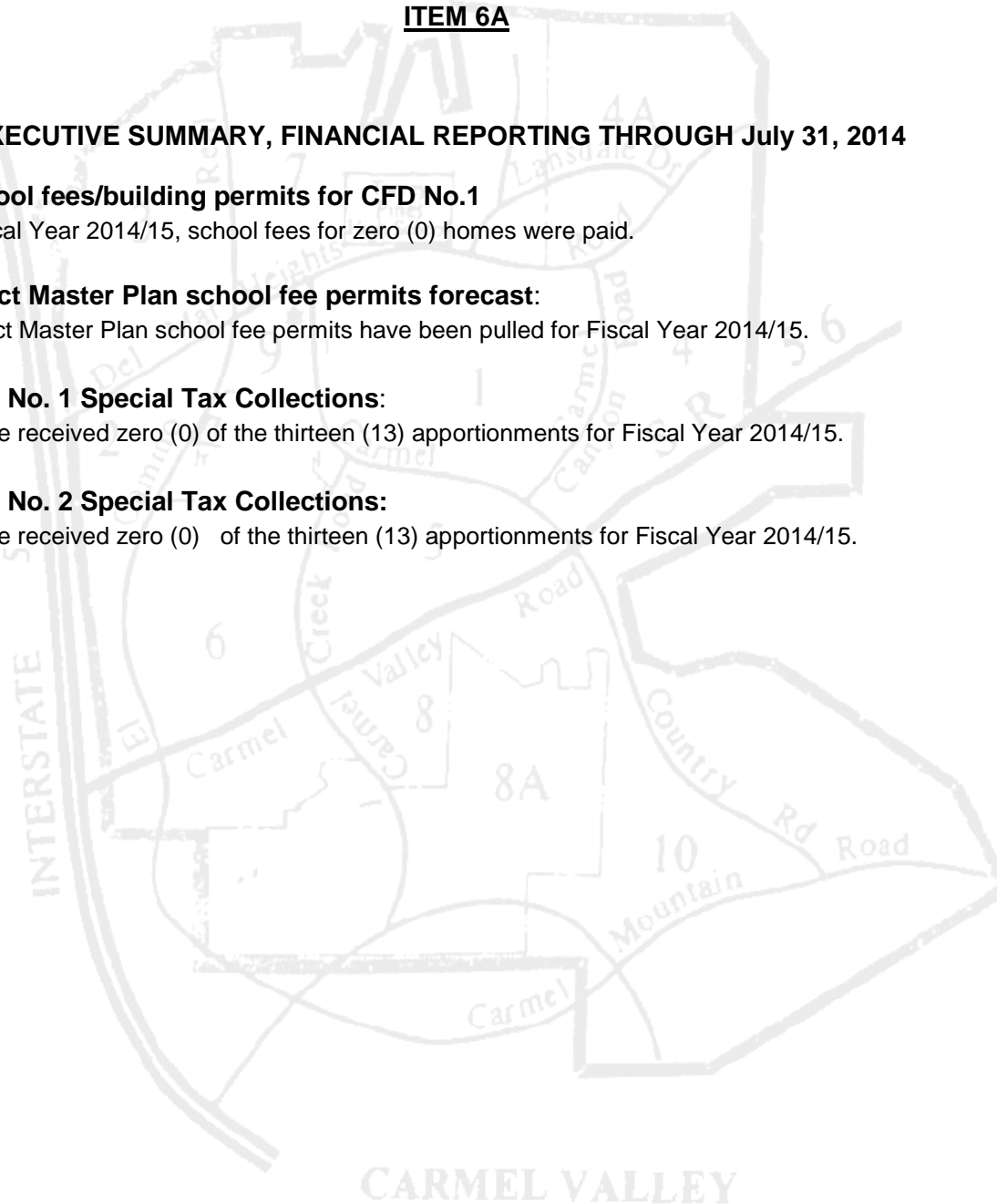
No direct Master Plan school fee permits have been pulled for Fiscal Year 2014/15.

**3. CFD No. 1 Special Tax Collections:**

We have received zero (0) of the thirteen (13) apportionments for Fiscal Year 2014/15.

**4. CFD No. 2 Special Tax Collections:**

We have received zero (0) of the thirteen (13) apportionments for Fiscal Year 2014/15.



CARMEL VALLEY





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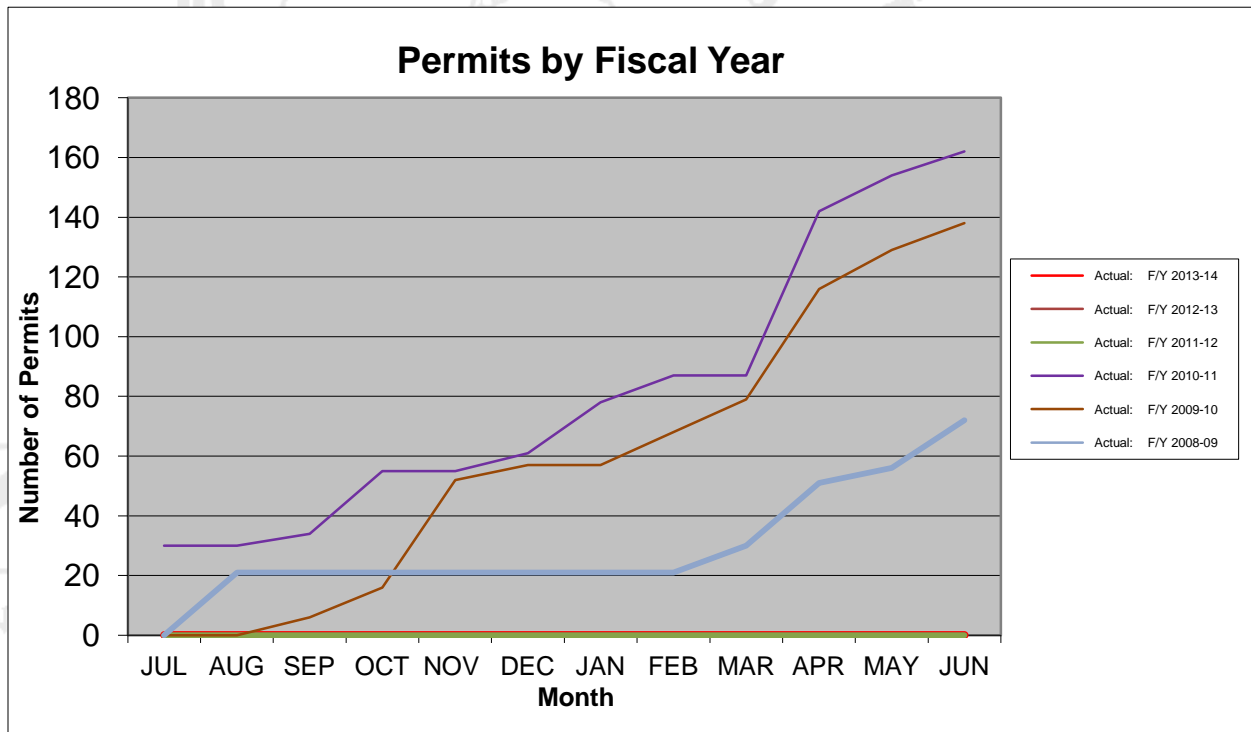
## ITEM 6B-2

### CARMEL VALLEY RESIDENTIAL BUILDING PERMITS

#### YEAR TO DATE TOTALS

Current Fiscal Year 2013-14

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Actual: F/Y 2013-14	0	0	0	0	0	0	0	0	0	0	0	0
Actual: F/Y 2012-13	0	0	0	0	0	0	0	0	0	0	0	0
Actual: F/Y 2011-12	0	0	0	0	0	0	0	0	0	0	0	0
Actual: F/Y 2010-11	30	30	34	55	55	61	78	87	87	142	154	162
Actual: F/Y 2009-10	0	0	6	16	52	57	57	68	79	116	129	138
Actual: F/Y 2008-09	0	21	21	21	21	21	21	21	30	51	56	72
Actual: F/Y 2007-08	7	7	15	15	23	32	46	46	62	70	85	85



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### ITEM 6C

#### FINANCIAL OVERVIEW

The financial overview consists of three parts:

#### **ITEM 6C-1** - Summary of Current Funds Available for Future Projects

Shows funds on deposit as of the beginning of each fiscal quarter, less current fiscal year encumbrances, resulting in the balance of unencumbered funds available for future projects

Funds held in the San Diego County Treasury (through the S.D. County Office of Education).

- A. **Fund 77** (21-09): CFD No. 1 Special Tax Funds.
- B. **Fund 78** (21-10): CFD No. 1 Special Taxes collected by County of San Diego.
- C. **Fund 79** (35-00): Direct mitigation fees collected under the Master Plan,  
and CFD No. 2 Special Taxes collected by the County of San Diego.
- D. **Fund 83** (21-25): Del Mar Neighborhood #8A School Site Fund
- E. **Fund 84** (21-25): Del Mar Neighborhood #8A School Construction Fund

Currently inactive funds: 76, 80, 81, 82

#### **ITEM 6C-2** - Financial Status of Approved Projects

Shows the annual approved project budgets, the year to date project expenditures (by county fund or bonds), the percent of budget spent year to date, and the resulting unspent balance remaining for the fiscal year.

NORTH

CARMEL VALLEY

# North City West School Facilities Financing Authority

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## ITEM 6C-1

### SUMMARY OF CURRENT FUNDS AVAILABLE FOR FUTURE PROJECTS

Current Fiscal Year 2013-14  
As of June 30, 2014

	July 31, 2013	Sept 30, 2013	Dec 31, 2013	April 30, 2014	June 30, 2014
<b>FUNDS ON DEPOSIT</b>					
Fund 76, subordinate tax fund	\$ 6,243	\$ 6,243	\$ 6,248	\$ 6,259	\$ 6,259
Fund 77, CFD #1 devel fees & check acct	\$ 1,256,817	\$ 1,256,817	\$ 1,257,796	\$ 1,259,919	\$ 1,519,939
Fund 78, less semi-annual bond payments	\$ 8,998,247	\$ 4,417,840	\$ 6,361,213	\$ 8,496,064	\$ 11,092,623
Fund 79, Master Plan fees & CFD #2	\$ (15,162)	\$ (15,186)	\$ (6,758)	\$ -	\$ 25,648
Fund 80, SBSB #6 site	\$ -	\$ -	\$ -	\$ -	\$ -
Fund 81, La Costa Canyon	\$ -	\$ -	\$ -	\$ -	\$ -
Fund 82, SBSB #6 construction	\$ -	\$ -	\$ -	\$ 1	\$ -
Fund 83, DMUSD #7 land	\$ 84,830	\$ 84,830	\$ 84,896	\$ 85,040	\$ 85,040
Fund 84, DMUSD #7 construction	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4
1997C Bond Construction Fund	\$ -	\$ -	\$ -	\$ -	\$ -
2002 Subordinate Bonds (Spec. Account)	\$ 41,054	\$ 41,054	\$ 41,054	\$ 41,054	\$ 41,054
2005A & B Subordinate Bonds	\$ 4,701,992	\$ 4,707,744	\$ 4,707,771	\$ 4,707,792	\$ 4,713,203
<b>Total Funds on Deposit</b>	<b>\$ 15,074,027</b>	<b>\$ 10,499,348</b>	<b>\$ 12,452,225</b>	<b>\$ 14,596,133</b>	<b>\$ 17,483,769</b>
<b>ENCUMBRANCES</b>					
Carmel Valley Middle School Expansion	\$ 4,245,993	\$ 4,245,993	\$ 4,245,993	\$ 4,245,993	\$ 4,245,993
La Costa Canyon High School					
Torrey Pines H.S. C.S.R. addition					
Ashley Falls School					
Ashley Falls addition					
Sage Canyon School (Neighb. #10)					
Sage Canyon 8 Relocatables					
Del Mar School (Neighb. #8A) site	\$ 72,852	\$ 72,852	\$ 72,852	\$ 72,852	\$ 72,852
Del Mar School (Neighb. #8A) construct.					
Other Del Mar JPA Relocatables					
Solana Pacific School construction					
Administration	\$ 90,719	\$ 90,695	\$ 81,520	\$ 18,098	\$ 10,647
NCW JPA Reserve					
<b>Total Encumbrances</b>	<b>\$ 4,409,564</b>	<b>\$ 4,409,540</b>	<b>\$ 4,400,365</b>	<b>\$ 4,336,943</b>	<b>\$ 4,329,492</b>
<b>SUMMARY</b>					
Total Funds on Deposit	\$ 15,074,027	\$ 10,499,348	\$ 12,452,225	\$ 14,596,133	\$ 17,483,769
Encumbrances (current fiscal year)	\$ (4,409,564)	\$ (4,409,540)	\$ (4,400,365)	\$ (4,336,943)	\$ (4,329,492)
<b>Unencumbered Funds Available</b>	<b>\$ 10,664,463</b>	<b>\$ 6,089,808</b>	<b>\$ 8,051,860</b>	<b>\$ 10,259,190</b>	<b>\$ 13,154,278</b>

# North City West School Facilities Financing Authority

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## ITEM 6C-2

### FINANCIAL STATUS OF APPROVED PROJECTS

Current Fiscal Year 2013-14  
 As of June 30, 2014

		C.V. MIDDLE SCHOOL	DEL MAR ELEM. N #8A School	ADMIN.	TOTAL PROJECTS
F/Y 2013/14	L		\$ 72,852		\$ 72,852
BUDGET	C	\$ 4,245,993	\$ -	\$ 101,350	\$ 4,347,343

EXPEND.	L				
FUND 78	C				\$ -
EXPEND.	L				
FUND 79	C			\$ 90,703	\$ 90,703
EXPEND.	L				\$ -
FACIL. FUND.	C				\$ -
TOTAL	L				\$ -
EXPEND.	C	\$ -	\$ -	\$ 90,703	\$ 90,703

PERCENT	L		0.0%		
OF BUDGET	C	0.0%	0.0%	89.5%	

BALANCE	L		\$ 72,852	\$ -	\$ 72,852
REMAINING	C	\$ 4,245,993	\$ -	\$ 10,647	\$ 4,256,640

L = Land purchase

C = Construction/Operations

# North City West

## School Facilities

### Financing Authority

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**ITEM 6D**

**INCOME TO DATE, Funds 76, 77, 78, 79, 80, 81, 82, 83, & 84**

Current Fiscal Year 2013-14  
 As of June 30, 2014

DATE	ITEM NO.	SOURCE	FUND 77 (21-09)		FUND 78 (21-10)			FUND 79 (35-00)				FUND 76 (21-62)	FUNDS (21-00,25)	
			FEE INCOME	INTEREST INCOME	TAX APPN. INCOME	INTEREST INCOME	MISC. INCOME	TAX APPN. INCOME	INTEREST INCOME	PERMIT INCOME	MITIGATION FEES	MISC INCOME	INTEREST INCOME	80, 81, 82, 83 & 84 INCOME
7/16/13	CT	Apportionment #13			\$ 28,229.49			\$ 7,314.60						
7/29/13	CT	County Int. 100% 6/30/13		993.77		6,238.41			9.42				4.94	67.08
8/13/13	CT	Apportionment #1			8,689.86									
9/10/13	CT	Apportionment #2			7,349.17									
10/8/13	CT	Apportionment #3			9,775.52									
10/23/13	CT	County Int. 100% 9/30/13		978.75		\$ 5,203.16			5.32				4.86	66.06
11/5/13	CT	Apportionment #4			300,356.73			1,425.40						
12/10/13	CT	Apportionment #5			1,628,037.01			16,172.00						
1/14/14	CT	Apportionment #6			2,739,122.40			19,282.00						
1/21/14	CT	County Int. 100% 12/31/13		1,003.11		3,975.38			4.19				4.98	67.71
2/11/14	CT	Apportionment #7			303,943.59			1,876.26						
3/11/14	CT	Apportionment #8			310,444.83			3,732.00						
4/8/14	CT	Apportionment #9			388,591.59			1,866.00						
4/17/14	CT	County Int. 100% 03/31/14		1,119.89		6,984.94			18.57				5.56	75.59
5/6/14	CT	Apportionment #10			2,554,437.47			17,419.24						
5/6/14		Mitigation Fee	286,022.00											
5/20/14	12-313840	Refund Special Tax			(452.00)									
6/3/14	CT	Apportionment #11			21,813.27									
6/6/14	12-320441	Refund Special Tax			(452.00)									
6/12/14	12-323327	Mitigation Fee Refund	(26,002.00)											
6/20/14	12-327343	Refund Special Tax			(113.00)									
6/24/14	CT	Apportionment #12			36,423.31			622.04						
6/26/14	J-2221	Refund Special Tax-Mar/Apr			(9,153.00)									
<b>YEAR TO DATE TOTAL INCOME</b>			\$ 260,020.00	\$ 4,095.52	\$ 8,327,044.24	\$ 22,401.89	\$ -	\$ 69,709.54	\$ 37.50	\$ -	\$ -	\$ -	\$ 20.34	\$ 276.44
<b>FORECAST TOTAL INCOME</b>			\$ -		\$ 8,371,014.00			\$ 68,420.00		\$ -	\$ -			
<b>FORECAST YEAR TO DATE INCOME</b>			\$ -		\$ 7,083,165.69			\$ 57,893.85		\$ -	\$ -			
<b>PERCENT COLLECTED YEAR TO DATE</b>			#DIV/0!		99.5%			101.9%		NA				

**ITEM 6E**

# North City West

## School Facilities

### Financing Authority

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**EXPENDITURES TO DATE, Funds 76, 77, 78, 79, 80, 81, 82, 83, & 84**

Current Fiscal Year 2013-14

As of June 30, 2014

DATE	VENDOR	WARRANT	EXPENDITURES					TOTAL
			21-09	(21-10)	(21-00)	(35-00)	CFD	
			Fund 77	FUND 78	F. FUND AGR 54908/54909 Funds 83 & 84	FUND 79 54907 ADMIN	BONDS	
		/ SOURCE						
07/11/13	AT&T	12-204026				\$ 23.83		\$ 47.66
07/11/13	Willdan Financial Services	12-204027				21,932.45		43,864.90
07/11/13	US Bank	12-204028				2,200.00		4,400.00
07/12/13	Del Mar USD	12-204548				6,783.69		13,567.38
07/17/13	US Bank	12-205615				1,600.00		3,200.00
07/30/13	AT&T	12-209320				23.83		47.66
08/16/13	US Bank	12-214406		\$4,371,373.54				4,371,373.54
08/16/13	US Bank	12-214406		225,071.92				225,071.92
08/23/13	AT&T	12-216895				23.83		47.66
10/07/13	AT&T	12-232010				28.59		57.18
10/25/13	AT&T	12-241029				27.35		54.70
10/29/13	Solana Beach School Dist	12-241879				737.74		1,475.48
11/08/13	Bondlogistix	12-246540				1,500.00		3,000.00
11/25/13	AT&T	12-253150				27.35		54.70
11/25/13	US Bank	12-253151				2,500.00		5,000.00
12/19/13	Best Best & Krieger LLP	12-262664				874.00		1,748.00
12/19/13	Best Best & Krieger LLP	12-262664				1,980.16		3,960.32
12/19/13	Bondlogistix	12-262665				1,500.00		3,000.00
01/01/14	SELF Liability Insurance	AT A001106				3,750.00		7,500.00
01/10/14	AT&T	12-266253				27.35		54.70
01/22/14	Best Best & Krieger LLP	12-270483				1,412.72		2,825.44
01/29/14	AT&T	12-273247				27.35		54.70
01/29/14	US Bank	12-273246		978,787.71				978,787.71
01/29/14	US Bank	12-273246		586,910.33				586,910.33
02/14/14	Kamran Azimzadeh	12-279643						-
02/26/14	AT&T	12-283494				27.27		54.54
02/26/14	Wilkinson Hadley King & Co. LLP	12-283495				4,000.00		8,000.00
02/26/14	Wilkinson Hadley King & Co. LLP	12-283495				1,500.00		3,000.00





# North City West School Facilities Financing Authority

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 Nancy Lynch, Vice Chairperson, Solana Beach School District  
 Doug Rafner, Director, Del Mar Union School District  
 Mark Risco, Executive Director and Board Secretary

DATE	VENDOR	WARRANT / SOURCE	EXPENDITURES						
			21-09	(21-10)	(21-00)	(35-00)	CFD	TOTAL	
			Fund 77	FUND 78	F. FUND AGR 54908/54909 Funds 83 & 84	FUND 79 54907 ADMIN			BONDS
03/13/14	Alex Zhang_PO Refund	12-289383							-
03/13/14	James Graham_PO Refund	12-289384							-
03/13/14	Joseph Moscato_PO Refund	12-289385							-
03/14/14	Preston Family AB Living Trust_PG	12-290358							-
03/14/14	Roy & Rosemarie Doppelt_PO Refu	12-290359							-
03/14/14	Thomas F. Kapel_PO Refund	12-290360							-
03/19/14	Best Best Krieger	12-291589					140.73		281.46
03/24/14	Laetitia Santore and Porfirio J Lande	12-293356							-
03/24/14	Nahid b Cassim Livinig Trust_PO Rf	12-293357							-
03/24/14	Xiaojun Zhang & Jing Dai_PO Refu	12-293358							-
03/28/14	Ian Barrow_PO Refund	12-296124							-
03/28/14	John & Roxanne Philp_PO Refund	12-296125							-
03/28/14	AT&T	12-296126					30.97		61.94
04/07/14	Marcella Labonte	12-297904							-
04/07/14	Straus Brandon B & Stacy R	12-297905							-
04/09/14	Solana Beach School District	12-299561					1,394.00		2,788.00
04/16/14	Bui Christine Yenchi	12-301821							-
04/16/14	Maughan Marisa M	12-301822							-
04/16/14	Best Best & Krieger LLP	12-301823					70.70		141.40
04/28/14	Hill Steven J	12-306167							-
04/28/14	Love, Robert W & Kathleen M	12-306168							-
04/28/14	Willdan Financial Services	12-306169					51,000.00		102,000.00
04/29/14	Lafauci, Richard	12-306594							-
04/29/14	Mackey Timothy K & Knda	12-306595							-
05/07/14	AT&T	12-309146					40.13		80.26
05/16/14	Best Best & Krieger LLP	12-313403					1,452.77		2,905.54
05/16/14	Del Mar USD	12-313404					1,476.68		2,953.36
05/20/14	Shiva Elihu	12-313840							-
06/06/14	Jack Nguy	12-320441							-
06/06/14	AT&T	12-320442					30.20		60.40
06/20/14	Tuyet Nguyen	12-327343							-
06/20/14	Best Best & Krieger LLP	12-327344					1,795.70		3,591.40
06/26/14	AT&T	12-329932					40.20		80.40
06/27/14	San Dieguito USD	12-331084					1,656.14		3,312.28
06/30/14	Willdan Financial Services	12-332143					1,000.00		2,000.00
<b>Total Expenditures To Date:</b>									
				<b>\$ 6,162,143.50</b>	<b>\$ -</b>		<b>\$ 112,635.73</b>	<b>\$ -</b>	<b>\$ 6,267,501.92</b>



# North City West School Facilities Financing Authority

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**Directors:**

Eric Dill, Chairperson, San Dieguito Union High School District  
Nancy Lynch, Vice Chairperson, Solana Beach School District  
Doug Rafner, Director, Del Mar Union School District  
Mark Risco, Executive Director and Board Secretary

## ITEM 8A

**SUBJECT:** Approve contract for the FY 2013-14 NCW JPA annual independent audit with Wilkinson Hadley & Co., LLP. (See Attachment)

**BACKGROUND:** Wilkinson Hadley King & Co. LLP ("Wilkinson Hadley") has been the JPA/CFD independent auditor for many years. Mr. Michael Mears has been the lead auditor for over ten years, leading staff auditors in the research, analysis and preparation of the financial reports.

The NCW JPA/CFD administration is pleased with the service, thoroughness and consistency of the audit project and recommends placing the next fiscal year's audit contract with Wilkinson Hadley.

The Wilkinson Hadley proposal for the FY 2013-14 has increased to \$5,800, \$300 over the approved budget due to additional financial statement reformatting required by GASB 65.

The Wilkinson Hadley proposal will be available at the meeting.

**FISCAL IMPACT:** Increase FY 2013-14 budget by \$300.

**RECOMMENDED ACTION:** Approve the contract with Wilkinson Hadley & King & Co., LLP, as the independent audit firm for FY 2013-14 in the amount of \$5,800, including expenses, and approve amend the FY 2014-15 budget for the annual audit from \$5,500 to \$5,800.



NORTH

CARMEL VALLEY

# North City West School Facilities Financing Authority

**Directors:**

Eric Dill, Chairperson, San Dieguito Union High School District  
Nancy Lynch, Vice Chairperson, Solana Beach School District  
Doug Rafner, Director, Del Mar Union School District  
Mark Risco, Executive Director and Board Secretary

## ITEM 8B

### **NCW/JPA ADMINISTRATIVE EXPENSE BUDGET AMENDMENT**

**SUBJECT:** Amendment to FY 2014-15 NCW JPA Administrative Expense Budget for Demography Study Fees.

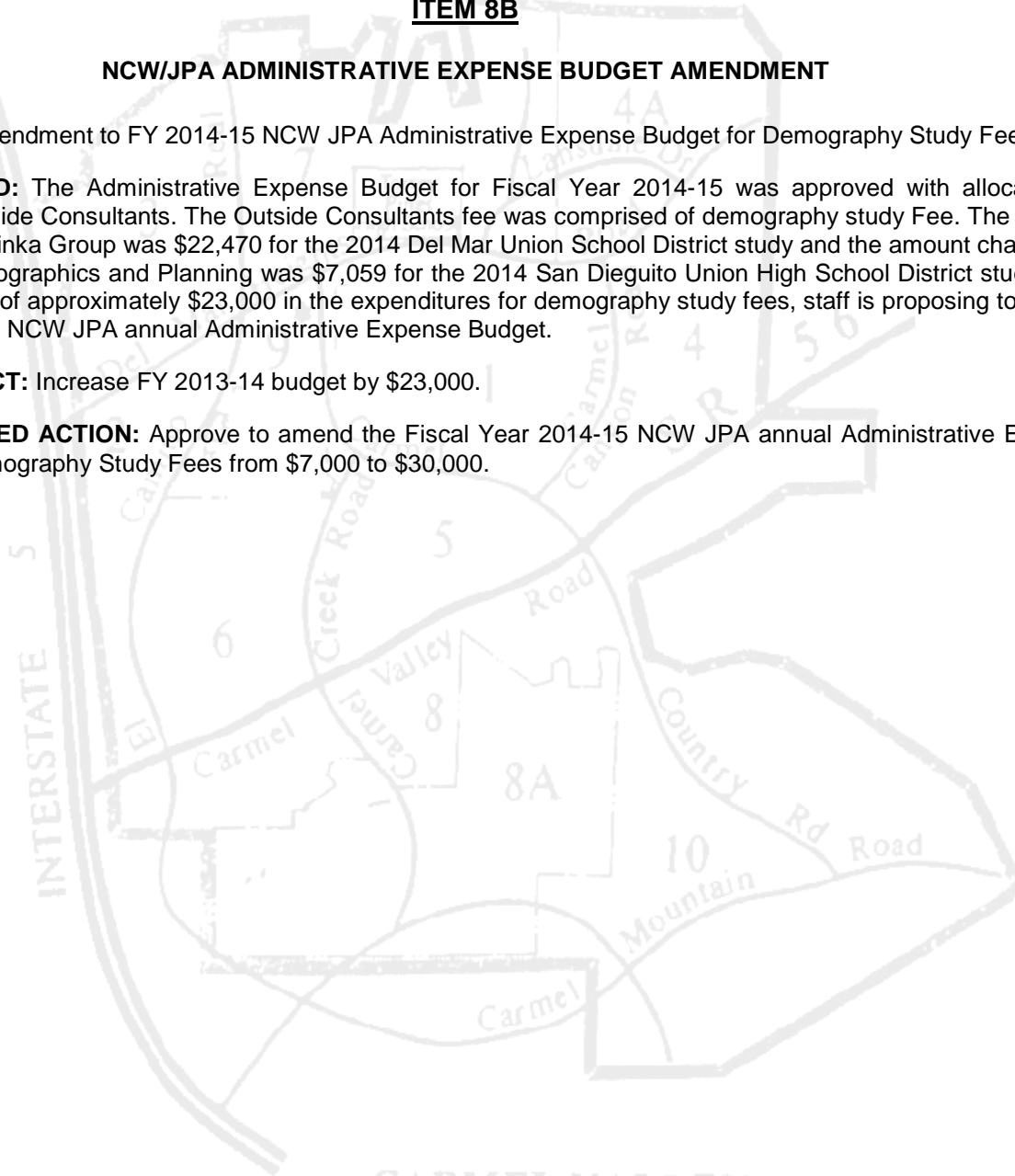
**BACKGROUND:** The Administrative Expense Budget for Fiscal Year 2014-15 was approved with allocation of \$7,000 for Outside Consultants. The Outside Consultants fee was comprised of demography study Fee. The amount charged by Dolinka Group was \$22,470 for the 2014 Del Mar Union School District study and the amount charged by the Davis Demographics and Planning was \$7,059 for the 2014 San Dieguito Union High School District study. Due to the increase of approximately \$23,000 in the expenditures for demography study fees, staff is proposing to amend the FY 2014-15 NCW JPA annual Administrative Expense Budget.

**FISCAL IMPACT:** Increase FY 2013-14 budget by \$23,000.

**RECOMMENDED ACTION:** Approve to amend the Fiscal Year 2014-15 NCW JPA annual Administrative Expense Budget for Demography Study Fees from \$7,000 to \$30,000.



NORTH



CARMEL VALLEY

# North City West School Facilities Financing Authority

**Directors:**

Eric Dill, Chairperson, San Dieguito Union High School District  
 Nancy Lynch, Vice Chairperson, Solana Beach School District  
 Doug Rafner, Director, Del Mar Union School District  
 Mark Risco, Executive Director and Board Secretary

**FY2014-15 NCW/JPA ADMINISTRATIVE EXPENSE BUDGET (AMENDED)**

ACCOUNT DESCRIPTION	YR TO DATE EXPENSES	FY 13/14		FY 14/15
		APPROVED BUDGET	Over/(Under) BUDGET	APPROVED BUDGET
Supplies	\$ -	\$ 100	\$ (100)	\$ 100
Travel/Conference	2,132	3,000	(868)	3,000
Dues & Subscriptions	-	500	(500)	250
Telephone	308	750	(442)	500
Rent	-	-	-	-
Repairs/maintenance	-	-	-	-
Insurance	3,750	2,000	1,750	4,000
Equipment/Furniture	-	-	-	-
Contingency	-	1,000	(1,000)	1,000
Audit, annual	5,500	4,900	600	5,800
Arbitrage Calculation	3,000	5,000	(2,000)	5,000
Office of Education	-	8,100	(8,100)	8,100
Bond Trustee	6,300	10,000	(3,700)	10,000
County Counsel	-	-	-	-
Outside Legal services	4,478	7,000	(2,522)	7,000
Executive Director*	51,000	52,000	(1,000)	52,000
Outside Consultants	29,529	7,000	22,529	30,000
<b>TOTAL EXPENSES</b>	<b>\$ 105,997</b>	<b>\$ 101,350</b>	<b>\$ 4,647</b>	<b>\$ 126,750</b>

Reflects Actual Expenses incurred thru April 30, 2014

\*Executive Director Amount is inclusive of expenses, supplies and other services.

CARMEL VALLEY

August 13, 2014

Mark Risco, Executive Director  
North City West School Facilities Financing Authority  
27368 Via Industria, Suite 110  
Temecula, Ca. 92590

We are pleased to confirm our understanding of the services we are to provide North City West School Facilities Financing Authority (Authority) for the fiscal years ended June 30, 2014 and June 30, 2013. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the Authority as of and for the fiscal years ended June 30, 2014 and June 30, 2013. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Authority's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Authority's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis

#### **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the first paragraph when considered in relation to the financial statements as a whole.

The objective also includes reporting on—

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of 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, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Single Audit Act Amendments of 1996; and will include tests of accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit.

Our reports will be addressed to the board of trustees of the Authority. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

### **Management Responsibilities**

Management is responsible for the financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with preparation of your financial statements and related notes. These non-audit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. You agree to assume all management responsibilities relating to the financial statements, related notes, and any other non-audit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the non-audit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Management is responsible for (a) establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (b) following laws and regulations; (c) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (d) ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review after year end, if applicable.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information.



You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon.

Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements.

Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Authority's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

#### **Engagement Administration, Fees, and Other**

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our report for you to include with the reporting package you will submit to pass-through entities, if applicable; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Wilkinson Hadley King & Co. LLP and constitutes confidential information.

However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to California State Controller's Office or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request.

If requested, access to such audit documentation will be provided under the supervision of Wilkinson Hadley King & Co. LLP personnel.

Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the California State Controller's Office. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party or parties contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit within four months after your fiscal year end and to issue our reports no later than January 15, 2015. Brian Hadley is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$5,800.



Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports of comment received during the period of contract. Our 2012 peer review report accompanies this letter.

We appreciate the opportunity to be of service to North City West School Facilities Financing Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

*Wilkinson Hadley King & Co., LLP*

Wilkinson Hadley King & Co. LLP

RESPONSE:

This letter correctly sets forth the understanding of North City West School Facilities Financing Authority.

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Governance signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**POWELL & SPAFFORD, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

Jessie C. Powell, CPA  
Patrick D. Spafford, CPA

Licensed by the California Board of Accountancy  
Member: American Institute of Certified Public Accountants

### System Review Report

To the Owners of  
Wilkinson Hadley King & Co., LLP  
and the Peer Review Committee of the State of California

We have reviewed the system of quality control for the accounting and auditing practice of Wilkinson Hadley King & Co., LLP (the firm) in effect for the year ended December 31, 2011. Our review was conducted in accordance with standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*.

In our opinion, the system of quality control for the accounting and auditing practice of Wilkinson Hadley King & Co., LLP in effect for the year ended December 31, 2011, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency (ies)* or *fail*. Wilkinson Hadley King & Co., LLP has received a peer review rating of *pass*.

June 29, 2012