

Table
Audit Objectives and the Methods Used to Address Them

AUDIT OBJECTIVE	METHOD
<p>1 Review and evaluate the laws, rules, and regulations significant to the audit objectives.</p>	<p>Reviewed laws, regulations, policies, and procedures significant to the audit objectives.</p>
<p>2 Assess whether the board complied with applicable state laws and regulations when making decisions related to the STEM Center project by determining the following:</p> <p>a. Whether the board approved the STEM Center project and, if so, did the approval process comply with all legal and regulatory requirements, and was the approval completed in a process that allowed public scrutiny and feedback.</p> <p>b. To the extent possible, evaluate the board’s conflict-of-interest policies and determine whether the board’s members complied with those policies and existing legal requirements when considering the STEM Center project.</p>	<ul style="list-style-type: none"> • Reviewed board meeting minutes, agendas, and related documents to identify key board actions and timelines associated with the STEM Center project. We reviewed 30 meetings based on this criteria. • Evaluated whether board meetings complied with open-meeting requirements, including opportunities for public comment. • Reviewed state law for conflict-of-interest requirements. Compared the district’s conflict-of-interest policies to applicable legal requirements to assess their adequacy. • Tested board compliance with policy and state law by comparing board members’ statements of economic interests against companies that received Measure O funding. • Reviewed the district’s bidding and contracting policies and compared them to similar policies for neighboring districts.
<p>3 Assess whether the district complied with applicable state laws and regulations for using Measure O funds by performing the following:</p> <p>a. Identify the projects that the district originally approved for Measure O funding and determine whether the district’s process for determining eligible projects complied with all applicable laws and other requirements.</p> <p>b. Determine whether, at any time, the district changed the projects that Measure O could fund and whether it complied with applicable laws and other requirements in doing so.</p>	<ul style="list-style-type: none"> • Identified projects on which the board has spent Measure O funding as of December 2025 using data from the district’s accounting system. • Compared the list of projects funded by Measure O to the list of projects described in the Measure O ballot language. • Identified the projects the board approved for Measure O funding after Measure O passed. • Compared the list of projects funded by Measure O to the list of projects the board approved initially after the passage of Measure O. • Reviewed differences between the lists with district staff to determine why the list changed over time and to obtain their perspective. • Tested a random sample of 35 transactions and compared their expenditure descriptions to the project descriptions for approved projects to see whether the district spent Measure O funding on the projects it said it would and whether the transactions were allowable under Measure O. We chose to select a random sample to obtain sufficient coverage.
<p>4 Identify the amount of Measure O bond funding allocated to and already spent on the STEM Center project.</p>	<ul style="list-style-type: none"> • Reviewed data from the district’s accounting system for the STEM Center to determine how much the district spent on the STEM Center as of December 2025. • Reviewed board meeting minutes and presentations and bond oversight committee reports and presentations, and interviewed district staff to determine how much funding was allocated and committed to the STEM Center.

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AUDIT OBJECTIVE	METHOD
<p>5 Determine whether the most recent draft or executed property lease between the district and UC Riverside provides transparency and protects the district by doing the following:</p> <ul style="list-style-type: none"> a. Evaluate key terms and conditions of the property lease in relation to any comparable lease terms and conditions or relevant best practices. b. Determine whether the district complied with applicable state laws to ensure transparency, including making the terms of the lease publicly available. c. To the extent possible, evaluate any planning conducted by the board to assess additional lease options should the current lease agreement be terminated. 	<ul style="list-style-type: none"> • Interviewed district and university staff to determine the status of current ground lease negotiations and the status of the project. • Reviewed the district’s website and public meeting minutes to identify publicly available information about the ground lease and to document public concerns. Determined whether the district complied with state requirements when making the terms publicly available. • Identified key terms from the ground lease term sheet between the district and UC Riverside and compared them to leases with similar institutions. • Reviewed board meeting minutes and materials and interviewed staff about alternative options to the STEM Center project.
<p>6 Review and assess any other issues that are significant to the audit.</p>	<ul style="list-style-type: none"> • Identified proposed project timelines in board meeting minutes, presentations and other documents and determined whether the district met those timelines. • Identified major causes for project delays. • Identified and documented site limitations and hazards at the academy. • Reviewed information from the district’s accounting system from 2017 through 2025 for all transactions related to the academy since the passage of Measure O to determine how much the district spent on the academy for permanent construction and planning.

Source: Audit workpapers.