



## **Citizens' Bond Oversight Committee (CBOC) Meeting Minutes Alum Rock Union School District Office – Board Room**

**April 15, 2019 6:30p.m. –8:00p.m.**

### **Attendance:**

- Efrain Robles, Director Fiscal Services, Business Services
- Patricia Tovar, Executive Assistant, Business Services
- Members: Alison, Cingolani, Frank Chavez, Robert Duran, Minh Pham

### **Absent:**

- Flor De Leon

### **Guest(s)/Public**

- Linda Chavez, Board President

Ms. Cingolani, Interim CBOC Chairperson, called the meeting to order at 6:36 p.m.

### **INTRODUCTIONS**

No introductions at this time.

### **APPROVE AGENDA**

Mr. Pham moved to approve the agenda; Mr. Duran seconded the motion. The agenda was approved unanimously. 4-1. (absent Members Flor De Leon)

### **PUBLIC COMMENT**

Ms. Cingolani opened up the floor to public comments and no public comments.

### **INFORMATION/DISCUSSION/ACTION**

#### **APPROVAL OF MINUTES – April 15, 2019**

Mr. Chavez requested that the minutes' vote be updated to 4-0-3 versus the current listing of 4-3 vote; the updated vote is clear that the order is YES – NOES – ABSENT.

Mr. Chavez motioned to approve the December 18, 2018 minutes; Ms. Cingolani seconded. The minutes were approved unanimously. 4-1. (absent Members Flor De Leon)

### **INFORMATION/DISCUSSION/ACTION**

#### **BOND AUDIT REPORT PRESENTATION (questions from members)**

Charles Raibley, Senior Manager with Crowe LLC, was called for a teleconference. Chair Cingolani introduced herself, followed with Mr. Pham, Mr. Duran, Mr. Chavez, Mr. Robles.

Mr. Raibley explained that Crowe LLC is the District's External Compliance Auditors and also conducting the audit for the Measure J Bond Program. Measure J is two different components: Financial audit and Performance audit. The financial audit takes a look at the actual financial activity Measure J standalone separate from the District's as a whole. Financial Statements include the Balance Sheets, Statement of Revenue & Expenditures and Change in Fund Balance. The Balance Sheet is a snapshot with specific dates



## **INFORMATION/DISCUSSION/ACTION (continued)**

### **BOND AUDIT REPORT PRESENTATION (questions from members)**

as of June 30, 2018. The Statement of Revenue & Expenditures and Change in Fund Balance that gives the Income Statement activity for a specific period of time in this case its June 30, 2018. The Performance Audit is different in scope and looking at expenditures and supporting documentation behind that that identifies if they'll comply with the bond fund complies with proposition 39 which was what the bond was put out under and also the authorized project that the board has approved.

Mr. Raibley references the Summary Page of Performance Audit, which describes the purpose of the statements:

Note 1. Summary of Significant Accounting Policies

Note 2. Cash

Note 3. Fund Balance Classification

Note 4. Interfund Transactions

Note 5. Purpose of Bond Issuance

Note 6. General Obligation Bond Issuances

Comments:

Ms. Cingolani asked if Mr. Raibley was involved in last year's audit. Mr. Raibley responded that he was not involved in the 2017 audit.

Ms. Cingolani asked if you're able to speak on the current status. Mr. Raibley responded that he is.

Mr. Pham asked when selecting expenditures for sampling what was your methodology, was it a rampid sample, or looking for anything in particular to include in the sample. Mr. Raibley responded that the way the audit standards are defined and are layed out, we are required to have no buyems in our selection. We use the physical sampling model, we take the total population of expenditures and our materialogy.

Mr. Chavez asked about the \$150K salaries under expenditures found in the Statement of Revenue & Expenditures and Change in Fund Balance. Mr. Raibley responds that salaries are allowable under Proposition 39 to utilize under the bond fund to pay employees of the district for certain administrator's responsibilities over the bond, not a 3<sup>rd</sup> party, but an internal employee.

Mr. Pham asked (referenced under Note 2 Cash) what is credit risk. Mr. Raibley responded that if the District were allowed to or has taken a minute to shift decision to place funds and investments that may have great likelihood of losing those funds that we would point that out in the note to the financial statement. However, in this case and in most cases for California school districts, these funds are placed in cash and county treasury, therefore very low risk for the District.

Ms. Cingolani asked on the prior years' audit findings if they were solved. Mr. Raibley responded a summary of findings of prior audit were items included in the 2017 and were resolved; some were resolved and some were not, but items were required to be recorded.

Mr. Duran asked (referenced page 6) Interfund Transactions-Transfers for clarification if the \$2.3M + \$10.4M = \$12.7M is correct. Mr. Raibley responded that it is correct (listed on page 4 total \$12.7M)  
District's County School Facilities Fund \$2.3M + District's Building Fund \$10.4M = \$12.7M

Mr. Duran wants to better understand the role as a CBOC member, therefore would like to know how the \$6M was spent and see's that there's a balance of \$6M to spend for a total of \$12M, and to understand last year's total. Ms. Cingolani states that only focusing on current years' audit. Mr. Duran asked how many audits have we've had. Mr. Raibley stated that he does not have that information readily available, but depends on when the monies were issued for Measure J.

Ms. Cingolani along with the CBOC members thanked Mr. Raibley for his presentation report and time.



**INFORMATION/DISCUSSION/ACTION**  
**ANNUAL REPORT SUBCOMMITTEE FORMATION**

Ms. Cingolani asked committee if anyone interested in signing up for subcommittee. Mr. Pham volunteered to write the response since he assisted last years but would like assistance. Ms. Cingolani suggested timeline before end of the school year, like the June board meeting (June 13, 2019). Content would be the financials and everything would be shareable as the committee continues to be transparent; the audit reports are posted once the board approves. Ms. Cingolani asked if the revision to the Bylaws that included the language that people need to either be a resident of the District or who have a child of the District. Ms. Tovar responded that no it has not been posted was waiting on communication from the committee. Ms. Cingolani will send so it can be posted asap. Ms. Cingolani will work on the other part of the report and send to Mr. Pham to move forward with annual report.

Ms. Cingolani motioned Mr. Minh Pham to Annual Report Subcommittee; Mr. Chavez seconded. The motion were approved unanimously. 4-1. (absent Members Flor De Leon)

**INFORMATION/DISCUSSION/ACTION**  
**WEBSITE SUBCOMMITTEE UPDATE**

Ms. Cingolani asked committee to take a look at the website and send feedback to Mr. Duran, but to be sent separately to avoid conflict of the Brown Act. Mr. Duran asked who would I go to for technical support. Mr. Robles responded that you would go to Mr. Angel Rodriguez, Executive Assistant in the Superintendent's Office. In addition, Ms. Tovar added that to include herself or ask her directly for support.

Mr. Chavez motioned to close the website subcommittee; Mr. Duran seconded. The motion was approved unanimously. 4-1. (absent Members Flor De Leon)

**INFORMATION/DISCUSSION/ACTION**  
**NOMINATION AND ELECTION (Chair/Vice Chair/Secretary)**

Mr. Duran asked what each of these roles do.

Ms. Cingolani explained the following details for each role and recently read through Roberts' Rule:

*Secretary* -in charge of communication and per Robert's Rule, calls the meeting; also the liaison with the website.

*Chair* -runs and coordinates the meetings.

*Vice Chair* –chairs the meetings if the Chair is not available.

Ms. Cingolani nominates Mr. Frank Chavez as Secretary. Mr. Duran seconded. Mr. Chavez accepts nomination. The motion was approved unanimously. 4-1. (absent Members Flor De Leon)

Mr. Chavez nominates Ms. Alison Cingolani as Chair. Mr. Duran seconded. Ms. Cingolani accepts nomination. The motion was approved unanimously. 4-1. (absent Members Flor De Leon)

Ms. Cingolani nominates Mr. Minh Pham as Vice Chair. Mr. Chavez seconded. Mr. Pham accepts nomination. The motion was approved unanimously. 4-1. (absent Members Flor De Leon)

Mr. Chavez motioned to close the nomination and election; Ms. Cingolani seconded. The motion was approved unanimously. 4-1. (absent Members Flor De Leon)



## **INFORMATION/DISCUSSION/ACTION SCHEDULE 2019 MEETINGS**

Ms. Cingolani asked the committee if Mondays work for everyone following the board meeting, unless there is a holiday, then hold the meetings. The committee agreed to Monday meetings at 6:30 p.m. – 8:00 p.m.

Ms. Cingolani motioned to close the schedule 2019 meetings; Mr. Chavez seconded. The motion was approved unanimously. 4-1. (absent Members Flor De Leon)

## **REQUEST FUTURE AGENDA ITEM(S)**

Ms. Cingolani would like the CalBOC returned for more training. Mr. Chavez recently went to a CalBOC event in Sacramento.

Public Comment:

Ms. Chavez stated that East Side Union High School District has had a training and may be interested in joining with the District for an upcoming training.

Ms. Cingolani asked if Mr. Chavez could get the CalBOC contact information so the committee could reach out and coordinate.

Ms. Cingolani asked to have CBOC applications available at the meetings both in English and Spanish.

## **ADJOURNMENT**

Ms. Cingolani adjourned meeting at 7:34 p.m.

The motion passed unanimously. 4-1 (absent Members Flor De Leon).