

PHASE III SALES TAX CAPITAL BUILDING PROGRAM FINAL REPORT



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"To the District leadership and community volunteers whose vision formulated a list of needed capital projects and execution framework that County Citizens could believe and support by way of the 1 cent sales tax. The program success has also laid the groundwork for other programs to follow".

Charleston County School District Board of Trustees

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TABLE OF CONTENTS

- **INTRODUCTION**

- TAB A

- PHASE III (2011-2016) CAPITAL BUILDING PROGRAM OVERVIEW

- TAB B

- CITIZEN'S OVERSIGHT STEERING COMMITTEE CHARTER AND MEMBERS

- **PHASE III CAPITAL PROGRAMS OVERSIGHT**

- TAB C

- BALLOT QUESTION

- TAB D

- APPROVED PROJECT LIST IN WAVES

- TAB E

- PROJECT FACT SHEETS

- **FINANCIALS**

- TAB F

- FINANCIAL ADVISOR REPORT

- TAB G

- REPORT ON AGREED UPON PROCEDURES (JANUARY 2011 – DECEMBER 2013)

- TAB H

- REPORT ON AGREED UPON PROCEDURES (JANUARY 2014 – MAY 2017)

PHASE III (2011-2016) CAPITAL BUILDING PROGRAM OVERVIEW

On August 9, 2010, the Charleston County School District (CCSD) Board of Trustees approved a six year capital program plan based on four categories:

Band 1 – Life safety

Band 2 – Overcrowding

Band 3 – Work to support building improvements and program issues

Band 4 – District wide items such as athletic fields and land purchases

The Board of Trustees authorized the creation, selection process and responsibilities of the Citizens Oversight Committee on October 11, 2010. Upon successful passage of a sales tax referendum, the Committee was to review the financing and execution of the Capital Program projects. The Committee was established in two tiers:

Advisory Panel – an at-large comprehensive collection of stakeholders who would attend quarterly briefings and ensure two-way communications between CCSD and the school project communities;

Steering Committee – five representatives selected by the Board of Trustees from nominations made by Mayors and Chamber of Commerce; and three representatives from the Advisory Panel whose responsibilities would include: receiving capital reports, reviewing financial reports, and attending capital plan status meetings. The Chair would also serve on the County Audit & Finance Committee.

On November 2, 2010, the voters of Charleston County passed a 1% Educational Capital Improvement Sales and Use Tax (Penny Sales Tax) for not more than six years to fund capital improvement projects for CCSD. The ballot question is shown in Tab C. The program would be called the 2011-2016 Capital Building Program.

On January 10, 2011, the Board of Trustees approved an execution plan so that the needed project and financial planning could take place to successfully execute the program. There were a number of resource constraints (impact on instruction, cash flow, staffing, market capacity, etc) that would prevent all projects from starting at the same time. The list of projects within each of the seven waves are provided on in Tab D. Wave 1 would prove to be the most challenging with four

District 20 seismic schools, two carry-over projects (Rivers and Sullivan's Island (2005-09 Capital Program) and one federally funded (QSCB) school (Montessori).

During program execution, the Committee met regularly to receive a financial report, communications and marketing information, and a construction report. Tab F is the last financial report which shows that actual collection for the program (\$488 million) were higher than originally projected (\$466 million); and funding model which showed that all revenues would be expended.

In May 2014, the Committee commissioned an independent certified public accountant's report on applying Agreed Upon Procedures (AUP) for the period of January 1, 2011 through December 31, 2013 which included 15 projects. The report concluded that no exceptions were noted. Among the 13 project elements inspected, the report confirmed that: clear standards were established; project were awarded in compliance with applicable rules and regulations; contract types selected were favorable to CCSD; original contracts and all revision were properly approved; project budgets were accurate and updated in a timely manner; and payments to contractors were properly approved. The report is provided in Tab G.

As the program neared completion, the Steering Committee conducted a subsequent Report on AUP for the period of January 1, 2015 through May 31, 2017. This report completed in August 2017, also concluded that no exceptions were note, verifying the continued success of the District approach and program management. The report is provided in Tab H. As only a very small portion of the work remained, the Committee voted on October 26, 2016 to transfer management of the program to the Citizens Oversight Steering Committee of the next building program.

Charter for the Citizens Oversight Committee
Charleston County School District
2011-2016 Building Program

Establishment of the Citizens Oversight Committee:

The Charleston County School District School Board of Trustees officially authorized the creation of the Citizens Oversight Committee on October 11, 2010. The committee was established during the campaign for the Sale Tax Referendum held on November 2, 2010. Upon successful passage of the referendum, the Oversight Committee, established on October 11, 2010 was designed to review the financing and execution of the Capital Program projects funded by the One Penny Sales Tax. This program is heretofore called the 2011-2016 Capital Building Program.

Representation and Structure:

The second board action that was taken was to approve the selection process and responsibilities as delineated for members of the Citizens Oversight Committee. This was approved 7-2 by the Charleston County School District Board of Trustees. This action resulted in the following:

There are two tiers: Citizen's Oversight Advisory Panel (COAP) and the Citizen's Oversight Steering Committee (COSC). (Attachment "A")

Advisory Panel - Intended to be a large, comprehensive collection of **stakeholders**.

The purpose for the Advisory Panel is to:

- Attend quarterly briefings from the Steering Committee, Chief Finance and Operations Officer and Chief Operating Officer for Capital Programs
- Ensure two-way communications between School District and the School Project Communities (membership attached)

Membership:

Each school on the project list supplied one representative (liaison). The individuals recommended but not selected for the Steering Committee were invited to participate. At-large members were solicited via a newspaper ad, District web-site, and announcement at a Board Meeting.

There was no "selection" process. The Charleston County School District Board Chair directed that all individuals who showed an interest would be part of the large committee (Advisory).

For replacement purposes, a minimum of three (3) at-large seats should be maintained through-out the existence of the committee.

Note: A Board Member was approved as part of the Advisory Panel to be included officially by Board action on February 14, 2011.

Replacement of Members:

The goal for membership is to commit to serving through the term of this Building Program (through June 2017). However, as change occurs, the following process can be used:

- Project Liaisons:
Each member provides potential representation replacement for their seat. Chair of C.A.C. directs staff to make contacts and solicits new member.
- At-Large Seats:
If we fall below the minimum of three, Chair of COAC directs staff to advertise (as was done originally) for replacements. Decision on replacement, if number of interested parties is greater than number required, will be made by Chair of Advisory Committee.

Steering Committee:

Membership:

- Five (5) representatives selected by Charleston County School Board Trustees from nominations made by Mayors and Chamber of Commerce.
- Three (3) representatives from the Advisory Panel – These representatives will be placed based upon representation of projects in the order of “wave” of projects to be completed. Revised to be two members to represent specific projects and one member to bring building and construction expertise. (Revised 07/19/11)
- Steering Committee Chair to be appointed by Board of Trustees Chairperson

Purpose:

- Receive Capital Reports that are prepared and provided to School Board
- Invited to attend Board Meeting and/or Workshops where Capital Plan(s) are discussed
- Attend Monthly Capital Plan Status Meetings with Chief Finance Officer and Chief Operations Officer
- Chair serves on the Board of Trustees Audit & Finance Committee
- Facilitates communication between Community and County Board
- Review Financial Report Quarterly

Members of the Steering Committee were established and approved by the Board on February 14, 2011. The “At-Large” committee members were approved February 28th.

Replacement:

Chair will direct staff to request appointments from Mayors or Chamber depending upon vacancy.

Steering Committee Members:

Mr. Bret Johnson, Chair	Roper St. Francis Health Care, CPA
Mr. Darbis Briggman	City of North Charleston, Director of Building Inspections Noisette Company
Ms. Mary Graham	Charleston Metro Chamber of Commerce, Senior Vice President
Dr. Mark Hartley	College of Charleston – School of Business
Ms. Amy D. Jowers	Moore & Van Allen, PLLC, Attorney

Committee Term:

Advisory 2011 \implies June 2017

Steering 2011 \implies June 2017

Officers:

Advisory: Chair, (Selected by Chair of County Board) Vice Chair & Secretary

Steering: Chair, (Selection process and term – TBD) Vice Chair & Secretary

BALLOT QUESTION

EDUCATION CAPITAL IMPROVEMENTS SALES AND
USE TAX ACT REFERENDUM FOR CHARLESTON COUNTY

Must a special one percent sales and use tax be imposed in Charleston County for not more than six years with the revenue of the tax used to pay, directly or indirectly, the cost of the following education capital improvement projects in Charleston County:

1. Rebuilding and equipping of Memminger Elementary School
2. Rebuilding and equipping of James Simons Elementary School
3. Rebuilding and equipping of Buist Academy
4. Rebuilding and equipping of Charleston Progressive Academy
5. Seismic evaluation of Mary Ford Elementary School
6. Seismic evaluation of Northwoods Middle School
7. Seismic evaluation of C.E. Williams Middle School
8. Seismic evaluation of St. Andrews Middle School
9. Seismic evaluation of West Ashley Middle School
10. Seismic evaluation and advance design of Garrett Academy of Technology
11. Construction and equipping of Wando Career Technology Academy
12. Rebuilding and equipping of Harborview Elementary School
13. Rebuilding and equipping of Chicora Elementary School
14. Rebuilding and equipping of St. Andrews Math and Science Elementary School
15. Construction and equipping of Montessori Community School
16. Rebuilding and equipping of Springfield Elementary School
17. Rebuilding and equipping of Laing Middle School
18. Renovation and equipping of Murray LaSaine Elementary School
19. Renovation and equipping of Angel Oak Elementary School
20. Construction and equipping of North Charleston Creative Arts Elementary School
21. Advance design, traffic, site and athletic improvements, and construction of Fine Arts Facility at James Island Charter High School

22. Information technology operations relocation at Charleston County School District Emergency Operation Center
23. Renovation of and additions to the Rhett Building at Burke High School campus for Lowcountry Tech Academy
24. Construction and equipping of Stono Park Elementary School
25. Construction and equipping of Jennie Moore Elementary School
26. Renovation of Azalea Drive Bus Lot
27. Construction of District 3 Bus Lot
28. Athletic Improvements, including advance design, at Lincoln High School, Wando High School, Stall High School, North Charleston High School, Academic Magnet High School, Military Magnet High School, St. Johns High School, West Ashley High School, Burke High School and Baptist Hill High School
29. Renovation and equipping of Pinehurst Elementary School
30. Advance design of Dunston Elementary School
31. Acquisition of land for future school sites at Carolina Park, Ingleside, and Carolina Bay

All revenue received from the sales and use tax will be used to pay the costs of the education capital improvement projects described above and to pay debt service on general obligation bonds, if any, issued by Charleston County School District to fund the education capital improvement projects described above.

Yes	[]
No	[]

Those voting in favor of the question shall shade the oval next to the word "Yes", and those voting against the question shall shade the oval next to the word "No".

2010-2016 BUILDING PROGRAM				
1 Cent Sales Tax Referendum Project List				
6-Year Plan				
WAVE	SCHOOL	TOTAL BUDGET	COMPLETION DATE	BAND
1	Montessori School	\$15,500,000	January-13	2/QSCB
1	Rivers Campus	\$25,000,000	August-13	CO
1	Sullivan's Island ES	\$26,400,000	August-13	CO
1	Memminger ES	\$22,000,000	August-13	1
1	James Simons ES	\$27,400,000	August-13	1
1	Buist Academy ES	\$35,700,000	August-13	1
1	Charleston Progressive ES	\$18,600,000	August-13	1
		\$170,600,000		
2	Wando Career Technology Academy (New School/Addition)	\$49,700,000	January-14	2
2	Harborview ES (rebuild school)	\$26,500,000	January-14	2
		\$76,200,000		
3	St. Andrews Math and Science ES (rebuild school)	\$33,100,000	August-14	2
3	Jennie Moore ES (rebuild school)	\$34,400,000	August-14	4
3	Chicora ES (rebuild school)	\$28,000,000	August-14	2
		\$95,500,000		
4	Laing Middle School (rebuild school)	\$39,100,000	January-15	2
4	Lowcountry Tech @ the Burke HS Campus (Rhett Bldg)	\$5,000,000	January-15	3
4	James Island Charter HS (design, traffic site, athletic improvement) (Fine Arts Facilities)	\$25,000,000	January-15	3
4	CCSD Emergency Operation Center (IT relocation)	\$2,500,000	January-15	3
		\$71,600,000		
5	North Charleston Creative Arts ES (Rebuild School)	\$27,100,000	August-15	3
5	Murray LaSaine ES (whole school renovation)	\$10,000,000	August-15	3
5	Angel Oak ES (whole school renovation)	\$9,300,000	August-15	3
5	Springfield (rebuild school)	\$33,100,000	August-15	2
		\$79,500,000		
6	Seismic Evaluation (Mary Ford & Northwoods MS)	\$700,000	January-16	1
6	Seismic Evaluation (C.E. Williams, St. Andrews, & West Ashley MS)	\$900,000	January-16	1
6	Seismic Evaluation, Advance Design (Garrett Academy of Tech.)	\$1,600,000	January-16	1
6	Dunston ES (advanced design)	\$975,000	January-16	4
		\$4,175,000		
7	Carolina Park ES (land)	\$3,500,000	August-16	4
7	Athletic Advance Design and Weight Room Improvement (See attached list of sites)	\$4,000,000	August-16	4
7	Carolina Bay (land)	\$3,500,000	August-16	4
7	Pinehurst Elementary - Roof & Wing Renovation Repair	\$15,300,000	August-16	4
7	Stono Park ES (rebuild school)	\$26,600,000	August-16	4
7	Azalea Bus Lot Renovation	\$7,500,000	August-16	4
7	District 3 Bus Lot	\$3,300,000	August-16	4
7	Ingleside Campus (land)	\$3,500,000	December-16	4
		\$67,200,000		
	GRAND TOTAL	\$564,775,000		

Laing Middle

2705 Bulrush Basket Lane, Mt Pleasant, SC 29466
District 2



Scope: Construction of a new middle school designed for 1200 students built on a shared campus at the location of the current Jennie Moore Elementary School. The facility is approximately 152,000 square feet on 20 acres. The building enhances the school's current magnet program of Science and Technology, by including a Pre-engineering lab and classroom area with adjacent outdoor instructional space. There are also nine science labs dedicated to Life Science, Earth Science, and Weather Science.

Cost: \$28.8 million

A&E: Jumper Carter Sease Architects

Award Date: November 2010

GC: Thompson Turner Construction

Completion Date: August 2015

Before



After



Laing Middle



Jennie Moore Elementary

2725 Bulrush Basket Lane, Mt Pleasant, SC 29466
District 2



Scope: Construction of a new elementary school for 1200 students, built on approximately 26 acres of land behind the existing Jennie Moore School. The new facility is approximately 156,000 square feet. The building contains instructional space for Pre-Kindergarten through fifth grade, including special education, computer labs, science / project labs, art, music, and drama rooms, as well as cafeteria, multi-purpose, administration and support spaces. Included is space for the community to use that can be isolated for after-hours use.

Cost: \$33.9 million

A&E: Jumper Carter Sease Architects

Award Date: November 2010

GC: Thompson Turner Construction

Completion Date: August 2015

Before



After



Jennie Moore Elementary



Center for Advanced Studies At Wando

1000 Warrior Way, Mount Pleasant, SC 29466
District 2



Scope: Construction of a 130,000 square foot three story facility to accommodate 600 students. Lab spaces for Cosmetology, Health Sciences, Horticulture, Photography, Homeland Security, Cyber Security, Automotive Technology, and Video Production.

Cost: \$43.6 million

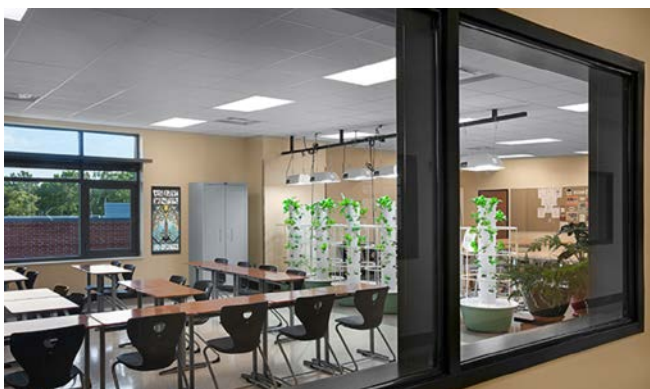
A&E: LS3P Associates

Award Date: December 2012

GC: Contract Construction

Completion Date: August 2014

Center for Advanced Studies At Wando



Murray LaSaine Elementary

691 Riverland Dr, Charleston, SC 29412
District 3



Scope: Interior renovations of the existing Murray-LaSaine Elementary School for conversion to a Montessori School.

Cost: \$9.77 million

A&E: Red Iron Architects

Award Date: November 2014

GC: Hill Construction

Completion Date: December 2015

Before



After



Murray LaSaine Elementary



Harbor View Elementary

1576 Harbor View Rd, Charleston, SC 29412
District 3



Scope: Construction of a new two-story 600 student K-5 facility on the existing site. The facility includes 28 instructional spaces with complementary support areas. The existing facility was demolished prior to the start of construction and students used the old Stiles Point Elementary school campus for swing space during the approximate two year construction.

Cost: \$25 million

A&E: Rosenblum Coe Architects

Award Date: June 2012

GC: TQ Constructors

Completion Date: August 2014

Before



After



Harbor View Elementary



James Island Charter High

1000 Fort Johnson Rd, Charleston, SC 29412
District 3



Scope: Construction of a new front entrance, parking lots, band field, bus drop-off loop, media center expansion, fine arts building and auditorium, field house and athletic drive, girl's softball field and press box, tennis courts and practice fields.

Cost: \$25 million

A&E: LS3P Associates

Award Date: March 2014

GC: M.B. Kahn Construction

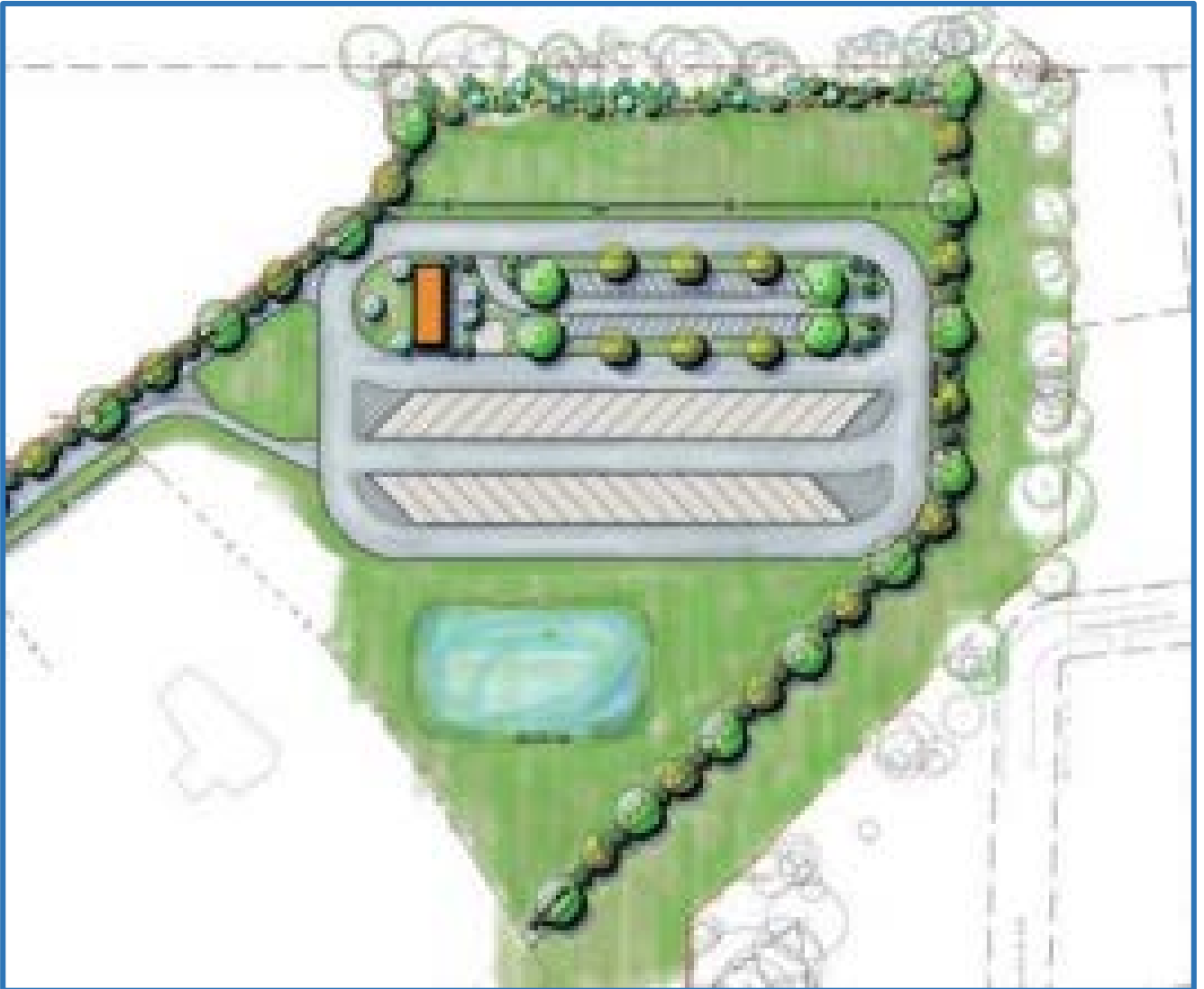
Completion Date: February 2015

James Island Charter High



D3 Bus Lot

TBD
District 3



Scope: Construct a centralized bus lot to support James Island Schools to ensure safety of the students, faculty and bus drivers, timely transportation of students, and better bus operations.

Cost: \$3.3 million

A&E: ADC Engineering

Award Date: TBD

GC: TBD

Completion Date: TBD

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North Charleston Creative Arts Elementary School

5200 Lackawanna Blvd, North Charleston, SC 29405
District 4



Scope: Construction of a new 600 Student, 84,000 square foot replacement facility on the Berry Campus in the North Charleston community immediately behind the existing school. This new facility is an arts-infused partial magnet school offering visual and performing arts curriculum to students in grades K-5. The school has a designated arts wing containing rooms for art, drama, chorus, instrumental music and a dance studio. A centrally located art gallery is used to exhibit student artwork. In keeping with the arts theme, the interiors are colorful and whimsical to encourage creativity and inspire the students.

Cost: \$28.8 million

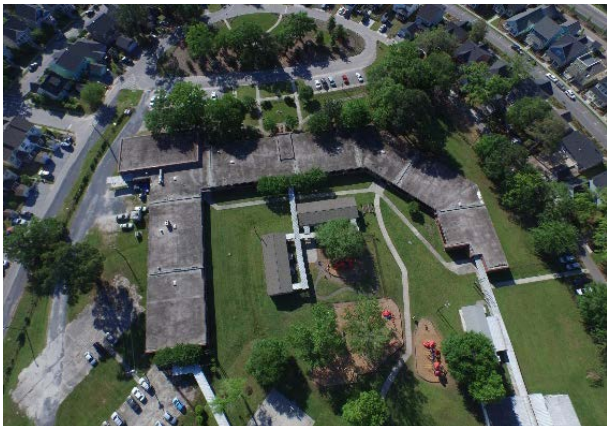
A&E: Stubbs Muldrow Herin

Award Date: March 2011

GC: Hill Construction

Completion Date: February 2016

Before



After



North Charleston Creative Arts Elementary School



Chicora Elementary

3100 Carner Ave, North Charleston, SC 29405
District 4



Scope: Construction of a new two-story 73,900 square foot, 500 student CD-5 replacement facility in the North Charleston community adjacent to the existing Military Magnet Academy. The building contains instructional space for Pre-Kindergarten through fifth grade, including special education, computer labs, science / project labs, art, and music, as well as cafeteria, multi-purpose, administration and support spaces. Included in the design is space for the community to use that can be isolated for after-hours use.

Cost: \$28 million

A&E: Goff D'Antonio Associates

Award Date: March 13, 2011

GC: China Construction America

Completion Date: August 2016

of South Carolina

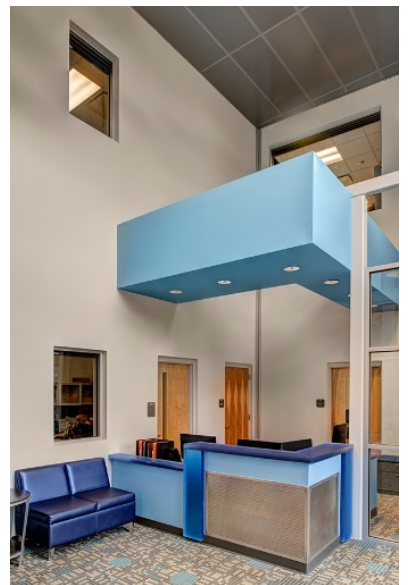
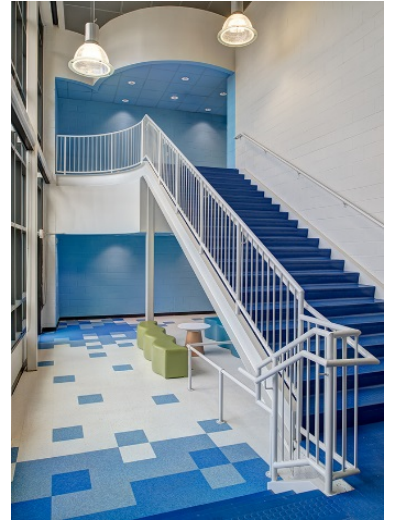
Before



After



Chicora Elementary



Pinehurst Elementary

7753 Northside Dr, North Charleston, SC 29420
District 4



Scope: The project was constructed in two phases.

Phase I consist of demolition of the existing west wing and construction of a new 30,000 square foot classroom wing that includes ten first grade classrooms, eight second grade classrooms, a computer lab, a resource room and group toilets. Also included are new first and second grade playground and drop off canopies. Renovations in the existing building were also part of Phase I.

Phase II consists of a new 11,000 square foot fifth grade addition that includes five fifth grade classrooms and four group rooms. Phase I was completed in June 2017 and Phase II was completed July 2018.

Cost: \$15.3 million

A&E: Thomas & Denzinger

Award Date: June 2016

GC: TQ Constructors

Completion Date: July 2018

Before



After



Pinehurst Elementary



Matilda Dunston Elementary Design

1825 Remount Rd, North Charleston, SC 29406
District 4



Scope: Design a new 75,000 square foot, 500 student, 4K-5, two-story facility on the existing site.

Cost: \$1 million

A&E: Liollo Architecture

Award Date: June 2018

GC: TQ Constructors, Inc

Completion Date: N/A

Before

After



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CCSD Emergency Operations Center

3999 Bridge View Dr, North Charleston, SC 29405
District 4



Scope: Construct a 5,000 square foot Emergency Operations Center (EOC) to include electrical upgrades to the Bridge View electrical grid. The EOC houses the District's security operations and the main data servers, as well as conference space.

Cost: \$3.88 million

A&E: Rosenblum Coe Architects

Award Date: December 2016

GC: Hill Construction

Completion Date: September 2017

Before



After



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Azalea Bus Lot

2712 Rourk St
North Charleston, SC 29405
District 4

Before



Under Construction



Scope: The existing Azalea Bus Lot includes parking for 179 buses, 177 passenger spaces and three (3) mobile offices located on 6.5 acres of land. The site is poorly drained and the pavement is deteriorated and in need of replacement. The project includes the consolidation of the three (3) mobile offices into one 3,500 square feet mobile office and the reconstruction of the asphalt paved lot. The site will be re-graded to properly drain to the existing roadside ditch along Rourk Street and the new lot will accommodate 163 buses and 193 passenger spaces.

Cost: \$2.4 million

A&E: The Reveer Group

Award Date: April 2018

GC: Gulf stream

Completion Date: Oct 2018

Azalea Bus Lot



Angel Oak Elementary

6134 Chisolm Rd, Johns Island, SC 29455

District 9



Scope: A multi-phased interior renovation of the existing school and construction of a new addition. The renovation includes a new administrative suite, security vestibule, computer lab and additional offices. Group restrooms are being renovated to increase capacity and meet American Disability Act requirements. All classrooms received new learning walls, smartboards, lighting and flooring. The media center was enlarged and new shelving and a circulation desk was provided. The mechanical system was replaced throughout the school and a new roof was installed. In addition, the entire facility received new flooring, ceilings and paint. A new carpool drive has been constructed to eliminate stacking of cars on Chisolm Road and grass parking lot for visitors has been added. A new CD playground has been constructed as well as the installation of new equipment for the kindergarten and primary playgrounds.

Cost: \$18 million

A&E: Altman Architectural Group

Award Date: June 2016

GC: TQ Constructors

Completion Date: Dec 2017

Before



After



Angel Oak Elementary



St. Andrews Math & Science Elementary

30 Chadwick Dr, Charleston, SC 29407
District 10



Scope: Construction of a new two-story 750-student K-5 facility on the existing site. The facility includes 36 instructional spaces with complementary support areas.

Cost: \$32.6 million

A&E: The FWA Group/Clancy Wells

Award Date: November 2010

GC: China Construction America of SC, Inc.

Completion Date: March 2015

Before



After



St. Andrews Math & Science Elementary



Springfield Commons Building

2130 Pinehurst Ave, Charleston, SC 29414
District 10



Scope: A new commons building was constructed adjacent to the recently opened Montessori facility that supports the montessori students as well as Springfield Elementary replacement building. The commons building contains a full service kitchen and cafeteria, multipurpose room, art room with kiln and storage, full media center, stage/platform, and music rooms. This 35,000 sf facility was designed to fit on the site and was constructed while the Montessori and old Springfield Elementary are occupied.

Cost: \$10.1 million

A&E: Glick/Boehm & Associates

Award Date: April 2013

GC: TQ Constructors

Completion Date: August 2014



Springfield Commons Building



Springfield Elementary

2130 Pinehurst Ave, Charleston, SC 29414

District 10



Scope: Construction of a new two-story 68,000 square foot, 750 student K-5 facility on the existing site. The facility includes 40 instructional spaces with complementary support areas. The existing facility was demolished at the end of construction.

Cost: \$22.7 million

A&E: Glick/Boehm Associates

Award Date: November 2010

GC: TQ constructors

Completion Date: August 2016

Before



After



Springfield Elementary



Stono Park Elementary

1699 Garden St, Charleston, SC 29407
District 10



Scope: Demolition of the existing facility and construction of a new two-story 500 Student K-12 facility approximately 75,000 square feet to include flexible small group spaces for targeted and specialized learning.

Cost: \$22.8 million

A&E: SGA Architecture

Award Date: May 2018

GC: JE Dunn

Completion Date: Aug 2019

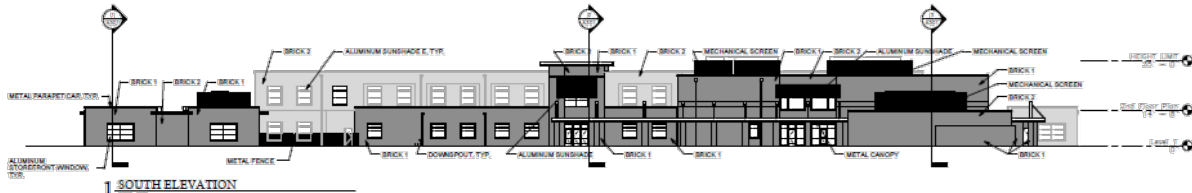
Before



Stono Park Elementary



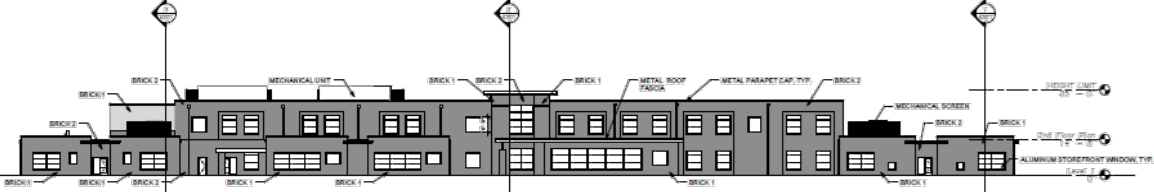
1 1st Floor Plan



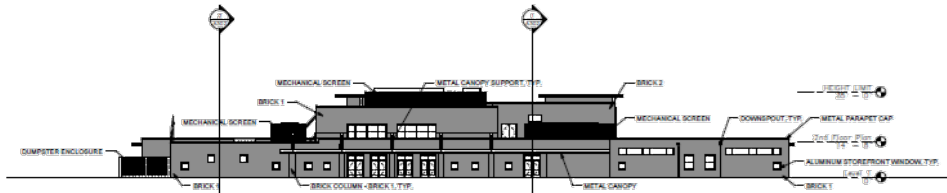
1 SOUTH ELEVATION



2 WEST ELEVATION



3 NORTH ELEVATION



4 EAST ELEVATION

James Simons Elementary

741 King St, Charleston, SC 29403
District 20



Scope: Preserved the existing façade of the 1919 original school and constructed and added 63,000 square feet of new construction. The project was performed in two phases. The original work was a two story construction with a shell space on the third floor. The project included a new parking lot and playground. The program changed to a Montessori school just prior to construction. The first phase was completed in August 2013 and the second phase (Third floor addition) was completed in August 2016.

Cost: Phase 1- \$25.9 million / Phase 2 - \$ 2.5 million

A&E: Thomas & Denzinger

Award Date: March 2012

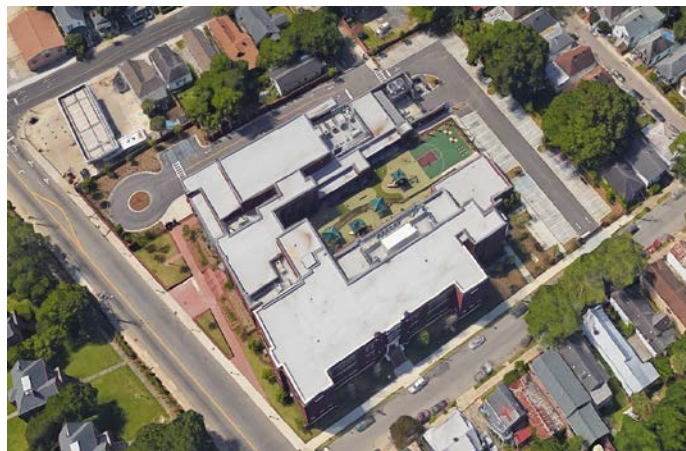
GC: M.B. Kahn Construction

Completion Date: Phase 1 - January 2014 / Phase 2 - August 2016

Before



After



James Simons Elementary



Memminger Elementary

20 Beaufain St, Charleston, SC 29401
District 20



Scope: Demolition of the existing seismically unstable Memminger Elementary School and construction of a new 500 Student, 78,000 square foot replacement facility and associated parking lot on the campus.

Cost: \$21.5 million

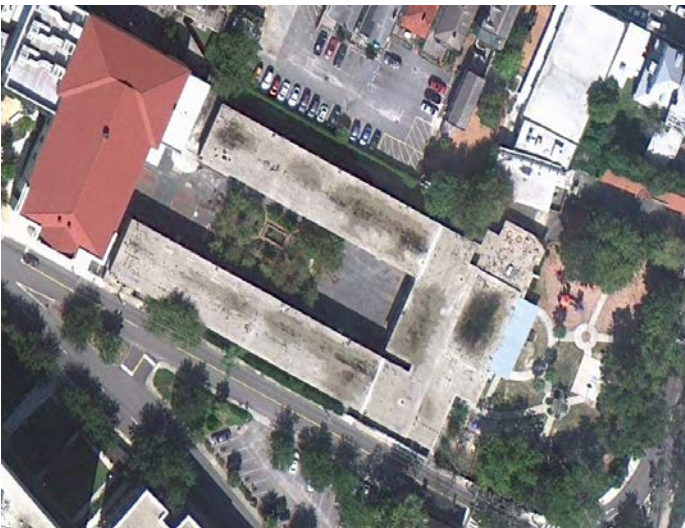
A&E: LS3P Associates

Award Date: April 2012

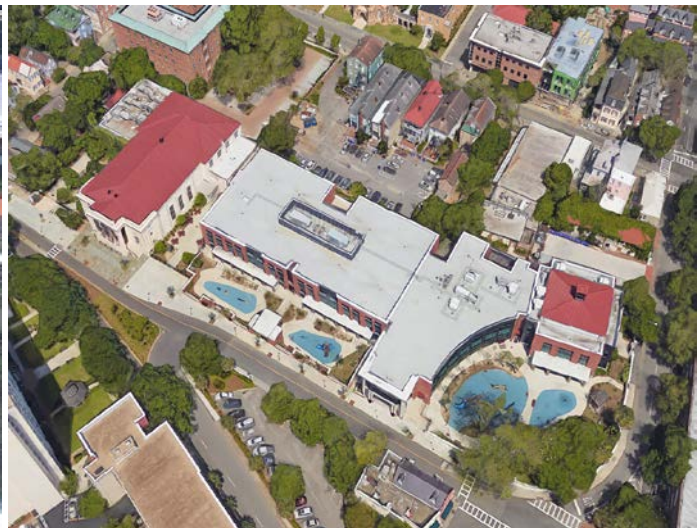
GC: HITT Contracting

Completion Date: August 2013

Before



After



Memminger Elementary



Charleston Progressive Academy

382 Meeting Street, Charleston, SC 29403
District 20



Scope: Historical portion of existing facility was preserved and received selective demolition and a complete interior renovation. Portions of buildings demolished included the Gymnasium and Annex Building. New construction included a Kitchen/Cafeteria, Multi-purpose Room and Media Center. Total renovation and new building areas amount to 67,060 square feet for a 500 student capacity.

Cost: \$22.8 million

A&E: Liollo Engineering

Award Date: August 2012

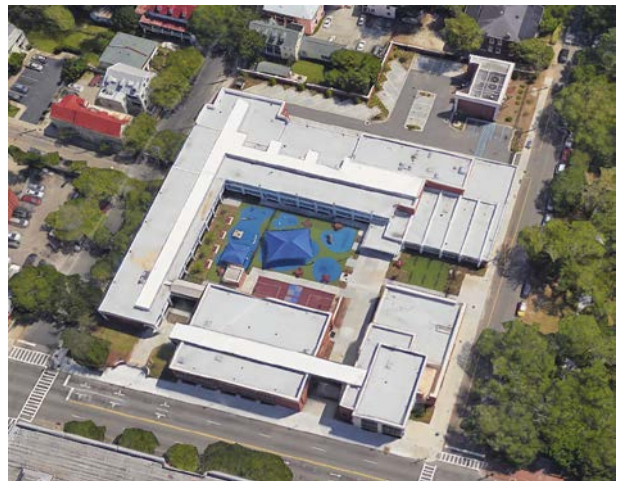
GC: M.B. Kahn Construction

Completion Date: August 2013

Before



After



Charleston Progressive Academy



Buist Academy for Advanced Studies

103 Calhoun St, Charleston, SC 29401
District 20



Scope: The existing 1954 facility was totally demolished, and a new 68,000 square foot, three-story facility was constructed in its place. The new facility provides capacity for 500 students and includes 27 teaching stations, a cafeteria, gymnasium, media center, and science and art spaces. Approximately 21,000 square feet of the original three-story building, constructed in 1921, was selectively demolished and renovated.

Cost: \$31 million

A&E: Stubbs Muldrow Herin

Award Date: July 2012

GC: M.B. Kahn

Completion Date: August 2013

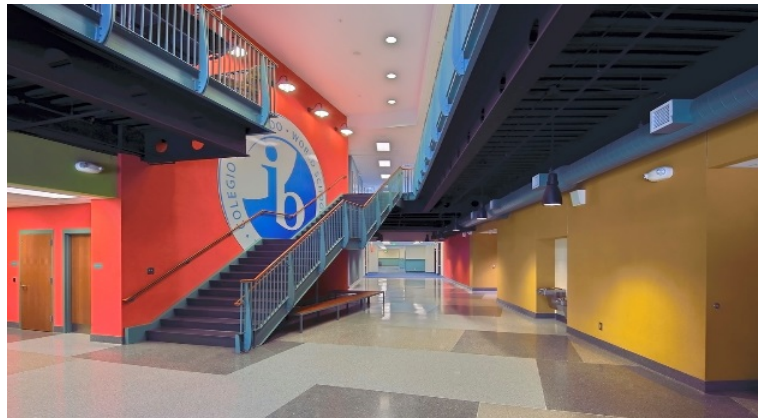
Before



After



Buist Academy for Advanced Studies



Burke CTE

244 President St, Charleston, SC 29403
District 20



Scope: The upgrades include reworking the existing culinary kitchen to bring all equipment up to current standards, renovating the computer lab, the addition of a complete Bistro prep and dining area, as well as the addition of an outside dining area. Students will be able to learn the required skills of food preparation, serving, and hostess duties in a state of the art facility. There is a separate small group dining area that also can serve as a classroom space. Ample storage space has been included as well.

Cost: \$5.6 million

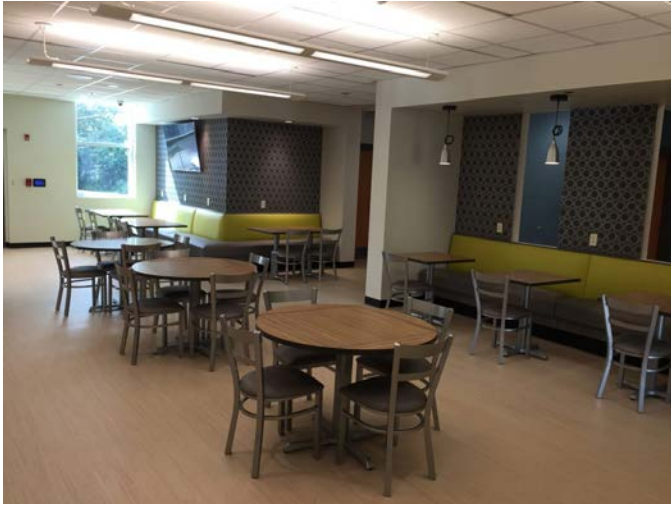
A&E: Bergman and Associates

Award Date: December 2015

GC: Brantley Construction Company

Completion Date: August 2016

Burke CTE





Phase III Capital Program

Citizens Oversight Steering Committee

August 31, 2017

PFM Financial Advisors
LLC

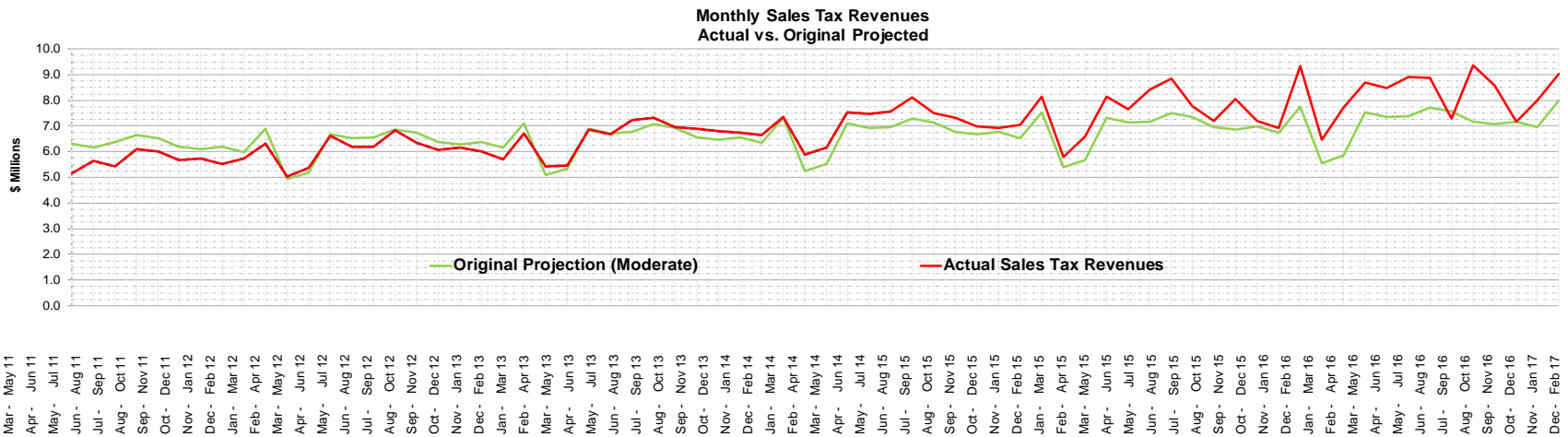
300 S. Orange Ave.
Suite 1170
Orlando, FL 32801

407.648.2208
pfm.com



Phase III Sales Tax Collections

- Actual collections for the Phase III program are included in the graphic below
- Original projections: \$466 million; Actual collections: \$488 million
 - Program growth comparison (projected vs. actual)

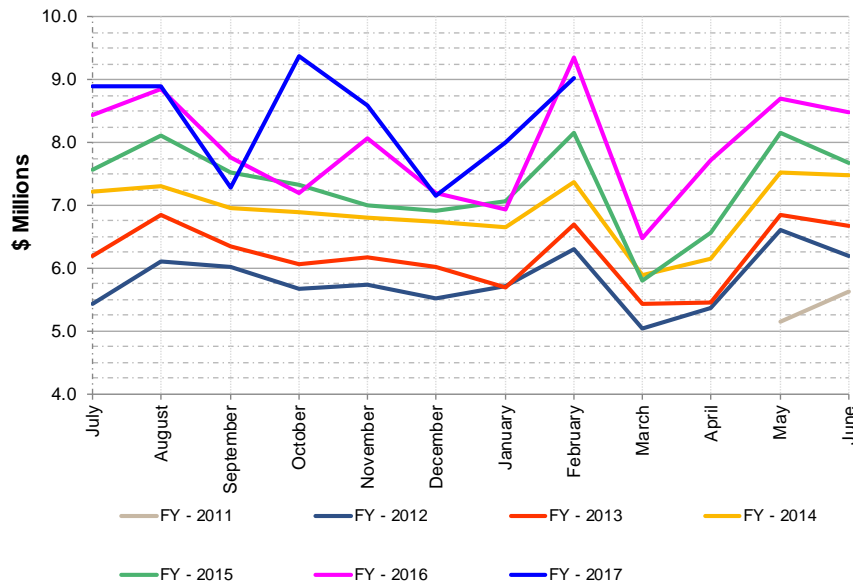




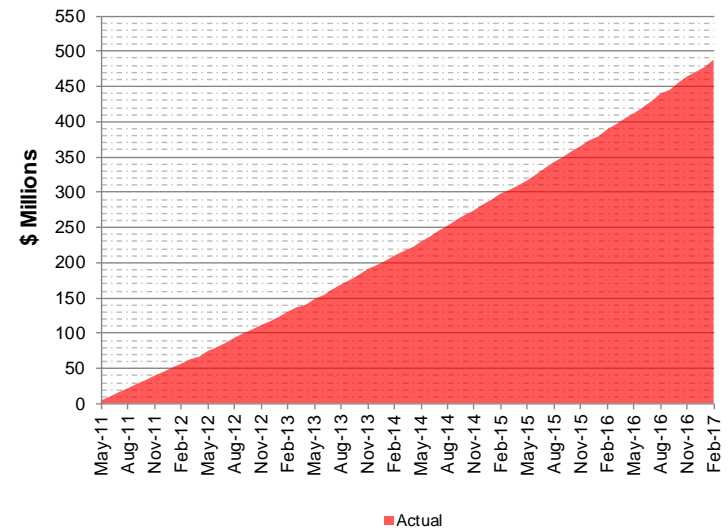
Phase III Sales Tax Collections

- ◆ Month-over-month Sales Tax revenue ended up following the original estimated trends
- ◆ Total program collections are 100% accounted for, with total cumulative revenues in excess of \$488 million

Month-over-Month Revenue Comparison



Cumulative Sales Tax Collections





Phase III Funding Model

- ◆ Program fund balance as of July 2017 was \$48 million
- ◆ Total program actuals for Revenues and Expenses are shown below
 - Total project costs equal \$478.9 million

Total Sources	
Sales Tax Revenues ¹	488,119,945
Interest on Sales Tax Fund Balance ²	1,656,105
Total Revenues	489,776,051

Total Uses	
Project Costs- Actual through June 2017	434,667,670
Project Costs - Projected ³	44,264,496
PMO / Admin Costs ⁴	6,402,420
Interest Expense on Interim Financing	453,099
Total Revenues	485,787,685

Excess revenue reallocated to New Stono Park Elementary	3,988,366
---------------------------------------------------------	-----------

Notes:

¹ Total Program Actuals

² Actual to date

³ Current Projections - August 17, 2017 Cost Curves

⁴ Actual to date

Thank You



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**Charleston County School District
1 Cent Sales Tax Building Program**

Report on Agreed Upon Procedures

***For the period January 1, 2011
through December 31, 2013***



**Independent Certified Public Accountant's Report
on Applying Agreed-Upon Procedures**

Charleston County School District
3999 Bridge View Drive
North Charleston, SC 29405

We have performed the procedures enumerated below for Charleston County School District (the "District"), which were agreed to by you relating to the 2011 - 2016 1 Cent Sales Tax Building Program (the "Program") for the period January 1, 2011 through December 31, 2013. The procedures enumerated in this report were performed on the projects listed below (all projects in the Program with expenditures to date). Our samples were selected ensuring that each project was tested in at least one of these procedures. The management of the District is responsible for the District's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. Buist Academy
2. Charleston Progressive Academy
3. Memminger Elementary School
4. James Simons Montessori
5. Harbor View Elementary School
6. Springfield Elementary & Charleston Montessori Common Area
7. Jennie Moore Elementary School
8. Laing Middle School
9. Chicora Elementary School
10. Murray Lasaine Montessori School
11. James Island Charter High School
12. North Charleston Creative Arts Elementary School
13. St. Andrews Math & Science
14. Center for Advanced Studies
15. Harborview Elementary School

The procedures we agreed to perform and the results are as follows:

1. *Determine that the District has established clear standards to manage the 2011-2016 building program that are being utilized by the District.*

We requested a copy of the policies and procedures used by the District for management of the Program. We made inquiries of management and documented the internal controls and processes in use by the District regarding key areas of the building program including:

Acquisition selection strategy

Architect selection

Contractor selection

Operational management

We performed tests and made observations, in addition to the other steps requested and answered in this report, to ensure that policies and procedures are being adhered to by District personnel. Based on the procedures we performed, we did not identify any exceptions as a result of our procedures.

2. *We will verify that capital construction contracts awarded during the period were awarded in compliance with applicable rules and regulations;*

A. *Verify that bid bonds and certificates of insurance were properly received and are current (if applicable). Verify the process the District has in place to ensure all contractors and subcontractors are insured and have performance bonds.*

We identified the construction contractors used for each project included in the Program as of December 31, 2013. We selected a sample of five contractors for testing and verified that bid bonds and certificates of insurance were properly received and current. We documented the processes the District has in place to ensure all contractors and subcontractors are insured and have performance bonds. No exceptions were identified as a result of our testing.

B. *Ensure that all bids received prior to the deadline were included in the bid tabulation and trace bidders to the bid opening attendance sheet.*

For the projects awarded to the contractors selected in step 2A above, we requested the bid tabulations and traced them to the opening bid attendance sheet. We also observed the time stamp for a sample of bids received to ensure that only bids received timely were included on the bid opening attendance sheet and the bid tabulation. No exceptions were identified as a result of our testing.

C. *Determine that bids received after bid opening are returned, unopened, to the bidder after documenting the time and date of receipt.*

For the same projects selected in step 2B above, we examined bid tabulation sheets to identify those bids received subsequent to bid closing that were returned unopened to the bidder. We made inquiries of management to determine processes in use by the District. Per our inquiry of management, bids that were received after the deadline were not accepted at the bid opening session. As noted in step 2B above, we observed the time stamp for a sample of bids received to ensure that only bids received timely were included on the bid opening attendance sheet and the bid tabulation. No exceptions were identified as a result of our testing.

D. *Obtain a copy of the bid tabulation and verify its accuracy.*

For the same projects selected in step 2B above, we obtained bid tabulations for a sample of bidders and traced base bid amounts from the bid to the bid tabulation to verify accuracy. No exceptions were identified as a result of our testing.

E. What are the "best practices to select qualified design firms for the projects in the building program" that are being utilized by the District?

We made inquiries of management regarding the policies and procedures in place to select qualified design firms for the projects to determine whether the District is selecting firms based on its criteria. Per our inquiry of management, no design firms have been selected by the District during the current program. Design firms for projects for the period under evaluation were selected at the end of the 2005-2009 program. The only design firm selection process currently underway (as of May 2014) is the design/build pre-bid process for Murray-Lasaine Elementary School, for which we reviewed applicable documentation. No exceptions were identified as a result of our testing.

F. What are the "best practices to advertise and select qualified contractors who have the past experience, qualified project teams, project approaches and financial stability to successfully construct these schools within budget and schedule as well as deliver a safe, quality project?"

We requested a copy of the policies and procedures from the District and inquired with management regarding advertising practices. From the sample of contractors selected in steps 2A and 2E above, we reviewed the applicable pre-qualification plans and technical evaluation reports to ensure selections are in line with guidelines established by the District. We interviewed key District personnel regarding their evaluation of contractors to understand the approach to the evaluation process. We also observed advertising mechanisms used by the District. Advertising forums used include "South Carolina Business Opportunities" published by the state's Material Management Office, "Post & Courier", and "Charleston Chronicle". No exceptions were identified as a result of our testing.

G. We will document the primary "controls in place for these procurements".

We documented the internal controls assessed throughout the performance of procedures above. No exceptions were identified as a result of our testing.

3. We will review the contracts to ensure they are the most favorable type of contract for the District and the project.

The acquisition committee, consisting of the COO, the Construction Procurement Officer and the Construction Manager, determine which type of contract to recommend to the Superintendent based on timing, complexity of the project and budget. We selected a sample of 3 contracts, ensuring we selected a design/build contract, a construction manager at risk contract and a design-bid-build type contract. We examined the construction acquisition plan for each to ensure the contract type was properly authorized by the Construction Acquisition Committee and the Superintendent. No exceptions were identified as a result of our testing.

4. We will determine that original contracts and all revisions (if applicable) were properly approved.

A. What is the "change management process in place?"

We made inquiries of management, observed a weekly operations meeting and documented the change order management process in place. There are multiple levels of review and scrutiny involved in the change management process. The levels of review and approval vary depending on the magnitude of the change, which were tested in step 4E below. These levels of review include meetings, manual signature for approval and electronic approval. No exceptions were identified as a result of our testing.

B. What are the controls and practices for scope changes?

We documented controls and practices for scope changes based on inquiries with management and examination of formal policies and procedures. From the population of construction contracts identified in step 2A above, we selected a sample of change orders to test that change order approvals made by the construction manager ("CM"), the Chief Operating Officer ("COO"), and the Program Procurement Officer were valid change orders and that there were sufficient funds within the project budget to pay for the change before directive was given to the contractor. No exceptions were identified as a result of our testing.

C. *What are the processes in place to review the reason code for all changes?*

We made inquiries and documented policies in place for the review of reason codes and proposed change orders ("PCO's") in the system. For the sample selected in step 4B above, we examined the underlying support for the value of the changes and whether the reason code was appropriate. No exceptions were identified as a result of our testing.

D. *How are emergency issues defined?*

We inquired with management regarding "emergency issues" and documented their understanding of the definition and the processes in place to handle these in a timely manner. Per our inquiry of management, emergency issues are the responsibility of the onsite contractor. If additional costs are incurred as a result of an onsite emergency, the District follows the change management process assessed as part of step 4A above. Any safety issues, delays, quality related issues, change orders, and other construction related issues would be discussed and resolved at weekly operations meetings. The same issues are covered at the Level II executive meetings which occur on a monthly basis. No exceptions were identified as a result of our testing.

E. *How does the District ensure that the established levels of authority are being followed?*

COO for capital programs process in scope changes up to \$50,000

Superintendent can process up to \$250,000 to allow changes to be processed in timely manner

All scope changes in excess of \$250,000 and all out of scope changes must be approved by the Board of Trustees (the "Board")

We documented the District's policy that ensures the established levels of authority are followed. For the sample selected in step 4B above, we tested scope changes for proper authorization to ensure policies and procedures are being followed. No exceptions were identified as a result of our testing.

5. *We will verify that project budgets are accurate and updated timely, and will compare project budgets with available proceeds to identify funding shortfalls.*

We inquired with management and examined procedures related to the budgeting process. We selected a sample of capital project financial reports presented to the Board covering the three year period and examined the minutes to verify that budget processes are being followed. We made necessary inquiries and documented our understanding of the processes in place to identify any project shortfalls. Project budgets are initially approved by the Board and changes to the budget must follow the change management process assessed in steps 4A and 4E above. We reviewed the Board minutes and the Board action item noting the initial budget approval. The change management process was tested as part of step 4 above. We also inquired with management and the construction manager regarding cash flow management.

In our testing of a sample of reports, we compared the reports presented to the Board to the general ledger for consistency. We identified certain inconsistencies between general ledger reports and information presented to the Board. In some cases, these discrepancies were due to timing. For example, the Board reports were prepared prior to when final adjustments were made in Munis. In other cases, we identified formula errors in the spreadsheet used to prepare the Board presentation. All discrepancies were identified by management prior to our testing and corrected in the months following the Board presentations selected.

6. *We performed tests to verify compliance with any covenants, ensuring that expenditures are reasonable and that the funds are being properly spent on appropriate projects and in compliance with the "waves" approved by the Board.*

We inquired with management and determined that there are no covenants associated with the Program. We selected a sample of expenditures to determine they were expended on the respective projects in compliance with the Board approved waves. No exceptions were identified as a result of our testing.

7. *We performed tests to ensure that payments to contractors were properly approved and in accordance with the contract, to include (if applicable):*

- A. *Verify reasonableness of the method used to calculate progress payments and observed there is a clear correlation between the payment processed and the percentage of work completed.*

We selected a sample of payments and observed the application for payment, the certificate of payment and the invoice, if the payment was to an architect. We also verified the amount charged to the project was a valid project cost that fell within the budgeted "waves" approved by the Board. We noted the method used to calculate progress payments was consistent between projects tested and approval was required from several involved parties in order for the payment to be processed. No exceptions were identified as a result of our testing.

- B. *Verify reasonableness of the method used to calculate retention (Note: retention amounts should be documented in the contract in order to be enforceable) and ensure that appropriate retention amounts are withheld based on contracts and state law.*

We recalculated retainage on a sample of projects and compared to actual retainage withheld. No exceptions were identified as a result of our testing.

- C. *Ensure payments made by the District are being made timely and in compliance with state law-the Prompt Payment Act.*

We selected a sample of payments and examined payment dates to ensure payments were made in accordance with the Prompt Payment Act, which states payments must be made 30 days from receiving the payment request. No exceptions were identified as a result of our testing.

- D. *What is the process the District has in place "to encumber funds for the contracts that have been approved by the Board prior to award?"*

We made necessary inquiries and examined the process in place for encumbrances for contracts approved by Board prior to award. No exceptions were identified as a result of our testing.

8. *We will verify that construction-in-progress (CIP) balances are appropriately stated.*

We examined a sample of CIP additions for proper classification, accuracy and cutoff. We did not identify any exceptions as a result of our CIP additions testing. Based on our inquiries of management, we identified that CIP is transferred to the fixed assets ledger once annually prior to the financial statement audit. Since no assets were placed in service prior to the fiscal year ended June 30, 2014, no assets purchased using Program funds have been placed in service as of the date of this report. We did not identify any exceptions as a result of our testing.

9. *What practices are in place to ensure the 5% program reserve "is controlled by the Board and can only be used if the Board formally approves a staff recommendation?"*

We made necessary inquiries with District personnel regarding the 5% program reserve to determine if all uses of the 5% money were approved by the Board. Based on an overall program cash flow strategy, which was approved by the Board, the District does not maintain a 5% reserve in connection with the Program.

10. *We will determine that the District's fixed asset detail records reflect costs associated with completed construction projects, and that these costs were transferred from construction-in-progress to the appropriate capital asset category in a timely manner. This includes:*

A. *Verify that procedures for closing out contracts follow a structured process involving final acceptance of the contractor's work and receipt of acceptable documentation required by contractual terms.*

No formal closeout of any of the projects has occurred as of the date of this report. Based on inquiries of management we determined that projects are not typically closed out until approximately 9 -18 months after certificates of occupancy are granted. This is not an exception, as no buildings have been occupied for greater than 9 months as of the date of this report.

B. *If there is a post-performance evaluation, determine who is responsible for the preparation and that the evaluation was completed prior to closeout.*

We documented the purpose and controls surrounding the post-performance evaluations for architects and engineers, as well as contractors. We examined post-performance evaluations for four of the projects to test that the evaluations were in compliance with the controls in place. No exceptions were identified as a result of our testing.

C. *What are the processes in place to ensure the "level II executive meetings on these projects to review schedule, changes, submittal, RFIs, safety and quality control on all projects?"*

We documented our understanding as to the purpose of level II executive meetings and the policies and procedures surrounding the meetings. We examined the detailed notes from a sample of the meetings and tested for reviews of schedule, changes, submittal, RFI's, safety and quality control. No exceptions were identified as a result of our testing.

D. *What are the processes in place to ensure "the district uses approved Chapter 1/17 inspectors on all projects to ensure code compliance?"*

We verified that all District inspectors required to have Chapter 1/17 designations, were properly licensed. No exceptions were identified as a result of our testing.

11. *We will make site visits to validate the existence of the projects.*

We visited a sample of construction sites and completed schools to validate project existence. Our sample included at least one project from each of the first four phases. We did not identify any exceptions as a result of our site visits.

12. *We will review the internal controls to ensure they are being followed as designed.*

We examined internal control documentation relating to the 1 cent sales tax building program. Any key controls not covered by previous testing were tested at this point by inquiring with management, examining supporting documentation and observing transactions. We inquired with management regarding the policies and procedures in place for cash receipts, revenue recognition and cash flow management. No exceptions were identified as a result of our internal control documentation and testing.

13. *We will review the reliability, validity, and relevance of financial information presented to the Board.*

We sampled financial reports presented to the Board and compared to actual reports from the District's general ledger. While reconciling Board reports to the general ledger, we identified certain formula errors in some of the Board reports. These formula errors were corrected by management in subsequent Board reports.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion, on the financial statements of the District. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use by management of the Charleston County School District, the Board of Trustees and the Citizens Oversight Committee, and is not intended to be and should not be used by anyone other than these specified parties.

Elliott Davis, LLC

Charleston, South Carolina
May 21, 2014

Appendix A
DISTRICT REQUESTED PROCEDURES
1 CENT SALES TAX BUILDING PROGRAM

The proposed agreed-upon procedures related to the District's 1 Cent Sales Tax Building Program for 2010-2016, from January 1, 2010 through December 31, 2013 are as follows:

1. What are the "best practices to establish clear standards to successfully manage the 2011-2016 building program" that are being utilized by the District.
2. We will determine that capital construction contracts, awarded during the period, were awarded in compliance with applicable rules and regulations (see Attachment A).
 - Verify that bid bonds and certificates of insurance were properly received and are current (if applicable). What are the processes the District has in place to ensure all contractors and subs are insured and have performance bonds?
 - Ensure that all bids were received prior to the deadline were included in the bid tabulation and traced bidders to the bid opening attendance sheet.
 - Determine that bids received after bid opening are returned, unopened, to the bidder after documenting the time and date of receipt.
 - Obtain a copy of the bid tabulation and verified accuracy.
 - What are the "best practices to select qualified design firms for the projects in the building program" that are being utilized by the District?
 - What are the "best practices to advertise and select qualified contractors who have the past experience, qualified project teams, project approaches and financial stability to successfully construct these schools within budget and schedule as well as deliver a safe, quality project?"
 - What are the primary "controls in place for these procurements?"
3. We will review the contracts to ensure they are the most favorable type of contract for the district and the project.
4. We will determine that original contracts and all revisions (if applicable) were properly approved.
 - What is the "well defined change management process in place?"
 - What are the controls and practices for scope changes "that must be approved by the CM program director to ensure that it is a valid change, the contracting officer to ensure contract compliance and the Program Manager to ensure that there are sufficient funds within the project budget to pay for the change before directive is given to the contractor?"
 - What are the "processes in place to review the reason code for all changes and the value of the changes conformed and PCOs in the system?"
 - How is "emergency issues" defined when it states that "there are processes in place to handle emergency issues in a timely manner?"
 - How does the District ensure that the established levels of authority are being followed?
 - COO for capital programs process in scope changes up to \$50,000
 - Superintendent can process up to \$200,000 to allow changes to be processed in timely manner
 - All scope changes in excess of \$200,000 and all out of scope changes must be approved by the Board of Trustees

5. We will verify that project budgets are accurate and updated timely, and included comparing project budgets with available proceeds to identify funding shortfalls.

6. We will verify compliance with any covenants, ensuring that expenditure are reasonable and that the funds are being properly spent on appropriate projects and in compliance with the "waves" approved by the Board.

7. We will ensure that payments to contractors were properly approved and in accordance with the contract, to include (if applicable):

- Verify reasonableness of the method used to calculate progress payments and ensure there is a clear correlation between the payment processed and the percentage of work completed,
- Verify reasonableness of the method used to calculate retention (Note: retention amounts should be documented in the contract in order to be enforceable.) and ensure that appropriate retention amounts are withheld based on contracts and state law.
- Ensure payments made by the District are being made timely and in compliance with state law-the prompt payment act.
- What is the process the District has in place "to encumber funds for the contracts that have been approved by the Board prior to award?"

8. We will verify that construction-in-progress balances {see Attachment B} are appropriately stated.

9. What practices are in place to ensure the 5% program reserve "is controlled by the Board of Trustees and can only be used if the Board formally approves a staff recommendation?"

10. We will determine that the District's fixed asset detail records reflect costs associated with completed construction projects, and that these costs were transferred from construction-in-progress to the appropriate capital asset category in a timely manner {see Attachment C}. This includes:

- Verify that procedures for closing out contracts follow a structured process involving final acceptance of the contractor's work and receipt of acceptable documentation required by contractual terms {see Attachment D for Contract Close-Out procedures}.
- If there is a post-performance evaluation, determine who is responsible for the preparation and that the evaluation was completed prior to closeout.
- What are the processes in place to ensure the "level II executive meetings on these projects to review schedule, changes, submittal, RFIs, safety and quality control on all projects?"
- What are the processes in place to ensure "the district uses approved Chapter 1/17 inspectors on all projects to ensure code compliance?"

11. We will make site visits to validate the existence of the projects.

12. We will review the internal controls to ensure they are being followed as designed.

13. We will review the reliability, validity, and relevance of financial information presented to the Board.

**Charleston County School District
1 Cent Sales Tax Building Program**

Report on Agreed Upon Procedures

***For the period January 1, 2014
through May 31, 2017***



**Independent Certified Public Accountant's Report
on Applying Agreed-Upon Procedures**

Charleston County School District
3999 Bridge View Drive
North Charleston, SC 29405

We have performed the procedures enumerated below for Charleston County School District (the "District"), which were agreed to by you relating to the 2011 - 2016 1 Cent Sales Tax Building Program (the "Program") for the period January 1, 2014 through May 31, 2017. The procedures enumerated in this report were performed on the projects listed below (all projects in the Program with expenditures as of May 31, 2017). Our samples were selected ensuring that each project was tested in at least one of these procedures. The management of the District is responsible for the District's accounting records. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Buist Academy
Charleston Progressive Academy
James Simons Montessori
Memminger Elementary School
Springfield Elementary & Charleston
Montessori Common Area
Center for Advanced Studies
Harbor View Elementary School
Chicora Elementary School
Jennie Moore Elementary School
St. Andrews Math & Science
Laing Middle School
James Island Charter High School
Emergency Operations Center at Bridgeview
Springfield Elementary School
North Charleston Creative Arts Elementary School
Murray-Lasaine Elementary School

Angel Oak Elementary School
Lowcountry Tech at Burke High School
Seismic evaluations of:
Mary Ford Elementary School
Northwoods Middle School
C.E. Williams Middle School
West Ashley Middle School
St. Andrews Middle School
Advance design of Dunston Elementary School
Seismic evaluation and advance
design of Garrett Academy of Technology
Pinehurst Elementary School
Acquisition of land at Carolina Park
Construction of District 3 Bus Lot
Renovation of Azalea Drive Bus Lot
Stono Park Elementary School
District-wide athletic improvements

The procedures we agreed to perform and the results are as follows:

1. *Verify the District has established clear standards to successfully manage the 2011-2016 building program. Document significant changes, if any, implemented since the report dated May 21, 2014 which covered the period from January 1, 2011 through December 31, 2013 ("the May 21, 2014 report") on the District's 1 cent Sales Tax Building Program. Verify significant changes were substantiated and reasonable.*

We selected a sample of transactions and tested controls identified in the policies and procedures manual and verified they are in place in the areas noted below. We made inquiries of management and documented significant changes in four key areas of the building program implemented since the May 21, 2014 report.

Acquisition selection strategy – no changes noted.

Architect selection *

Contractor selection *

Operational management *

* Since the May 21, 2014 report, the District has changed their procedures regarding contract approvals. As the Board approves the project waves and the budgets for the projects, the construction contract that is approved is no longer presented to the Board for approval. Also, approval limits for change orders changed effective July 11, 2016. These limits were presented to the audit and finance committees on July 11, 2016 as information only items. See step 4E for additional information.

We performed tests and made observations, in addition to the other steps requested and answered in this report, to ensure that policies and procedures are being adhered to by District personnel. Based on the procedures we performed, we did not identify any exceptions as a result of our procedures.

2. *We will determine that capital construction contracts awarded during the period were awarded in compliance with applicable rules and regulations as follows;*

- A. *Verify that bid bonds and certificates of insurance were properly received and are current (if applicable). Verify the process the District has in place to ensure all contractors and subcontractors are insured and have performance bonds.*

We identified the construction contractors used for each project included in the Program as of May 31, 2017. We selected a sample of five contracts awarded during the period from January 1, 2014 through May 31, 2017 for testing and verified that bid bonds and certificates of insurance were properly received and current. We documented the processes the District has in place to ensure all contractors and subcontractors are insured and have performance bonds. No exceptions were identified as a result of our testing.

- B. *Ensure that all bids received prior to the deadline were included in the bid tabulation and trace bidders to the bid opening attendance sheet.*

For the projects awarded to the contractors selected in step 2A above, we requested the bid tabulations and traced them to the opening bid attendance sheet. For the contractor who ultimately won the bid and for one other randomly selected contractor, we also observed the time stamp on the bid received to ensure that only bids received timely were included on the bid opening attendance sheet and the bid tabulation. No exceptions were identified as a result of our testing.

- C. *Determine that bids received after bid opening are returned, unopened, to the bidder after documenting the time and date of receipt.*

For the same projects selected in step 2B above, we examined bid tabulation sheets to identify those bids received subsequent to bid closing that were returned unopened to the bidder. We made inquiries of management to determine processes in use by the District. Per our inquiry of management, bids that were received after the deadline were not accepted at the bid opening session. As noted in step 2B above, we observed the time stamp for a sample of bids received to ensure that only bids received

timely were included on the bid opening attendance sheet and the bid tabulation. No exceptions were identified as a result of our testing.

D. Obtain a copy of the bid tabulation and verify its accuracy.

For the same projects selected in step 2B above, we obtained bid tabulations for a sample of bidders and traced base bid amounts from the bid to the bid tabulation to verify accuracy. No exceptions were identified as a result of our testing.

E. Verify the District has practices in place to select qualified design firms for the projects in the building program. Document significant changes, if any, implemented since the May 21, 2014 report on the District's 1 cent Sales Tax Building Program. Verify significant changes were substantiated and reasonable.

We made inquiries of management regarding the policies and procedures in place to select qualified design firms for the projects to determine whether the District is selecting firms based on its criteria. Changes to this process are documented above in Step 1 (see *). We examined a sample of five projects and the architects selected for each project and verified the procedures followed were consistent with our inquiries of management. No exceptions were identified as a result of our testing.

F. Verify the District has procedures in place to advertise and select qualified contractors who have the past experience, qualified project teams, project approaches and financial stability to successfully construct these schools within budget and schedule. Document significant changes, if any, implemented since the May 21, 2014 report on the District's 1 cent Sales Tax Building Program. Verify significant changes were substantiated and reasonable.

We requested a copy of the policies and procedures from the District and inquired with management regarding advertising practices. From the sample of contractors selected in steps 2A and 2E above, we reviewed the applicable pre-qualification plans and technical evaluation reports to ensure selections are in line with guidelines established by the District. We interviewed key District personnel regarding their evaluation of contractors to understand the approach to the evaluation process. We also observed advertising mechanisms used by the District. Advertising forums used include "South Carolina Business Opportunities" published by the state's Material Management Office, "Post & Courier", and "Charleston Chronicle". No exceptions were identified as a result of our testing.

3. Verify procedures are in place to ensure the District is obtaining the most favorable type of contract for the District and the project.

The acquisition committee, consisting of the COO, the Construction Procurement Officer and the Construction Manager, determines which type of contract to recommend to the Superintendent based on timing, complexity of the project and budget. We performed the following procedures to determine that the District was following its guidelines for contract-type selection:

- Examined a listing of the program quality assurance committee, signifying this committee had been established.
- Sighted signed non-disclosure certificates and a statement of financial interest for each member of the committee.
- Sighted copy of technical rating given to each of the selected contracts.
- Sighted signature of superintendent on the memorandum cover sheet, signifying concurrence with the selection.

4. *We will determine that original contracts and all revisions (if applicable) were properly approved.*

A. *Verify the District has a change management process in place.*

We made inquiries of management and documented the change order management process in place. There are multiple levels of review and scrutiny involved in the change management process. The levels of review and approval vary depending on the magnitude of the change, which were tested in step 4E below. These levels of review include meetings, manual signature for approval and electronic approval. No exceptions were identified in Step 4E below.

B. *Verify the District has controls and practices for scope changes that include approval by the Construction Management program director to ensure the change is valid; the contracting office to ensure contract compliance; and the program manager to ensure there are sufficient funds within the project budget to pay for the change before directive is given to the contractor.*

We documented controls and practices for scope changes based on inquiries with management and examination of formal policies and procedures. We selected a sample of five projects that were ongoing during the period under evaluation and selected 20% of the change orders issued for each project during the period to test that change order approvals made by the construction management program director were in compliance with the contract, and that there were sufficient funds within the project budget to pay for the change before directive was given to the contractor. No exceptions were identified as a result of our testing.

C. *Verify the District has processes in place to review the reason code for all changes and the value of the changes and proposed change orders are in the system.*

We made inquiries and documented policies in place for the review of reason codes and proposed change orders ("PCO's") in the system. For the sample selected in step 4B above, we examined the underlying support for the value of the changes and whether a reason code was provided. In all cases a reason code was provided. No exceptions were identified as a result of our testing.

D. *Verify the District has clearly defined "emergency issues" and has processes in place to address emergency issues in a timely manner.*

We inquired with management regarding "emergency issues" and documented their understanding of the definition and the processes in place to handle these in a timely manner. Per our inquiry of management, emergency issues are the responsibility of the onsite contractor. If additional costs are incurred as a result of an onsite emergency, the District follows the change management process included as part of step 4A above. Any safety issues, delays, quality related issues, change orders, and other construction related issues are discussed and resolved at weekly operations meetings. The same issues are covered at the Level II executive meetings which occur on a monthly basis.

E. *Verify District controls are in place to ensure adherence with established levels of authority.*

We documented the District's policy that ensures the established levels of authority are followed. For the sample selected in step 4B above, we tested proper authorization for scope changes to ensure policies and procedures are being followed. See step 1 above and information below for changes to this process effective during the period.

Prior to July 11, 2016, approval limits for change orders were as follows:

- COO for capital programs can approve scope changes up to \$50,000
- Superintendent can approve changes up to \$250,000
- All scope changes in excess of \$250,000 and all out of scope changes must be approved by the Board of Trustees (the "Board")

The limits detailed below were presented to the audit and finance committees on July 11, 2016 as information only items. The District has implemented these limits for manual change orders, but the limits detailed above (effective prior to July 11, 2016) continue to be followed in the District's accounting software, Munis.

Procurement Contracts and Purchase Order Approval Authorities

Authority Limit	Approval Authority
\$5,000,000 and over	Superintendent
\$3,000,000 to \$4,999,999.99	CFO
\$1,000,000 to \$2,999,999.99	Director, Contracts and Procurement
\$500,000 to \$999,999.99	Procurement Officer
\$0 to \$499,999.99	Purchasing Agent, Purchasing Supervisor, Purchasing Tech

Procurement Requisition Approval Authorities

Authority Limit	Approval Authority
\$1,000,000 and over	Superintendent
\$500,000 to \$999,999.99	CFO/COO
\$100,000 to \$499,999.99	Executive Director, Associate Superintendent
\$50,000 to \$99,999.99	Director
\$0 to \$49,999.99	Officer

No exceptions were identified as a result of our testing.

5. *We will verify that project budgets are accurate and updated timely, and our procedures will include comparing project budgets with available proceeds to identify funding shortfalls.*

We inquired with management and examined procedures related to the budgeting process. We selected a sample of ten capital project financial reports presented to the Board covering the period under evaluation to verify that budget processes are being followed. We made necessary inquiries and documented our understanding of the processes in place to identify any project shortfalls. Project budgets are initially approved by the Board and changes to the budget must follow the change management process assessed in steps 4A and 4E above. We reviewed the Board minutes and the Board action item noting the initial budget approval. The change management process was tested as part of step 4 above. We also inquired with management and the construction manager regarding cash flow management.

In our testing of a sample of ten capital project financial reports, we compared the reports presented to the Board to the general ledger for consistency. We identified certain inconsistencies between general ledger reports and information presented to the Board. These discrepancies were due to timing. For example, the Board reports were prepared prior to when final adjustments were made in Munis. All discrepancies were identified by management prior to our testing and corrected in the months following the Board presentations selected.

6. *We will verify compliance with any covenants, ensuring that expenditures are reasonable and that the funds are being properly spent on appropriate projects and in compliance with the “waves” approved by the Board.*

We inquired with management and were informed that there are no covenants associated with the Program. We selected a sample of 45 expenditures to determine they were expended on the respective projects in compliance with the Board approved waves. No exceptions were identified as a result of our testing.

7. *We will ensure that payments to contractors were properly approved and in accordance with the contract, to include (if applicable):*

A. *Verify reasonableness of the method used to calculate progress payments and ensure there is a clear correlation between the payment processed and the percentage of work completed.*

We selected a sample of 45 payments and inspected the application for payment and the certificate of payment. We also verified the amount charged to the project was a project cost that fell within the budgeted waves approved by the Board. We noted the method used to calculate progress payments was consistent between projects tested and approval was required from several involved parties in order for the payment to be processed. No exceptions were identified as a result of our testing.

B. *Verify reasonableness of the method used to calculate retention (Note: retention amounts should be documented in the contract in order to be enforceable) and ensure that appropriate retention amounts are withheld based on contracts and state law.*

We recalculated retention on a sample of 45 transactions and compared to actual retention withheld. No exceptions were identified as a result of our testing.

C. *Ensure payments made by the District are being made timely and in compliance with state law - the Prompt Payment Act.*

For the sample of 45 payments selected in step 7A, we examined payment dates to ensure payments were made in accordance with the Prompt Payment Act, which states payments must be made 30 days from receiving the payment request. No exceptions were identified as a result of our testing.

D. *Verify the District has a process in place to encumber funds for the contracts that have been approved by the Board prior to award.*

We made necessary inquiries and examined the process in place for encumbrances for contracts approved by Board prior to award. For a sample of five contracts, we obtained a list of all encumbrances pertaining to the original contract amount within Munis and selected one encumbrance to agree to the approved purchase requisition. No exceptions were identified as a result of our testing.

8. *We will verify that construction-in-progress (CIP) balances are appropriately stated.*

We tested a sample of 50 CIP additions for classification, accuracy and cutoff. We did not identify any exceptions as a result of our CIP additions testing. Based on our inquiries of management, we identified that CIP is transferred to the fixed assets ledger once annually prior to the financial statement audit. We selected a sample of five projects that were transferred from CIP to the fixed assets ledger during the period and examined support for substantial completion of the projects for the appropriate date placed in service. We did not identify any exceptions as a result of our testing.

9. *We will determine that the District's fixed asset records reflect costs associated with completed construction projects, and that these costs were transferred from construction-in-progress to the appropriate capital asset category in a timely manner. This includes:*

A. *Verify that procedures for closing out contracts follow a structured process involving final acceptance of the contractor's work and receipt of acceptable documentation required by contractual terms.*

We documented our understanding of the procedures for closing out contracts based on discussions with management and examined a sample of four closeout packages for projects closed out as of May 31, 2017. During our testing, we noted that closeouts ranged from 8 months to 2 years after certificates of occupancy were issued. Per management, this is due to additional steps needed to finalize a contract; however, subsequent to the period under evaluation, a new contract was signed with Cumming (project management consultant) where projects are required to be closed out within 90 days of substantial completion or Cumming must provide valid reasons for the delay.

B. *If there is a post-performance evaluation, determine who is responsible for the preparation and that the evaluation was completed prior to closeout.*

We documented the controls surrounding the post-performance evaluations for architects and engineers, as well as contractors. We examined post-performance evaluations for five of the projects to test that the evaluations were in compliance with the controls in place and completed prior to closeout. No exceptions were identified as a result of our testing.

- C. *Verify processes are in place to ensure the “level II executive meetings on the projects to review schedules, changes, submittals, RFI’s, and safety and quality control on all projects” are held.*

We documented our understanding as to the purpose of level II executive meetings as well as weekly operational meetings and the policies and procedures surrounding the meetings. We examined the detailed notes from a sample of four meetings and tested for reviews of schedule, changes, submittals, RFI’s, safety and quality control. No exceptions were identified as a result of our testing.

- D. *Verify processes are in place to ensure “the District uses approved 1/17 inspectors on all projects to ensure code compliance.”*

We selected a sample of five projects and verified that the inspectors used for the Chapter 1/17 inspection on these projects were properly licensed. No exceptions were identified as a result of our testing.

10. *We will review the 1% sales tax building program internal controls to ensure they are being followed as designed.*

We examined internal control documentation relating to the 1 cent sales tax building program. Any key controls not covered by previous testing were tested at this point by inquiring with management, examining supporting documentation and observing transactions. We inquired with management regarding the policies and procedures in place for cash receipts, revenue recognition and cash flow management. No exceptions were identified as a result of our internal control documentation and testing.

11. *We will review the reliability, validity, and relevance of financial information presented to the Board.*

We sampled ten capital project financial reports presented to the Board and compared to actual reports from the District’s general ledger. While reconciling Board reports to the general ledger, we identified several projects where expenditures per the Board reports were not consistent with expenditures per the general ledger. This was due to the timing of year end expenditures being recorded in Munis, and when reports are run for input to the capital project financial reports and presentation to the Board. All discrepancies were identified by management prior to our testing and corrected in the months following the Board presentations selected.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion, on the financial statements of the District. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use by management of the Charleston County School District, the Board of Trustees and the Citizens Oversight Committee, and is not intended to be and should not be used by anyone other than these specified parties.



Charleston, South Carolina
August 24, 2017

Appendix A
DISTRICT REQUESTED PROCEDURES
1 CENT SALES TAX BUILDING PROGRAM

The proposed agreed-upon procedures related to the District's 1 Cent Sales Tax Building Program for 2011-2016, from January 1, 2014 through May 31, 2017 are as follows:

1. Verify the District has established clear standards to successfully manage the 2011-2016 building program. Document significant changes, if any, implemented since the May 21, 2014 report on the District's 1 cent Sales Tax Building Program. Verify significant changes were substantiated and reasonable.
2. We will determine that capital construction contracts awarded during the period were awarded in compliance with applicable rules and regulations;
 - Verify that bid bonds and certificates of insurance were properly received and are current (if applicable). What are the processes the District has in place to ensure all contractors and subs are insured and have performance bonds?
 - Ensure that all bids were received prior to the deadline were included in the bid tabulation and traced bidders to the bid opening attendance sheet.
 - Determine that bids received after bid opening are returned, unopened, to the bidder after documenting the time and date of receipt.
 - Obtain a copy of the bid tabulation and verify its accuracy.
 - Verify the District has practices in place to select qualified design firms for the projects in the building program. Document significant changes, if any, implemented since the May 21, 2014 report on the District's 1 cent Sales Tax Building Program. Verify significant changes were substantiated and reasonable.
 - Verify the District has procedures in place to advertise and select qualified contractors who have the past experience, qualified project teams, project approaches and financial stability to successfully construct these schools within budget and schedule. Document significant changes, if any, implemented since the May 21, 2014 report on the District's 1 cent Sales Tax Building Program. Verify significant changes were substantiated and reasonable.
3. Verify procedures are in place to ensure the District is obtaining the most favorable type of contract for the District and the project.
4. We will determine that original contracts and all revisions (if applicable) were properly approved.
 - Verify the District has a change management in place.
 - Verify the District has controls and practices for scope changes that includes approval by the Construction Management program director to ensure the change is valid; the contracting office to ensure contract compliance; and the program manager to ensure there are sufficient funds within the project budget to pay for the change before directive is given to the contractor.
 - Verify the District has processes in place to review the reason code for all changes and the value of the changes conformed and proposed change orders are in the system.
 - Verify the District has clearly defined "emergency issues" and has processes in place to address emergency issues in a timely manner.
 - Verify District controls are in place to ensure adherence with established levels of authority.

5. We will verify that project budgets are accurate and updated timely, and included comparing project budgets with available proceeds to identify funding shortfalls.
6. We will verify compliance with any covenants, ensuring that expenditure are reasonable and that the funds are being properly spent on appropriate projects and in compliance with the “waves” approved by the Board.
7. We will ensure that payments to contractors were properly approved and in accordance with the contract, to include (if applicable):
 - Verify reasonableness of the method used to calculate progress payments and ensure there is a clear correlation between the payment processed and the percentage of work completed,
 - Verify reasonableness of the method used to calculate retention (Note: retention amounts should be documented in the contract in order to be enforceable.) and ensure that appropriate retention amounts are withheld based on contracts and state law.
 - Ensure payments made by the District are being made timely and in compliance with state law-the prompt payment act.
 - Verify the District has a process in place to encumber funds for the contracts that have been approved by the Board prior to award.
8. We will verify that construction-in-progress balances are appropriately stated.
9. We will determine that the District’s fixed asset detail records reflect costs associated with completed construction projects, and that these costs were transferred from construction-in-progress to the appropriate capital asset category in a timely manner. This includes:
 - Verify that procedures for closing out contracts follow a structured process involving final acceptance of the contractor’s work and receipt of acceptable documentation required by contractual terms.
 - If there is a post-performance evaluation, determine who is responsible for the preparation and that the evaluation was completed prior to closeout.
 - Verify processes are in place to ensure the “level II executive meetings on the projects to review schedules, changes, submittals, RFI’s, and safety and quality control on all projects.”
 - Verify processes are in place to ensure “the District uses approved 1/17 inspectors on all projects to ensure code compliance.”
10. We will review the 1% sales tax building program internal controls to ensure they are being followed as designed.
11. We will review the reliability, validity, and relevance of financial information presented to the Board.