WCCUSD COCPT
Agenda, April 22, 2019

Citizens Oversight Committee for Parcel Taxes (COCPT)

Meeting Agenda

Monday, April 22, 2019, 5:30 PM – 7:00 PM
Alvarado Adult School, 5625 Sutter Street, Room 2, Richmond, CA 94804

Purpose of Committee: "The Board appoints the Citizens Oversight Committee for Parcel Taxes to ensure that the tax funds are spent according to ballot measure language and to report annually to the Board and to the public regarding the expenditure of such monies. The Board shall receive the report of the Committee at a regular public meeting in January of each year."

(WCCUSD Board Policy BP 1221)

1. **Call to Order** – Chairperson Jen Komaromi
2. **Roll Call**

Name	Group (Board Policy BP1221)	Term Start	Term End
Hawi Abraham	WCCUSD Youth Commission	1.17.18	1.16.20
Elisabeth Bundschu-Mooney	United Teachers of Richmond	10.18.17	10.17.19
Genoveva Calloway	West County Mayors Association	10.3.18	10.2.20
Jose DeLeon	West Contra Costa Administrators Association	10.18.17	10.17.19
Ann Guiam	Youth Program Leader	11.14.18	11.13.20
Anton Jungherr	Contra Costa Taxpayers Association	1.3.18	1.2.20
Jen Komaromi	Chamber of Commerce	10.18.7	10.17.19
Francie Kunaniec	Classified Staff Unions	10.18.17	10.17.19
Sarah Salazar	CA Charter Schools Association	11.14.18	11.13.20
Emily Watson	Parent Teacher Association	1.17.18	1.16.20
VACANT	Parent Teacher Organization	n/a	n/a

3. **Introduction of Visitors**
4. **Approval of Agenda**
   The committee is being asked to approve the agenda.
5. **Public Comments** (Items not on agenda. The public may also speak on individual agenda items of interest as the items are discussed)
6. **Approval November 5, 2018 and January 14, 2019 Minutes**
   The committee is being asked to review and approve minutes from the November 5, 2018 and January 14, 2019 meetings. ***(November p. 1-7; January p 8-9)***

Recommendation: Approve the November 5, 2018 and January 14, 2019 Minutes as presented.

7. **Discussion of Parcel Tax Compliance Reports**
   Review and discuss the attached memo on parcel tax compliance reports prepared by Anton Jungherr. *(p. 10 - 38)*

8. **Review WCCUSD Measure G Parcel Tax Audit Reports, June 30, 2018, June 30, 2017 and June 30, 2016**
   See attached Measure "G" June 30, 2018 audit report that was accepted by the Board of Education on March 20, 2019. *(p. 39 - 51)*

9. **Approve COCPT Annual Board of Education Report FY 2016 - 18**
   See attached COCPT Annual Report to the Board of Education FY2016-18 for approval prepared by Anton Jungherr.. *(p. 52 - 56)*

   Recommendation: Approve the COCPT Annual Report to the Board for FY2016-18.

10. **Approve Nomination of COCPT Representative to District Budget Engagement Committee**
    See the attached background information. *(p. 57)*

    Recommendation: To approve the nomination of a COCPT representative to the District Budget Engagement Committee.

11. **Review Members Term Expirations Dates**
    There are five members whose terms expire October 2019 and five members whose terms expire January 2020. These members will have the ability to either extend for an additional two-year term or terminate their memberships.

    Recommendation: To approve an additional two-year term for those members wishing to extend their COCPT membership.

12. **Schedule Next Meeting – Monday, February 10, 2020 at 5:30 PM**
    The purpose of this meeting would be to approve the COCPT FY2019 Annual Report.

    Recommendation: To approve the next scheduled meeting date for the COCPT.

13. **Comments from Members**

14. **Adjournment**

Citizens Oversight Committee for Parcel Taxes (COCPT)
Minutes
November 5, 2018
5:00 PM

Alvarado Adult Education, Room 1
5625 Sutter Street, Richmond

Members Present: Elizabeth Bundschu-Mooney, Jose DeLeon, Anton Jungherr, Jen Komaromi, Francie Kunaniec, Emily Wilson

Members Absent: Hawi Abraham, Genoveva Calloway

Vacant Positions: Youth Program Leader (Ann Guiam appointed November 14, 2018), California Charter Schools Association (Sarah Salazar appointed November 14, 2018), Parent Teacher Organization

Staff Present: Dr. John al-Amin, Vince Morales and Denise Cifelli

Board Members: Tom Panas

Chairperson Bundschu-Mooney called the meeting to order at 5: 10 PM.

1. Public Comments — none

2. Welcome and Introductions

   Committee Members, Board Member and staff introduced themselves.

3. Approval of March 27, 2018 Minutes
   Minutes were approved as presented in the agenda packet.

4. Election of Chairperson

   Elizabeth Bundschu-Mooney nominated Jen Komaromi as Chairperson for a one-year term November 5, 2018 through November 4, 2019. This nomination was seconded and unanimously approved by voice vote. Ms. Komaromi assumed the Chair.

5. Review of Committee Purpose
   Dr.al-Amin reviewed Board of Education Policy BP 1221 in regards the purpose, composition, terms, staff responsibility, Committee responsibility and meeting schedule of the COCPT.

   Anton Jungherr distributed a Memorandum addressed to the COCPT dated November 5, 2018, RE: COCPTAnnual Reports FY2016 through FY2018. See attached Memorandum.

6. Parcel Tax Expenditures
   The Committee had an extensive discussion regarding the requirement for charter schools, per the existing Settlement Agreement, to submit their annual audit reports to the District, including a schedule on the parcel tax revenues and expenditures. None of the charter schools who received parcel tax monies in FY2016 and FY2017 have submitted audit reports with the required schedule.

7. Establish Meeting Dates —January 14, 2019 at 5:30 PM, Alvarado Adult Education

8. Good of the Order - none

9. Adjournment
   Chairperson Komaromi adjourned the meeting at 5:54 PM.

Anton Jungherr

Contra Costa Taxpayers Representative
WCCUSD Citizens Oversight Committee for Parcel Taxes
Jungherr3@aol.ocm
510.697.7212 cell

November 5, 2018

TO: WCCUSD Citizens Oversight Committee for Parcel Taxes (COCPT)

From: Anton Jungherr

Re. COCPT Annual Reports FY2016 through FY2018

The COCPT has not provided FY2016, FY2017 and FY2018 Annual Reports to the Board of Education " . to ensure that tax funds are spent according to ballot measure language ... ."

At the April 11, 2018 Board of Education meeting, Elizabeth Bundschu-Mooney, Chair COCPT, presented the attached unauthorized annual reports for FY 2016, FY2017 and FY2018.

- COCPT never saw this report.
- COCPT did not approve this report.
- This report is not a report from the COCPT.

Attached is a proposed outline that could be used for the preparation of the COCPT Annual Reports.

Anton Jungherr cc: WCCUSD Board of Education, Superintendent Duffy, President Jack Weir, CoCoTax

Attachments

- Ms. Bundschu-Mooney April 11, 2018 Report to the Board of Education
- Proposed Annual Report Outline

Presented to WCCUSD Board on April Il, 2018

Good Evening Superintendent Duffy, Board Members and Staff,

My name is Elizabeth Bundschu-Mooney and I am here as the UTR representative an chair of the Citizens Oversight Committee for Parcel Taxes (COCPT)

On behalf of the committee, I am here to give you an annual report as outlined in t e Board policy for Parcel Taxes. The COCPT has reviewed the Parcel Tax Expenditures for 201 -16 and 2016-17 school years and the current 2017-18 and have found that WCCUSD has met a I the requirements. We received the Charter School Expenditures and they outlined that the had spent the Parcel Tax money but did not supply the audit report that outlines how they spent it.

The staff has prepared a letter to the Charter requesting this information for the last three years. We hope to have the information at our next meeting. We have concluded ou meetings for the 2017-18 year and will reconvene in September or October at which point witl review this information and supply you with an update.

We are striving to be transparent with our findings, so we can ensure the voters of t community that the expenditures are being spent according to the ballot measure language and to report to you and the public in a timely fashion,

We continue to have a full roster with the exception of an appointment by the mayo office. We would like to present our annual report to you at a future Board of Education meeting after we have had time to review all of the member requested reports to insure we are following the ballot measure and reassuring the public with our findings.

I can report that the parcel tax funds are making a difference with the largest amount of Measure G funds that have been allocated towards Library, Counselors and Athletics. It also appears that the charter schools are benefitting from the parcel tax allotment and we hop their detailed information will confirm this. If you request any further information. I am always happy to provide that for you.

Thank you.

Elizabeth Bundschu-Mooney

WCCUSD January 10, 2018
Citizens Oversight Committee for Parcel Taxes (COCPT)
Annual Report FY 2017 — Proposed Outline

Annual Report FY 2017
Proposed Outline

Requirement for report

Purpose of Report

. shall meet to prepare an annual report to the Board that reconciles parcel tax expenditures with programs and positions funded by the tax measurer(s).',

"The Committee will review the annual audit of the parcel tax expenditures.' ,

"The Committee will review enrollment and expenditure data from charter schools to ensure that those schools are also in compliance with authorizing provisions ofthe measure.,,

"The following meeting cycle is recommended, with additional meetings scheduled as needed:

- "September preliminary meeting to review adopted budget and Committee scope of work, and to orient new members.
- "November: working meeting to analyze data and prepare report to the Board.
- "January: presentation to Board at a regularly scheduled public meeting.' .

Summary Board Policy BP1221

Members

Four Parcel Taxes Measures- Summary

Expenditures FY2017 and Program Impact

Audit Reports including requirement and history

Charter Schools

History of COCPT

Website

WCCUSD January 10, 2018
Citizens Oversight Committee for Parcel Taxes (COCPT)
Annual Report FY 2017 — Proposed Outline

Appendices

Board Policy BP 1221

Measure B

Measure D

Measure G

Measure T

California Charter School Agreement

Table of Parcel Taxes Expenditures, Tax rates, etc. — FY2005 thru FY2017 (actuals) and FY 2018 -FY2020 budget displayed in $1 ,000 by nine program areas identified in parcel tax measures

Audit Report FY2017

Summary of Meetings

Links

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77 Anton Jungherr

Citizens Oversight Committee for Parcel Taxes (COCPT)
January 14, 2019
Minutes

Alvarado Adult Education, Room 2
5625 Sutter St., Richmond, CA

1. **Call to Order**
   Chairperson Jen Komaromi called the meeting to order at 5:45 P.M.

2. **Roll Call**
   Members Present: Elizabeth Bundschu-Mooney, Anton Jungherr, Jen Komaromi, Sarah Salazar, Emily Wilson

   Board Member Present: Tom Panas

   Staff Present: Dr. John al-Amin, Denise Cifelli, Vince Morales

   Guests Present: Linda Delgado

   Members Absent: Hawi Abraham, Genoveva Calloway, Jose DeLeon, Ann Guiam, Francie Kunaniec

3. **Welcome New Members & Introduction of Visitors**
   Sarah Salazar introduced herself. Chairperson Komaromi explained the purpose of the committee.

4. **Public Comments**
   MOTION: Mr. Jungherr motioned to adjourn the meeting due to lack of a quorum.

   Dr. al-Amin advised the Chair her options were to ask for a second or, as Chair, could adjourn the meeting, or elect to continue meeting discussion without taking action on any items.

   Chairperson Konaromi elected to adjourn the meeting at 5:55 P.M. She advised the committee date options for the next meeting would be sent out via email.

5. **Approval of Agenda**
6. **Approval November 5, 2018 Minutes**
7. **Review Charter Public Schools Settlement Agreement & Audited Parcel Tax Expenditures Approve Annual Report FY2016-FY2018 Framing Document**
8. **Discuss and/or Approve Status Report to Board of Education for January 23, 2019**
9. **Approve Appointment of an Ad Hoc Subcommittee to Draft Annual Report**
10. **Review Status WCCUSD Parcel Tax Audit Report FY2018**

11. Approve Nomination of COCPT Representative to District Budget Engagement Committee

12. Review Status of Appointment of Parent Teacher Organization Representative

13. Member Directory

14. Adjournment

/dc

Parcel Tax Compliance Reports

Purpose

The purpose of this report is to review FY2016-FY2018 conformity with the following four (4) compliance reports:

- District's Parcel Tax Annual Audit Reports
- District's Chief Fiscal Officer [1] Annual Reports
- District's Oversight Committee Annual Board of Education Reports
- Charter Schools Annual Audit Reports

Summary of Findings

District's Audit Reports

The District's FY2016-18 $29.6 million audited actual expenditures were only for the purposes approved by the voters in Measure "G" except the District did not spend any monies during this period for the following three (3) purposes approved by the voters in Measure "G":

- Preparing students for college and the workforce
- Providing classroom computers
- Supporting science laboratories

During these same three fiscal years the District paid charter schools $1.7 million (6% of total expenditures) as required by the January 27, 2016 Settlement Agreement with the California Charter School Association.

District did not have independent third-party parcel tax audits performed for FY2005 through FY2014.

District's FY2015 parcel tax audit did not display expenditures in accordance with the ballot language parcel tax purposes.

The Audit Report Parcel Tax Sub-Fund Ended Fund Balance at June 30, 2016, 2017 and 2018 do agree with the calculated Ended Balances.

[1] For WCCUSD this position is the Associate Superintendent for Business Services.

District's Chief Fiscal Officer's [2] Reports

District's Chief Fiscal Officer did not file with the Board of Education any of the required annual reports for the FY2005 through FY2018.

District's Oversight Committee Board of Education Reports

The District's oversight committee did not provide a FY2010 report to the Board of Education.

The District's oversight committee's FY2011 through FY2015 annual reports provided a review of only **budgeted** expenses, not **actual** expenses.

COCPT is late in submitting FY2016-18 annual reports to the Board of Education, which are due in January of each year for the prior fiscal year ended June 30

Charter Schools' Audit Reports

Charter Schools FY2016-18 audited actual expenditures were only for the purposes approved by the voters in Measure "G" for the six (6) charter schools that submitted audit reports and the six (6) charter schools that did not submit audited reports but did submit unaudited actual reports.

Two (2) charter schools (Manzanita Middle and Richmond College Preparatory) did not submit FY2018 audit reports displayed by purpose or unaudited actuals reports by purpose and therefore, their total expenditures of $89,000 are displayed as one unknown lump sum number and are not displayed by purpose.

No charter schools provided parcel tax revenue and expenditure information in their FY2016 and FY2017 audit reports.

Four (4) charter schools did not provide parcel tax revenue and expenditure statements in their FY2018 audit reports for FY2016 through FY2018:

- Amethod: Benito Juarez Elementary
- Amethod: Richmond Charter Academy
- Amethod: John Henry High School
- Richmond College Preparatory.

Making Waves Academy FY2018 audit report did not display parcel tax expenditures by ballot language purposes for FY2016, FY2017 and FY2018.

Manzanita Charter Middle School FY2018 audit report did not display parcel tax expenditures by ballot language purposes for FY2016, FY2017 and FY2018.

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[2] Ibid.

For the FY2016 through FY2018 a total of $1,676,822 was paid to charter schools. Of this total only 51.5% of the expenditures by ballot language purposes were confirmed by independent third-party audit reports.

Purpose

The purpose of this report is to review FY2016-FY2018 conformity with the following four (4) compliance reports:

- District's Parcel Tax Annual Audit Reports
- District's Chief Fiscal Officer Annual Reports
- District's Oversight Committee Annual Board of Education Report
- Charter Schools Annual Audit Reports

These four (4) compliance reports provide the Board of Education and taxpayers the best information on the oversight of the parcel tax expenditures.

Each of these four (4) compliance reports are discussed below.

District's Parcel Tax Annual Audit Reports

The ballot language of each measure (B, D, G and T) requires the District to perform an annual parcel tax audit starting with FY2005.

See Attachment A for a detailed review of this matter and findings.

The ended Parcel Tax Sub-Fund balance at June 30, 2016, 2017 and 2018 do not agree with the audit reports for those fiscal years. See Attachment B for details for this matter and finding.

District's Chief Fiscal Officer [3] Annual Reports

California Government Code Section 50075.3 has the following requirements for all parcel tax measures:

"The chief fiscal officer (WCCUSD Associate Superintendent Business Services) of the file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain both of the following: (a) The amount of funds collected and expensed. (b) the status of any project required or authorized to be funded as identified in subdivision (a) of Section 50075.1"

Each of the four (4) Parcel Tax Measures (B 2004, D 2008, G 2012 and T 2016) included the following accountability provision like California Government Code Section 50075.3:

"No later than January 1 (except December 31 for Measure T) of each year while the tax is in effect, commending January 1, 2005 (except January 1, 2010 for Measure D, January 1, 2014 for Measure G and January 1, 2020 for Measure T), the chief fiscal officer of the District shall

[3] For WCCUSD this is the Associate Superintendent Business Services.

prepare and file with the Board of Education a report detailing the amount of funds collected and expended during the prior fiscal year , and the status of any project or description of any programs authorized to be funded by this measure."

No evidence was found to document that these required annual reports were filed with the Board of Education.

See Attachment A for a detailed review of this matter and findings.

District's Oversight Committee Annual Board of Education Reports

"The Board appoints the Citizens Oversight Committee for Parcel Taxes to ensure that the tax funds are spent according to ballot measure language and to report annually to the Board and to the public regarding the expenditure of such monies. The Board shall receive the report of the Committee at a regular public meeting in January of each year

"... shall meet to prepare an annual report to the Board that reconciles parcel tax expenditures with programs and positions funded by the tax measurer(s)."

"The Committee will review the annual audit of the parcel tax expenditures."

"The Committee will review enrollment and expenditure data from charter schools to ensure that those schools are also in compliance with authorizing provisions of the measure." (WCCUSD Board Policy BP 1221)

It is noted that the former COCPT Chairperson at the April 11, 2018 Board of Education meeting submitted to the Board under public comments a one page written annual report for FY2016, FY2017 and FY2018 that was **not authorized** by the COCPT. A new Chairperson was elected at the next COCPT meeting.

See Attachment A for a detailed review of this matter and findings.

Charter Schools Annual Audit Reports

As part of the January 27, 2016 Charter Schools Settlement Agreement charter schools receiving parcel tax monies are required to submit annual parcel tax audits to the District starting with FY2016.

Lawsuit: On May 6, 2014 California Charter Schools Association (a not-for-profit California Corporation) filed a complaint against West Contra Costa Unified School District for violation of equal protection and unlawful discrimination. [4] The complaint alleged:

- The general purpose of Measure G parcel tax was to improve the quality of education for all public-school students in WCCUSD.

[4] Superior Court of the State of California, County of Contra Costa, Case No. C14-00901.

- The District excluded charter public schools and charter public school students from the benefits of the parcel tax.
- The exclusion of charter public schools violates equal protection as guaranteed by the California Constitution.
- The exclusion resulted in unlawful discrimination in violation of California Government Code.

Settlement Agreement: On January 27, 2016 the parties signed a Settlement Agreement and Release and Covenant Not to Sue. See Attachment D for complete Exhibit 1 to Settlement Agreement.

The key terms of the Settlement Agreement were:

- Charter schools give up their claim for parcel tax monies for the years prior to and including FY 2015.
- District will share the percent shown in the table below of the charter school proportionate of parcel tax:

Table 1: Charter School allocation Percentage

Fiscal Year	Share to Charters
FY 2016	25%
FY 2017	50%
FY 2018	50%
FY 2019	75%
FY 2020 and beyond	100%

- The per student proportionate share for charter school is determined as follows for each fiscal year (July 1 to June 30):

Table 2: Per Student Charter School Allocation Example

Line ID	Factor	Formula	Example
A	District enrollment October		28,717
B	Charter enrollment October all schools, District residents only		2,630
C	Total enrollment	A + B	31,347
D	Total fiscal year parcel tax revenue		$9,699,098
E	Parcel tax revenue per student	D/C	$309

- The total fiscal year allocation to each charter school is determined as follows:

Table 3: Fiscal Year Charter School Allocation Example

Line ID	Factor	Formula	Example
A	Charter school October enrollment (example charter school)		425
B	Parcel tax revenue per student (see table above)		$309
C	% adjustment factor for this fiscal year (assume FY 2016 25% per table above)		25%
D	Adjusted parcel tax revenue per student	B x C	$77
E	Total parcel tax allocation for this fiscal year for this example charter school	A x D	$32,725

- Each charter school shall be solely responsible for ensuring that the parcel taxes are spent consistent with the purposes of the Measure G parcel tax ballot language:
  - "protecting core academics - reading, writing, math and science
  - "attracting and retaining qualified teachers
  - "preparing students for college and the work force
  - "providing smaller class sizes for the youngest children
  - "providing classroom computers and technology
  - "improving safety on and around our campuses
  - "supporting after-school programs to keep kids away from gangs and drugs
  - "supporting science laboratories, materials and activities
  - "supporting libraries"

- Having each school's independent auditor include in the annual audit report provided to the District a separate schedule of revenue and expenses related to the parcel tax monies displayed by the programs in the parcel tax ballot language (see nine programs listed above).

Parcel Tax Revenues: The table below shows the total receipt of parcel tax revenues and the allocation between District public schools and charter public schools:

Table 4: Parcel Tax Revenue and Expenditures Allocation (amounts in millions of dollars)

Fiscal Year	Total Revenue	Total Expenses	District Expenditures		Charter Schools Expenditures	
			Amount	Percent	Amount	Percent
FY 2016 [5]	9.7	9.7	9.4	97	0.3	3
FY 2017 [6]	9.7	9.7	9.0	93	0.7	7
FY 2018 [7]	9.7	10.2	9.5	93	0.7	7

Attachments

A. District Compliance

B. Summary of Revenues and Expenditures Measure "G" Parcel Tax FY2015 through FY2018

C. Charter Schools Audit Reports

D. California Charter Schools Association Settlement Agreement. Exhibit 1 only, January 27, 2016

E. Delgado's Letter to Charter Partners, April 3. 2018

Anton Jungherr

[5] Measure "G" Parcel Tax Audit Report, June 30, 2016, Christy White Associates, pages 3-4
[6] Measure "G" Parcel Tax Audit Report, June 30, 2017, Christy White Associates, pages 3-4
[7] Parcel Tax Expenditures with Ballot Text Identification, July 1, 2017 – June 30, 2018, As of September 6, 2018, unaudited District Report to COCPT. Note that $553,588 move was spent in this fiscal year than received in this fiscal year. Fund balance from prior year was only $129,476. Therefore, it appears than General Fund monies of $424,112 was used to support parcel tax purposes including funding charter public schools.

Attachment A

Attachment A

205

206 ## Attachment A: District Compliance

207

Fiscal Year	Measure ID	Audit Done (A)	Audit Reviewed by Oversight Committee	Audit Display (B)	Chief Fiscal Officer's Report Done (C)	Oversight Committee Annual Report to Board (D)
FY 2005	B - 2004	No	Not required	No audit	None	Not required
FY 2006	B - 2004	No	Not required	No audit	None	Not required
FY 2007	B - 2004	No	Not required	No audit	None	Not required
FY 2008	B - 2004	No	Not required	No audit	None	Not required
FY 2009	B - 2004	No	Not required	No audit	None	Not required
FY 2010	D - 2008	No	No audit	No audit	None	None
FY 2011	D - 2008	No	No audit	No audit	None	Yes (F)
FY 2012	D - 2008	No	No audit	No audit	None	Yes (F)
FY 2013	D - 2008	No	No audit	No audit	None	Yes (F)
FY 2014	D - 2008	No	No audit	No audit	None	Yes (F)
FY 2015	G – 2012 (E)	Yes	No	Object	None	Yes (F)
FY 2016	G - 2012	Yes	Yes (G)	Object/Purpose	None	Yes (G)
FY 2017	G - 2012	Yes	Yes (G)	Object/Purpose	None	Yes (G)
FY 2018	G - 2012	Yes	Yes (G)	Object/Purpose	None	Yes (G)

208

209 A. Each of the parcel tax ballot measures B, D and G had this provision: "Parcel tax funds
210 shall also be subject to an annual independent financial audit which shall be made public
211 … including posting on the District's website."
212
213 B. **Object** display is by object code only, i.e. salaries, employee benefits, books and
214 supplies, etc. and not by parcel tax ballot measure stated purposes for use of parcel tax.
215 An **Object/Purpose** display is both by **Object** and in addition by **Purpose** displaying
216 each parcel tax ballot measure purpose and then by object under each purpose.
217
218 C. Each Parcel Tax Measure (B, D, G) had this requirement, "No later than January 1 of
219 each year while the tax is in effect …, the chief fiscal officer of the District [8] shall
220 prepare and file with the Board of Education a report detailing the amount of funds
221 collected and expended during the prior fiscal year, … ."
222

[8] For WCCUSD this is the Associate Superintendent Business Services.

Government Code Section 50075.3 also has the same requirement.

There is no evident that any of the Chief Fiscal Officer reports were filed with the Board of Education for any of the fiscal year FY2005 through FY2018.

D. Prior to FY2010 there was no requirement Board of Education requirement for a parcel taxes oversight committee. For Measure D staring with FY2010 the Board of Education on July 13, 2011 assigned parcel taxes oversight responsibilities to an existing advisory committee, Community Budget Advisory Committee (CBAC). The CBAC had responsibilities to oversee all District budgets including parcel taxes.

The CBAC July 13, 2011 amended Charter required the CBAC to annually communicate with the School board whether parcel tax monies were spent on the designated purposes in Measure D.

On May 11, 2016 the Board of Education approved Administrative Regulation 3000 to terminate the CBAC and to establish the District Budget Engagement Committee (DBEC). This new DBEC had oversight responsibilities for all District budget except parcel taxes.

Subsequently, on May 26, 2016 the Board of Education by Board Policy BP 1221 established the Citizens Oversight Committee for Parcel Taxes (COCPT), whose sole responsibilities was parcel taxes oversight. This Board Policy was amended on June 28, 2017 to authorize the COCPT to appoint its own chair to conduct Committee business and to develop and implement bylaws.

E. Measure G – 2012 extended the parcel tax for an additional five year through FY 2019. On November 8, 2016 the votes approved Measure T that extended the tax eight fiscal years through June 30, 2027.

F. The Community Budget Advisory Committee (CBAC) submitted an annual Resolution to the Board of Education for each Fiscal Year 2011 through FY 2014 [9]. Each of these Resolutions has the statement, "The Committee finds that the expenditures **budgeted** for FY „, are within the stated purposes for Measure „, Funds." In all four (4) of these fiscal years the CBAC **did not** provide the Board of Education with an opinion on the **actual expenditures** by ballot language purposes because they were not provided with the actual expenditures and they were not provided with the required audits of actual expenditures.

For FY2015 annual resolution [10] had the same language on **budgeted** expenditures as the prior four (4) fiscal years. The FY2015 audit displayed actual expenditures by **object**

[9] See https://www.wccusd.net/Page/107.
[10] ibid

code only, therefore there was no audit of actual expenditures by ballot language purpose available for review.

G. Scheduled for COCPT April 22, 2019 meeting.

Findings

The District's FY2016-18 audited actual expenditures were only for the purposes approved by the voters in Measure "G" except the District did not spend any monies during FY2016-FY2018 for the following three (3) purposes approved by the voters in Measure "G":

- Preparing students for college and the workforce
- Providing classroom computers
- Supporting science laboratories

Measure "G" Purpose	Amount ($ 1,000's)	% of Total
Protecting core academics	$ 1,505	5
Attracting and retaining qualified teachers	10,145	34
Preparing students for college and the workforce	0	0
Providing smaller class sizes for the younger children	1,462	5
Improving safety on and around our campuses	1,935	7
Providing classroom computer	0	0
Supporting after-school program	3,869	13
Supporting science laboratories	0	0
Supporting libraries	8,985	30
Payment to Charter Schools (legal settlement, not in ballot)	1,677	6
Total expenditures	**$ 29,578**	**100**

District did not have independent third-party parcel tax audits performed for FY2005 through FY2014.

District's FY2015 parcel tax audit did not display expenditures in accordance with the ballot language parcel tax purposes.

District's Chief Fiscal Officer did not file with the Board of Education any of the required annual reports for the FY2005 through FY2018.

The District's oversight committee did not provide a FY2010 report to the Board of Education.

The District's oversight committee's FY2011 through FY2015 annual reports provided a review of only **budgeted** expenses, not **actual** expenses.

COCPT was late in submitting FY2016-18 annual reports to the Board of Education, which are due in January of each year for the prior fiscal year ended June 30.

Anton Jungherr

Attachment B

Attachment B

Summary of Revenues and Expenditures
Measure "G" Parcel Tax
FY2015 through FY2018

Attachment B

	A	B	C	D	E
1	**Description**	**FY2015**	**FY2016**	**FY2017**	**FY2018**
2	The purpose of this workshhet is to display the parcel tax revenues and expenditures for FY201				
3	through FY2018 per the District's Measure "G" annual audit reports.				
4					
5	The beginning and ended Parcel Tax Sub-Fund balances are also displayed and compared with the				
6	audit reports for each respective fiscal year.				
7					
8	**Revenues**				
9	Parcel Tax	9,699,098	9,708,868	9,665,450	9,650,041
10	Transfer from Unrestricted General Fund	-	-	-	553,588
11	Total Revenues	9,699,098	9,708,868	9,665,450	10,203,629
12					
13	**Expenditures**				
14	District Schools	10,122,900	9,425,585	9,007,420	9,468,117
15	Charter Schools	-	283,283	658,030	735,512
16	Total Expenditures	10,122,900	9,708,868	9,665,450	10,203,629
17					
18	Excess Revenues Over Expenditures	(423,802)	-	-	-
19	Beginning Sub-Fund Balance	679,341	255,341	255,341	255,341
20	Ended Sub-Fund Balance	255,539	255,341	255,341	255,341
21					
22	Audit Ended Sub-Fund Balance	255,539	120,616	129,476	142,264
23					
24	Difference line 14 - line 16	-	134,725	125,865	113,077
25					
26					
27	Source: Measure "G" Audit Reports for each fiscal year.				
28					
29					
30	**Computation of Beginning Sub-Fund Balance July 1, 2014**				
31	Sub-Fund Balance June 30, 2015 per audit	255,539			
32	Add: FY2015 Expenditures over Revenues	423,802			
33	Sub-Fund Balance July 1, 2014	**679,341**			
34					
35					
36	**Finding**				
37	As shown on line 24 above there are the following differences between the audit report				
38	Ended Sub-Fund Balance and the calculated Ended Balance:				
39	June 30, 2016	134,725			
40	June 30, 2017	125,865			
41	June 30, 2018	113,077			
42					
43	Anton Jungherr				

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Attachment C

Attachment C

Attachment C: Charter Schools Audit Reports

Charter Schools	Submitted Audit Report			Parcel Tax Note Included in Audit Report		
	FY 2016	FY 2017	FY 2018	FY 2016	FY 2017	FY 2018
Amethod: Benito Juarez Elementary	yes	yes	yes	no	no	see
Amethod: Richmond Charter Academy	yes	yes	yes	no	no	below
Amethod: John Henry High School	yes	yes	yes	no	no	
Aspire: Richmond California College Preparatory Academy	yes	yes	yes	no	no	
Aspire: Richmond Technology Academy	yes	yes	yes	no	no	
Caliber Beta Academy	yes	yes	yes	no	no	
Leadership Public Schools: Richmond	yes	yes	yes	no	no	
Making Waves Academy	yes	Yes	no	no	no	
Manzanita Middle	yes	yes	yes	no	no	
Richmond College Preparatory	yes	yes	yes	no	no	
Summit Public School K2	yes	yes	yes	no	no	
Summit Public Schools: Tamalpais (started August 1, 2016)	n/a	yes	yes	n/a	no	

As displayed above none of the charter school audit reports for FY2016 or FY2017 included a statement of Measure "G" parcel tax revenue and expenditures (displayed by ballot language purpose) as required by the January 27, 2016 Settlement Agreement.

On April 3, 2018 the District directed charter schools to include in their FY2018 audit reports a schedule providing this information for FY2016, FY2017 and FY2018. See attachment E for a copy of this directive.

The table below displays the response of the charter schools to this District directive:

Charter Schools FY 2018 Audits Schedule of Expenditures by Purpose FY2016 – FY2018	Audited Schedule Done by Purpose [11]	Audited Schedule Done by Object [12]	Schedule Not Done [13]	Unaudited Actuals Used [14]
Amethod: Benito Juarez Elementary			X	X
Amethod: Richmond Charter Academy			X	X
Amethod: John Henry High School			X	X
Aspire: Richmond California College Preparatory Academy	X			
Aspire: Richmond Technology Academy	X			
Caliber Beta Academy	X			
Leadership Public Schools: Richmond	X			
Making Waves Academy		X		X
Manzanita Middle		X		X
Richmond College Preparatory			X	X
Summit Public School K2	X			
Summit Public Schools: Tamalpais	X			

The Charter Schools January 27, 2016 Settlement Agreement provides, "...having their auditor include in the annual audit provided to the District a separate balance sheet reflecting the revenues and expenses related to the expenditures of parcel tax monies. Additionally, each Parcel Tax Qualifying Charter School shall be solely responsible for providing an annual summary of their expenditures of parcel tax proceeds with titles aligned to applicable parcel tax ballot language so the District may comply with Measure G's obligation to perform an annual independent financial audit; ... ."

In the opinion of the author, the requirement for a "**balance sheet**" is clearly a drafting error in the Settlement Agreement. A "**balance sheet**" is a financial statement of the financial position of an organization at a moment of time, a presentation of assets, liabilities and fund balance.

The Settlement Agreement goes on to require "annual summary of their expenditures of parcel tax with titles aligned to applicable parcel tax ballot language so the District may comply with Measure G's obligation to perform an annual independent financial audit; ... ."

[11] Expenditures were displayed by ballot language purpose as required by Settlement Agreement for FY2016. FY2017 and FY2018.
[12] Expenditures were displayed by object (salaries, etc.) not by ballot language purpose for FY2016, FY2017 and FY2018.
[13] No parcel tax schedule was included in the FY2018 audit report as directed by the District for FY2016, FY2017 or FY2018.
[14] For the purpose of preparing a consolidated statement, shown below, of charter school expenditures by ballot language purpose the FY2016, FY2017 and FY2018 unaudited actuals were used for these charter schools.

It is clear to the author that the requirement is to include in their annual audits an audit note displaying Parcel Tax Revenue and Expenses with expenses displayed by parcel tax ballot language purposes.

The nine (9) Measure G Parcel Tax Purposes (FY2016 through FY2018) are as follows:

- "protecting core academics – reading, writing, math and science,
- "attracting and retaining qualified teachers,
- "preparing students for college and the workforce,
- "providing smaller class sizes for the younger children,
- "providing classroom computers and technology,
- "improving safety on and around our campuses,
- "supporting after-school programs to keep kids away from gangs and drugs,
- "supporting science laboratories, materials and activities,
- "supporting libraries."

COCPT at their January 24, 2018 meeting discussed charter school expenditures to ensure compliance with the January 17, 2016 California Charter Schools Association Settlement Agreements regarding audited actual expenditures. A COCPT member brought this matter to the attention of the District staff.

COCPT was informed at their March 27, 2018 meeting that for FY2016 and FY2017 that no charter schools provided in their audit reports the required statement of the revenues and expenditures of parcel tax monies.

COCPT at their March 27, 2018 meeting requested the District to ask charter schools to include in their FY2018 audits a display of parcel tax revenue and expenses for three years, FY2016, FY2017 and FY2018.

Subsequent to the COCPT March 27, 2018 meeting Dr. Linda Delgado, WCCUSD Charter Oversight, sent her April 3, 2018 letter to charter schools requesting that this information be included in the FY2018 audits. See Attachment E.

Making Waves Academy submitted information in their FY2018 audit for FY2016, FY2017 and FY2018. However, the expenditures were displayed by object code only (salaries and wages, other employee benefits and information technology supplies). Therefore, it cannot be determined if audited expenses were made in accordance with the Measure G purposes.

Manzanita Charter Middle School submitted information in their FY2018 audit for FY2016, FT2017 and FY2018. However, the expenditures were displayed by object code only (salaries and wages and other employee benefits). Therefore, it cannot be determined if audited expenses were made in accordance with the Measure G purposes.

Four (4) charter schools who submitted FY2018 audits did not include the required FY2016, FY2017 and FY2018 parcel tax statement of revenues and expenditures:

- Amethod: Benito Juarez Elementary
- Amethod: Richmond Charter Academy
- Amethod: John Henry High School
- Richmond College Preparatory

For the FY2016 through FY2018 a total of $1,676,822 was paid to charter schools. Of this total 51.5% of the expenditures by ballot language purposes were confirmed by independent third-party audit reports.

COCPT at their January 24, 2018 meeting brought to the attention of District staff that charter schools were not in compliance with submitting audited expenditures for FY2016 and FY2017.

Findings

Charter Schools FY2016-18 audited actual expenditures were only for the purposes approved by the voters in Measure "G" for the six (6) charter schools that submitted audit reports and the six (6) charter schools that did not submit audited reports but did submit unaudited actual reports.

Two (2) charter schools (Manzanita Middle and Richmond College Preparatory) did not submit FY2018 audit reports displayed by purpose or unaudited actuals reports by purpose and therefore, their total expenditures of $89,000 are displayed below as one unknown lump sum number and are not displayed by purpose.

Measure "G" Purpose	Amount ($1,000's)	% of Total
Protecting core academics	$ 270	16
Attracting and retaining qualified teachers	104	6
Preparing students for college and the workforce	545	32
Providing smaller class sizes for the younger children	32	2
Improving safety on and around our campuses	0	0
Providing classroom computers	278	17
Supporting after-school program	331	20
Supporting science laboratories	0	0
Supporting libraries	28	2
Unknown (Manzanita + Richmond College Preparatory FY2018) [15]	89	5
Total expenditures	**$ 1,677**	**100**

No charter schools provided parcel tax revenue and expenditure statements in their FY2016 and FY2017 audit reports.

[15] The District was not able to provide to the author these two (2) FY2018 reports which the respective charter schools claimed were submitted to the District twice.

Four (4) charter schools did not provide parcel tax revenue and expenditure information in their FY2018 audit reports for FY2016. FY2017 and FY2018:

- Amethod: Benito Juarez Elementary
- Amethod: Richmond Charter Academy
- Amethod: John Henry High School
- Richmond College Preparatory.

Making Waves Academy FY2018 audit report did not display parcel tax expenditures by ballot language purposes for FY2016, FY2017 and FY2018.

Manzanita Charter Middle School FY2018 audit report did not display parcel tax expenditures by ballot language purposes for FY2016, FY2017 and FY2018.

For the FY2016 through FY2018 a total of $1,676,822 was paid to charter schools. Of this total only 51.5% of the expenditures by ballot language purposes were confirmed by independent third-party audit reports.

Anton Jungherr

Attachment D

Attachment D

Approved w/ clarification 1.29.15

EXHIBIT [1]

~~TENTATIVE~~ AGREEMENT
CALIFORNIA CHARTER SCHOOLS ASSOCIATION v.
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT,
Superior Court Case No: C14-00901, ADR Case No: 15-3977-RSF

The following is a tentative agreement subject to approval by the California Charter Schools Association (hereafter CCSA), the West Contra Costa Unified School District (hereafter District or WCCUSD), and Bruce Harter:

1. Upon approval and execution of a settlement agreement, that includes the terms noted herein between CCSA, WCCUSD, and Bruce Harter Case No C14-00901 in the Contra Costa Superior Court will be dismissed with prejudice by CCSA and all parties will bear their own attorney's fees and costs;
   a. CCSA and the charter schools listed in Exhibit A (upon execution of a Parcel Tax Qualifying Charter School Release and Covenant Not to Sue) will give up any claim they may have had for parcel tax monies for the years prior to and including the fiscal year 2014-2015;
   b. Notwithstanding any existing provision in any Memorandum of Understanding or any other written agreement entered into between the District and a charter school, the District shall begin sharing Measure G parcel taxes with the charter schools listed in Exhibit A, as outlined herein, beginning with the 2015/2016 school year as follows:
      i. 25% of the charter school proportionate share for the 2015/2016 school year;
      ii. 50% of the charter school proportionate share for the 2016/2017 school year;
      iii. 50% of the charter school proportionate share for the 2017/2018 school year;
      iv. 75% of the charter school proportionate share for the 2018/2019 school year;
      v. The proportionate share for each charter school shall be determined as follows: the applicable enrollment shall be District resident students enrolled in district-operated schools and students who are District residents enrolled in one of the charter schools listed in Exhibit A (or enrolled in a charter school claiming parcel tax proceeds in accordance with section [1][b][ix] below)(referred to as "Parcel Tax Qualifying Charter School") determined by using the CalPADS report for October in each school year. Acknowledging that CalPADS figures do not distinguish between in-district and out-of-district residents, each charter school anticipating receipt of funds pursuant to the terms of this agreement will provide the District with the first and last name and SSID for each enrolled student at least one calendar month prior to each payment due date as established in Paragraph 1(b)(vii) below. The District may use this student information only for purposes of verifying residency of the students. The District shall not use the documents provided pursuant to this paragraph to contact the students or his/her parents without the express written approval of the charter school. The District shall combine the Parcel Tax Qualifying Charter School and District enrollment (of in-district residents, only), and divide this combined enrollment by the total parcel taxes to be received by the District for the applicable school year to derive a per student amount of parcel taxes; the charter school proportionate share shall be the

per student amount of parcel taxes (as determined above) multiplied by the Parcel Tax Qualifying Charter School's in-district students for the applicable school year ("proportionate share")(e.g., for the 2014/2015 school year the calculation would be as follows [This calculation is an example only and assumes that all Parcel Tax Qualifying Charter School and District students are District residents – it is only an example]: District enrollment was 28,717 and Parcel Tax Qualifying Charter School's enrollment was 2,630. The combined enrollment is 31,347. The District's parcel tax proceeds were $9,699,098 for 2014/2015 school year. The per student amount of funding would equal $309 per student. The Parcel Tax Qualifying Charter School proportionate share would be $309 x 2,630);

vi. The District shall pay each Parcel Tax Qualifying Charter School the proportionate share per in-district students as noted in the CalPADS report for the applicable charter school as noted above;

vii. The amounts owed, as calculated herein, shall be made directly to each Parcel Tax Qualifying Charter School as follows: 75% of the payment paid to each Parcel Tax Qualifying Charter School no later than Jan. 15 each school year, except in 2016 when, owing to the timing of negotiations, the payment shall be made within thirty (30) days after the effective date of the Settlement Agreement related to the litigation described hereinabove and all student demographic documentation required by section 1(b)(v) hereinabove; and the remaining 25% paid to each Parcel Tax Qualifying Charter School no later than May15 each school year;

viii. Each Parcel Tax Qualifying Charter School receiving parcel taxes shall be solely and individually responsible for ensuring that the parcel taxes are spent consistent with the purpose of the Measure G parcel tax. In addition, each Parcel Tax Qualifying Charter School receiving parcel taxes shall be solely responsible for having their auditor include in the annual audit provided to the District a separate balance sheet reflecting the revenues and expenses related to the expenditure of parcel tax monies. Additionally, each Parcel Tax Qualifying Charter School shall be solely responsible for providing an annual summary of their expenditures of parcel tax proceeds with titles aligned to applicable parcel tax ballot language so the District may comply with Measure G's obligation to perform an annual independent financial audit; and

ix. All charter schools listed in Exhibit [A] hereto shall be referred to as a "Parcel Tax Qualifying Charter School" as well as any new charter schools that operate within the District, and are chartered by the District, or the Contra Costa County Board of Education on appeal from a charter petition denied by the District or a county-wide charter school, or the State Board of Education on appeal from a charter petition denied by the District or a statewide charter school. Each Parcel Tax Qualifying Charter School shall participate in the parcel tax distribution noted herein upon the non-profit organization operating the respective charter school, if any, executing the Parcel Tax Qualifying Charter School Release and Covenant Not to Sue (attached to the Settlement Agreement) which shall include the obligation to provide enrollment data as required by Paragraph 1(b)(v) hereinabove. Any memorandum of understanding negotiated between the District and a charter school shall include information about this Tentative Agreement and a charter school's right to share in parcel taxes.

c. The District may place a Parcel Tax Measure on the June 7, 2016 or November 8, 2016 ballots. If the District passes a new parcel tax measure during the current parcel tax measure (i.e., Measure G) the District shall provide the Parcel Tax Qualifying Charter Schools identified in Section [b] above with 100% of the proportionate share of the new parcel tax measure funding. If the new parcel tax measure takes effect upon the expiration of the current parcel tax measure (i.e., Measure G) then the District shall continue to share Measure G funding with the Parcel Tax Qualifying Charter Schools per the terms of this agreement and shall share the new parcel tax at 100 % proportionate share. If a new parcel tax measure supersedes the current parcel tax measure then the District shall share the new parcel tax funding at 100% proportionate share and the distribution of current parcel tax measure (Measure G) shall cease upon the effective date of the new parcel tax measure;

d. CCSA shall be allowed to participate in the District planning of any new parcel tax measure that may be put on a ballot during the current parcel tax measure. The District shall provide CCSA advance notice of any meeting in which District staff are gathering as part of District business to discuss any new parcel tax that the District is contemplating submitting to the electorate during the term of the current parcel tax measure;

e. If the parcel tax measure is not placed on the ballot in 2016, CCSA and the District agree to meet and confer about any future parcel tax measures. It is expressly agreed that there shall be no renegotiation of the figures set forth in Paragraph 1(b) hereinabove in the event a 2016 parcel tax measure fails or if no parcel tax measure is placed on a 2016 ballot; and

f. The District agrees to initiate the process, consistent with its bylaws, to adopt a District Board policy providing that charter school in-district students are entitled to an equal share of the distribution of any future parcel tax measures approved by the electorate. The District agrees to provide a draft copy of any proposed Board policy pursuant to this section to CCSA to allow its review and comment before taking action to approve said policy. CCSA acknowledges that future District Boards of Education may choose to amend or withdraw the Board policy approved as described herein.

2. This proposal requires the non-profit organizations operating each of the Parcel Tax Qualifying Charter Schools to agree in writing to the terms of this proposal and their understanding that they are giving up various litigation rights they may individually have regarding the current and all prior parcel taxes in the District.

EXHIBIT A

Charter School Name	Charter School Address
Aspire Richmond Ca. College Preparatory Academy	3040 Hilltop Mall Rd. Richmond, CA 94806
Aspire Richmond Technology Academy	3040 Hilltop Mall Rd. Richmond, CA 94806
Caliber Beta Academy	5100 Potrero Ave. Richmond, CA 94804-4445
John Henry High	251 South 12th St. Richmond, CA 94804-2411
Leadership Public Schools: Richmond	880 Bissell Ave Richmond, CA 94801-2411
Making Waves Academy	4123 Lakeside Dr. Richmond, CA 94806-1942
Manzanita Middle	2925 Technology Ct. Richmond, CA 94806-1952
Richmond Charter Academy	3200 Barrett Ave. Richmond, CA 94804-1718
Richmond College Preparatory	214 South 11th St. Richmond, CA 94804-2474
Richmond Charter Elementary – Benito Juarez	777 Sonoma St. Richmond, CA 94805-1534
Summit Public School K2	1800 Elm St. El Cerrito, CA 94530-1925

Attachment E

Attachment E

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
1108 Bissell Avenue
Richmond, CA 94801-3135

Matthew Duffy
Superintendent

Telephone: (510) 231-1101
FAX: (510) 236-6784

Dr. Linda Delgado
Charter Oversight
1105 Bissell Ave., Office #224
Richmond, CA 94801

April 3, 2018

Dear Charter Partners:

Please review the attached Parcel Tax Settlement Agreement and selected language (page 8) regarding respective responsibilities concerning accountability. It states that each Charter must have a separate balance sheet included in their annual audit that reflects revenues and expenses related to the expenditure of parcel tax monies. The agreement also requires each Charter School to provide an annual summary of expenditures of parcel tax proceeds, including titles aligned to applicable Parcel Tax ballot language to the school district. Your cooperation is a critical piece of this collaborative process that will enable the Charter schools and District to demonstrate compliance and accountability to the public.

Although the district is *in receipt of your self*-reported revenues and expenditures; you overlooked the audit requirement section for both the 2015-2016 and the 2016-17 school years. To correct this oversight; so that the public can count on your participation and compliance with the agreement, please have your audit include an audit of all three year's parcel tax revenues and expenditures. In the interim, we ask that you send the second part of the documentation required (Annual summary of expenditures of proceeds with titles aligned to the Parcel Tax language) by the end of each June annually to Ms. Jackie Kim (Jackie.Kim@wccusd.net), and Mr. Mount-Benites (Christopher.Mount-Benites@wccusd.net), and to my email (ldelgado@wccusd.net).

With Regards,

Dr. Linda Delgado

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

MEASURE G PARCEL TAX
AUDIT REPORT

JUNE 30, 2018

San Diego

Los Angeles

San Francisco Bay Area

christy white associates
A PROFESSIONAL ACCOUNTANCY CORPORATION

MEASURE G PARCEL TAX
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
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CONTENT

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INDEPENDENT AUDITORS' REPORT

Board of Directors
West Contra Costa Unified School District
Richmond, California

Report on Performance

We have conducted an audit of the West Contra Costa Unified School District Measure G for the year ended June 30, 2018.

Management's Responsibility

Management is responsible for ensuring that the District expended Measure G funds for the year ended June 30, 2018 only for the purposes approved by the voters, in accordance with the requirements of the published election materials specifying the intended use of Measure G proceeds.

Auditor's Responsibility

Our audit was limited to the objectives listed on page 5 of this report which included determining that the District expended Measure G funds for the year ended June 30, 2018 only for the purposes approved by the voters, in accordance with the requirements of the published election materials specifying the intended use of Measure G proceeds.

We conducted our performance audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives.

Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal controls of West Contra Costa Unified School District to determine if internal controls were adequate to help ensure the District's compliance with the requirements of the published election material specifying the intended use of Measure G proceeds. Accordingly, we do not express any assurance on the internal controls.

Opinion

In our opinion, West Contra Costa Unified School District expended Measure G funds for the year ended June 30, 2018 only for the purposes approved by the voters, in accordance with the requirements of the published election materials specifying the intended use of Measure G proceeds.

Christy White Associates

San Diego, California
March 11, 2019

MEASURE G PARCEL TAX
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
BACKGROUND INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018

SUMMARY

1. Measure G was authorized by an election of the registered voters of West Contra Costa Unified School District. Measure G was approved to protect core academic – reading, writing, math and science, attract and retain qualified teachers, prepare students for college and the workforce, provide smaller class sizes for the youngest children, provide classroom computers and technology, improve safety on and around district campuses, support after-school programs to keep kids away from gangs and drugs, support science laboratories, materials and activities, and support libraries for West Contra Costa Unified School District by collecting taxes of 7.2 cents per square foot of total building area on each parcel of taxable real property within the District or a tax of $7.20 per unimproved parcel of taxable real property.

2. Total proceeds from parcel taxes for Measure G were $9,650,041 for the year ending June 30, 2018. In addition, the District contributed $553,588 from unrestricted resources to the parcel tax sub-fund during the year ended June 30, 2018.

3. For the year ending June 30, 2018, the District recorded expenditures of Measure G parcel tax revenues of $10,203,629.

4. The West Contra Costa Unified School District maintains a separate cash in county sub-fund for the Measure G parcel tax, and as of June 30, 2018 the balance of this sub-fund was $142,264.

SUMMARY OF REVENUES AND EXPENDITURES

REVENUES		
Other local sources	$	10,203,629
Total Revenues	$	10,203,629
EXPENDITURES		
Certificated salaries	$	4,046,059
Classified salaries		1,547,036
Employee benefits		2,432,416
Books and supplies		788,222
Services and other operating expenditures		654,384
Transfers to charter schools		735,512
Total Expenditures	$	10,203,629

SUMMARY OF EXPENDITURES BY CATEGORY

Protecting core academics		
Books and supplies	$	724,200
Total		724,200
Attracting and retaining qualified teachers		
Certificated salaries		2,444,730
Employee benefits		995,402
Total		3,440,132
Improving safety on and around our campuses		
Classified salaries		371,874
Employee benefits		256,330
Services and other operating expenditures		31,540
Total		659,744
Supporting after-school programs		
Certificated salaries		577,539
Classified salaries		111,028
Employee benefits		128,988
Books and supplies		64,022
Services and other operating expenditures		622,844
Total		1,504,421
Supporting libraries		
Certificated salaries		1,023,790
Classified salaries		1,064,134
Employee benefits		1,051,696
Total		3,139,620
Payment to charter schools		735,512
Total Expenditures	$	10,203,629

OBJECTIVES

The objective of our performance audit was to determine that the District expended Measure G funds for the year ended June 30, 2018 only for the purposes approved by the voters, in accordance with the requirements of the published election materials specifying the intended use of Measure G proceeds.

SCOPE

The District provided to us a list of all Measure G expenditures for the year ended June 30, 2018. There were $10,203,629 in expenditures from July 1, 2017 through June 30, 2018 identified.

METHODOLOGY

1. Verified that the Measure G expenditures were accounted for separately in the accounting records of the District.

2. Verified that the net revenues received from the parcel taxes were deposited in total into the District's Measure G Sub-Fund.

3. Tested expenditures of each resource code ensuring that such expenditures were spent in accordance with the scope of the published material specifying the intended use of proceeds for the Measure G funds.

4. Testing performed (including those items above) included a sample of expenditures and employee payroll related expenditures totaling $6,074,949.

5. Tested exemptions granted to Senior Citizens to ensure approvals and denials are properly processed.

CONCLUSION

The results of our procedures indicated that, in all significant respects, West Contra Costa Unified School District expended Measure G funds for the year ended June 30, 2018 only for the purposes approved by the voters, in accordance with the requirements of the published election materials specifying the intended use of Measure G proceeds.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditors' Report

Board of Education
West Contra Costa Unified School District
Richmond, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of West Contra Costa Unified School District Measure G, as of and for the year ended June 30, 2018, which collectively comprise the West Contra Costa Unified School District Measure G's basic financial statements, and have issued our report thereon dated March 11, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered West Contra Costa Unified School District Measure G's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of West Contra Costa Unified School District Measure G's internal control. Accordingly, we do not express an opinion on the effectiveness of West Contra Costa Unified School District Measure G's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Contra Costa Unified School District Measure G's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Christy White Associates

San Diego, California
March 11, 2019

FINDINGS AND RESPONSES SECTION

MEASURE G PARCEL TAX
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

FIVE DIGIT CODE	AB 3627 FINDING TYPE
30000	Internal Control
60000	Miscellaneous

There were no findings for the year ended June 30, 2018.

MEASURE G PARCEL TAX
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

There were no findings for the year ended June 30, 2017.

Citizens Oversight Committee for Parcel Taxes (COCPT)
Annual Report to the Board of Education
FY2016 through FY2018
In Compliance with Board Policy BP 1221

Citizens Oversight Committee for Parcel Tax Membership:

Name	Group (Board Policy BP1221)	Term Start	Term End
Hawi Abraham	WCCUSD Youth Commission	1.17.18	1.16.20
Elisabeth Bundschu-Mooney	United Teachers of Richmond	10.18.17	10.17.19
Genoveva Calloway	West County Mayors Association	10.3.18	10.2.20
Jose DeLeon	West Contra Costa Administrators Association	10.18.17	10.17.19
Ann Guiam	Youth Program Leader	11.14.18	11.13.20
Anton Jungherr	Contra Costa Taxpayers Association	1.3.18	1.2.20
Jen Komaromi	Chamber of Commerce	10.18.7	10.17.19
Francie Kunaniec	Classified Staff Unions	10.18.17	10.17.19
Sarah Salazar	CA Charter Schools Association	11.14.18	11.13.20
Emily Watson	Parent Teacher Association	1.17.18	1.16.20
vacant	Parent Teacher Organization	n/a	n/a

Approved by the COCPT on April 22, 2019

Summary of Findings

District's Audit Reports

The District's FY2016-18 $29.6 million audited actual expenditures were only for the purposes approved by the voters in Measure "G" except the District did not spend any monies during this period for the following three (3) purposes approved by the voters in Measure "G":

- Preparing students for college and the workforce
- Providing classroom computers
- Supporting science laboratories

During these same three fiscal years the District paid charter schools $1.7 million (6% of total expenditures) as required by the January 27, 2016 Settlement Agreement with the California Charter School Association.

District did not have independent third-party parcel tax audits performed for FY2005 through FY2014.

District's FY2015 parcel tax audit did not display expenditures in accordance with the ballot language parcel tax purposes.

The Audit Report Parcel Tax Sub-Fund Ended Fund Balance at June 30, 2016, 2017 and 2018 do agree with the calculated Ended Balances.

District's Chief Fiscal Officer's [1] Reports

District's Chief Fiscal Officer did not file with the Board of Education any of the required annual reports for the FY2005 through FY2018.

District's Oversight Committee Board of Education Reports

The District's oversight committee did not provide a FY2010 report to the Board of Education.

The District's oversight committee's FY2011 through FY2015 annual reports provided a review of only **budgeted** expenses, not **actual** expenses.

COCPT is late in submitting FY2016-18 annual reports to the Board of Education, which are due in January of each year for the prior fiscal year ended June 30

[1] Ibid.

Charter Schools' Audit Reports

Charter Schools FY2016-18 audited actual expenditures were only for the purposes approved by the voters in Measure "G" for the six (6) charter schools that submitted audit reports and the six (6) charter schools that did not submit audited reports but did submit unaudited actual reports.

Two (2) charter schools (Manzanita Middle and Richmond College Preparatory) did not submit FY2018 audit reports displayed by purpose or unaudited actuals reports by purpose and therefore, their total expenditures of $89,000 are displayed as one unknown lump sum number and are not displayed by purpose.

No charter schools provided parcel tax revenue and expenditure information in their FY2016 and FY2017 audit reports.

Four (4) charter schools did not provide parcel tax revenue and expenditure statements in their FY2018 audit reports for FY2016 through FY2018:

- Amethod: Benito Juarez Elementary
- Amethod: Richmond Charter Academy
- Amethod: John Henry High School
- Richmond College Preparatory.

Making Waves Academy FY2018 audit report did not display parcel tax expenditures by ballot language purposes for FY2016, FY2017 and FY2018.

Manzanita Charter Middle School FY2018 audit report did not display parcel tax expenditures by ballot language purposes for FY2016, FY2017 and FY2018.

For the FY2016 through FY2018 a total of $1,676,822 was paid to charter schools. Of this total only 51.5% of the expenditures by ballot language purposes were confirmed by independent third-party audit reports.

Annual Report FY 2016 – FY 2018

This is the Citizens Oversight Committee for Parcel Taxes (COCPT Annual Report to the Board of Education for FY 2016, FY 2017 and FY 2018.

Purpose of COCPT: "The Board appoints the Citizens Oversight Committee for Parcel Taxes to ensure that the tax funds are spent according to ballot measure language and to report annually to the Board and to the public regarding the expenditure of such monies. The Board shall receive the report of the Committee at a regular public meeting in January of each year." (WCCUSD Board Policy BP 1221)

Purpose of This Report (Board Policy BP 1221)

"… shall meet to prepare an annual report to the Board that reconciles parcel tax expenditures with programs and positions funded by the tax measurer(s)."

"The Committee will review the annual audit of the parcel tax expenditures."

"The Committee will review enrollment and expenditure data from charter schools to ensure that those schools are also in compliance with authorizing provisions of the measure."

What is a parcel tax?

> "Parcel tax elections are held when a taxing district in California wants to raise revenues through imposing an additional tax called a parcel tax. Parcel taxes are a form of special property tax, which must be paid by the owners of parcels, or units, of real estate.
>
> "However, unlike standard property taxes, which are based on the value of the property, a parcel tax is an assessment based on the characteristics of the parcel. These assessments can include taxing a parcel based on square footage or by dwelling unit, or the tax may be a flat rate per parcel.
>
> "If approved by voters, parcel taxes can be imposed on public school districts and on other local units of government, including cities, counties, and special districts." (Ballotpedia Parcel tax elections in California, February 18, 2018)

As of 2017, California was the only state that allows parcel taxes as a method for funding schools.

Parcel Tax Governance

- California Constitution Article XIIIA
- California Government Code Sections 50075 et. seq.
- WCCUSD Board Policy BP 1221, Citizens Oversight Committee for Parcel Taxes

WCCUSD Parcel Tax Background

"On June 8, 2004, voters within the District approved a parcel tax to maintain reduced class sizes from kindergarten to third grade, purchase textbooks and teaching materials, attract and retain qualified teachers, aides and counselors, enhance core subjects, restore library services and athletic programs, and improve custodial services (the "Parcel Tax").

"The District annually collects 7.2 cents ($0.072) per square foot of total building area of buildings within the District's geographic boundaries, with annual exemptions (i) for residents who are 65 years of age or older or (ii) residents who receive Supplemental Security Income ("SSI") for a disability regardless of age.

"The Parcel Tax became effective on July 1, 2004 (Measure B)and was scheduled to expire on June 30, 2009. In November 2008 (Measure D), voters renewed the Parcel Tax, extending the current rate for an additional five years, beginning July 1, 2009 and ending June 30, 2014.

"On November 6, 2012 (Measure G), the voters of the District renewed the existing Parcel Tax and extended the current tax rate an additional five years through June 30, 2019.

"On November 8, 2016 (Measure T), the voters of the District extended the tax through June 30, 2027.

"In *Bypass 93 Properties, et al. v. West Contra Costa Unified School District* (Contra Costa County Superior Court Case No. C13-00024), filed on January 4, 2013, the plaintiffs sought to invalidate the imposition of the Parcel Tax. The District and the plaintiffs entered into a settlement agreement dated November 20, 2013 pursuant to which the parties have agreed to sever the following provision from Measure G: "or a tax of $7.20 per unimproved parcel of taxable real property."

"The Parcel Tax generated $9.7 million in fiscal year 2015-16 and [$9.7 million] in fiscal year 2016-17. The District has budgeted to receive $9.7 million from the Parcel Tax in fiscal year 2017-18.....

"As a result of the settlement of a lawsuit, the District shares a portion of the Parcel Tax proceeds it receives pursuant to Measure G with charter schools that operate within the District's boundaries." (WCCUSD Official Statement)

For a comprehensive summary of the COCPT review of various parcel tax compliance reports see *Parcel Tax Compliance Reports*, April 22, 2019.

COCPT Representative on District Budget Engagement Committee

Community Budget Advisory Committee Charter, approved by the Board of Education on July 13, 2011, stated that this Committee provide oversight to the Measure D (2008) Parcel Tax in addition to the regular District Budget.[1] Subsequently the oversight of the parcel tax measures was separated from that of the other District budgets. The last meeting of this Committee was held on May 19, 2016.

At the May 11, 2016 Board of Education meeting the Board approved the creation of the District Budget Engagement Committee (DBEC). Bylaws for this Committee were approved by the Board of Education on January 27, 2017. The purpose of this Committee is to review and understand the District's budget and make recommendations.

The DBEC has no parcel tax oversight responsibilities.

One of the eleven (11) DBEC members is a representative of the COCPT.

The COCPT on January 10, 2018 selected Ms. Elizabeth Bundschu-Mooney as it DBEC representative. The DBEC placed her in the one-year term July 1, 2017 to June 30, 2018. Ms. Bundschu-Mooney term has ended.

Anton Jungherr

[1] Parcel Tax Measure B (2004) did not require an oversight committee.