

WCCUSD



CITIZENS' BOND OVERSIGHT COMMITTEE

MEETING PACKET FOR: MARCH 9, 2020

1400 MARINA WAY SOUTH RICHMOND, CA 94804

NORMS OF BEHAVIOR

Every team has two components that team members must keep in mind if the team is going to succeed.

- The team must pay attention to the Committee's purpose.
- The team must also carefully shape and monitor the team process it uses to accomplish its purpose.

Team process includes:

- How team members interact with and communicate with each other
- How team members will be responsible and accountable for accomplishing the CBOC's purpose

These team norms or ground rules are established with all members of the team participating equally:

- Recognize cross-disciplinary interaction requires patience and openness to diverse perspectives
- All views are important
- Participation needs to be equitable and balanced
- Expect, respect, and accept disagreements
- Reducing defensiveness is the responsibility of all
- Be tough on issues not on each other
- Place cell phones on silent
- Read agenda packet before the meeting

CBOC Chair Don Gosney can be reached at:

Home Office: (510) 233-2060 Mobile: (510) 685-2403

email dongosney@comcast.net

CBOC members are requested to call or email if they are unable to attend a CBOC meeting

WCCUSD

CITIZEN'S BOND OVERSIGHT COMMITTEE

BASIC PARLIAMENTARY PROCEDURES

THE CBOC CONDUCTS THEIR AFFAIRS USING ROBERTS RULES OF ORDER

All discussions and actions go through the Chair.

All actions require a MOTION and a SECOND before proceeding.

- Once a MOTION has been seconded, it then belongs to the body.
- There is no such thing as a friendly (or unfriendly) amendment. Amendments are made and seconded, discussed and then the amendment is voted on for acceptance or rejection.
- If an amendment is passed, then the AMENDED MOTION is voted on.

Motions and amendments need to be clear and concise in what is being discussed and voted on. The CBOC does not vote on general ideas—they vote on specific language. Words matter.

A MOTION TO END DEBATE must be seconded and requires a 2/3 majority for passage.

- A MOTION TO TABLE is used to postpone the vote on an issue until a later date.
- A MOTION TO TABLE **cannot** be used as a means to kill a motion—only postpone it.
- When a MOTION TO TABLE is made, it must also be stated when the item is to be removed from the table for a vote.

Motions require a simple majority (50%+1 of those voting) for passage.

An ABSTENTION does not count as a 'YES' or a 'NO' vote. An ABSTENTION is used to validate that a quorum exists.

A quorum (50%+1 of the total number of CBOC members) must be present to vote on any issue.

A MOTION TO ADJOURN is always in order.

CBOC TABLET INSTRUCTIONS

(Tablet Has Touchscreen Function)

In an effort to reduce costs, as an alternative to a printed agenda packet, pre-loaded tablets are provided to the CBOC members and the public. A limited number of printed packets are still made available for both the CBOC and the public.

Login: CBOC

Password: cboc

LOG IN

1. Power button is on the left side at the top. Press it for a few seconds and it should blink white . (Tapping on this button can also be used to revive the computer if sleeping.)
2. Press Ctrl-Alt-Delete
3. The CBOC user account should appear . Type cboc (all lower case) for the password and press ENTER.
4. Click the CBOC link on the desktop. This will open up the Google Drive folder.
5. Click anywhere in the icon and it will open the pdf within Chrome.
 - a.single click (tap) on LINK to open back up documentation in a new tab

DOCUMENT NAVIGATION

Double Click/Tap—GOOGLE DRIVE LINK

Single Click/Tap on GOOGLE DOCUMENT—CBOC Packet Agenda

Single Click/Tap on LINK within the CBOC Packet Agenda—to OPEN DOCUMENT in NEW TAB

Return to GOOGLE DRIVE TAB for Agenda Packet

Right/Left Arrow—TO ACCESS ADDITIONAL DOCS (Not included in Agenda Packet)

CBOC TABLET CANNOT BE REMOVED FROM THE PREMISES

CBOC TABLET INSTRUCTIONS

(Tablet Has Touchscreen Function)

F A Q S

WIFI TROUBLESHOOTING

If the wifi is a problem (there's a wifi icon in the lower right on the login screen, also after you log in), you can click or tap this icon and select

WCCUSDADMIN and press the Connect button

(the password is saved so it shouldn't ask you.) If that doesn't work, try

WCCUSD BYOD.

ALTERNATIVE CBOC PACKET IN PDF WITHOUT LINKS

Click the CBOC pdf. The down arrow in the icon will download the pdf.

The download will appear on desktop.

Open the pdf (there is no link ability within the download file)

MAKE THE PDF LARGER

There's a magnifying glass icon in the pdf controls at the bottom, this will enlarge the pdf to fit the screen.

**CBOC TABLET CANNOT BE REMOVED FROM THE
PREMISES**



WCCUSD
CITIZENS' BOND OVERSIGHT COMMITTEE
Guadalupe Enllana Don Gosney Cameron Moore
Vice Chairperson Chairperson Secretary

A G E N D A

Monday March 09, 2020 at 6:15 PM

Note: Links in this document are PDFs on Google Drive. Clicking on the links should open the PDFs in a web browser on your computer. The full agenda packet may be viewed on the CBOC website or by clicking this link:

[03.09.20 CBOC Agenda Packet](#)

A) OPENING PROCEDURES

B) CALL TO ORDER/PLEDGE OF ALLEGIANCE

C) ROLL CALL

Sallie DeWitt, Don Gosney, Vanessa Hill, Lorraine Humes, Anton Jungherr, Cameron Moore, Guadalupe Enllana & Gregg Visineau
[8 members ~ 5 required for a quorum]

D) APPROVAL OF AGENDA

To discuss a Consent Calendar item, it must be removed from the agenda

E) PUBLIC COMMENTS FOR ITEMS NOT ON THE AGENDA

Items already on the agenda may not be spoken on in this section. Speakers must fill out a Speaker Form with the appropriate agenda item listed. Speakers will be allowed three minutes

WCCUSD

CITIZENS' BOND OVERSIGHT COMMITTEE

F) TELEPHONE CONFERENCE CALL WITH CHRISTY WHITE TO DISCUSS THE DRAFT FINANCIAL AUDIT

(Michael Ash, Audit Partner)

['20 Draft Financial Audit](#)

(Page 15 of 184)

[Prepared Questions for Financial Auditors](#)

(Page 31 of 184)

G) TELEPHONE CONFERENCE CALL WITH MOSS ADAMS TO DISCUSS THE DRAFT PERFORMANCE AUDIT

Stephen Bacchetti, Senior Manager Lawrence Stepovich, Manager

['20 Draft Performance Audit](#)

(Page 32 of 184)

[Prepared Questions for Performance Auditors](#)

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H) AUDIT SCHEDULES (Don Gosney)

D I S C U S S I O N O N L Y

[03.09.20 Audit Schedules](#)

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I) DEBRIEFING AND DISCUSSION OF THE DRAFT FINANCIAL AUDIT

D I S C U S S I O N O N L Y

J) DEBRIEFING AND DISCUSSION OF THE DRAFT PERFORMANCE AUDIT

D I S C U S S I O N O N L Y

WCCUSD

CITIZENS' BOND OVERSIGHT COMMITTEE

D I S T R I C T R E P O R T S

K) BOND PROGRAM PROJECTS STATUS and FINANCIAL REPORTS (Luis Freese/Melissa Payne)

Presentation on progress of current Bond Projects including newsletters and financial reports

D I S C U S S I O N O N L Y

[03.09.20 Facilities Master Plan Projects Update](#)

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[03.09.20 Michelle Obama ES Newsletter](#)

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[03.09.20 Richmond HS Newsletter](#)

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[03.09.20 Project Status Report - Crespi MS Gym Seismic Retrofit](#)

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[03.09.20 Project Status Report – Michelle Obama Elementary School](#)

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[03.09.20 Project Status Report - Richmond High School](#)

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[02.29.20 Consolidated Budget Report](#)

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[02.29.20 Consolidated Budget Report-2016 Master Plan Projects](#)

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[02.29.20 Report #13 Bond Program Financial Status](#)

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[02.29.20 Report #13A Variance Report](#)

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[03.09.20 Report 13 and Cash Flow variance](#)

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CITIZENS' BOND OVERSIGHT COMMITTEE

[03.09.20 Bond Program Change Order Status for Active Projects](#)

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[02.29.20 Report #2 Bond Program Spending to Date](#)

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[02.29.20 '19-'20 Accounts Payable Check List](#)

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[03.09.20 CBOC Project Management Plan \(PMP\)](#)

(Page 147 of 184)

[03.09.20 Bond Refunding Opportunities](#)

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L) BOARD OF EDUCATION LIAISON REPORT (Consuelo Lara)

D I S C U S S I O N O N L Y

C B O C R E P O R T S

CONSENT ITEMS

D I S C U S S I O N O N L Y

Unless pulled from the consent calendar by a member of the CBOC, staff or the public, consent items are approved without discussion

M) ADOPTION OF MINUTES (Cameron Moore)

[02.10.20 CBOC Draft Minutes](#)

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N) CBOC MEMBER INFORMATION REQUEST LOG (Don Gosney)

[03.09.20 CBOC Member Information Requests Status Log](#)

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O) APPROVED RECOMMENDATIONS BY THE CBOC (Don Gosney)

[03.09.20 CBOC Approved Recommendations](#)

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CITIZENS' BOND OVERSIGHT COMMITTEE

COMMITTEE REPORTS

P) CHAIRPERSON REPORTS (Don Gosney)

Reports on issues relevant to the operation of the CBOC,
future issues and reports to the Board of Education

D I S C U S S I O N O N L Y

[02.12.20 CBOC Chair Report](#)

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[02.26.20 CBOC Chair Report](#)

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Q) NECESSARY FINANCIAL REPORTS IN THE WORLD OF BUDGET DEFICITS (Don Gosney)

In light of the significant budget deficit facing the District, a
discussion is to be held to determine which reports are
necessary for the operation of the CBOC and
which might be excluded

A C T I O N I T E M S

Proposed Motion #1: The CBOC shall work with the WCCUSD staff to
determine which reports they need on a monthly basis, which they need on a
quarterly basis and which they do not need at all.

Proposed Motion #2: In an effort to show solidarity with staff, teachers and
other District employees whose jobs will suffer because of the current budget
deficit, the CBOC shall authorize staff to provide financial reports with the most
current data available at the time but without asking District staff to work
overtime.

R) FORENSIC AUDIT INVESTIGATION IMPLEMENTATION TASK FORCE (Melissa Payne)

Discussion centering on the status of the FAI Implementation Task Force
and the schedule for projected completion

D I S C U S S I O N O N L Y

[03.09.20 Implementation Task Force Update](#)

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CITIZENS' BOND OVERSIGHT COMMITTEE

S) ATTENDANCE REVIEW (Don Gosney)

Status reports on CBOC membership and efforts to fill vacancies.

D I S C U S S I O N O N L Y

[03.09.20 CBOC Roster](#)

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[03.09.20 CBOIC Attendance Review](#)

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T) TIMEKEEPING (Anton Jungherr)

Discuss FY2021 salaries and benefits charged to the Fund 21

Building Fund, the relationship of their efforts to the

Bond Program and the accounting of same

A C T I O N I T E M S

[03.09.20 Timekeeping System](#)

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U) BOARD POLICY 7214.2 UPDATE (Don Gosney)

Review current status of proposed amendments to

Board Policy 7214.2 covering the CBOC.

D I S C U S S I O N O N L Y

V) RESOLUTION 20-1 (Anton Jungherr)

Advise the WCCUSD Board of Education to adopt specific amendments to their practices and policies that would embrace

recommendations made by the Little Hoover Commission

A C T I O N I T E M S

[Resolution 20-1](#)

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W) CALENDAR (Don Gosney)

F O R I N F O R M A T I O N O N L Y

[03.09.20 CBOC Meetings Calendar](#)

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CITIZENS' BOND OVERSIGHT COMMITTEE

X) FUTURE AGENDA TOPICS

A C T I O N I T E M

Suggest and discuss issues that the CBOC and members of the public want to see brought up at future meetings

[03.09.20~Future Agenda Items Log](#)

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Y) ADJOURNMENT

NEXT SCHEDULED CBOC MEETING:

April 13, 2020

JOINT BOARD/CBOC MEETING

March 25, 2020

Disability Information

Upon written request to the District, disability related modifications or accommodations—including auxiliary aids or services—will be provided.

Please contact the Superintendent's Office at (510) 231-1101 at least 48 hours in advance of the meeting.

**2010 MEASURE D AND 2012 MEASURE E
BOND BUILDING FUND**

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

FINANCIAL AUDIT REPORT

**FOR THE YEAR ENDED
JUNE 30, 2019**

**2010 MEASURE D AND 2012 MEASURE E BOND BUILDING FUND
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
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JUNE 30, 2019**

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**2010 MEASURE D AND 2012 MEASURE E BOND BUILDING FUND
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
INTRODUCTION AND CITIZENS' BOND OVERSIGHT COMMITTEE MEMBER LISTING
JUNE 30, 2019**

The West Contra Costa Unified School District was established as the Richmond Unified School District on July 1, 1985, with the passage of AB 535, was renamed the West Contra Costa Unified School District on March 17, 1993. The District is comprised of an area of approximately 112 square miles located in Contra Costa County. There were no changes in the boundaries of the District during the current year. The District operates thirty-two elementary schools, five kindergarten through eighth schools, six middle schools, one middle-college high school, and six high schools. The District also maintains one special education pre-school, two alternative high schools, an elementary community day school, and a school for continuing adult education.

The general obligation bonds associated with Measure D were issued pursuant to the Constitution and laws of the State of California (the State), including the provisions of Chapters 1 and 1.5 of Part 10 Education Code Sections 15264 - 15288 of the California Education Code, and other applicable provisions of law. The bonds are authorized to be issued by a resolution adopted by the Board of Education of the District on March 3, 2010.

The District received authorization from an election held on June 8, 2010, to issue bonds of the District in an aggregate principal amount not to exceed \$380,000,000 to finance specific construction and renovation projects approved by eligible voters within the District. The proposition required approval by at least 55 percent of the votes cast by eligible voters within the District (the 2010 Authorization). The bonds represent Series A through E issuances of the authorized bonds issued under the 2010 Authorization, totaling \$315,000,000 as of June 30, 2019.

The general obligation bonds associated with Measure E were issued pursuant to the Constitution and laws of the State of California (the State), including the provisions of Chapters 1 and 1.5 of Part 10 of the California Education Code, and other applicable provisions of law. The bonds are authorized to be issued by a resolution adopted by Board of Education of the District on August 1, 2012.

The District received authorization from an election held on November 6, 2012, to issue bonds of the District in an aggregate principal amount not to exceed \$360,000,000 to finance specific construction and renovation projects approved by eligible voters within the District. The proposition required approval by at least 55 percent of the votes cast by eligible voters within the District (the 2012 Authorization). The bonds represent Series A through D issuances of the authorized bonds issued under the 2012 Authorization, totaling \$295,000,000 as of June 30, 2019.

Upon passage of Proposition 39, an accompanying piece of legislation, AB 1908 (Chapter 44, Statutes of 2000), was also enacted, which amended the Education Code to establish additional procedures which must be followed if a District seeks approval of a bond measure pursuant to the 55% majority authorized in Measure D and E including formation, composition and purpose of the Citizens' Bond Oversight Committee, and authorization for injunctive relief against the improper expenditure of bond revenues.

**2010 MEASURE D AND 2012 MEASURE E BOND BUILDING FUND
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
INTRODUCTION AND CITIZENS' BOND OVERSIGHT COMMITTEE MEMBER LISTING, CONTINUED
JUNE 30, 2019**

Governing Board

Member	Office	Term Expires
Tom Panas	President	December 2020
Stephanie Hernandez-Jarvis	Clerk	December 2020
Valerie Cuevas	Member	December 2020
Consuelo Lara	Member	December 2020
Mister Phillips	Member	December 2020

Citizens' Bond Oversight Committee

Name	Representation	Education Code Section
Don Gosney (Chairperson)	Richmond Resident	N/A
Kathy Fleming (Vice Chairperson)	El Cerrito Resident	N/A
Cameron Moore (Secretary)	Parent or Guardian & PTA Member	15282(a)(5)
Sallie DeWitt	Active in a Business Organization	15282(a)(1)
Vanessa Hill	Parent or Guardian	15282(a)(4)
Lorraine Humes	Active in a Bona Fide Taxpayers' Organization	15282(a)(3)
Anton Jungherr	Hercules Resident	N/A
Robson Swift	WCCUSD Student	N/A
Gregg Visineau	Active in a Senior Citizens' Organization	15282(a)(2)
Vacant	WCCUSD Employee Union	N/A
Vacant	Building Trades Council	N/A
Vacant	Pinole Resident	N/A
Vacant	Richmond Resident	N/A
Vacant	San Pablo Resident	N/A
Vacant	Unincorporated Area	N/A
Vacant	Unincorporated Area	N/A

INDEPENDENT AUDITORS' REPORT

Governing Board Members of
West Contra Costa Unified School District and the
Citizens' Bond Oversight Committee
Richmond, California

We have audited the accompanying financial statements of the 2010 Measure D and 2012 Measure E Bond Building Fund of West Contra Costa Unified School District (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the 2010 Measure D and 2012 Measure E Bond Building Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

As discussed in Note 1A, the financial statements present only the individual Proposition 39 Bond Building Fund, consisting of the net construction proceeds of the Measure D and E general obligation bonds as issued by the District, through the County of Contra Costa, and are not intended to present fairly the financial position of the District in conformity with generally accepted accounting principles.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the 2010 Measure D and 2012 Measure E Bond Building Fund of West Contra Costa Unified School District as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 2010 Measure D and 2012 Measure E Bond Building Fund's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February XX, 2020 on our consideration of the Measure D and E Bond Building Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Measure D and E Bond Building Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Measure D and E Bond Building Fund's internal control over financial reporting and compliance.

San Diego, California

February XX, 2020

FINANCIAL SECTION

**2010 MEASURE D AND 2012 MEASURE E BOND BUILDING FUND
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
BALANCE SHEET
JUNE 30, 2019**

	<u>Measure D</u>	<u>Measure E</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 62,081,766	\$ 29,754,991	\$ 91,836,757
Accounts receivable	168,862	89,114	257,976
Total assets	<u>\$ 62,250,628</u>	<u>\$ 29,844,105</u>	<u>\$ 92,094,733</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accrued liabilities	\$ 3,792,865	\$ 8,297,610	\$ 12,090,475
Total liabilities	<u>3,792,865</u>	<u>8,297,610</u>	<u>12,090,475</u>
FUND BALANCE			
Restricted for Measure D & E capital projects	58,457,763	21,546,495	80,004,258
Total liabilities and fund balance	<u>\$ 62,250,628</u>	<u>\$ 29,844,105</u>	<u>\$ 92,094,733</u>

The accompanying notes to financial statements are an integral part of this statement.

**2010 MEASURE D AND 2012 MEASURE E BOND BUILDING FUND
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Measure D</u>	<u>Measure E</u>	<u>Total</u>
REVENUES			
Local revenue	\$ 2,029,098	\$ 566,856	\$ 2,595,954
Total revenues	<u>2,029,098</u>	<u>566,856</u>	<u>2,595,954</u>
EXPENDITURES			
Facilities acquisition and construction	35,406,019	22,639,713	58,045,732
Total expenditures	<u>35,406,019</u>	<u>22,639,713</u>	<u>58,045,732</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(33,376,921)</u>	<u>(22,072,857)</u>	<u>(55,449,778)</u>
NET CHANGE IN FUND BALANCE	(33,376,921)	(22,072,857)	(55,449,778)
Fund Balance, July 1, 2018	<u>91,834,684</u>	<u>43,619,352</u>	<u>135,454,036</u>
Fund Balance, June 30, 2019	<u>\$ 58,457,763</u>	<u>\$ 21,546,495</u>	<u>\$ 80,004,258</u>

The accompanying notes to financial statements are an integral part of this statement.

**2010 MEASURE D AND 2012 MEASURE E BOND BUILDING FUND
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements include the activity and balances of the 2010 Measure D and 2012 Measure E General Obligation Bonds, only. The activities of the 2010 Measure D and 2012 Measure E General Obligation Bonds are recorded along with other activities in the District's Building Fund. These financial statements are not intended to present the financial position and results of operations of West Contra Costa Unified School District as a whole. There are no related parties or component units included in this financial statement presentation.

In accordance with Proposition 39, the Citizens' Bond Oversight Committee (CBOC), was established pursuant to the requirements of state law and the provisions of the 2010 Measure D and 2012 Measure E General Obligation Bonds. The CBOC is required by state law to actively review and report on the proper expenditure of taxpayers' money for school construction. The CBOC provides oversight and advises the public whether the District is spending the bond funds for school capital improvements within the scope of projects outlined in the Bond project list. In fulfilling its duties, the CBOC reviews, among other things, the District's annual performance and financial audits of the Measure D & E activity.

B. Accounting Policies

The District accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

The information presented is for the Measure D & E bond fund is reported on a modified accrual basis and does not include Capital Assets and Long-Term Debt. Capital Assets and Long-Term Debt are reported in the Government Wide financial statements in the District Audit Report.

C. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid.

D. Cash and Investments

In accordance with Education Code Sections 15357 and 41001, the District maintains a portion of its cash in the Contra Costa County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**2010 MEASURE D AND 2012 MEASURE E BOND BUILDING FUND
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, CONTINUED
JUNE 30, 2019**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds. By state law, the District's Governing Board must adopt a budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's Governing Board satisfied these requirements.

These budgets are revised by the District's governing board during the year to give consideration to unanticipated income and expenditures. Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

G. Fund Balance

Fund Balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The five classifications are *Nonspendable, Restricted, Committed, Assigned and Unassigned*. The category applicable to Proposition 39 bonds is the *Restricted* classification. The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

NOTE 2 – CASH AND INVESTMENTS

Summary of Cash and Investments

Cash and investments as of June 30, 2019 are classified in the accompanying financial statements as follows:

	Measure D	Measure E	Total
Cash in county treasury	\$ 50,792,959	\$ 12,606,638	\$ 63,399,597
Cash with fiscal agent	939,128	6,798,674	7,737,802
Local agency investment fund	10,349,679	10,349,679	20,699,358
Total	<u>\$ 62,081,766</u>	<u>\$ 29,754,991</u>	<u>\$ 91,836,757</u>

Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered state warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies; certificates of participation, obligations with first priority security; and collateralized mortgage obligations. Investments of debt proceeds held by trustees are governed by the provisions of debt agreements rather than the general provisions of the California Government Code. These provisions allow for the acquisition of investment agreements with maturities up to 30 years.

**2010 MEASURE D AND 2012 MEASURE E BOND BUILDING FUND
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, CONTINUED
JUNE 30, 2019**

NOTE 2 – CASH AND INVESTMENTS (continued)

Policies and Practices (continued)

Cash in County Treasury – The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Cash with Fiscal Agent – The Cash with Fiscal Agent in the Building Fund represents contract retentions that are placed with an independent third party. These amounts are carried in the contractor's name and all investment risk resides with the contractor.

Local Agency Investment Fund (LAIF) - West Contra Costa Unified School District places certain funds with the State of California's Local Agency Investment Fund (LAIF). The District is a voluntary participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. The State Treasurer's Office pools these funds with those of other governmental agencies in the state and invests the cash. The fair value of the District's investment in the pool is reported in the accompanying financial statements based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The monies held in the pooled investments funds are not subject to categorization by risk category. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Funds are accessible and transferable to the master account within twenty-four hours' notice. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, and floating rate securities issued by federal agencies, government sponsored enterprises and corporations.

LAIF is administered by the State Treasurer. LAIF investments are audited annually by the Pooled Money Investment Board and the State Controller's Office. Copies of this audit may be obtained from the State Treasurer's Office: 915 Capitol Mall; Sacramento, California 95814. The Pooled Money Investment Board has established policies, goals, and objectives to make certain that their goal of safety, liquidity and yield are not jeopardized.

**2010 MEASURE D AND 2012 MEASURE E BOND BUILDING FUND
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, CONTINUED
JUNE 30, 2019**

NOTE 2 – CASH AND INVESTMENTS (continued)

General Authorizations

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. The table below identifies examples of the investment types permitted in the investment policy:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The 2010 Measure D and 2012 Measure E Bond Building Funds maintain an investment with the Contra Costa County Investment Pool with a fair value of approximately \$63,671,408 and an amortized book value of \$63,399,597. The weighted average maturity for this pool as of June 30, 2019 was 174 days. Investments consist of amounts on deposit with the Local Agency Investment Fund (LAIF) with an amortized book value of \$20,699,358, and an equivalent fair market value.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Contra Costa County Investment Pool is rated AA+/S1 by Standard and Poor's.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. District investments that are greater than 5 percent of total investments are in either an external investment pool or mutual funds and are therefore exempt.

**2010 MEASURE D AND 2012 MEASURE E BOND BUILDING FUND
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, CONTINUED
JUNE 30, 2019**

NOTE 2 – CASH AND INVESTMENTS (continued)

Fair Value

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Contra Costa County Treasury Investment Pool and Local Agency Investment Funds are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The District's fair value measurements at June 30, 2019 were as follows:

	Uncategorized
Investment in county treasury	\$ 63,671,408
Local Agency Investment Fund (LAIF)	20,699,358
Total fair market value of investments	\$ 84,370,766

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2019 consisted of the following:

	Measure D	Measure E	Total
Interest earned on investments	\$ 168,862	\$ 89,114	\$ 257,976
Total	\$ 168,862	\$ 89,114	\$ 257,976

NOTE 4 – ACCRUED LIABILITIES

Accrued liabilities at June 30, 2019 consisted of the following:

	Measure D	Measure E	Total
Construction	\$ 3,792,865	\$ 8,297,610	\$ 12,090,475
Total	\$ 3,792,865	\$ 8,297,610	\$ 12,090,475

**2010 MEASURE D AND 2012 MEASURE E BOND BUILDING FUND
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, CONTINUED
JUNE 30, 2019**

NOTE 5 – COMMITMENTS AND CONTINGENCIES

As of June 30, 2019, the District had commitments with respect to unfinished capital projects as follows:

	Remaining Construction Commitments
Measure D	
Crespi Middle School	\$ 3,150,409
Nystrom Elementary School	339,265
Olinda Elementary School	409,760
Pinole Valley High School	231,407
Richmond High School	15,456,879
Wilson Elementary School	32,101,460
Subtotal - Measure D	<u>51,689,180</u>
Measure E	
Pinole Valley High School	<u>1,543,960</u>
Subtotal - Measure E	<u>1,543,960</u>
Total	<u>\$ 53,233,140</u>

NOTE 6 – RECONCILIATION OF BUILDING FUND BALANCE

Description	Measure D & E Bond Audit	Other Building Funds	District Audit - Building Fund
Revenues	\$ 2,595,954	\$ 91,533	\$ 2,687,487
Expenditures	58,045,732	-	58,045,732
Other Financing Sources	-	1,438,043	1,438,043
Net Change in Fund Balance	<u>(55,449,778)</u>	1,529,576	<u>(53,920,202)</u>
Beginning Fund Balance	135,454,036	2,482,385	137,936,421
Ending Fund Balance	<u>\$ 80,004,258</u>	<u>\$ 4,011,961</u>	<u>\$ 84,016,219</u>

SUPPLEMENTARY INFORMATION SECTION

2010 MEASURE D AND 2012 MEASURE E BOND BUILDING FUND
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

There were no adjustments necessary to reconcile fund balances for Measure D & E of the Annual Financial and Budget Report with the Audited Financial Statements for the year ended June 30, 2019.

OTHER INDEPENDENT AUDITORS' REPORT

**INDEPENDENT AUDITORS' 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**

Governing Board Members of
West Contra Costa Unified School District and the
Citizens' Bond Oversight Committee
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 the 2010 Measure D and 2012 Measure E Bond Building Fund, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the 2010 Measure D and 2012 Measure E Bond Building Fund's basic financial statements, and have issued our report thereon dated February XX, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 2010 Measure D and 2012 Measure E Bond Building Fund'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 the 2010 Measure D and 2012 Measure E Bond Building Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the 2010 Measure D and 2012 Measure E Bond Building Fund'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 2010 Measure D and 2012 Measure E Bond Building Fund'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.

San Diego, California
February XX, 2020.

AUDIT FINDINGS AND MANAGEMENT'S RECOMMENDATIONS SECTION

**2010 MEASURE D AND 2012 MEASURE E BOND BUILDING FUND
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND MANAGEMENT'S RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019**

There were no financial statement findings for the year ended June 30, 2019.

2010 MEASURE D AND 2012 MEASURE E BOND BUILDING FUND
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

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

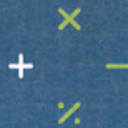


WCCUSD
CITIZENS' BOND OVERSIGHT COMMITTEE
Guadalupe Enllana Don Gosney Cameron Moore
Vice Chairperson Chairperson Secretary

QUESTIONS
for
WCCUSD BOND PROGRAM FINANCIAL AUDITORS
CHRISTY WHITE

DON GOSNEY

1. Why is the name of Christy White not found anywhere in this Draft Financial Audit Report?
2. Under Note 3 on Page 11 we're seeing a table showing the interest earned on investments using Measures D and E funds. In this report, is there also a table showing the interest paid during the same time period to the investors that purchased the bonds? If not, why not?
3. Under Compliance and Other Matters on Page 15, the report states "providing an opinion on compliance with these provisions was not an objective of our audit". To a lay observer, they might look at a financial audit with the hope to learn that the District is in compliance. Why was this not an objective? Is this a standard accounting practice?



DRAFT REPORT

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
PROPOSITION 39 BOND PERFORMANCE AUDIT REPORT FOR THE
FISCAL YEAR ENDED JUNE 30, 2019

March 2, 2020

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March 2, 2020

Board of Education
Governing Board and Citizens' Bond Oversight Committee
West Contra Costa Unified School District
1400 Marina Way South
Richmond, CA 94804

Subject: Proposition 39 Bond Performance Audit Report for the Fiscal Year Ended June 30, 2019

Dear Board and Committee Members:

This report presents the results of our performance audit of the West Contra Costa Unified School District's (WCCUSD or the District) Measure D (2010) and Measure E (2012) Construction Bond Programs (Bond Program) as required by District objectives and California Proposition 39, the "Smaller Classes, Safer Schools and Financial Accountability Act" (Proposition 39), California Constitution (State Constitution) Article XIII A, and California Education Code (Education Code) Section 15272. These California State (State) requirements specify that the proceeds from the sale of school facilities bonds be expended only on the specific projects listed in the proposition authorizing the sale of bonds (Listed Projects).

Both the State Constitution and Education Code require an annual independent performance audit to verify that Bond proceeds are used on Listed Projects. Finally, Senate Bill 1473, "School facilities bond proceeds: performance audits" (SB 1473), approved by the Governor on September 23, 2010, amended the Education Code to add Section 15286, which requires that the annual performance audit be conducted in accordance with the Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States.

EXECUTIVE SUMMARY

We conducted this Bond Program performance audit in accordance with GAGAS. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The performance audit objectives, scope, methodology, conclusions, and a summary of the views of responsible District officials are included in the report body.

Based on the performance audit procedures performed and the results obtained, we have met our audit objective. We conclude that Bond proceeds were only expended on the Listed Projects under Measure D (2010) and Measure E (2012) Bond language for the fiscal year (FY) ended June 30, 2019.

For District labor charges to the Bond Program, we noted that the District was unable to demonstrate that these charges were accurately and completely identified as Bond Program costs with timekeeping records. However, on June 3, 2019, the District facilitated a Time Card Allocation Meeting with Bond Program personnel and conducted a Pilot Time study from June 3, 2019 to June 28, 2019. The District prepared the "Instruction for Time Study Log-in Sheet" and the "Weekly Reporting Log-in Sheet" to provide guidance for Bond Program District employees. The results of the Pilot Time study were not implemented through June 30, 2019.

Additionally, we noted improvement recommendations as reported below regarding the District and Professional Staffing Plan, Design and Construction Schedules Cash Flow Analysis, Design and Construction Budget Management, Bidding and Procurement Procedures, Procurement Fraud Prevention and Detection Controls, Bond Program Master Planning and Reporting, Claim Avoidance and Control Procedures, Materials Specifications, Cost Benefit and Value Engineering Analyses, Maintenance of District Assets Funded by Local Bond and Warranty Conditions Compliance, Change Order Management and Controls Application, Contractor Billing Compliance, Project Close-out Controls, Post Financing Review, Timeliness of Payments, Local Participation Requirements, CBOC Compliance, and Transparency of Bond Program.

Based on our assessment, we identified a number of good management practices as described below:

Though not formally adopted, the Bond Program Management Plan (BPMP) was being drafted during the period under review, including a comprehensive scope of processes related to the Bond Program including bidding and procurement, payment processing, project close-out, value engineering, etc. The procedure drafts have been organized into a table of contents and will be referenced to address recommendations received from prior program reviews.

A formal update to the Bond Program master plan was presented to the Board on May 22, 2019, including updates to key projects, cash flow expectations, and more.

The District maintains Board-approved design standards, including educational specifications, technology infrastructure standards, and material and product standards, to be utilized District-wide.

The Citizens' Bond Oversight Committee (CBOC) meets monthly, with minutes uploaded to the District's website, and stresses the importance of Brown Act compliance with regards to regular CBOC and Audit Subcommittee meetings.

The District utilizes project notification tools to notify local contractors of bid and RFQ/RFP solicitations to better achieve competitive and best value procurement.

Additionally, we evaluated the effectiveness and efficiency of internal controls to provide an analysis of the School Construction Program so that those charged with District governance and oversight can use the information to improve Bond Program performance and operations. Through inquiry and review of documents, we confirmed that 23 of the prior year's 25 recommendations were not fully addressed. There were 14 recommendations where steps had been taken by the District, nine recommendations where no steps had been taken by the District, and two recommendations that were fully addressed by the District. Five additional improvement opportunities were identified during the current period under review, for a total of 28 open recommendations. Of the 28 open recommendations, 12 relate to policies and procedures development and implementation.

As noted above, the District has made significant strides in developing the Bond Program Management Plan (BPMP). Management responses from the District Facility staff are reported in Reporting Views of Responsible Officials for each recommendation. The majority of the opportunities for improvement related to the District not having formalized and Board-approved policies and procedures. Based on inquiry with the District and review of draft procedural documentation, significant progress had been made on a Program Management Plan; however, documentation was still in draft and not yet formalized and approved.

We identified the following internal control improvement opportunities related to compliance with Bond Program requirements, effectiveness, and efficiency of operations:

Expenditure Management and Payment Procedure Controls

The District needs to provide adequate documentation to support staff charge allocations to the Bond Program (see Observation Conduct a Performance Audit No. 1 in Section II).

The District should define approval authority for vendor payment processing within the Bond Program policies and procedure manual to ensure appropriate review and controls (see Observation No. 14 in the report body).

There were two instances where payment processing took longer than 30 days and was not supported by a payment application or invoice rejection letter justifying the delay (see Observation No. 19 in the report body).

Design and Construction Schedule Cash Flow Analysis

The District should support or validate amounts documented within the sampled cash flow report titled Bond Financial Status, Cash Projection FY 19 Preliminary Closing (see Observation No. 2 in the report body).

Design and Construction Budget Management and Controls

The District should establish policies and procedures for design and construction budget establishment and management for the Bond Program (see Observation No. 3a in the report body).

The District should support or validate the reported amounts within the Bond Program Spending to Date by Site, Data as of June 30, 2019 and FY Preliminary Closing (Report No. 2) (see Observation No. 3b in the report body).

Bidding and Procurement Procedures

The District should formalize Board-approved written policies and procedures regarding bidding and procurement (see Observation No. 4a in the report body).

We were unable to determine whether the District evaluated total price of the project consistent with the Education Code for the Richmond High School design build project (see Observation No. 4b in the report body).

The District needs to provide evidence of complete competitive solicitation documentation for one construction vendor (see Observation No. 4c in the report body).

Change Order Management and Controls

The District should prepare adequate change order reporting, to ensure end users understand change order impacts, and document assigned reporting responsibility (see Observation No. 13b in the report body).

Several professional service contracts had change orders (in excess of 10%) compared to the original contract amounts, which highlights an opportunity to improve change order management and controls (see Observation No. 13c in the report body).

Program Management Policies, Procedures, and Controls

The District should formalize policies and procedures for in-house or consultant staff for the Bond Program (see Observation No. 1 in the report body).

The District should formalize policies, procedures, and monitoring controls to prevent and detect procurement fraud (see Observation No. 5 in the report body).

District policies and procedures should have formal master planning processes and procedures (see Observation No. 6a in the report body).

District policies and procedures should clearly identify roles and responsibilities for preventing or limiting claim exposures (see Observation No. 8 in the report body).

The District should have formal policies and procedures surrounding how to make updates to the Material Specifications log (see Observation No. 9 in the report body).

The District should have approved policies and procedures for conducting cost benefit analysis and value engineering studies (see Observation No. 10 in the report body).

The District should provide documentation to evidence assets funded by the Bond Program were compliant with warranty condition requirements and District requirements (see Observation No. 11 in the report body).

The District should have formal change order policies and procedures (see Observation No. 13a in the report body).

The District should have formalize policies and procedures surrounding project close-out controls, which should be approved by the Board (see Observation No. 15 in the report body).

District policies and procedures should include pricing goals and requirements for future Bond issuances (see Observation No. 16 in the report body).

The District no longer tracks local participation and instead relies on construction firms to comply with these requirements. Upon request, no update on District goals or Board Policies was made available for FY 19 (see Observation No. 20 in the report body).

Bond Program policies and procedures should be formalized and approved by the Board (see Observation No. 22a).

Bond Oversight Compliance and Transparency of the Bond Program

Program reporting should include adequate details to allow key stakeholders to analyze the project forecast at program and project levels to actual committed contract values and the associated timing of revenues, expenditures, cash flow, and fund balances as recommended by the Government Finance Officers Association's (GFOA) and the San Diego County Tax Payers Association (SDCTA) (see Observation No. 6b in the report body).

The Draft Board Policy surrounding the role and operations of the CBOC should be formalized (see Observation No. 21).

Based on San Diego Taxpayers Educational Foundation (SDTEF) best practice guidance, Bond Program transparency can be improved through readily available information on the CBOC website (see Observation No. 22b).

The District conducted periodic public outreach for the Bond Program; the District should have an approved formal community outreach and communication plan (see Observation No. 22c).

Management remains responsible for the proper implementation and operation of an adequate internal control system. Due to the inherent limitations of any internal control structure, errors or irregularities may occur and not be detected. Also, projections of any evaluation of the internal control structure to future periods are subject to the risk that the

internal control structure may become inadequate because of changes in conditions or the degree of compliance with the procedures may deteriorate.

We would like to express our appreciation to you and all members of your staff for your cooperation throughout this performance audit.

Sincerely,

Moss Adams LLP

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I. BACKGROUND INFORMATION

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT-APPROVED BOND FUNDS

The District has a goal of completing an approximately \$1.63 billion facility improvement program, which includes Measure D (2010) and Measure E (2012) Bond Program funds that were audited for FY 2019. In 2010, the District received approval of the Measure D \$380 million authorization to fund the acquisition, construction, reconstruction, and modernization of school facilities. Subsequently, in 2012, \$360 million was authorized for Measure E projects to fulfill the same purpose. The overall District Bond Program is in its 19th year, dating back to November 2000.

Bond Program accounting records for the fiscal year ending June 30, 2019, showed \$58,045,732 in Proposition 39 Bond Program expenditures in FY 2019.

CALIFORNIA STATE REQUIREMENTS

A Construction Bond Program performance audit is required for WCCUSD Measure D (2010) and Measure E (2012) Construction Bonds by Proposition 39, State Constitution Article XIII A, and Education Code Section 15272. These State requirements specify that the proceeds from the sale of school facilities bonds are expended only on Listed Projects. Both the State Constitution and Education Code require an annual independent performance audit to verify Bond proceeds are used on Listed Projects. Finally, SB 1473, approved by the Governor on September 23, 2010, amended the California Education Code to add Section 15286, which requires that an annual performance audit is conducted in accordance with GAGAS issued by the Comptroller General of the United States.

Proposition 39, the "Smaller Classes, Safer Schools and Financial Accountability Act," was passed by California voters on November 7, 2000. Proposition 39 amended provisions to the California Constitution and to the California Education Code. The purpose and intent of the initiative was "to implement class size reduction, to ensure that our children learn in a secure and safe environment, and to ensure that school districts are accountable for prudent and responsible spending for school facilities." It provided for the following amendments to the California Constitution and California Education Code:

1. *"To provide an exception to the limitation on ad valorem property taxes and the two-third vote requirements to allow school districts, community college districts, and county offices of education to equip our schools for the 21st Century, to provide our children with smaller classes, and to ensure our children's safety by repairing, building, furnishing and equipping school facilities;*



2. *To require school district boards, community college boards, and county offices of education to evaluate safety, class size reduction, and information technology needs in developing a list of specific projects to present to the voters;*
3. *To ensure that before they vote, voters will be given a list of specific projects their bond money will be used for;*
4. *To require an annual, independent financial audit of the proceeds from the sale of the school facilities bonds until all of the proceeds have been expended for the specified school facilities projects; and*
5. *To ensure that the proceeds from the sale of school facilities bonds are used for specified school facilities projects only, and not for teacher and administrator salaries and other school operating expenses, by requiring an annual independent performance audit to ensure that the funds have been expended on specific projects only."*



II. OBJECTIVE, SCOPE, AND METHODOLOGY

The objectives of the performance audit included verification of WCCUSD compliance with Proposition 39, which required that Bond proceeds only be used for school facilities projects that were listed with the Bond. The District created the Measure D (2010) and Measure E (2012) funds under Proposition 39 and, as such, has been required to expend these fund proceeds only on Listed Projects, and not for school operating expenses, for the District FY ending June 30, 2019. The Bond Program expended \$58,045,732 in FY 2019.

We conducted this Construction Bond Program performance audit in accordance with GAGAS. As required by GAGAS, we planned and performed the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. The evidence obtained provided a reasonable basis for our findings and conclusions based on our audit objectives. Because GAGAS performance audit procedures require reasonable assurance, and these audit procedures did not require detailed examination of all transactions and activities, there is a risk that compliance errors, fraud, or illegal acts may exist that were not detected by us. Based on the performance audit procedures performed and the results obtained, we have met our audit objective.

Management remains responsible for the proper implementation and operation of an adequate internal control system. Due to the inherent limitations of any internal control structure, errors or irregularities may occur and not be detected. Also, projections of any evaluation of the internal control structure to future periods are subject to the risk that the internal control structure may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate.

This performance audit did not constitute an audit of financial statements in accordance with "Government Auditing Standards." Moss Adams was not engaged to, and did not render an opinion on the District's internal controls.

The performance audit methodology applied included the following:

Conduct a Performance Audit: We conducted the audit in accordance with GAGAS for Performance Audits as codified by the Government Auditing Standards. We reviewed the Bond Program's financial records and expenditures to verify that funds were used for approved Bond Program purposes as set forth in the ballot language, Bond documents, Board-approved Listed Projects, and Proposition 39 requirements. We reviewed the Bond Program's financial records and expenditures by obtaining the Comprehensive Annual Financial Report and comparing the balances to the District's detailed accounting records. We analyzed control processes, tested the Bond Program expenditure cycle, and sampled supporting documentation to validate internal controls. Testing procedures included the use of Audit Command Language (ACL) to select a statistical, monetary unit sample to provide a 90 percent level of confidence that expenditure transactions from the Bond Program were compliant with Bond Program and legal requirements. We tested 62 expenditures totaling



\$49,136,444. These transactions included payments to contractors and vendors, and journal entries of inter-fund transfers. Our testing procedures were performed to verify:

- Expenditures were for Listed Projects.
- Approval of payment applications and invoices was obtained.
- Expenditures complied with the approved contract, purchase order, or other procurement documentation.
- Expenditures were recorded in the proper period, accurately, and in a complete manner in the District's books and records.

The methodology for each of the performance audit objectives (as specified by the District and agreed upon for this performance audit) was as follows:

1. **District and Professional Services Staffing Plan for the Bond Program:** We reviewed the District's policies and approach to in-house and consultant staffing for managing the measures and the effectiveness of the staffing related to the number of Bond Program projects. We analyzed the organizational structure alignment between the program management team and the contracts. As part of this analysis, we leveraged our experience with other school construction programs to compare District staffing levels to workload requirements.
2. **Design and Construction Schedules Cash Flow Analysis:** We reviewed the methods utilized by the District and their consultants to track the schedule of available revenue and expenditures for all projects and to plan each building project in accordance with the availability of funds. To accomplish this, we conducted walkthroughs of existing tracking methods as well as Bond fund expenditure schedules, reviewed available reports, and sampled supporting documentation for expenditures and reporting controls.
3. **Design and Construction Budget Management:** We reviewed the established District processes for the development and adherence to design and construction budgets on Bond-funded projects in the facilities construction program to gather and test data in order to determine compliance and measure the effectiveness of controls. Selected contracts were reviewed to gain an understanding of payment processes, cycle time, allowable charges, and reimbursable costs. Processes to review and approve contractor charges were analyzed to determine preventative controls for excessive charges and overpayments, and payment applications were reviewed to assess the adequacy of supporting documentation. We also reviewed the field methods used to validate progress and percent complete. Selected cost contracts were sampled and tested for contract billing compliance with contract terms.

We also reviewed the reconciliation of actual projects for which Bond funds were expended to projects approved by the Board of Trustees, analyzed the reconciliation of projects approved by the Board of Trustees to projects on the approved facilities master plan, reviewed the reconciliation of the facilities master plan on the approved project lists for Proposition 39, followed up on any unreconciled items, and reported on any expenditures or items in the facilities master plan that did not reconcile to approved Listed Projects.



4. **Bidding and Procurement Procedures:** Bidding and procurement controls and procedures were evaluated for application of competitive and fair general contracting and subcontracting practices that prevent excessive expenditures. We reviewed contractual pricing and change orders for increases to competitively bid projects. We conducted interviews and reviewed relevant policies, examined bid and contractor selection files, and evaluated procurement controls.

We verified that District bidding and award of Bond-funded construction projects complied with selected requirements of the California school construction State requirements, the Public Contracting Code, and State and other relevant laws and regulations. Change order documentation was reviewed for compliance with selected Public Contracting Code, California school construction State requirements, and other regulations. Controls and activities to manage change orders were evaluated. Contracts were reviewed to gain an understanding of allowable charges and reimbursable costs related to change orders. Policies and procedures covering the review and approval of contractor change orders were analyzed to identify potential exposures. Specific consideration will be given to change order cause, responsibility, and pricing. We reviewed policies and procedures to verify whether documentation exists prior to approval of change orders and that required approvals were applied. Selected change orders were tested for duplicated work scope and compliance with Proposition 39 requirements.

5. **Procurement Fraud Prevention and Detection Controls:** We validated District controls in place to prevent and detect procurement fraud. The following procedures were performed:
- ❖ Assessed the implementation of ethics policy, reporting protocols, staff screening requirements, consequences, training, and escalation procedures to prevent and detect fraud.
 - ❖ Assessed segregation of duties controls designed and implemented to prevent unauthorized obligations and payments.
 - ❖ Reviewed the completeness of monitoring controls implemented to identify, report, and address significant procurement anomalies.
 - ❖ Verified that methods applied to verify key reports used for key construction program management decisions are current, accurate, and complete.
6. **Bond Program Master Planning and Reporting:**
- ❖ Master Planning – We assessed the design and performance effectiveness of program management processes and controls covering planning, design, and construction projects. Specific emphasis was placed on the implementation of policies, procedures, and practices needed to ensure key deliverables and approvals occur as projects progress.
 - ❖ Bond Program Reporting – We performed an evaluation of the current Bond Program reporting and plan design as well as control processes for specific projects from the start of the design phase to project closeout. This included an assessment of the current facilities master plan, organizational structure, and controls to ensure that there is an integrated plan among stakeholders including but not limited to District Management, the CBOC, and the Board of Trustees.



7. **Cost, Schedule, Budgetary Management, and Reporting Controls Implementation:**

We analyzed management of cost, schedule, and budgetary reporting. This included a review of the following processes and control activities:

- Budget variance analysis/cost reporting by cost code detail and summary, including analysis of budget, changes, spending, commitments, forecast, and variance to budget.
- Project schedule with well-defined milestones that match project requirements.
- Compliance with project funding legal requirements.
- Comparison of project and District accounting records.
- Change control guidelines and senior management approval for initial authorization and scope changes.
- Cost and schedule, budget, and actual analysis.
- Documentation of test results and quality inspections.
- Billing review and spending variance approvals.
- Spending review and approval for proper coding.

8. **Claim Avoidance and Control Procedures:** We evaluated and reviewed the procedures used to limit the number of claims filed against the District related to construction projects for the period. Specific consideration was given to contractor inquiries and capture of documentation surrounding scope change causes, schedule changes, and cost impact analysis. Steps taken to effectively communicate potential claims and mitigate claims risk were also given specific consideration.

9. **Material Specifications:** We evaluated whether the District has and uses a standardized items list and educational specifications for Bond Program materials procurement to identify facilities material requirements. We assessed whether the District's materials requirements were available and reviewed procedures surrounding the District's established material specification policy.

10. **Cost Benefit and Value Engineering Analyses:** We reviewed the cost benefit and value engineering analysis procedures and documentation of practices applied. We verified whether the analyses were conducted to determine if the requirements of the project or equipment could be obtained at a lower price or for a better value, specifically when weighing cost, time, and function. We assessed whether value was determined by objective criteria that may include price, features, functions, lifecycle costs, and other criteria deemed appropriate by the District. We compared the District's practices to guidelines recommended by SAVE International®. We also assessed whether the District determined a cost threshold for the application of value engineering in a practical matter.

11. **Maintenance of District Assets Funded by the Local Bond and Warranty Conditions Compliance:** We reviewed the District's practices for maintaining a list for all assets incorporated into school site construction and complete and accurate information regarding warrantied items. We verified the District's implementation of controls surrounding the required maintenance of its assets in accordance with warranty items, application of a formal system of logging this information for inventory purposes, and use of warranties where possible.



12. Implementation of Schedule Quality, Scope, and Performance Management

Controls: We reviewed Bond Program goals and objectives and assessed how well the goals and objectives were communicated, implemented, and applied by District and contractor personnel. Our analysis verified whether appropriate approvals were required prior to the performance of Bond Program activities and expenditures. We also reviewed the tools and support processes for the design, construction, and close-out project phases and compared them to other efficient projects as well as good practices applied by similar organizations.

- 13. Change Order Management and Controls Application:** Change order documentation was reviewed for compliance with the Public Contracting Code, school construction State requirements, and other regulations. Controls and activities to manage change orders were evaluated. Contracts were reviewed to gain an understanding of allowable charges and reimbursable costs related to change orders. Policies and procedures covering the review and approval of contractor change orders were analyzed to identify potential exposures. Specific consideration was given to change order cause, responsibility, and pricing. We reviewed policies and procedures to verify whether documentation existed prior to approval of change orders and to verify that required approvals were applied. Selected change orders were tested for duplicated work scope and compliance with Proposition 39 requirements.
- 14. Contractor Billing Compliance Controls:** We analyzed processes to review and approve contractor charges to prevent excessive charges or overpayments. Interviews were conducted to ensure accurate understanding of events, circumstances surrounding construction, and professional service contract compliance. We covered transaction flow and cost control processes during these interviews. We evaluated whether charges matched with actual performance and work completion, contracted services were delivered, payments were in accordance with compensation terms, and billing reconciled to contract terms.
- 15. Project Close-Out Controls:** We evaluated the District's policies, procedures, and practices to close out projects in accordance with contract requirements. This review included analysis of checklists, procedures, retention policies, and contract terms and conditions. We analyzed procedures implemented to identify the parameters for contractor performance and compare the District's close-out procedures to good practices applied by similar organizations. This included review of criteria for all relevant parties to determine whether the project was complete. These procedures also included processes to verify whether controls were in place to obtain unconditional contractor lien release and ensure unresolved claims are not pending prior to final payment.
- 16. Post-Financing Review:** We compared and summarized Bond pricing to policies and procedures and goals established prior to sale.
- 17. Refunding of Outstanding Bonds:** We analyzed the current Bond structure, Bond funding requirements, refunding costs, compliance with refunding requirements, and other key factors that impact potential refunding of Bond funds. District funding plans and analysis were summarized and compared to good practices applied by other similar organizations.



18. **Arbitrage and Investments:** Official Bond language and legal limitations regarding the issuance of the Bond were analyzed including the terms of voter approved measures regarding investments and arbitrage regulations.
19. **Timeliness of Payments:** We verified that the District pays vendors within payment terms timeframes. We also verified whether general contractors are withholding payments to subcontractors, materials suppliers, and other vendors. During our review, we assessed whether all contracts include specific language on payment terms and comply with California's prompt payment laws.
20. **Local Participation Requirements:** We determined compliance with specific Board Policies such as local business or Minority/Women Owned Business participation. We reviewed the District's tracking controls related to Board policies for local participation requirements. The District's reported results were validated for inclusion of current, accurate, and complete information.
21. **CBOC Compliance:** We assessed the overall compliance of the CBOC with law, the District's Board Policies, and the committee's bylaws. Specific focus and attention was given to committee performance, compliance with their Charter, and overall effectiveness of their activities. Evidence of CBOC compliance with its Proposition 39 requirements was assessed. Procedures to ensure the independence of committee members were given specific consideration.
22. **Transparency of Bond Program:** We assessed the effectiveness of the Public Outreach and Communication Plan that addresses external and internal communications. We reviewed the District's activities and methods of communication related to the identification of stakeholders as well as their concerns, influence on the project, and information expectations. Use of District means to reach Bond Program stakeholders were compared to good practices at other school districts. We evaluated the overall transparency of the Bond Program, including but not limited to, the evaluation of the Bond website information and Bond Program progress reports, and the availability and access to information regarding Program status and expenditures. The San Diego Taxpayers Educational Foundation criteria for measuring School Bond Transparency was utilized as a benchmark for the District's Bond website. Current, accurate, and complete Bond Program reporting was assessed. Project progress, impact to Bond Program stakeholders, and delivery in accordance with Bond Program requirements were given specific consideration.

We interviewed key personnel responsible for administering the Bond Program, including senior management and staff from the District and Bond Program Management Team responsible for overseeing the work associated with the Bond Program. We also conducted discussions with members of the CBOC. The individuals interviewed are listed in Appendix A of this report.



III. AUDIT RESULTS

CONDUCT A PERFORMANCE AUDIT (CAPA)

In accordance with GAGAS, we reviewed expenditures for compliance with the Bond's requirements for Listed Projects to ensure that unallowable costs were not allocated to the Bond Program, in accordance with GAGAS, for performance audits. Our testing resulted in the following potential exceptions:

Observation CAPA 1: The District did not provide adequate documentation to support compliant staff charge allocations to the Bond Program.

The District has taken steps to address the Conduct a Performance Audit (CAPA) recommendation regarding timekeeping controls provided in the prior years' reports (Moss Adams 2017 and 2018 reports—Objective CAPA). Based on sampled documentation, no timecards or other time certification support validating the percentage of time allocation and cost were provided. However, on June 3, 2019, the District facilitated a Time Card Allocation Meeting with Bond Program personnel and conducted a Pilot Time study from June 3, 2019 to June 28, 2019. The District prepared the "Instruction for Time Study Log-in Sheet" and the "Weekly Reporting Log-in Sheet" to provide guidance for Bond Program District employees. The results of the Pilot Time study were not implemented through June 30, 2019. Additionally, timesheets were not available for the entire period for all personnel charged to the Bond Program, documentation was marked draft, and not all timecards had both employee and program administrator sign offs. As such, the Pilot Time study results were not complete and accurate and it is unclear whether they can be relied upon as a basis for staff allocation support documentation for the Bond Program. A FY 2018–2019 Fund 21 Labor Allocation report was provided for Moss Adams to assess during the current fiscal year including the following labor allocations by personnel:

Position Description per District records	FY19 FTE (%) Allocated to Bond Program
ASSO SUPT-FAC MAI BO	0.75
SR ADMIN SECRETARY	0.75
ENGINEERING OFFICER	0.90
DIRECTOR OF CONTRACT	0.90
BOND REGIONAL FACILT	1.00
BOND REGIONAL FACILT	0.05
COORDINATOR-FISCAL	0.80
ADMIN SVCS MANAGER	0.90
ADMIN SVCS MANAGER	0.10
SR SCH FACILITY SPEC	0.50



SR SCH FACILITY SPEC	0.50
ADMINISTRATIVE TECH	0.90
ASSOC SUPT BUSINESS	0.10
SR ADMIN SECRETARY-BUSIN	0.10
DIRECTOR INT AUDIT	0.20
INTERNAL AUDITOR	0.40
PRINCIPAL ACCOUNTANT	0.90
SR BUDGET CLERK	0.60

Based on the 2018 – 2019 Fund 21 Labor Allocation report provided by the District, the total charges for personnel who were not 100% dedicated to the Bond Program (\$1,398,060) accounted for 89.7% of the total staffing charges (\$1,558,273). While it is understood that labor costs to the Bond Program are necessary, they should be properly supported going forward to ensure appropriateness and compliance with Bond language. Opinion No. 04-110 from the State of California's Office of the Attorney General states that "a school district may use Proposition 39 school bond proceeds to pay the salaries of district employees to the extent they perform administrative oversight work on construction projects authorized by a voter approved bond measure." Absent a timekeeping system, or equivalent tracking system, we were unable to validate that the staffing allocation percentages and/or amounts were compliant and consistent with Opinion No. 04-110.

Recommendation: The District should continue efforts to implement the processes and controls needed to provide supporting documentation that validates the applicability and accuracy of labor charged to the Bond Program consistent with Opinion 04-110. Specifically, a timekeeping system, or equivalent tracking system, should be implemented so that all labor costs incurred are identifiable, compliant, and have a beneficial relationship to the Bond Program. Additionally, the District should evaluate labor amounts charged to the Bond Program to ensure appropriateness and compliance with Opinion 04-110. Results of this evaluation should be reported to District management, the Board, and CBOC to ensure transparency and remediation takes place, as necessary.

**OBJECTIVE NO. 1 – DISTRICT AND PROFESSIONAL SERVICES
STAFFING PLAN FOR THE BOND PROGRAM (NO EXCEPTION)**

Observation No. 1: WCCUSD should formalize policies and procedures for in-house or consultant staffing for the Bond Program.
The District has taken steps to address the Professional Service Staffing Plan (Staffing Plan) for the Bond Program recommendation provided in the prior years' reports (Moss Adams 2017 and 2018 reports—Objective No. 2). Upon request, a FY 19 staffing plan with key metrics and staffing requirements was available. However, policies and procedures were not formalized and approved to ensure that staffing plans are prepared and approved by appropriate personnel on a consistent basis. The District provided a staffing plan for FY 19, including project schedule and resourcing



need, broken down by estimated FTE for each project by month. The staffing plan did not include the dollar value of planned projects. However, staffing needs were broken down by month and projects to support overall resource requirements. Additionally, the District maintains expected FTE Allocation and Cost reporting, including detail for District Staff and Consultants (see Observation CAPA No. 1 for further information). Per the provided documentation, the planned Bond Program staffing needs for the year amounted to 9.75 FTEs, while actual FTEs charged to the Bond Program amounted to 10.35, per District reporting.

Recommendation: As a best practice, appropriate WCCUSD management should approve an annual staffing plan, including key metrics such as positions staffed, number of personnel, number of planned projects, and dollar values of planned projects, to help determine organizational structure alignment with the Bond Program's needs. This staffing plan should be reported to key stakeholders on a periodic basis. We recommend that the staffing plan policies and procedures are established and assessed at least annually to determine if the needs for the current and upcoming fiscal years are being met.

OBJECTIVE NO. 2 – DESIGN AND CONSTRUCTION SCHEDULES CASH FLOW ANALYSIS

Observation No. 2: The District was unable to support or validate amounts documented within the sampled cash flow report titled *Bond Financial Status, Cash Projection FY19 Preliminary Closing*.

The District was unable to support or validate select amounts reported within the sampled cash flow report titled *Bond Financial Status, Cash Projection FY19 Preliminary Closing*. We reviewed methods utilized by the District to track the schedule of available revenues and expenditures for all projects to plan each building project in accordance with the availability of funds. Upon request, the following supporting documentation to source the reported amounts within the *FY19 Preliminary Closing Bond Financial Status Cash Projection Report* (Report No. 13) was made available for review:

Reported Description	Reported Amount	Support Provided (Y/N)
Adjusted Cash Balance	\$85,369,681	Yes
Projected Revenues		
Bond Sales 2010 Measure D	\$65,000,000	Yes
Bond Sales 2012 Measure E	\$65,000,000	Yes
Less: Cost of Issuance	(\$510,000)	Yes
Other Revenues	\$2,820,000	No
Budgeted and Projected Expenses		
Committed Costs	\$65,248,340	No
Budget Balance	\$53,403,498	No



Further, no evidence of review sign-off or an equivalent quality assurance control was available to help support data accuracy to key stakeholders. This report indicated a \$99,027,844 favorable variance between the projected cash balance, revenues, the sum of committed costs, and budget balance amounts.

Additionally, as a good practice, the District continues to include the following key information within the Project Cash Flow Reports to support projected cash flow amounts:

- Project Title
- Board Approved Amount
- Expenditures to date
- Commitments by fiscal year
- Projected Cash Flow Variances

These reports had expenditures by timeframe based on project budget amounts (see [Observation 6b](#) for further information on reported budget amounts).

Recommendation: The District should continue producing cash flow reports that include key details as noted above. However, the District should implement controls to consistently and accurately report total expected revenues and expenses. This will enable the District to ensure accurate reporting and monitoring of Bond projected net position. Reconciled District cash balances, revenues, committed costs, and budget balances, both at the detailed and summary level, should be readily available and consistent on capital program reporting to District management and key stakeholders. Additionally, formal written policies and procedures, including defined responsibilities and approval authority for internal and public reporting, should be created and added to a comprehensive Bond Program manual to ensure appropriate review and approval controls are in place for both internal and public reporting procedures (see [Recommendation No. 22a](#) for more detail).

OBJECTIVE NO. 3 – DESIGN AND CONSTRUCTION BUDGET MANAGEMENT

Observation No. 3a: The District should have established policies and procedures for design and construction budget establishment and management for the Bond Program.

The District has taken steps to address the *Design and Construction Budget Management* recommendation provided in the prior years' reports (Moss Adams 2017 and 2018 reports—Objective No. 4). During the current fiscal year, the District made progress on drafting the BPMP. However, established formal and reviewable policies and procedures were not available as of June 30, 2019. We reviewed the established District processes for the development and adherence to design and construction budgets on Bond-funded projects in the facilities construction program to gather and test data in order to determine compliance and measure the effectiveness of controls. No draft procedural documentation was available as of June 30, 2019; however, a draft table of contents for the proposed BPMP, dated July 24, 2019, was presented to the Facilities Subcommittee and made available for review. Per the draft table of contents, Section IV of the BPMP will include fiscal policies and procedures, including program/project budgets management and reporting.



Based on our inquiry, budgets are approved by the Board; however, the following roles and responsibilities surrounding design and construction budget management were not well defined during the fiscal year:

- Who prepares detailed budgets?
- When and how (i.e., what level of detail) budgets are developed and reported?
- Who has the authority to approve budgets and budget transfers?
- Who is responsible for recording budget information in Munis and Primavera?

Further, Colbi and Munis include only approved change orders, whereas Primavera includes and tracks proposed change orders. Based on our experiences, construction forecasts can significantly differ from Board-approved budgets and regular reconciliation efforts are needed to ensure sufficient funding to achieve program objectives and goals (see [Observation No. 6b](#) for further information). Lack of established and written policies and procedures for both Munis and Primavera could lead to inconsistent practices by District staff, resulting in potential inaccurate reporting to Bond Program stakeholders.

Recommendation: The District should continue efforts to develop and implement policies and procedures for budget establishment and management activities for the Bond Program (see [Recommendation No. 22a](#) for more detail). Details on defined roles and responsibilities will help provide transparency surrounding how budgets are established and managed. Furthermore, as a best practice, project reporting with key project information, including forecast amounts, should be consistently reported to WCCUSD management and key stakeholders. Any forecasted overruns should be addressed with detailed plans to secure additional sources of funding and identify alternative options to reduce projected costs while still meeting the District's objectives and needs. Muni and Primavera project amounts should be reconciled, reviewed, and approved by WCCUSD project management, WCCUSD accounting, and the Construction Manager to ensure completeness and accuracy.

Observation No. 3b: The District was unable to support or validate the reported amounts within the Bond Program Spending to Date by Site, Data as of June 30, 2019 and FY Preliminary Closing (Report No. 2).

Our review procedures included the review of the reconciliation of reported FY 19 expenditures to the provided FY 19 Bond Program General Ledger Detail Report, in total and by project, as well as validation of the reported budget amounts by project. We also reviewed reporting controls in place to ensure reported amounts were accurate and appropriate for sampled line items.

Based on our review, we noted a \$1,730,335 variance between the reported FY 19 expended amounts (\$56,315,397) and the Bond Program GL Detail (\$58,045,731). Additionally, upon request, the District was unable to provide support for the following reported amounts:

Bond Program Spending to Date by Site, Data as of June 30, 2019 and FY Preliminary Closing (Report No. 2).				Auditor Amounts Reviewed	
Site Name	Committed as of 6/30/19	Committed Support Provided (Y/N)	Expended FY19 July 2018 to June 2019	Year End General Ledger Subtotal by Site	Unsupported Variance
CHAVEZ	-	N/A	\$46,172	\$46,172	-



FAIRMONT	\$493,853	No	\$331,066	\$331,066	-
HIGHLAND	-	N/A	\$46,725	\$46,725	-
OLINDA	\$453,084	No	\$257,055	\$266,748	\$(9,693.37)
RIVERSIDE	\$191,351	No	\$56,562	\$60,379	\$(3,817.00)
STEGE	-	N/A	\$35,900	\$35,900	-
WILSON	\$33,547,256	No	\$2,989,781	\$3,252,598	\$(262,817.20)
CRESPI MS	\$3,378,023	No	\$939,345	\$969,243	\$(29,897.60)
KOREMATSU MS	\$151,086	No	\$71,507	\$71,507	-
PINOLE VALLEY HS	\$7,860,942	No	\$45,457,722	\$46,362,101	\$(904,379.20)
RICHMOND HS	\$17,428,928	No	\$1,212,967	\$1,220,962	\$(7,994.51)
CENTRAL	\$1,255,339	No	\$2,509,621	\$2,939,851	\$(430,230.48)
TECHNOLOGY	\$139,565	No	\$2,360,976	\$2,442,480	\$(81,503.57)

No support for reported Committed Cost by Site amounts was provided. While it is understandable that variances may exist between the preliminary closing expense report and the final General Ledger expense detail, reconciliation detail that supports the reported amounts was not available. Upon request for support, the GL Detail Report expense total provided (dated 7/17/19 and noted as the source to generate reported amounts) did not reconcile with total reported expenditure FY 19 amounts. Finally, no evidence of review sign-off or equivalent quality assurance control was available to help support data accuracy to key stakeholders.

Recommendation: The District should continue producing project level expenditure reporting, including the key details noted above. However, the District should implement controls to consistently and accurately report total Bond expenditures. This will enable the District to accurately monitor and report Bond expenditures in order to 1) help prevent non-compliant and excessive charges and 2) better control and manage project costs. Reconciled Bond expenditures (both at the detailed and summary level) should be readily available and consistently detail capital program reporting to District management and key stakeholders. Any discrepancies or reconciling amounts should be reviewed and addressed in a timely manner by appropriate parties to ensure accurate reporting. Regular reconciliation exercises should be conducted to ensure both project management and accounting records are complete and accurate. Policies and procedures should be updated accordingly to ensure roles and responsibilities are clearly defined and adequate controls are in place to ensure completeness and accuracy of reported amounts.

Additionally, formal written policies and procedures, including defined responsibilities and approval authority for internal and public reporting, should be created and added to a comprehensive Bond Program manual to ensure appropriate review and approval controls are in place for both internal and public reporting procedures (see [Recommendation No. 22a](#) for more detail).



OBJECTIVE NO. 4 – BIDDING AND PROCUREMENT PROCEDURES

We reviewed and evaluated bidding and procurement procedures for compliance with District policy and applicable state requirements. We evaluated bid and procurement practices, procedures, and controls for the application of competitive and fair general contracting and subcontracting practices that prevent excessive Bond Program expenditures. We reviewed relevant District policies and requirements, as required per Public Contract Code (PCC), California Uniform Public Construction Cost Accounting Act (CUPCCAA), and other relevant State laws and regulations. During the current fiscal year, the District continued drafting bid and procurement procedural documents. The following bid and procurement observations were noted within our procedures performed:

Observation No. 4a: The District did not have formalized, Board-approved written policies and procedures regarding bidding and procurement.

The District has taken steps to address the *Bidding and Procurement Procedures* recommendation provided in the prior year's report (Moss Adams 2018 report—Observation No. 4a). During the current fiscal year, the District made progress on drafting the BPMP. However, Board-approved written policies and procedures regarding bidding and procurement were not available as of June 30, 2019. The District has provided a draft table of contents for the proposed BPMP, dated July 24, 2019, that was presented to the Facilities Subcommittee and made available for review. Per the draft table of contents, Section III of the BPMP will include administrative policies and procedures, including extensive procurement and bidding sections.

Recommendation: The District should continue efforts to develop and implement formal written policies and procedures including defined approval authority for bid and procurement to ensure appropriate review and approval controls are in place for procurement procedures (see [Recommendation No. 22a](#) for more detail).

Observation No. 4b: We were unable to determine whether the District evaluated total price of the project consistent with the Education Code for the Richmond High School design-build project.

Two proposals were received and Lathrop Construction Associates was selected as the best value vendor. Based on the "Design Build Construction Services for Richmond HS "Best Value Summary" provided by the District, both vendors obtained the same score on pricing, while the proposed total price differed by each vendor. The District was provided the following proposal information for the Richmond High School design-build project:

Vendor Name	Total Price per "Best Value Summary" Provided by District	Total Score by District
Lathrop Construction Associates	\$13,940,741	325
Allen Construction, Inc.	\$13,732,625	325

Per Education Code 17250.25(f)(1), best value selection method for design-build procurement at a minimum must include

"(A) Price, unless a stipulated sum is specified.



(B) Technical design and construction expertise

(C) Life-cycle costs over 15 or more years.”

The District’s review included these factors; however, it is unclear why the District’s total score by vendor was consistent whereas pricing differed.

Additionally, we were unable to determine whether the District’s total price included or excluded contingency. We obtained the “pooled” bid summary sheet. However, we did not obtain individual evaluation forms completed by the District to assess criteria, compliance, and consistency of vendor selection. Lathrop Construction Associates proposal’s not-to-exceed amount clearly excluded markup for construction contingency, while the Alten Construction’s proposal not-to-exceed amount appeared to include all mark-ups, allowances, alternates, and contingencies. Based on the Lathrop Construction’s proposal “Lathrop + HKIT recommends initially carrying no more than 5% of the construction cost for contingency for the Gym Building and New Science Building and 20% on the Science Building Renovation.” Section 1.2.1 – Pricing of RFP #2018-RichmondDB, dated August 6, 2018, outlines the proposal’s minimum provisions to be included within the total project cost detail, which is consistent with Education Code requirements. Based on the RFP, there was no notation regarding contingencies to be excluded from the total project cost detail. Absent further information, we were unable to validate that the best value vendor selection process performed by the District was consistent with price requirements required by the RFP and Education Code.

Recommendation: The District should continue to work with legal to ensure evaluation and scoring of total price on design-build projects is consistent with Education Code. Additionally, the District should retain complete procurement and evaluation documentation to ensure vendor selection is consistent with RFP and Education Code requirements. Supporting documentation for appropriate vendor procurement should be readily available in a central location, either physically or electronically. A checklist or equivalent mechanism should be maintained with appropriate sign-offs on procurement requirements to validate compliance with policy and procedure requirements and adequate segregation of duties and controls. Additionally, as a best practice (as specified in Objective 5), the District should maintain a consolidated bid and procurement checklist and activity report that allows District senior management and key stakeholders to identify, prevent, or detect non-compliance with District policies and procedures, State laws, and regulations.

Observation No. 4c: The District was unable to provide evidence of complete competitive solicitation documentation for one construction vendor.

The District has taken steps to ensure advertisement solicitation documentation is maintained (Moss Adams 2018 Report—Observation No. 4c); however, a vendor procured in prior fiscal years had inadequate procurement documentation. The District was unable to provide evidence of a fair and competitive solicitation process for professional construction services for the following vendor procured in prior fiscal years:

Project Site	Scope	Vendor Selected	Contract Executed Date	Original Contract Value	Proof of Advisement Provided (Y/N)
Various Sites	Provide Technology Equipment and/or Services	Convergeone Inc	4/19/2016	\$1,481,862.33	No



Per CUPCCAA and District policy for FY 2019, construction service procurements over \$200,000 are subject to the formal bidding process, which includes advertisement and/or an RFP/RFQ, selection of lowest bidder and/or best value, and Board approval. After several requests, the District could not provide advertisement documentation for a construction vendor procured in previous fiscal years.

Recommendation: The District should comply with District procedures to ensure competitive pricing for the Bond Program. Supporting documentation for appropriate vendor procurement should be readily available in a central location, either physically or electronically. A checklist or equivalent mechanism should be maintained with appropriate sign-offs on procurement requirements to validate compliance with policy and procedure requirements and adequate segregation of duties and controls. Additionally, as a best practice (as specified in Objective 5), the District should maintain a consolidated bid and procurement checklist and activity report that allows District senior management and key stakeholders to identify, prevent, or detect non-compliance with District policies and procedures, state laws, and regulations.

OBJECTIVE NO. 5 – PROCUREMENT FRAUD PREVENTION AND DETECTION CONTROLS

Observation No. 5: Policies, procedures, and monitoring controls to prevent and detect procurement fraud were not formalized.

The District has taken steps to address the *Procurement Fraud Prevention and Detection Control* recommendations provided in the prior years' reports (Moss Adams 2017 and 2018 reports—Objective No. 5). During the current fiscal year, the District made progress on drafting the BPMP; however, formal, reviewable policies and procedures were not available as of June 30, 2019. A draft table of contents for the proposed BPMP, dated July 24, 2019, was presented to the Facilities Subcommittee and made available for review. Per the draft table of contents, Section III of the BPMP will include administrative policies and procedures, including fraud prevention. The following reporting and controls were not in place based on our assessment:

- Reporting protocols, training, and escalation procedures, specifically for preventing and detecting fraud, were not available within policies and procedures. WCCUSD was able to provide documentation surrounding employee ethics policies, consequences, reporting protocols, and staff screening requirements. However, a hotline does not appear to be in place for procurement related issues relating to the Bond Program.
- Monitoring controls and reporting to identify and address significant procurement anomalies were not available (see [Observation No. 4b](#) and [Observation No. 4c](#) for further information). The WCCUSD was unable to provide evidence of complete, accurate, and regular reporting of bid and procurement activity that would allow WCCUSD management to identify, prevent, and/or detect fraud. Based on inquiry, bid and procurement documentation appeared readily available upon request; however, a consolidated summary procurement report was not available.

The Government Finance Officers Association's (GFOA) article *Encouraging and Facilitating the Reporting of Fraud and Questionable Accounting and Auditing Practices* states, as a best practice, that every government establish policies and procedures to encourage and facilitate the reporting of fraud or abuse and questionable accounting practices. However, absent formalized procurement fraud policies and procedures, including the reporting protocols, training, escalation procedures, and monitoring controls, it is unclear whether the WCCUSD had adequate controls in place to identify, prevent, and detect procurement fraud.



Recommendation: Consistent with the GFOA, WCCUSD should implement policies and procedures to assist in identifying, preventing, and detecting procurement fraud (see [Recommendation No. 22a](#) for more detail). The policies should include reporting protocols, training requirements, and escalation procedures specific to procurement fraud. The resulting documentation can also serve as a useful training tool for staff. As a best practice, the WCCUSD should maintain a consolidated bid and procurement activity report that will help WCCUSD senior management identify, prevent, or detect fraud and non-compliance with WCCUSD policies and procedures, State laws, and regulations. Supporting documentation for this consolidated report should be readily available in a central location, either physically or electronically. Additionally, per the GFOA, potential instances of fraud or abuse and questionable accounting practices have been brought to the attention of responsible parties by employees or citizens who become aware of such practices. The GFOA provides the following recommendations:

- Formally approve, widely distribute, and publicize an ethics policy that can serve as a practical basis for identifying potential instances of fraud or abuse and questionable accounting practices.
- Establish practical mechanisms (e.g., a hotline) to permit the anonymous reporting of concerns about fraud or abuse and questionable accounting practices to the appropriate responsible parties.
- Make internal auditors (or their equivalent) responsible for the mechanisms used to report instances of potential fraud or abuse and questionable accounting practices. Emphasize that they should take whatever steps are necessary to satisfy themselves that a given complaint is without merit before disposing of it. Further, they also should document the disposition of each complaint received so it can be reviewed by the Audit Committee.

Have the appropriate party, as part of their evaluation of the government's internal control framework, examine the documentation of how complaints were handled to verify that the mechanisms for reporting instances of potential fraud, abuse, and/or questionable accounting or auditing practices are in place and working satisfactorily.

OBJECTIVE NO. 6 – BOND PROGRAM MASTER PLANNING AND REPORTING

Observation No 6a: WCCUSD policies and procedures did not have formal master planning processes and procedures.

The District has taken steps to address the *Bond Program Master Planning and Reporting* recommendation provided in the prior years' reports (Moss Adams 2017 and 2018 reports—Objective No. 6). During the current fiscal year, the District made progress on drafting the BPMP; however, formal policies and procedure surrounding master planning was not available and program reporting had select areas for improvement as of June 30, 2019. A draft table of contents for the proposed BPMP, dated July 24, 2019, was presented to the Facilities Subcommittee and made available for review. Per the draft table of contents, Section I of the BPMP will include program and operations policies and procedures, including *Long Range Facilities Master Plan* updates and reassessments. From the prior year's audit, Darden Architects and Integrated Educational Planning and Programming created a comprehensive *Long Range Facilities Master Plan*, which was Board-approved on June 15, 2016. The *Long Range Facilities Master Plan* was a highly integrated process that included several community meetings, focus groups, surveys, and school site and steering committee meetings, including a prioritization committee. Facilities needs assessments were conducted to understand the age and condition of each school site and criteria



was established including facility safety and structural integrity, age of school/number of years since last improvement, capacity/utilization, completion of *Long Range Facilities Master Plan* or drawings, Americans with Disabilities Act compliance, technological needs, functionality, eligibility for State funding, and economically disadvantaged area/low income needs. The criteria were ranked in a reasonable manner, assigned a weight, and systematically applied to the priority that school sites identified.

The prioritization of projects is clearly defined and an integral part of the *Long Range Facilities Master Plan*. Rough order of magnitude estimates based on a per square foot analysis were developed (excluding cost escalation or cost for temporary housing). The District presented a formal annual update to the *Long Range Facilities Master Plan* and facility operations to the Board on May 22, 2019. The update included information on specific projects and next steps, an implementation plan and budget update, critical needs updates, timeline and schedule updates, cash flow projection, additional funding updates, and success stories. Proposed cash flow projections through 2023, for all Master Plan projects, were included in the update, including additional incoming revenue from future Bond sales and additional state funding. A positive cash flow projection was reported through 2023.

Recommendation: As a best practice, WCCUSD should continue its efforts to ensure defined and documented processes are in place for master planning, including when to utilize these procedures (e.g., thresholds), who is responsible for each activity, and procedures for final approval (see [Recommendation No. 22a](#) for more detail). Documentation requirements for any Master Plan changes from the original approved documents should include, but not be limited to, information surrounding the proposed design change, basis for design change, estimated design change revenue and cost impact, estimated schedule impact, and design change initiator and approver. Master Plan reporting should include a summary level Project Stages Report with dates of key milestones achieved, estimated dates of key milestones to be achieved, and appropriate and relevant narrative should be maintained and reported to key stakeholders on a regular basis. Deviations should be discussed with WCCUSD management and documented accordingly within monthly reporting. Responsibilities should be assigned and appropriateness of the policies and procedures should be evaluated on an ongoing basis.

Observation 6b: Program reporting did not include adequate details to allow key stakeholders to analyze the project forecast at the program and project level to actual committed contract values and the associated timing of revenues, expenditures, cash flow, and fund balances as recommended by the GFOA and the SDCTA.

The District has not taken steps to address the *Bond Program Reporting* recommendation provided in the prior years' reports (Moss Adams 2017 and 2018 reports—Objective No. 6b). Program reporting reviewed was consistent with last year, but continued to lack sufficient information to be in line with best practices recommended in the prior year. Program reporting practices were compared to GFOA and SDCTA best practices to measure the effectiveness of controls surrounding Bond-funded projects. The District presented a CBOC Meeting Packet on May 15, 2019 (see [Observation No. 22c](#) for further information regarding report frequency). The meeting packet's attached reports included the following information:

- Project status update
- Construction budget information including Board approved amount and billed amount.
- Construction spending by school site through April 30, 2019, with original budget, current budget, actuals, commitments, and balance amounts.
- Cash projections with budget amounts (see [Observation No. 2](#) for further information)



Pinole Valley High School specific updates

Per the SDCTA Oversight Committee Best Practices, at minimum, the following should be reported to the Independent Citizens Oversight Committee (ICOC):

- List of projects accompanied by measurements of their status in terms of budgets and timelines
- Any alterations to project budgets or timelines with adequate explanations for these changes
- Comparison of current status of projects in terms of budgets and timelines to the original budget and timeline estimates of the project

Current budgets and commitments were reported; however, reporting lacked an adequate change order, schedule, and budget to forecast alternation information for all projects (see [Observation No. 3a](#) for further information). Per inquiry with District Management, project forecasting is based on the Facilities Master Plan Board-approved budgets. However, project forecasts can differ from budget amounts and differences, specifically forecast overruns, should be reflected and reported accordingly. Change order reporting should include change responsibilities, such as owner-initiated, scope changes, design errors, contract errors, and unforeseen conditions (see [Observation No. 13b](#) for further information). Specific change order reporting was available for Pinole Valley. Additionally, CBOC meeting minutes were available on a monthly basis; however, Bond Program updated status reporting was not available for five of 11 CBOC meeting packets posted to the website for FY 19 (July 2018 through June 2019). Absent further information, project reporting is not in line with best practices and lacks information to adequately report to key stakeholders.

Recommendation: Both the SDCTA and GFOA recommend that budget-to-actual comparisons of revenues, expenditures, cash flow, and fund balances be periodically reported. Board of Education-approved Master Plan budgets and current forecasts at the program and project level should be available with consideration of the amounts available. Change order reporting should include information such as itemized change amount, percentages, descriptions, change responsibility, date of approval, subtotals, and totals for easy end-user reference (see [Recommendation No. 13b](#) for further information). Detailed budget-level information for current Bond issuances allows the District to monitor budgetary performance against committed contract values and can serve as an early warning indicator for potential problems. This information provides decision makers time to consider actions that may be needed if major deviations in budget-to-actual results become evident. Both the SDCTA and GFOA comment that this information is essential input for demonstrating accountability and transparency. This documentation will also serve as a useful tool for District management and stakeholders to understand the timing of project schedules. Additionally, policies should be updated to formalize minimum reporting requirements to the CBOC and stakeholders.

OBJECTIVE NO. 7 – COST, SCHEDULE, BUDGETARY MANAGEMENT, AND REPORTING CONTROLS IMPLEMENTATION

Observation No. 7: See the following specific areas of review for control-related improvement opportunities for this objective:

- Conduct a performance audit
- Objective No. 2 – Design and Construction Schedules Cash Flow Analysis
- Objective No. 3 – Design and Construction Budget Management
- Objective No. 6 – Bond Program Master Planning and Reporting



Objective No. 10 – Cost Benefit and Value Engineering Analysis.

Recommendation: See individual recommendations for each objective identified.

OBJECTIVE NO. 8 – CLAIM AVOIDANCE AND CONTROL PROCEDURES

Observation No. 8: District policies and procedures did not clearly identify roles and responsibilities to be taken to prevent or limit claim exposures.

The District has taken steps to address the *Claims Avoidance and Control Procedures* recommendation provided in the prior years' reports (Moss Adams 2017 and 2018 reports—Objective No. 8). During the current fiscal year, the District made progress on drafting the BPMP; however, formal proactive claims avoidance policies and procedures were not available as of June 30, 2019. The proposed BPMP, dated July 24, 2019, was presented to the Facilities Subcommittee and made available for review. Per the draft table of contents, Section II of the BPMP will include project management policies and procedures, including Part B, Construction Management and Quality Assurance, specifically referencing disputes and claims avoidance. We evaluated and reviewed the procedures used to limit the number of claims filed against the District related to construction projects for the period. During our review procedures, we confirmed that the District maintains a potential change order list (items requested by the Contractor, such as potential claims or disputes) within Primavera; however, it is unclear who this is reported to and what the process is for resolution. The District had detailed flowcharts for the dispute resolution process and claims resolution process. These processes, in conjunction with contractual language, define the steps for the contractor, architect, and District to address disputes and claims in a methodical and systematic way. Additionally, the draft policies and procedures provided were consistent with contractual language. However, the District's current processes are reactive, as opposed to proactive, in avoiding claims and do not identify action to be taken to prevent or limit claim exposures. Construction-related claims have many causes and often arise as a result of unresolved change orders, differing site conditions, or disruptions, delays, acceleration, and other time-related issues that require timely monitoring, planning, and effective actions in place to avoid claims.

Recommendation: The District should continue efforts to formalize policies and procedure identifying roles and responsibilities to be taken to prevent or limit claim exposures. As a best practice, formal written policies and procedures for proactive claims avoidance practices should be created and added to a comprehensive Bond Program Policy and Procedure Manual (see [Recommendation No. 22a](#) for more detail).

OBJECTIVE NO. 9 – MATERIALS SPECIFICATIONS

Observation No. 9: WCCUSD did not have formal policies and procedures surrounding how to make updates to the Material Specifications log.

The District has taken steps to address the *Materials Specifications* recommendation provided in the prior year's report (Moss Adams 2018 report—Objection No. 9). During the current fiscal year, the District made progress on drafting the BPMP; however, formal material specification policies and procedures were not available as of June 30, 2019. A draft table of contents for the proposed BPMP, dated July 24, 2019, was presented to the Facilities Subcommittee and made available for



review. Per the draft table of contents, Section II of the BPMP will include project management policies and procedures, including Part A. Design Management and Quality Assurance, specifically referencing materials and product standards.

We also reviewed the District's design standards for standardized items and educational specifications that meet the District's needs and provide uniformity amongst facilities and school sites. In 2017, the District had the following six items for design standards documentation:

- *Material and Product Standards* – Detailed allowable materials and products that the District deemed adequate to meet educational specifications according to the Construction Specifications Institute codes to provide equitable learning environments.
- *Material and Product Standards Sole Source Resolution* – Specified which materials and products included within the established standards were not subject to substitution for similar or like products.
- *Technology Infrastructure Standards* – Detailed which infrastructure standards and requirements ensured information technology specifications were met and that technological advances could be incorporated into new and existing facilities throughout the District.
- *Elementary School Educational Specifications* – Provided a general framework of requirements that could be applied to meet teaching and learning needs throughout District elementary schools. Specific areas of focus for these specifications included school environment, safety, and general requirements for educational spaces within elementary schools (i.e., classrooms, flexible learning suite, etc.).
- *Middle School Educational Specifications* – Provided a general framework of requirements that could be applied to meet teaching and learning needs throughout District middle schools. Specific areas of focus included school environment, safety, and general requirements for educational spaces (i.e., classrooms, arts, physical education and athletics, etc.).
- *High School Educational Specifications* – Provided a general framework of requirements that could be applied to meet teaching and learning needs throughout District high schools. Specific areas of focus included school environment, safety, and general requirements for educational spaces (i.e., classrooms, arts, physical education and athletics, etc.).

The items listed above clearly identify critical products and systems, allowable alternative items, needs for each type of school (elementary, middle, and high school), and processes for material and product substitutions. The design standards are to be provided to architects and consultants during the bid or RFP process to ensure compliance. Additionally, the District presented a formal update to the *Long Range Facilities Master Plan* and facility operations to the Board on May 30, 2018. The update included an overview on material and product standards and sole source procedures, including links to detailed documentation as well as Board approvals and dates, for communication and transparency surrounding District material specifications. Additionally, the District provided what appeared to be a draft packet titled *WCCUSD Elementary School Educational Specification*, which notes at length educational specifications including material and product standards, marked to be last edited in February 2020.

Recommendation: The District should continue its efforts to formalize policies and procedure regarding how to update the Material Specifications log. WCCUSD should define how to make updates to the standards specifications document and update Bond Program policies and procedures accordingly (see [Recommendation No. 22a](#) for more detail). This policy should ensure that documentation exists, including the requestor and date of request, description of change, cost-benefit relationship for the change (see [Recommendation No. 10](#) for further information), approver and date of approval, and a time-stamped updated specifications document. The cost-benefit analysis for significant specification changes should be approved by appropriate WCCUSD



management. The Standard Specifications document should avoid including narrow scope requirements to prevent excessive pricing to WCCUSD.

OBJECTIVE NO. 10 – COST BENEFIT AND VALUE ENGINEERING ANALYSES

Observation No. 10: The District did not have approved policies and procedures for conducting cost benefit analysis and value engineering studies.

The District has not taken steps to address the *Cost Benefit and Value Engineering Analyses* recommendation (Moss Adams 2017 and 2018 Report—Objective No. 10). Consistent with the prior year, formalized policies and procedures were not available as of June 30, 2019 and specific sections relating to value engineering or cost benefit analysis were not identified within Draft Bond Program Management Plan (BPMP) table of contents.

We assessed the District's processes to determine whether the District's specified requirements for projects, products, materials, and systems could be obtained at a lower price or for a better value, specifically when weighing cost, time, and function. We reviewed draft procedural documents as well as documentation to support cost benefit and value engineering analyses. The following is our assessment of draft procedural documents:

Cost Benefit Analysis

Based on the prior year's audit, in the May 4, 2017 version of the Material and Product Standards, items that are not agreed to via the Board-approved sole source material and product standards resolution (Resolution No. 69-1617) are subject to substitution, provided that the architect or consultant provides proof that alternative items are approved by the District in advance of being incorporated into the design. As part of this process, the architect or consultant must include a cost benefit analysis. However, no guidelines for the cost benefit analysis were outlined by the District's policies and procedures.

Value Engineering

During the current fiscal year, the design-build agreement for the Richmond High School critical needs construction, executed December 18, 2018, included contract terms regarding value engineering analysis. The contract outlines the expectations of the design-build contractor in regard to documentation available to the District. However, reporting/approval requirements were not present in the contract, and formal policies and procedures were not available to define District personnel roles and responsibilities surrounding management and implementation of recommendations from the reviews.

Recommendation: As a best practice, the District should ensure formal, defined, and documented policies and procedures as well as roles and responsibilities are in place for cost benefit analysis and value engineering for its projects, including when to utilize these tools, who is responsible for each activity, and procedures for final approval (see [Recommendation No. 22a](#) for more detail). The District's current methodology of when to utilize these tools on projects is unclear; however, value engineering and cost benefit analyses can be utilized as a tool on any project. Establishing set criteria for when cost benefit analysis and value engineering studies will be applied, what documentation is required, and the required approval authority limitations will provide a more structured environment to apply these cost saving measures to align cost, useful life, and function with project and District needs.



SAVE International® specifies that the following six phases be conducted to analyze cost and value:

1. *Information Phase:* Review and define the current conditions of the project and identify the goal of the value engineering study and cost benefit analysis.
2. *Function Analysis Phase:* Review and analyze the project to determine what needs improvement, elimination, or creation to meet the project's goals.
3. *Creative Phase:* Generate ideas on all the possible ways to accomplish the requirements, with an emphasis on cost and functional needs.
4. *Evaluation Phase:* Develop and execute an evaluation to select those ideas that offer the potential for value improvement while delivering the project's function(s) and considering performance requirements and resource limits.
5. *Development Phase:* Develop the selected ideas into alternatives with sufficient documentation to allow decision makers to determine if the alternative should be implemented.
6. *Presentation Phase:* Prepare a presentation and/or report to key stakeholders that convey the adequacy of the alternative(s) and the associated value improvement.

Specific areas of focus and attention that should be considered when conducting these types of analyses have been incorporated in [Appendix B](#) of this report.

OBJECTIVE NO. 11 – MAINTENANCE OF DISTRICT ASSETS FUNDED BY LOCAL BOND AND WARRANTY CONDITIONS COMPLIANCE

Observation No. 11: The District did not provide documentation to evidence assets funded by the Bond Program were compliant with warranty condition requirements and District requirements.

The District has not taken steps to address the *Maintenance of District Assets Funded by Local Bond and Warranty Conditions Compliance* recommendation provided in the prior years' reports (Moss Adams 2017 and 2018 reports—Objective No. 11). Consistent with prior years, no documentation or policies and procedures surrounding warranty conditions compliance was provided for our audit period. We assessed the District's practices for maintenance of assets incorporated into school site construction and reviewed the accuracy and completion of maintenance schedules to warrantied assets available. A maintenance log was provided that documented annual review of various district safety equipment and assets performed between July 1, 2018 and January 31, 2019. The log did not have warranty condition compliance requirement considerations and it is unclear whether the log was complete and accurate.

As background from the prior year's audit, the District utilized SchoolDude, a maintenance and work order management system, as a scheduling and reporting tool for facilities throughout the District. Based on inquiry, there was limited, if any, interaction between maintenance records contained within SchoolDude and the warranty conditions.

Additionally, the District specified that, as construction projects are completed, training is conducted by contractors with the District's maintenance team on the products, systems, and equipment for each facility and the contractor provides all warranties as well as operation and maintenance manuals to the District to perform sufficient preventative maintenance. The maintenance performed at the District is scheduled in SchoolDude and conducted accordingly. Further, during the current fiscal year, the District provided various inspection reports for facilities and safety equipment. However, absent a formal system, or documentation of warranty information, or equivalent, it is unclear whether or not the District has sufficient documentation



showing compliance with the warranty in case a product or system that is under warranty should fail.

Recommendation: As a best practice, the District should ensure compliance with all warranty conditions to sustain a level of protection against breach of warranty and proper maintenance of District facilities in accordance with warranty conditions and District requirements. A consolidated summary project close-out report with warranty and preventive maintenance log details, including major assets, applicable items under warranty, dates of installation, required periodic maintenance, and actual maintenance conducted, should be kept for all school sites and reported to stakeholders on a regular basis. Warranty information is required as part of the construction close-out process; therefore, it is recommended that an owner warranty log be created by the Facility Planning and Construction department and provided to the maintenance team for proper follow-up.

OBJECTIVE NO. 12 – IMPLEMENTATION OF SCHEDULE QUALITY, SCOPE, AND PERFORMANCE MANAGEMENT CONTROLS

Observation No. 12: See the specific areas of review for improvement opportunities.

We reviewed Bond Program goals and objectives to assess how well they were communicated and whether they are being implemented and applied by District and contractor personnel. Overall, the District's Master Plan (approved by the Board on June 15, 2016) has provided an excellent resource to facilitate the Bond Program. It provides clear goals and objectives and was communicated to a wide audience to educate stakeholders. However, prior to 2016, there was no established Master Plan for Bond funds spent. See the following specific areas of review for control-related issues for this objective:

- Objective No. 2 – District and Professional Services Staffing Plan for the Bond Program
- Objective No. 6 – Bond Program Master Planning and Reporting
- Objective No. 10 – Cost Benefit and Value Engineering Analysis
- Objective No. 15 – Project Close-Out Controls
- Objective No. 22 – Transparency of Bond Program

Recommendation: See individual recommendations for each objective identified.

OBJECTIVE NO. 13 – CHANGE ORDER MANAGEMENT AND CONTROLS APPLICATION

Observation No. 13a: WCCUSD did not have formal change order policies and procedures.

The District has taken steps to address the *Change Order Management and Controls Application* recommendation (Moss Adams 2018 Report—Observation No. 13a). During the current fiscal year, the District made progress on drafting the BPMP; however, formalized policies and procedures were not available as of June 30, 2019. The proposed BPMP, dated July 24, 2019, was presented to the Facilities Subcommittee and made available for review. Per the draft table of contents, Section II of the BPMP will include project management policies and procedures, including Part B. Construction Management and Quality Assurance, specifically addressing change directives and change management.



Recommendation: The District should continue efforts to formalize change order policies and procedures. Formal written policies and procedures, including defined approval authority for change orders, should be created and added to a comprehensive Bond Program policy and procedure manual to ensure appropriate review and approval controls are in place before vendor payment release (see [Recommendation No. 22a](#) for more detail).

Observation No. 13b: Adequate change order reporting to ensure end users understand change order impact and assigned responsibility was not available.

The District has not taken steps to address the *Change Order Management and Controls Application* recommendation (Moss Adams 2018 Report—Observation No. 13b). Upon request for FY 19 change order reporting, no documentation was provided. The District was able to provide specific examples of Board-approved change order amounts; however, summary and detail reporting for change orders, including information such as itemized change amount, percentages, descriptions, change responsibility, date of approval, subtotals, and totals, were not available. Absent further information, change order reporting is not in line with best practices and lacks information to adequately report to key stakeholders.

Recommendation: As a best practice, District change order reporting should include accurate information, such as itemized change amount, percentages, descriptions, change responsibility (e.g., owner-initiated, scope changes, design errors, contract errors, and unforeseen conditions), date of approval, subtotals, and totals for easy end user reference. Summary and detailed change reporting is necessary to understand change order cause, responsibility, pricing, and compliance as well as to identify potential duplicated work scopes and/or redundancies caused by unclear scope objectives and/or expectations within the Master Plan.

Observation No. 13c: Several professional service contracts had change orders (in excess of 10%) compared to the original contract amounts.

The District has not taken steps to address the *Project Close-Out Controls* recommendations from prior years' reports (Moss Adams 2017 Report—Objective No. 5 and Moss Adams 2018 Report—Objective No. 13c). The District amended the following four professional service agreements by amounts in excess of original contract value:

Project Site	Scope	Vendor	Contract Executed Date	Original Contract Value	Total Amends Through FY18	Amended Contract Value	Percent increase from OG Contract
District Wide	Technology Equipment and/or Services	CONVERGE ONE INC	4/19/2019	\$1,481,862	\$236,390	\$1,718,253	15.95%
District Wide	Primavera Design and Construction Controls System Services	DDL.N.INC	3/31/2016	\$218,440	\$918,696	\$1,137,136	420.57%



Crespi Middle School	Architects for Gymnasium Seismic Retrofit Project	HMC ARCHITECTS	2/2/2017	\$257,500	\$77,553	\$335,053	30.12%
District Wide	Construction Management Services	ROEBBELE N CONSTRUCTION MANAGEMENT SERVICES	7/23/2014	\$2,743,720	\$678,012	\$3,421,732	24.71%

Although this practice is compliant with Public Contracting Code (PCC), processes and procedures can be improved upon to evidence of a fair, competitive selection process and pricing.

Recommendation: As a best practice, competitive bidding and procurement practices should include a full evaluation of bidders and the total scope of work on a comparative basis to ensure competitive pricing for Bond program objectives. Additionally, while changes are not uncommon for professional service agreements and the change order work appeared compliant with District policies and state regulations, Management's rationale for significant sole source change order adjustments instead of a new contract should be well documented. Absent this information and documentation, the District may pay excessive costs for change order work.

OBJECTIVE NO. 14 – CONTRACTOR BILLING COMPLIANCE CONTROLS

Observation No. 14: The District did not have defined approval authority for vendor payment processing within the Bond Program policies and procedures manual to ensure appropriate review and controls.

The District has taken steps to address the *Contractor Billing Compliance Controls* recommendation (Moss Adams 2018 Report—Objective No. 14). During the current fiscal year, the District made progress on drafting the BPMP; however, formalized policies and procedures were not available as of June 30, 2019. The District provided a draft table of contents for the proposed BPMP, dated July 24, 2019, which was presented to the Facilities Subcommittee and made available for review. Per the draft table of contents, Section II of the BPMP will include project management policies and procedures, including Part B Construction Management and Quality Assurance, specifically addressing contractor payments. Additionally, Section IV of the BPMP will include fiscal policies and procedures, specifically addressing payment processing (Part C). We analyzed processes to review and approve contract charges to prevent overcharges and to understand the workflow and cost control processes implemented by the District. We reviewed invoices to determine allowability of charges according to Bond requirements, work performed, and adequacy of cost support provided, including lien releases. The invoice and payment application approval forms provided by the District included step-by-step tasks to be performed by the District to verify invoice compliance and readiness for processing and payment. However, authority limits, defined roles and responsibilities, and formal policies and procedures were not available to define appropriate procedures. For example, payment approval forms were available for all samples and were approved by the Principal Accountant or the Fiscal Coordinator on behalf of the Fiscal department. However, it is unclear whether these personnel have the authority limits to approve



these expenditures. Additionally, one sampled expenditure lacked approval sign-off on the payment approval form from the Bonds and Finance department (Vendor: Lathrop Construction Associates Inc; Invoice No. 31; Amount: \$2,990,143.48); however, electronic approval reporting from the Principal Accountant was available within the Munis System. Absent defined approval authority, it is unclear whether the vendor payment approval process is appropriate and consistent with District expectations.

Recommendation: Formal written policies and procedures, including defined approval authority for vendor payment processing, should be created and added to a comprehensive Bond Program Policy and Procedure manual to ensure appropriate review and approval controls are in place before vendor payment release (see [Recommendation No. 22a](#) for more detail).

OBJECTIVE NO. 15 – PROJECT CLOSE-OUT CONTROLS

Observation No. 15: WCCUSD policies and procedures surrounding project close-out controls should be formalized and Board-approved.

The District has not taken steps to address the *Project Close-Out Controls* recommendations (Moss Adams 2017 and 2018 Reports—Objective No. 15). Through June 30, 2019, no documentation evidencing a consolidated close-out log for all projects in the close-out phase had been maintained, completed, approved, or included in draft policies and procedures. Per the District, the Chavez Critical Needs Project is the only project pre-closed in FY 19. The District has draft Bond Program Close Out Procedures, consistent with contract requirements, that includes sections such as Punch Lists, Project Completion Conference, Notice of Completion, Final Application and Certificate for Payment, Final Payment for the Architect, and Final Payment for the Construction Manager. Upon request, no close-out documentation or checklist was provided for this project. Further, draft policies and procedures do not establish District approval requirements to support an adequate and successful project close out. Additionally, no specific section related to close-out documentation was identified within the draft BPMP table of contents.

Recommendation: The District should compile a consolidated project-close out checklist to ensure and report on turnover of documentation by contractors and compile all critical tasks prior to release of final payment. Bond Program policy and procedure should update associated policies and procedures to reflect current procedures to ensure appropriateness (see [Recommendation No. 22a](#) for more detail).

OBJECTIVE NO. 16 – POST-FINANCING REVIEW

Observation No. 16: WCCUSD policies and procedures did not include pricing goals and requirements for future Bond issuances.

The District has not taken steps to address the *Post-Financing Review* recommendation (Moss Adams 2017 and 2018 reports—Objective No. 16). Consistent with the prior year, no formal or draft policies and procedures updates were available as of June 30, 2019. Additionally, no specific sections were identified within the draft Bond's PMP table of contents for post-financing review. We evaluated post-financing reviews completed by the District and compared to established policy and procedures. In the prior fiscal year, on June 13, 2018, the District's financial advisor, KNN Public Finance, presented a *Summary of 2018 General Obligation Bonds*. Material covered included transaction overview, pricing highlights, pricing comparison and interest rate benchmarking, Bond



ratings, etc. No new information regarding pricing goals or financing review was provided for FY 19. Additionally, the District did not update policies and procedures to include Bond pricing goals or requirements.

Recommendation: As a best practice, the District should have established pricing goals and requirements included within their policies and procedures (see [Recommendation No. 22a](#) for more detail).

OBJECTIVE NO. 17 – REFUNDING OF OUTSTANDING BONDS (NO EXCEPTION)

- 17 Upon request, the District noted no instance of refunding, or any future plans of refinancing during FY 19. The District has Board Policy 7214.3, adopted on April 24, 2013, which identifies the purpose of refunding/restructuring and the objectives of providing net present value debt service savings, providing assistance with tax rate management, and/or adjusting the debt service structure.

No exception taken.

OBJECTIVE NO. 18 – ARBITRAGE AND INVESTMENTS (NO EXCEPTION)

- 18 Official Bond language and legal limitations regarding the issuance of the Bond were analyzed including the terms of voter approved measures regarding investments and arbitrage regulations. Funds were invested within the Contra Costa County Investment Pool at the discretion of the Contra Costa County Treasurer-Tax Collector Investment Officers, and the District is not part of that decision-making process. Per Education Code Section 41001, the District is required to deposit all receipts and collections of monies (including Bond proceeds) with the County Treasurer. The Contra Costa County's Quarterly Investment Report through June 30, 2019, provided a report detailing the investment allocations. The investment categories include the following: U.S. Treasuries (0.48%), U.S. Agencies (home loan banks, credit banks, mortgage corporations, municipal bonds) (13.88%), Supranationals (9.38%), Money Market Instruments (48.80%), Corporate Notes (10.56%), Local Agency Investment Fund (6.52%), Cash (3.44%), and other (3.96%).

No exception taken.

OBJECTIVE NO. 19 – TIMELINESS OF PAYMENT

Observation No 19: There were two instances where payment processing took longer than 30 days and was not supported by a payment application or invoice rejection letter justifying the delay.

The District has taken steps to address the *Timeliness of Payments* recommendation provided in the prior years' reports (Moss Adams 2017 and 2018 reports—Objective No. 19). Two instances of payments processed in excess of 30 days of the received date were identified as of June 30, 2019. In the prior year's audit, we noted seven instances where payment processing took longer than 30 days. We reviewed sampled invoices and payment applications for compliance with the District's



30-day payment process. The District has a step-by-step payment process, included within the unofficial policies and procedures, that aims at providing payment to contractors who have been compliant with billing requirements within 30 days of the District's receipt of invoices and payment applications. The following two invoices warrant (payment) date was greater than 30 days from the date the invoice was noted as received per the payment approval form:

Vendor No.	Vendor Name	Invoice Number	Invoice Received Date	Amount	Check Date	Days
45785	LATHROP CONSTRUCTION ASSOCIATES INC	1000003023-00003	4/5/2019	\$127,920	5/7/19	32
48746	ROEBBELEN CONSTRUCTION MANAGEMENT SERVICES	33	3/15/2019	\$84,140	4/23/19	39

Recommendation: The District's Facility Planning and Construction department should continue to ensure that each invoice is processed for payment in a timely manner. For any instances where payment has been delayed due to contractor inaccuracies within invoices/payment applications, disagreements between work billed and performed, or other discrepancies, the District should provide rejection letters to contractors detailing why payment is being delayed. This document should be maintained within files or attached to the invoice/payment application.

OBJECTIVE NO. 20 – LOCAL PARTICIPATION REQUIREMENTS

Observation No. 20: The District no longer tracks local participation and instead relies on construction firms to comply with these requirements.

The District has not taken steps to address the *Local Participation Requirements* recommendation provided in the prior years' reports (Moss Adams 2017 and 2018 reports—Objective No. 20). Consistent with prior years, no update to the Board's policy or draft procedural documents defining the District's role in achieving local participation goals was provided. We reviewed District and Board policies to determine whether there were any local or socioeconomic participation goals or requirements for Bond Program projects. The District had previously contracted Davillier-Sloan, Inc. to provide monitoring and reporting services for local participation based on the information gathered from the contractor's certified payroll reports. Based on inquiry, the District has continued to defer management and measurement of local participation goals to the construction firms responsible for the collection and production of all certified payroll reports. The District provided *Local Hire by Contractor* reporting for one construction project, Wilson Elementary, completed by the Design-Build contractor and dated February 10, 2020. Per the contractor's report, 54.85% of cumulative hours from April 1, 2019 through January 31, 2020 were completed by local workers from 'Local Zip' titled 'Wilson Priority One,' 'Wilson Priority Two,' and 'Wilson Priority Three.' However, complete documentation regarding compliance of good faith efforts to achieve District-wide local participation goals during our audit period was not available. Upon request, no update on District goals or Board Policies was made available for FY 19.



Recommendation: The District should define its position and role in achieving local participation goals and Board Policies should be updated accordingly (see [Recommendation No. 22a](#) for more detail).

OBJECTIVE NO. 21 – CBOC COMPLIANCE

Observation No. 21: The Draft Board Policy surrounding the role and operations of the Citizens' Bond Oversight Committee (CBOC) was not formalized.

We assessed the CBOC's compliance with the Board Policy, CBOC bylaws, and related Education Code sections. On March 14, 2019, the CBOC approved proposed amendments to the Board Policy 7214.2 regarding the role and operation of the CBOC. Board Policy 7214.2, first adopted in 2008, was to set forth the establishment, operating, and funding guidelines for the CBOC. However, through June 30, 2019 the Draft Board Policy was not approved by the District. We noted no exception on the CBOC's compliance with law, the Committee's bylaws, or related Education Code sections.

Recommendation: The District should formalize the amendments to Board Policy 7214.2 to establish roles and operations of the CBOC. The District should ensure all revisions are compliant with the Education Code and Proposition 39. Additionally, the District should evaluate the reasonableness and appropriateness of the policy to meet the needs of all key stakeholders.

OBJECTIVE NO. 22 – TRANSPARENCY OF BOND PROGRAM

Observation No. 22a: Bond Program policies and procedures were not formalized and approved by the Board.

The District has taken steps to address *Transparency of Bond Program* recommendation (Moss Adams 2017 and 2018 Report Objective No. 22). During the current fiscal year, the District made significant progress on drafting the Program Management Plan, as demonstrated on the draft BPMP; however, formalized policies and procedures were not available through June 30, 2019.

Although no formalized, adopted policies and procedures were available, the District was able to show progress on the draft BPMP, including draft table of contents and drafted procedural documents for particular processes for the Bond Program. Per the District website, the District has been providing monthly updates of the progress of the BPMP to the CBOC and Facilities Committee and allowing periods for open comment to ensure all key stakeholders' input is considered for the final document.

Recommendation: As a best practice, the District should continue to consolidate all Bond Program policies, procedures, and resolutions into one document to ensure effective controls and communication of the policies and procedures and obtain Board approval. This manual should highlight all functional areas related to Bond Program activities, such as, but not limited to, staffing, procurement, financial controls, document control, budgeting practices, master planning, scheduling, invoice/payment application review and processing, change order review and processing, and claims avoidance and management. The GFOA recommends, within their article "Documenting Accounting Policies and Procedures," that the documentation of accounting policies and procedures should be evaluated annually and updated periodically, no less than once every three years. Any changes in policies and procedures should be updated in the documentation



promptly as they occur and a specific employee should be assigned the duty of overseeing this process. The resulting documentation can also serve as a useful training tool for staff.

Observation No. 22b: Based on SDTEF best practice guidance, Bond Program transparency can be improved through readily available information on the CBOC website.

The District has not taken steps to address *Transparency of Bond Program* recommendation (Moss Adams 2017 and 2018 reports—Objective No. 22). Consistent with the prior year, the CBOC website lacked readily available benchmark information.

We reviewed the District's means to reach Bond Program stakeholders with useful and meaningful communications. We also assessed the communication channels made available to stakeholders to voice concerns, influence projects, etc., to the District. We evaluated the overall transparency of the Bond Program including the CBOC's website, Bond Program progress reports, and the availability and access to information regarding Bond expenditures against benchmark criteria to be included on Independent Citizens Oversight Committee (ICOC) websites, established by the SDTEF for School Bond Transparency.

The CBOC website included information such as meeting minutes (see [Observation No. 22c](#) for additional information on posted meeting minutes), member vacancies, and various Bond Program reports. However, consistent with the prior years, the following benchmark items were not easily identified on the CBOC website:

- *Committee Bylaws* – The CBOC bylaws were not available or easily identified on the CBOC website.
- *Project Lists* – A list of all projects currently being funded by Bond amounts was not available or easily identified on the CBOC website as of June 30, 2019.
- *Project Descriptions* – A brief written description of currently funded projects was not available or easily identified on the CBOC website as of June 30, 2019.
- *Project Progress* – The current status and plan of action for each currently funded project was not available or easily identified on the CBOC website as of June 30, 2019.
- *Number of Vacancies* – SDTEF recommends having no vacancies when possible.

See [Appendix C](#) for a comprehensive list of SDTEF benchmark website criteria for School Bond Transparency.

Recommendation: The District should continue efforts to follow best practices, as specified by SDTEF, to support demonstration of accountability and transparency to all stakeholders.

Per the SDTEF *School Bond Transparency Summary Report*, continuing improvement recommendations for ICOC websites are as follows:

- Update all information on the ICOC website on a regular basis, including posting up-to-date agendas, minutes, financial and performance audits, and annual reports. Access to up-to-date information is vital to transparency. Districts should frequently update all website materials to reflect the most accurate information. Audits and financial reports should be available in a timelier fashion and should take no longer than a few months to prepare. Similarly, project status updates should be regularly provided—including budget updates and construction progress with expected timelines for completion.
- Adjust ICOC website organization to make it easy to navigate to find specific information. Simply including all of the recommended information, such as financial audits and meeting minutes, does not guarantee transparency. Instead, an ideal ICOC website would organize these files by type and date in separate links, so that any interested party could easily find



available information. All files are important, but it is often not easy to differentiate between them, especially when uploaded with a nondescript file name. Grossmont-Cuyamaca Community College District, Cajon Valley Union School District, and San Diego Community College District work as good models for how to organize the ICOC website and can serve as a starting point for other districts. These districts stand out for having websites with a user-friendly interface in which all information is categorized and presented separately for better navigation.

Additionally, as of June 30, 2019, the Bond Oversight Committee had vacancies. As a best practice, the District should evaluate communications options (i.e., appropriate communication channels) to ensure no vacancies within the CBOC consistent with the SDCTA guidance.

Observation No. 22c: The District conducted periodic public outreach for the Bond Program, but did not have an approved formal community outreach and communication plan.

We assessed the effectiveness of the public outreach and communication plan addressing external and internal communications. We reviewed the District's activities and methods of communication related to the identification of stakeholders as well as their concerns, influence on the project, and information expectations. We reviewed the District's means of community outreach and communication to interested parties (e.g., community stakeholders, community members, local entities, etc.) compared to good practices at other clients. We assessed the community outreach and communication policies and procedures, links to the various methods of communication utilized during the project, and any additional supporting documentation deemed necessary to demonstrate the outreach and communication before and during construction.

Based on documentation provided, we observed that the District's primary means of communication with the community was the District website, Facebook page, area mailings, and neighborhood meetings. Based on inquiry, communication and community outreach occurred on an as needed basis, as events occurred, or as an issue arose.

Recommendation: As a best practice, the District should develop a communications strategy and plan for projects for key and public stakeholders. WCCUSD should ensure that there is a clear and consistent message that delivers accurate information on the cost of the project, duration, impact, and benefit. Messaging should be developed with input from various groups within the organization (management, finance, engineering, operations, etc.) to ensure that information is complete and accurate. WCCUSD should review current methods of communication and verify that communications are organized, consistent, timely, and reach the appropriate audience. WCCUSD should periodically review its communication and outreach plans to determine their effectiveness and make adjustments accordingly for ongoing and future projects.



IV. REPORTING VIEWS OF RESPONSIBLE OFFICIALS

Below is a schedule of the audit observations and management's responses for 28 open exceptions and improvement opportunities noted as a result of the performance audits completed for fiscal years ended June 30, 2017, June 30, 2018, and June 30, 2019. Five recommendations are new for fiscal year 2019, and 25 were reported in prior years. Of the 25 open exception and improvement opportunities reported in prior years, the District has taken steps for 14 recommendations, the District had not taken steps for nine, the District closed two. Management responses from the District Facility staff are reported below for each recommendation.

FISCAL YEAR	OBJECTIVE NO.	OBJECTIVE TITLE	ISSUE	AUDITOR'S RECOMMENDATION	MANAGEMENT RESPONSE	STATUS OF RESOLUTION	PLANNED RESOLUTION DATE
2017	Conduct a Performance Audit	Conduct a Performance Audit	School Facility Consultants charged cost to the Bond Program that was not expressly allowable per the Bond language.	The District should consult with its legal counsel to determine if costs incurred for School Facility Consultants are allowable under the terms of the Bond measure language. Results of this consultation should be reported to the appropriate personnel (i.e., relevant District management, the Board, and CBOC) to ensure transparency and remediation take place, as necessary.	The District refunded the Bond Fund \$50,208.50 in February 2020 for the project-specific State Facility Program reporting services charges from 2017.	Open – The District has taken steps to address the School Facilities Consultants recommendation from prior fiscal years. Per inquiry and journal entry detail provided by the District, The District plans to refund the Bond Program for School Facilities Consultant expenditures during FY 2020.	February 2020
2017–2019	Conduct a Performance Audit 1 (CAPA 1)	Conduct a Performance Audit	The District needs to provide adequate documentation to support staff charge allocation to the Bond Program.	The District should continue efforts to implement the processes and controls needed to provide supporting documentation that validates the applicability and accuracy of labor charged to the Bond Program consistent with Opinion 04-110. Specifically, a timekeeping system, or equivalent tracking system, should be implemented so that all labor costs incurred are identifiable, compliant, and have a beneficial relationship to the Bond Program. Additionally, the District should evaluate labor amounts charged to the Bond Program to ensure appropriateness and compliance with Opinion 04-110. Results of this evaluation should be reported to District management, the Board, and CBOC to ensure transparency and remediation takes place, as necessary.	The District continues to perform periodic time studies to validate FTE allocations and make adjustments accordingly. Effective July 1st, 2019, there was a reduction of bond-funded FTE. During the current fiscal year, the staff made FTE allocation adjustments to align with work performed.	Open – The District has taken steps to address the Staff Allocation recommendation provided in the prior year's report.	Ongoing Implementation
2017–2019	1	District and Professional Services Staffing Plan for the Bond Program	WCCUSD should have well-defined policies and procedures for in-house or consultant staffing for the Bond Program.	As a best practice, appropriate WCCUSD management should approve an annual staffing plan, including key metrics such as positions staffed, number of personnel, number of planned projects, and dollar values of planned projects, to help determine the organizational structure's alignment with the Bond Program's needs. This staffing plan should be reported to key stakeholders on a periodic basis. We recommend that the staffing plan policies and procedures are established to be assessed at least annually to determine if the needs for the current and upcoming fiscal years are being met.	The District develops an annual staffing plan to ensure that staffing resources are appropriate and align with the needs of the Bond Program. The staffing plan does not project the responsibilities of the Associate Superintendent of Business Services & Secretary, Director of Audit, Internal Auditor, and substitute costs. The actual cost for FY 19, as compared to the staffing plan FTE, accounts for the noted variance.	Open – The District has taken steps to address the District and Professional Services Staffing Plan for the Bond Program in FY 2018. However, established formal and reviewable policies and procedures were not available as of June 30, 2019.	July 2020



FISCAL YEAR	OBJECTIVE NO.	OBJECTIVE TITLE	ISSUE	AUDITOR'S RECOMMENDATION	MANAGEMENT RESPONSE	STATUS OF RESOLUTION	PLANNED RESOLUTION DATE
2019	2	Design and Construction Schedules Cash Flow Analysis	The District was unable to support or validate amounts documented within the sampled cash flow report titled Bond Financial Status, Cash Projection FY19 Preliminary Closing.	The District should continue producing cash flow reports that include key detail as noted in the detailed observation for Objective 2. However, the District should implement controls to consistently and accurately report total expected revenues and expenses. This will enable the District to ensure accurate reporting and monitoring of Bond projected net position. Reconciled District cash balances, revenues, committed costs, and budget balances, both at the detailed and summary level, should be readily available and consistent on capital program reporting to District management and key stakeholders. Additionally, formal written policies and procedures, including defined responsibilities and approval authority for internal and public reporting, should be created and added to a comprehensive Bond Program manual to ensure appropriate review and approval controls are in place for both internal and public reporting procedures (see Recommendation No. 22a for more detail).	The District does provide consistent and accurate financial information. Recently, the District has developed a suite of financial reports in collaboration with the CBOC that include cash flow reporting. The Bond Program Management Plan details the frequency, format, and reporting procedures.	Open	February 2020
2017–2019	2017 and 2018: 3 2019: 3a	Design and Construction Budget Management	The District should have established policies and procedures for design and construction budget establishment and management for the Bond Program.	The District should continue efforts to develop and implement policies and procedures for budget establishment and management activities for the Bond Program (see Recommendation No. 22a for more detail). Details on defined roles and responsibilities will help provide transparency surrounding how budgets are established and managed. Furthermore, as a best practice, project reporting with key project information, including forecast amounts, should be consistently reported to WCCUSD management and key stakeholders. Any forecasted overruns should be addressed with detailed plans to secure additional sources of funding and identify alternative options to reduce projected costs while still meeting the District's objectives and needs. Muni and Primavera project amounts should be reconciled, reviewed, and approved by WCCUSD project management, WCCUSD accounting, and the Construction Manager to ensure completeness and accuracy.	The Bond Program Management Plan details the implementation of budget management procedures in MUNIS and Colbi. The District provides reconciled reporting from MUNIS and Colbi that demonstrate monthly reconciliation. Also, the Project Team prepares a monthly Project Status Report that is reviewed by the Fiscal Approver for accuracy and then presented at the Facilities Committee and CBOC meetings.	Open – The District has taken steps to address the <i>Design and Construction Budget Management</i> recommendation provided in the prior years' reports. However, established formal and reviewable policies and procedures were not available as of June 30, 2019.	Spring 2020
2019	3b	Design and Construction Budget Management	The District was unable to support or validate the reported amounts within the Bond Program Spending to Date by Site, Data as of June 30, 2019 and FY Preliminary Closing (Report No. 2).	The District should continue producing project-level expenditure reporting, including the key details noted in the detailed observation for Objective 3b. However, the District should implement controls to consistently and accurately report total Bond expenditures. This will enable the District to accurately monitor and report Bond expenditures in order to 1) help prevent non-compliant and excessive charges and 2) better control and manage project costs. Reconciled Bond expenditures (both at the	The District is currently reconciling every month and producing project level expenditure reporting. The Bond Program Management Plan details the reconciliation and reporting procedures.	Open	February 2020



FISCAL YEAR	OBJECTIVE NO.	OBJECTIVE TITLE	ISSUE	AUDITOR'S RECOMMENDATION	MANAGEMENT RESPONSE	STATUS OF RESOLUTION	PLANNED RESOLUTION DATE
				detailed and summary level) should be readily available and consistently detail capital program reporting to District management and key stakeholders. Any discrepancies or reconciling amounts should be reviewed and addressed in a timely manner by appropriate parties to ensure accurate reporting. Regular reconciliation exercises should be conducted to ensure both project management and accounting records are complete and accurate. Policies and procedures should be updated accordingly to ensure roles and responsibilities are clearly defined and adequate controls are in place to ensure completeness and accuracy or reported amounts. Additionally, formal written policies and procedures, including defined responsibilities and approval authority for internal and public reporting, should be created and added to a comprehensive Bond Program manual to ensure appropriate review and approval controls are in place for both internal and public reporting procedures (see <u>Recommendation No. 22a</u> for more detail).			
2017–2019	2017: 4 2018 and 2019: 4a	Bidding and Procurement Procedures	The District did not have formalized, Board-approved written policies and procedures regarding bidding and procurement.	The District should continue efforts to develop and implement formal written policies and procedures including defined approval authority for bid and procurement to ensure appropriate review and approval controls are in place for procurement procedures (see <u>Recommendation No. 22a</u> for more detail)	The Bond Program Management Plan details the procedure for each type of procurement.	Open – The District has taken steps to address the <i>Bidding and Procurement Procedures</i> recommendation provided in the prior year's report (Moss Adams 2018 report—Observation No. 4a). During the current fiscal year, the District made progress on drafting the BPMP. However, Board-approved written policies and procedures regarding bidding and procurement were not available as of June 30 2019.	Spring 2020
2017 and 2018	2017: 4 2018: 4b	Bidding and Procurement Procedures	The District needs to provide evidence of a fair, competitive solicitation process for architectural and professional services for four vendors.	The District should ensure that adequate documentation as evidence of a competitive solicitation and procurement process is maintained to comply with District policies and procedures and/or PCC, CUPCCAA, and other laws and regulations.	The District currently has a procurement process in place that ensures a fair and competitive selection process and provided evidence for Fairmont ES. In regards to the contract for Korematsu MS, the District did not require a competitive process for these services because the services performed were of the type that could be best and most cost-effectively performed by the Project's Architect of Record. If the District would have attempted to engage the services of	Closed – No exceptions noted during the current fiscal year.	N/A



FISCAL YEAR	OBJECTIVE NO.	OBJECTIVE TITLE	ISSUE	AUDITOR'S RECOMMENDATION	MANAGEMENT RESPONSE	STATUS OF RESOLUTION	PLANNED RESOLUTION DATE
					another entity, the additional costs and delay impacts to the Project would have been great. The Project Architect of Record, responsible for the DSA approved plans for the Project are the only entity that could have timely and cost-effectively performed these services. The contracts for Richmond High School and Valley View Elementary School were procured in 2010. The District provided evidence of the prequalification of Architectural firms and the Board approval documentation. Unfortunately, the proposals and process details from nine years ago were not readily found in the archive.		
2019	4b	Bidding and Procurement Procedures	We were unable to determine whether the District evaluated total price of the project consistent with the Education Code for the Richmond High School design build project.	The District should continue to work with legal to ensure evaluation and scoring of total price on design-build projects is consistent with Education Code. Additionally, the District should retain complete procurement and evaluation documentation to ensure vendor selection is consistent with RFP and Education Code requirements. Supporting documentation for appropriate vendor procurement should be readily available in a central location, either physically or electronically. A checklist or equivalent mechanism should be maintained with appropriate sign-offs on procurement requirements to validate compliance with policy and procedure requirements and adequate segregation of duties and controls. Additionally, as a best practice (as specified in Objective 5), the District should maintain a consolidated bid and procurement checklist and activity report that allows District senior management and key stakeholders to identify, prevent, or detect non-compliance with District policies and procedures, state laws, and regulations.	The District agrees with this recommendation. The Bond Program Management Plan details the Design-Build procurement process.	Open	Spring 2020
2017-2019	4c	Bidding and Procurement Procedures	The District was unable to provide evidence of complete competitive solicitation documentation for one construction vendor.	The District should comply with District procedures to ensure competitive pricing for the Bond Program. Supporting documentation for appropriate vendor procurement should be readily available in a central location, either physically or electronically. A checklist or equivalent mechanism should be maintained with appropriate sign-offs on procurement requirements to validate compliance with policy and procedure requirements and adequate segregation of duties and	The advertisement for the procurement in question took place in April 2016. The District has evidence of advertisement compliance with the Public Contract Code during FY 19. The Bond Program Management Plan details the procedures.	Open – The District has taken steps to ensure advertisement solicitation documentation is maintained; however, a vendor procured in prior fiscal years had inadequate procurement documentation.	FY 19/20 (Timing estimated based on inquiry with District)



FISCAL YEAR	OBJECTIVE NO.	OBJECTIVE TITLE	ISSUE	AUDITOR'S RECOMMENDATION	MANAGEMENT RESPONSE	STATUS OF RESOLUTION	PLANNED RESOLUTION DATE
				controls. Additionally, as a best practice (as specified in Objective 5), the District should maintain a consolidated bid and procurement checklist and activity report that allows District senior management and key stakeholders to identify, prevent, or detect non-compliance with District policies and procedures, state laws, and regulations.			
2018	4d	Bidding and Procurement Procedures	The District needs to evidence adequate Board approval for two vendor contracts/purchase orders	The District should ensure that adequate documentation as evidence of appropriate approval is maintained to comply with District policies and procedures and/or PCC, CUPCCAA, and other laws and regulations.	The payment to EBMUD is the cost charged by EBMUD to provide new water utility service at the PVHS project site. The payment to Oracle is the cost of licensing for Primavera. Both expenditures were Board approved pursuant to Board Policy 3300.	Closed – Board approvals were available for sampled vendors.	N/A
2017–2019	5	Procurement Fraud Prevention and Detection Controls	Policies, procedures, and monitoring controls to prevent and detect procurement fraud were not formalized.	Consistent with the GFOA, WCCUSD should implement policies and procedures to assist in identifying, preventing, and detecting procurement fraud (see Recommendation No. 22a for more detail). The policies should include reporting protocols, training requirements, and escalation procedures specific to procurement fraud. The resulting documentation can also serve as a useful training tool for staff. As a best practice, the WCCUSD should maintain a consolidated bid and procurement activity report that will help WCCUSD senior management identify, prevent, or detect fraud and non-compliance with WCCUSD policies and procedures, state laws, and regulations. Supporting documentation for this consolidated report should be readily available in a central location, either physically or electronically. Additionally, per the GFOA, potential instances of fraud or abuse and questionable accounting practices have been brought to the attention of responsible parties by employees or citizens who become aware of such practices. The GFOA provides the following recommendations: Formally approve, widely distribute, and publicize an ethics policy that can serve as a practical basis for identifying potential instances of fraud or abuse and questionable accounting practices. Establish practical mechanisms (e.g., a hotline) to permit the anonymous reporting of concerns about fraud or abuse and questionable accounting practices to the appropriate responsible parties. Make internal auditors (or their equivalent) responsible for the mechanisms used to report instances of potential fraud or abuse and questionable accounting practices. Emphasize that they should take whatever	Currently, all proposed commitments must complete department or Project Management, Fiscal, Engineering & Contract signature approvals, and then multiple electronic approvals in MUNIS. The Purchasing department must post all commitments before any financial authority is available for payment to the vendor. Resources for fraud prevention, detecting, and reporting information are available on the back of employee badges and the District website.	Open – The District has taken steps to address the <i>Procurement Fraud Prevention and Detection Control</i> recommendations provided in the prior years' reports. During the current fiscal year, the District made progress on drafting the BPMP; however, formal reviewable policies and procedures were not available as of June 30, 2019.	Spring 2020



FISCAL YEAR	OBJECTIVE NO.	OBJECTIVE TITLE	ISSUE	AUDITOR'S RECOMMENDATION	MANAGEMENT RESPONSE	STATUS OF RESOLUTION	PLANNED RESOLUTION DATE
				steps are necessary to satisfy themselves that a given complaint is without merit before disposing of it. Further, they also should document the disposition of each complaint received so it can be reviewed by the Audit Committee. Have the appropriate party, as part of their evaluation of the government's internal control framework, examine the documentation of how complaints were handled to verify that the mechanisms for reporting instances of potential fraud, abuse, and/or questionable accounting or auditing practices are in place and working satisfactorily.			
2018–2019	6a	Bond Program Master Planning and Reporting	WCCUSD policies and procedures did not have formal master planning processes and procedures.	As a best practice, WCCUSD should continue its efforts to ensure defined and documented processes are in place for master planning, including when to utilize these procedures (e.g., thresholds), who is responsible for each activity, and procedures for final approval (see <u>Recommendation No. 22a</u> for more detail). Documentation requirements for any Master Plan changes from the original approved documents should include, but not be limited to, information surrounding the proposed design change, basis for design change, estimated schedule change revenue and cost impact, estimated schedule impact, and design change initiator and approver. Master Plan reporting should include a summary level Project Stages Report with dates of key milestones achieved, estimated dates of key milestones to be achieved, and appropriate and relevant narrative should be maintained and reported to key stakeholders on a regular basis. Deviations should be discussed with WCCUSD management and documented accordingly within monthly reporting. Responsibilities should be assigned and appropriateness of the policies and procedures should be evaluated on an ongoing basis.	The Bond Program Management Plan details the controls in place to document, approve, and update any revisions to the Specifications.	Open – The District has taken steps to address the <i>Bond Program Master Planning and Reporting</i> recommendation provided in the prior years' report. During the current fiscal year, the District made progress on drafting the BPMP; however, formal policies and procedure surrounding master planning was not available and program reporting had select areas for improvement as of June 30, 2019.	Spring 2020
2018–2019	6b	Bond Program Master Planning and Reporting	Program reporting should include adequate details to allow key stakeholders to analyze the project forecast at the program and project level to actual committed contract values and the associated timing of revenues, expenditures, cash flow, and fund balances as recommended by the GFOA and the SDCTA.	Both the SDCTA and GFOA recommends that budget-to-actual comparisons of revenues, expenditures, cash flow, and fund balances be periodically reported. BOE-approved master plan budgets and current forecasts at the program and project level should be available with consideration of the amounts available. Change order reporting should include information such as itemized change amount, percentages, descriptions, change responsibility, date of approval, subtotals, and totals for easy end-user reference (see Recommendation No. 13b for further information). Detailed budget-level information for current Bond issuances allows the District to monitor	The District has developed a suite of financial reports in collaboration with the CBOC that include cash flow reporting. The Bond Program Management Plan details the frequency, format, and reporting procedures.	Open – The District has not taken steps to address the <i>Bond Program Reporting</i> recommendation provided in the prior year's report.	Spring 2020



FISCAL YEAR	OBJECTIVE NO.	OBJECTIVE TITLE	ISSUE	AUDITOR'S RECOMMENDATION	MANAGEMENT RESPONSE	STATUS OF RESOLUTION	PLANNED RESOLUTION DATE
				budgetary performance against committed contract values and can serve as an early warning indicator for potential problems. This information provides decision makers time to consider actions that may be needed if major deviations in budget-to-actual results become evident. Both the SDCTA and GFOA comments that this information is essential input for demonstrating accountability and transparency. Additionally, cash flow reporting should include revenues, cash, and expenditures by timeframe to document that sufficient funding is available to meet financial requirements for Measure D and E. This documentation will also serve as a useful tool for District management and stakeholders to understand the timing of project schedules.			
2017–2019	8	Claim Avoidance and Control Procedures	District policies and procedures should identify roles and responsible or action to be taken to prevent or limit claim exposures.	The District should continue efforts to formalize policies and procedure identifying roles and responsibilities to be taken to prevent or limit claim exposures. As a best practice, formal written policies and procedures for proactive claims avoidance practices should be created and added to a comprehensive Bond Program policy and procedure manual (see Recommendation No. 22a for more detail).	The Bond Program Management Plan details the management of claim prevention and limitation of claim exposure throughout the life cycle of a Project.	Open – The District has taken steps to address the <i>Claims Avoidance and Control Procedures</i> recommendation provided in the prior years' reports. During the current fiscal year, the District made progress on drafting the BPMP; however, formal proactive claims avoidance policies and procedures were not available as of June 30, 2019.	Spring 2020
2018–2019	9	Materials Specifications	WCCUSD did not have formal policies and procedures surrounding how to make updates to the Material Specifications log.	The District should continue its efforts to formalize policies and procedures regarding how to update the Material Specifications log. WCCUSD should define how to make updates to the standards specifications document and update Bond Program policies and procedures accordingly (see Recommendation No. 22a for more detail). This policy should ensure that documentation exists, including the requestor and date of request, description of change, cost-benefit relationship for the change (see Recommendation No. 10 for further information), approver and date of approval, and a time-stamped updated specifications document. The cost-benefit analysis for significant specification changes should be approved by appropriate WCCUSD management. The Standard Specifications document should avoid including narrow scope requirements to prevent excessive pricing to WCCUSD.	The Bond Program Management Plan details the controls in place to document, approve, and update any revisions to the Specifications.	Open – The District has taken steps to address the <i>Materials Specifications</i> recommendation provided in the prior year's report. During the current fiscal year, the District made progress on drafting the BPMP; however, formal material specification policies and procedures were not available as of June 30, 2019.	Spring 2020
2017–2019	10	Cost Benefit and Value	The District did not have approved policies and procedures for conducting	As a best practice, the District should ensure formal, defined, and documented policies and procedures as well as roles and responsibilities are in place for cost benefit	The Bond Program Management Plan details cost benefit analysis and value	Open – The District has not taken steps to address the <i>Cost Benefit and Value Engineering Analyses</i>	Spring 2020



FISCAL YEAR	OBJECTIVE NO.	OBJECTIVE TITLE	ISSUE	AUDITOR'S RECOMMENDATION	MANAGEMENT RESPONSE	STATUS OF RESOLUTION	PLANNED RESOLUTION DATE
		Engineering Analyses	cost benefit analysis and value engineering studies.	analysis and value engineering for its projects, including when to utilize these tools, who is responsible for each activity, and procedures for final approval (see Recommendation No. 22a for more detail). The District's current methodology of when to utilize these tools on projects is unclear; however, value engineering and cost benefit analyses can be utilized as a tool on any project. Establishing set criteria for when cost benefit analysis and value engineering studies will be applied, what documentation is required, and the required approval authority limitations will provide a more structured environment to apply these cost saving measures to align cost, useful life, and function with project and District needs. SAVE International® specifies that the following six phases be conducted to analyze cost and value. 1. <i>Information Phase</i>: Review and define the current conditions of the project and identify the goal of the value engineering study and cost benefit analysis. 2. <i>Function Analysis Phase</i>: Review and analyze the project to determine what needs improvement, elimination, or creation to meet the project's goals. 3. <i>Creative Phase</i>: Generate ideas on all the possible ways to accomplish the requirements, with an emphasis on cost and functional needs. 4. <i>Evaluation Phase</i>: Develop and execute an evaluation to select those ideas that offer the potential for value improvement while delivering the project's function(s) and considering performance requirements and resource limits. 5. <i>Development Phase</i>: Develop the selected ideas into alternatives with sufficient documentation to allow decision makers to determine if the alternative should be implemented. 6. <i>Presentation Phase</i>: Prepare a presentation and/or report to key stakeholders that convey the adequacy of the alternative(s) and the associated value improvement. Specific areas of focus and attention that should be considered when conducting these types of analyses have been incorporated in Appendix B of this report.	engineering management throughout the Project life cycle.	recommendation. Consistent with the prior year, formalized policies and procedures were not available as of June 30, 2019 and specific sections relating to value engineering or cost benefit analysis were not identified within draft BPMP table of contents.	
2017–2019	11	Maintenance of District Assets Funded	The District did not provide documentation to evidence assets funded by the Bond	As a best practice, the District should ensure compliance with all warranty conditions to sustain a level of protection against breach of warranty and proper maintenance of	The Bond Program Management Plan details the Project closeout and	Open – The District has not taken steps to address the <i>Maintenance of District Assets Funded by Local</i>	Spring 2020



FISCAL YEAR	OBJECTIVE NO.	OBJECTIVE TITLE	ISSUE	AUDITOR'S RECOMMENDATION	MANAGEMENT RESPONSE	STATUS OF RESOLUTION	PLANNED RESOLUTION DATE
		by Local Bond and Warranty Conditions Compliance	Program were compliant with warranty condition requirements and District requirements.	District facilities in accordance with warranty conditions and District requirements. A consolidated summary project close-out report with warranty and preventive maintenance log details, which includes major assets, applicable items under warranty, dates of installation, required periodic maintenance, and actual maintenance conducted should be kept for all school sites and reported to stakeholders on a regular basis. Warranty information is required as part of the construction close-out process; therefore, it is recommended that an owner warranty log be created by the Facility Planning and Construction Department and provided to the maintenance team for proper follow-up.	turnover process to the Maintenance & Operations department.	<i>Bond and Warranty Conditions Compliance</i> recommendation provided in the prior years' reports.	
2018–2019	13a	Change Order Management and Controls Application	WCCUSD did not have formal change order policies and procedures.	The District should continue efforts to formalize change order policies and procedures. Formal written policies and procedures, including defined approval authority for change orders, should be created and added to a comprehensive Bond Program Policy and Procedure Manual to ensure appropriate review and approval controls are in place before vendor payment release (see <u>Recommendation No. 22a</u> for more detail).	The Bond Program Management Plan section details the change order review and approval process.	Open – The District has taken steps to address the <i>Change Order Management and Controls Application</i> recommendation provided in the prior year's report. During the current fiscal year, the District made progress on drafting the BPMP; however, formalized policies and procedures were not available as of June 30, 2019.	Spring 2020
2018–2019	13b	Change Order Management and Controls Application	Adequate change order reporting to ensure end users understand change order impact and assigned responsibility was not available.	As best practice, District change order reporting should include accurate information, such as itemized change amount, percentages, descriptions, change responsibility, date of approval, subtotals, and totals for easy end-user reference. Summary and detailed change reporting is necessary to understand change order cause, responsibility, pricing, and compliance as well as to identify potential duplicated work scopes and/or redundancies caused by unclear scope objectives and/or expectations within the Master Plan.	The Bond Program Management Plan details change order reporting, which includes the inclusion of the reason code in the Board precis.	Open – The District has not taken steps to address the <i>Change Order Management and Controls Application</i> recommendation provided in the prior year's report.	Spring 2020
2017–2019	2017: 5 2018 and 2019: 13c	Change Order Management and Controls Application	Several professional service contracts had significant change orders (in excess of 10%) compared to the original contract amounts.	As a best practice, competitive bidding and procurement practices should include a full evaluation of bidders and the total scope of work on a comparative basis to ensure competitive pricing for Bond Program objectives. Additionally, while changes are not uncommon for professional service agreements and the change order work appeared compliant with District policies and State regulations, Management's rationale for significant sole source change order adjustments instead of a new contract should be well documented. Absent this	The Bond Program Management Plan details the change order and amendment process for professional and special services.	Open – The District has not taken steps to address the <i>Project Close-Out Controls</i> recommendation provided in the prior years' reports.	Spring 2020



FISCAL YEAR	OBJECTIVE NO.	OBJECTIVE TITLE	ISSUE	AUDITOR'S RECOMMENDATION	MANAGEMENT RESPONSE	STATUS OF RESOLUTION	PLANNED RESOLUTION DATE
				information and documentation, the District may pay excessive costs for change order work.			
2018–2019	14	Contractor Billing Compliance Controls	The District did not have defined approval authority for vendor payment processing within the Bond Program policies and procedures manual to ensure appropriate review and controls.	Formal written policies and procedures, including defined approval authority for vendor payment processing, should be created and added to a comprehensive Bond Program Policy and Procedure Manual to ensure appropriate review and approval controls are in place before vendor payment release (see Recommendation No. 22a for more detail).	The District has a written approval process for invoices as well as an electronic approval process in MUNIS. The Bond Program Management Plan includes workflow and approval procedures for all types of invoices.	Open – The District has taken steps to address the <i>Contractor Billing Compliance Controls</i> recommendation provided in the prior year's report. During the current fiscal year, the District made progress on drafting the BPMP; however, formalized policies and procedures were not available as of June 30, 2019.	Spring 2020
2017, 2018, and 2019	15	Project Close-Out Controls	WCCUSD policies and procedures surrounding project close-out controls should be formalized and Board-approved.	The District should compile a consolidated project-close out checklist to ensure and report on turnover of documentation by contractors and compile all critical tasks prior to release of final payment. Bond Program policy and procedure should update associated policies and procedures to reflect current procedures to ensure appropriateness (see Recommendation No. 22a for more detail).	The Bond Program Management Plan details the Project-specific closeout process.	Open – The District has not taken steps to address the Project Close-Out Controls recommendation provided in the prior year's report.	Spring 2020
2017–2019	16	Post-Financing Review	WCCUSD policies and procedures did not include pricing goals and requirements for future Bond issuances.	As a best practice, the District should have established pricing goals and requirements included within their policies and procedures (see Recommendation No. 22a for more detail).	In FY 2019, the District did not issue any new debt nor refinance outstanding bonds. Therefore, our financial advisor, KNN Public Finance, was not asked to present information pertaining to a transaction overview, pricing highlights, pricing comparison, etc. As a regular practice, the District did have KNN present an Annual Bond Program Report in October 2019 to keep Board members apprised of tax rates, assessed values, future issuance plans, and in the most recent report information about a new bond measure for the March 3rd ballot. The District is currently planning to issue the next series of bonds in 2020 and will have KNN report applicable pricing data back to the Board once the transaction successfully closes. Also, the Bond Program Management Plan will include a Bond Finance section to describe the current policies and procedures.	Open – The District has not taken steps to address the <i>Post-Financing Review</i> recommendation provided in the prior year's report. Consistent with the prior year, no formal or draft policies and procedures updates were available as of June 30, 2019.	Spring 2020



FISCAL YEAR	OBJECTIVE NO.	OBJECTIVE TITLE	ISSUE	AUDITOR'S RECOMMENDATION	MANAGEMENT RESPONSE	STATUS OF RESOLUTION	PLANNED RESOLUTION DATE
2017–2019	19	Timeliness of Payments	There were two instances where payment processing took longer than 30 days and was not supported by a payment application or invoice rejection letter justifying the delay	The District's Facility Planning and Construction department should continue to ensure that each invoice is processed for payment in a timely manner. For any instances where payment has been delayed due to contractor inaccuracies within invoices/payment applications, disagreements between work billed and performed, or other discrepancies, the District should provide rejection letters to contractors detailing why payment is being delayed. This document should be maintained within files or attached to the invoice/payment application.	The District agrees with the recommendation.	Open – The District has taken steps to address the <i>Timeliness of Payments</i> recommendation provided in the prior years' reports. Two instances of payments processed in excess of 30 days of the received date were identified as of June 30, 2019. In the prior year's audit, we noted seven instances where payment processing took longer than 30 days.	N/A
2017–2019	20	Local Participation Requirements	The District no longer tracks local participation and instead relies on construction firms to comply with these requirements	The District should define its position and role in achieving local participation goals and Board Policies should be updated accordingly (see <u>Recommendation No. 22a</u> for more detail).	The District is committed to encouraging local participation through the Local Capacity Utilization Program. The Wilson Elementary School Campus Replacement Project is currently reporting 54.85% local hiring on the Project.	Open – The District has not taken steps to address the <i>Local Participation Requirements</i> recommendation provided in the prior year's report.	Spring 2020
2019	21	CBOC Compliance	The Draft Board Policy surrounding the role and operations of the CBOC was not formalized.	The District should formalize the amendments to Board Policy 7214.2 to establish roles and operations of the CBOC. The District should ensure all revisions are compliant with the Education Code and Proposition 39. Additionally, the District should evaluate the reasonableness and appropriateness of the policy to meet the needs of all key stakeholders.	The District agrees with this recommendation.	Open	Spring 2020
2017–2019	2017 and 2018: 22 2019: 22b	Transparency of Bond Program	Based on SDTEF best practice guidance, Bond Program transparency can be improved through readily available information on the CBOC website.	The District should continue efforts to follow best practices, as specified by SDTEF, to support demonstration of accountability and transparency to all stakeholders. Per the SDTEF School Bond Transparency Summary Report, continuing improvement recommendations for ICOC websites are as follows: Update all information on the ICOC website on a regular basis, including posting up-to-date agendas, minutes, financial and performance audits, and annual reports. Access to up-to-date information is vital to transparency. Districts should frequently update all website materials to reflect the most accurate information. Audits and financial reports should be available in a timelier fashion and should take no longer than a few months to prepare. Similarly, project status updates should be regularly provided—including	The District maintains the CBOC website and agrees that update to date information should be available like agendas, meeting packets, audits, and annual reports. The District will consider the second bullet and may propose changes to the CBOC website after consideration. The District continues to encourage recruitment for CBOC membership.	Open – The District has not taken steps to address <i>Transparency of Bond Program</i> recommendation provided in the prior years' reports.	Spring 2020



FISCAL YEAR	OBJECTIVE NO.	OBJECTIVE TITLE	ISSUE	AUDITOR'S RECOMMENDATION	MANAGEMENT RESPONSE	STATUS OF RESOLUTION	PLANNED RESOLUTION DATE
				budget updates and construction progress with expected timelines for completion. Adjust the ICOC website organization to make it easy to navigate to find specific information. Simply including all of the recommended information, such as financial audits and meeting minutes, does not guarantee transparency. Instead, an ideal ICOC website would organize these files by type and date in separate links, so that any interested party could easily find available information. All files are important, but it is often not easy to differentiate between them, especially when uploaded with a nondescript file name. Grossmont-Cuyamaca Community College District, Cajon Valley Union School District, and San Diego Community College District work as good models for how to organize the ICOC website and can serve as a starting point for other districts. These districts stand out for having websites with a user-friendly interface in which all information is categorized and presented separately for better navigation. Additionally, as of June 30, 2019, the Bond Oversight Committee had vacancies. As a best practice, the District should evaluate communications options (i.e., appropriate communication channels) to ensure no vacancies within the CBOC consistent with the SDCTA guidance.			
2017–2019	2017 and 2018: 22 2019: 22a	Transparency of Bond Program	Bond Program policies and procedures were not formalized and approved by the Board.	As a best practice, the District should continue to consolidate all Bond Program policies, procedures, and resolutions into one document to ensure effective controls and communication of the policies and procedures and obtain Board approval. This manual should highlight all functional areas related to Bond Program activities, such as, but not limited to, staffing, procurement, financial controls, document control, budgeting practices, master planning, scheduling, invoice/payment application review and processing, change order review and processing, and claims avoidance and management. The GFOA recommends, within their article "Documenting Accounting Policies and Procedures," that the documentation of accounting policies and procedures should be evaluated annually and updated periodically, no less than once every three years. Any changes in policies and procedures should be updated in the documentation promptly as they occur and a specific employee should be assigned the duty of overseeing this process. The resulting documentation can also serve as a useful training tool for staff.	The District agrees with this recommendation	Open – The District has taken steps to address the Transparency of Bond Program recommendation provided in the prior year's report. During the current fiscal year, the District made significant progress on drafting the Program Management Plan, as demonstrated in the draft Program Management Plan; however, formalized policies and procedures were not available through June 30, 2019.	Spring 2020



FISCAL YEAR	OBJECTIVE NO.	OBJECTIVE TITLE	ISSUE	AUDITOR'S RECOMMENDATION	MANAGEMENT RESPONSE	STATUS OF RESOLUTION	PLANNED RESOLUTION DATE
2019	22c	Transparency of Bond Program	The District conducted periodic public outreach for the Bond Program, but did not have an approved formal community outreach and communication plan.	As a best practice, the District should develop a communications strategy and plan for projects for key and public stakeholders. WCCUSD should ensure that there is a clear and consistent message that delivers accurate information on the cost of the project, duration, impact, and benefit. Messaging should be developed with input from various groups within the organization (management, finance, engineering, operations, etc.) to ensure that information is complete and accurate. WCCUSD should review current methods of communication and verify that communications are organized, consistent, timely, and reach the appropriate audience. WCCUSD should periodically review its communication and outreach plans to determine their effectiveness and make adjustments accordingly for ongoing and future projects.	The Bond Program Management Plan details the standard reporting procedures. The District considers additional communication and outreach based on Program and Project needs.	Open	Spring 2020



APPENDIX A: LIST OF INTERVIEWEES

The following key WCCUSD personnel were interviewed during the current fiscal year:

- Associate Superintendent of Business Services
- Associate Superintendent Operations/Formal Engineering Officer
- Bond Oversight Committee Members
- Director of Contracts Administration
- Internal Auditor



APPENDIX B: COST BENEFIT AND VALUE ENGINEERING ANALYSES

The following guidelines and recommendations can be utilized by the District to maximize value engineering (VE) studies and cost benefit analyses. See [Observation No. 10](#) in the report body for further information.

VE SCOPING

- Identify whether or not a VE study should be conducted for each project (or a component) prior to finalization of the contract.
- Prepare a revised scope of work template that is consistent with SAVE International® guidelines.
- Set a delivery date within a short period of time following the last day of the VE workshop (three days is suggested by SAVE International®).
- Include scope for VE team leader to attend the District's decision meeting regarding acceptance or rejection of the VE team recommendations to ensure that decision makers have a full and complete understanding of the recommendations.
- Provide the details of the VE process to all construction contractors as part of the bidding process information.

VE STUDY PERFORMANCE

The District should conduct VE studies to determine the goals and needs of the District. This can be conducted in three phases: pre-workshop, workshop, and post-workshop.

Pre-Workshop

- Define the District's expectations for conducting a VE study workshop and provide it to all VE team leaders in advance of conducting each workshop.
- Ensure that sufficient time is available to the VE team leader and team members to accomplish all pre-workshop activities.
- Require pre-workshop preparation of matrix or graphical models of capital cost, operations and maintenance (O&M) cost, lifecycle cost, energy, space, time, or other project characteristics as needed to provide the VE team with appropriate insights into the distribution of these critical elements through the project components.
- Distribute presentation outlines to the District project managers. The design project manager will provide guidance about the information they need to present during the information phase on the first day of the VE workshop.
- Have the VE team cost estimator(s) conduct a validation of the project construction cost estimate in advance of the VE workshop to identify any areas of concern in the estimate.



- Ensure involvement by at least two VE team members (one planning and construction design/project management staff member who is not part of the design team for the project and one staff member from operations and maintenance) appropriate to the type of project for the duration of at least half of the workshop.

Workshop

- Provide the VE team with a list of clear and well-defined true constraints to help them stay focused.
- Ensure that a function analysis of the specific project is conducted with the VE team during the workshop. It must be specific to the project rather than borrowing functions identified in previous VE studies.
- Ensure that the creative process is truly creative and is not limited to proven ideas.
- Attend a mid-workshop review of the shortlist of VE ideas with representatives of operations, maintenance, and design teams to identify any ideas with fatal flaws as well as ideas not on the shortlist that should be added.
- Ensure attendance at the VE team presentation by representatives of all of the internal stakeholder groups (i.e., Facility Planning and Construction, Finance) within the District that are relevant to the VE study.
- Require that the VE team leader, assistant, or another team leader review each recommendation for completeness and correctness before the end of the workshop.

Post-Workshop

- Require the design team to respond to each VE recommendation and design suggestion with the same level of detail as is contained in the VE recommendation. Require detailed documentation if the design team disagrees with the VE team's estimated cost impacts of the recommendation. Require detailed justification for suggested rejections of any VE recommendation.
- Ensure that all key stakeholders respond to the VE recommendations and are represented at the post-workshop decision meeting, including the VE team leader.
- Ensure that the results of each VE study are entered in the various tracking systems that are part of the Bond Program.

VE Budgeting

- Incorporate a line item in the budget for the VE that includes funds for VE program associated expenses, training for VE program staff and design project manager, and consultant services for VE studies. Make the head of the VE program responsible for meeting that budget. Include a contingency allowance in the budget for VE studies that may be identified at a later date.
- Set a VE study budget for each project in the District's Master Plan.



- Check the VE budget for each project to confirm that it falls between 0.5% and 2% of the project construction cost.

DRAFT



APPENDIX C: SAN DIEGO TAXPAYERS EDUCATIONAL FOUNDATION CRITERIA FOR SCHOOL BOND TRANSPARENCY

The following best practice criteria for ICOC websites was utilized by the SDTEF to measure school Bond program transparency. See [Observation No. 22b](#) in the report body for further information.

- **Committee Bylaws:** A link to the committee bylaws is available on the ICOC website.
- **Member Information:** A list of the names of all ICOC members is available on the ICOC website.
- **Meeting Minutes/Agendas:** Links to the most up-to-date meeting minutes and agendas are available on the ICOC websites.
- **Additional Meeting Material:** Links to attachments, appendixes, presentations, and other additional materials for every ICOC meetings are available on the ICOC website.
- **Annual Reports:** A link to the annual reports is available on the ICOC website.
- **Performance Audits:** A link to separate performance audits is available on the ICOC website, or under a separate heading within the financial audits.
- **Financial Audits:** A link to the financial audit is available on the ICOC website.
- **Project List:** All projects currently being funded by the Bond are listed on the ICOC website.
- **Project Descriptions:** A brief written description of each project can be found on the ICOC website.
- **Project Progress:** The current status and plan of action for each project can be found on the ICOC website.
- **Bond Background:** A brief description of the Bond, for what it is intended, when it was passed, and its amount can be found on the ICOC website.
- **Contact Information:** The school district phone number and an email address of the ICOC point of contact is listed on the ICOC website.
- **Vacancies listed:** Any committee vacancies, expected vacancies, or lack of vacancies are listed on the ICOC website.
- **Number of Vacancies:** The number of current ICOC committee vacancies is listed on the ICOC website. While this is not a scored criterion, SDTEF recommends having no vacancies when possible.
- **Prior Year Reports Available:** The prior year audits and annual reports are available on the ICOC website. This criterion must be met in order to meet the criteria listed below.
- **Budget Overview:** A breakdown of how the budget was allocated for the past year is found in the annual report or audit.
- **Program Status Updates:** An explanation of the current status of the Bond program is found in the annual report or audit.



WCCUSD
CITIZENS' BOND OVERSIGHT COMMITTEE
Guadalupe Enllana Don Gosney Cameron Moore
Vice Chairperson Chairperson Secretary

QUESTIONS
for
WCCUSD BOND PROGRAM PERFORMANCE AUDITORS
MOSS ADAMS

CAMERON 'MAC' MOORE

1. Prop 39 Compliance: Part of the reason for conducting a performance audit is to help make the determination that funds were not used for operating expenses: "To ensure that the proceeds from the sale of school facilities bonds are used for specified school facilities projects only, and not for teacher and administrator salaries and other school operating expenses, by requiring an annual independent performance audit to ensure that the funds have been expended on specific projects only."

The CBOC and the public look to the performance audit to provide guidance on this issue. In the current report, as with past reports, the executive summary alludes but does not make a clear statement on this requirement (see paragraph 3, executive summary). The report would be enhanced if it included a simple declarative statement that this basic Prop 39 requirement was met, not met, or that it could not be determined whether the requirement was met.

2. Staff Time Allocation Documentation System: In the CBOC-Moss Adams conference call of February 10, there was a discussion regarding evaluating the implementation of the staff time allocation system beyond the June 30, 2019 audit closing date, given the importance of the subject. It appears this has not been done. Why not?
3. Reporting Views of Responsible Officials: There are a number of observations (such as 10, 11, 13b, 13c, 15, 16) where in its Management Response the District notes that it has addressed previous audit recommendations in the draft Bond Program Management Plan (BPMP) and Moss Adams states "The District has not taken steps..." in the Status of Resolution comments. There are a number of other observations (such as 3a, 4a, 5, 6a, 8, 13a, 14, 22a) where in the Management Response the District notes that it has addressed previous audit recommendations in the draft BPMP and Moss Adams states "The District has taken steps...", referencing the draft BPMP. What was the evidence, or lack thereof, that determined this distinction?

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It would make the report clearer if in the first case the District added "...after the 6/30/2019 closing date of the audit period." to its Management Response and Moss Adams added "...had not taken steps within the 7/1/2018 – 6/30/2019 audit period." to the Status of Resolution. Otherwise the syntax and tenses used imply that Moss Adams disputes the District claim as of the release date of the report.

4. Observation 6b: **Question for the District.** Can the budget reports be enhanced to incorporate the Moss Adams suggested improvements? Can the Colbi software generate reports that incorporate the suggestions?
5. Observation 13b: **Question for the District.** Are the change order reporting enhancements recommended by Moss Adams clear to the District? Can these enhancements be made?
6. Observation 13c: **Question for the District.** Does the BPMP address the recommendation that the rationale for amending professional service contracts and approval be carefully documented?
7. Observation 20: General comment. While the BPMP draft does have local participation requirements and tracking procedures, these procedures could be enhanced.
8. Observation 22c: General comment. Agree with the recommendation that the program should have an overall public communication plan in addition to the individual project communication plan. Hope this can be incorporated into the BPMP.

DON GOSNEY

9. On the third page of the Executive Summary, we read: "The District should support or validate the reported amounts within the Bond Program Spending to Date by Site, Data..." Can Moss Adams please provide details explaining how this should be supported or validated?
10. **For Moss Adams and Staff:** One of the loudest complaints heard by community members against the Bond Program is that ALL of the projects went over budget. This leads to the question posed near the top of Page 13: "Who prepares detailed budgets?". If the budget that is put before the Board and public is less than

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accurate, then why should it be held up as the gold standard when the cost of the project exceeds the approved budget? Many of the Bond Program projects have been delayed dramatically due to community filed lawsuits or situations that could not be foreseen when the budget was drafted (black mold, asbestos, dry rot, underground fuel storage tanks that were not on any parcel plans, sliding hillsides).

11. **For Moss Adams and Staff:** Observation 3b on Page 13 says that the District is unable to support or validate Bond Program spending by site. Is this a case where the District can't find the files verifying the expenditures or is this a case where the District won't provide the correct and verifiable data? In either case, what is being done since the end of this audit period to correct this problem of 'missing funds'?
12. **For Moss Adams and Staff:** Observation No. 20 on Page 30 says: "The District no longer tracks local participation and instead relies on construction firms to comply with these requirements." Without casting aspersions on any contractor used by the District, when this requirement is left in the hands of the contractors, it's not much different than when a used car salesman tells a customer "Trust me". Contractors are notorious for bypassing local hire agreements and prevailing wage requirements. As President Reagan was fond of saying: "Trust, but verify." Without the financial and 'boots on the ground' support of the Building Trades affiliates, neither of these bonds would have had the campaign financing to have passed. Local hire and PLA agreements were a requirement for the Building Trades support. For the District to break that trust will be an insult to this community. The PLANNED RESOLUTION DATE on Page 44 says that this will be resolved by Spring of 2020 but fails to explain how it will be dealt with.
13. **For Moss Adams and Staff:** Observation 22b on Page 32 opines "The District has not taken steps to address Transparency of Bond Program recommendation (Moss Adams 2017 and 2018 reports-Objective No. 22). Consistent with the prior year, the CBOC website lacked readily available benchmark information." This is NOT a new problem and continues to this day. The CBOC has offered to help maintain the CBOC web site but their offers have been vehemently rebuffed by senior staff. As the CBOC Chair, I routinely receive complaints that members of the community cannot find items on the CBOC web site or that links on the site are either dead or take the viewer to the wrong place.
14. **For Moss Adams and Staff:** As a continuation of Observation 23b on Page 33, the CBOC would like to join with Moss Adams as loudly and as forcefully as we can: **"Additionally, as of June 30, 2019, the Bond Oversight Committee had**

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CITIZENS' BOND OVERSIGHT COMMITTEE

vacancies. As a best practice, the District should evaluate communications options (i.e., appropriate communication channels) to ensure no vacancies within the CBOC consistent with the SDCTA guidance.”

15. Observation 22c on Page 33 discusses efforts by the District to communicate with the community about the Bond Program. With the exception of the District's web site (considered something of a joke for the user's inability to find what they're looking for) and a Facebook page that only a select few knows even existed, any other efforts made by the District have been extremely amateurish and inadequate. With a quarter of a million residents in the District, reaching out to a few dozen should never be considered a success. One of the bigger problems with the outreach is the failure/refusal to listen to members of the community that can help in this regard.
16. During the interviews included in this audit, I got the feeling that the effectiveness of the Bond Oversight Committee was outside of the scope of your audit. Is this correct? With previous auditors this was an integral part of the audit but with these recent audits this does not seem to be a consideration. Is this normal or has your scope been narrowed to exclude this as a consideration of the Bond Program operations?

GREGG VISINEAU

17. **Preface from GV:** with reference to paragraph 3 on the first page of the Executive Summary:

The District remains out-of-compliance with Proposition 39, being “unable to demonstrate that District labor charges were accurately and completely identified as Bond Program costs with timekeeping records”. This remains extremely disturbing to me.

This is the third consecutive *Bond Program Performance Audit* which has found the District out-of-compliance with this legal requirement of Proposition 39. The CBOC has reported this in each of its previous two Annual Reports and will do so again for its 2019 Annual Report.

The District has been aware of this non-compliance for three-years and could only produce scant documentation covering the period June 3,

WCCUSD

CITIZENS' BOND OVERSIGHT COMMITTEE

2019 to June 28, 2019. This is not at all unlike the time study allocations provided in years past.

The exposure to the bond program from potential financial mismanagement – misallocating General Fund labor costs to the Bond Fund, without proper cause or justification – is well known and has been communicated multiple times from the CBOC to both the District and the Board.

Questions from GV: For all of the Proposition 39 Compliance Audits performed by Moss Adams over the past 3-years, what percentage has been reported as non-compliant with respect to this labor cost requirement? Does Moss Adams have a “best practice” in this area?

18. **Preface from GV:** with reference to the first bullet on the top of the second page of the Executive Summary:

“A formal update to the Bond Program master plan was presented to the Board on May 22, 2019, including updates to key projects, cash flow expectations, and more.”

The District has provided these “formal updates” every year in May.

However, by no stretch of the imagination – as far as my own personal experience is concerned with respect to annual Strategic Updates to a five-year Strategic Plan – is this any more than a perfunctory annual status report.

The phraseology “updates to key projects”, “cash flow expectations”, and “and more” is rather vague. A true strategic update is usually much more pinpointed.

Questions from GV: Did Moss Adams look for any evidence that this May 22, 2019 update addressed key strategic elements such as

- Risk analysis, scenario planning or simple sensitivities?

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CITIZENS' BOND OVERSIGHT COMMITTEE

- Changes in actual and projected construction cost escalation since the original *Long-Range Facilities Master Plan* (the FMP) was delivered in July 2016?
- Changes in actual or projected demographics across West County, either from overall population changes or the impact of charter schools, since the 2016 FMP?

If those types of strategic elements were evidenced, how? If not, then perhaps the District plans to consider them in future “formal updates”? Does Moss Adams have a “best practice” in this area?

19. **Preface from GV:** with reference to the first and second paragraphs on the second page of the Executive Summary, beginning immediately below the fourth bullet at the top:

In my personal opinion, these two paragraphs comprise the crux of the Audit Report for improving the District’s financial management of its bond program. The first referenced paragraph says, in essence:

- The District **fully addressed only 2** of the FY2018 audit report’s 25 improvement recommendations.
- The District took **no steps to address 9** of the FY2018 audit report’s 25 improvement recommendations.
- The District took only **partial steps to address 14** of the FY2018 audit report’s 25 improvement recommendations.
- And there were **5 brand new** improvement recommendations for FY2019 v FY2018.
- That leaves the District with **28 improvement recommendations to address** – as they have scheduled themselves in “Reporting Views of Responsible Officials”, beginning on Page 34 of the Audit Report – **between February 2020 and July 2020.**
- I recall that, for the FY2018’s improvement recommendations, all were to be completed by the end of FY2019. That objective was

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CITIZENS' BOND OVERSIGHT COMMITTEE

clearly not met. In fact, the District has “progressed” in its performance audit objectives as follows:

- FY2017: 21 improvement objectives (if memory serves me right, which it might not!).
- FY2018: 25 net improvement objectives (as mentioned above).
- FY2019: 28 net improvement objectives (also as mentioned above).

This first referenced paragraph ends with: “Of the 28 open recommendations, 12 relate to policies and procedures development **and implementation**”. [My emphasis]

The second referenced paragraph includes: “The **majority** of the opportunities for improvement are related to the District not having formalized and Board-approved policies and procedures”. [Again, my emphasis]

Questions from GV: If 12 of the 28 improvement recommendations relate to policies and procedures, how does that comprise a **majority** of the opportunities for improvement? The implication is that the BPMP’s work product will resolve the majority of the opportunities for improvement: Is that the Auditor’s intent with this statement in the Executive Summary?

The second referenced paragraph also uses the phrases “significant strides” and “significant progress” to describe the BPMP’s work product. But then it says, “However, documentation was still in draft and not yet formalized and approved”.

So, I have more pointed questions for the Auditors:

20. When the Audit Report refers to “policies and procedures development and implementation”, where on earth in the BPMP does it refer to assuring effective implementation? I.e., where does it talk about “operationalizing” its documentation (which is still in draft and not yet

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CITIZENS' BOND OVERSIGHT COMMITTEE

formalized and approved)? If does address the implementation piece of “development and implementation”, do the Auditors have an opinion on its potential for being effective? For being measurable? For being tested and reported out? For assuring continuous improvement? And for reporting out meaningful and believable verification to the general public?

21. Does Moss Adams have a “best practice” (or set of best practices) for assessing not just “policies and procedures **development**”, but also the ongoing, effective **implementation** of said policies and procedures?

22. **Preface from GV:** with reference to the final paragraph on the fourth page of the Executive Summary, which spills over to the top of the fifth page of the Executive Summary:

“Management remains responsible for the proper implementation and operation of an adequate internal control system. Due to the inherent limitations of any internal control structure, errors or irregularities may occur and not be detected. Also, projections of any evaluation of the internal control structure to future periods are subject to the risk that the internal control structure may become inadequate because of changes in conditions or the degree of compliance with the procedures may deteriorate”. [My emphasis]

The 2016 *Forensic Accounting Investigation* (the FAI) strongly recommended the creation and filling of an independent Director of Internal Audit position to deal with just this issue (among many others identified in the FAI’s 112 recommendations). That position has now been empty since June (or July?) 2019 and will apparently not be filled any time soon.

Questions from GV: Does Moss Adams have a “best practice” for how management can exercise that responsibility for the proper implementation and operation of an adequate internal control system in the absence of an independent Director of Internal Audit?

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CITIZENS' BOND OVERSIGHT COMMITTEE

I personally confess to having grave concern about the “management” responsible for assuring an “adequate internal control system” being the same “management” which is operating under those internal controls and testing of same. I.e., Does Moss Adams have a professional opinion about having an internal auditor working for the District organization which is being audited?

23. Has Moss Adams been approached by the District for a proposal to extend its currently-expiring 3-year contract (for FY2017-2019 Performance Audits) to FY2020 and possibly beyond?

24. The District automatically extended Christy White Associates' then-expiring 3-year contract for Bond Fund Financial Audits by an additional 3-years without re-entering the marketplace at that time.

25. Does Moss Adams know if the District intends to re-enter the marketplace now (or anytime soon) for its next Performance Audit Contract, beginning with FY2020?

26. Does Moss Adams know if the District even plans to conduct full-fledged Bond Program Performance Audits (as recently recommended to the Board by the CBOC) beginning with FY2020? Or if it plans to revert to conducting only Proposition 39 Compliance Audits in future?
-

FY2019 AUDIT SCHEDULES

F Y 2 0 1 9 A U D I T S C H E D U L E S

Description	Entity See Key Below	Financial Audit FY2019 Christy White Associates	Performance Audit FY2019 Moss Adams LLP	Moss Adams LLP Review Final ¹
Entrance Conference	ASC	10.9.19 √	10.9.19 √	?
Exit Conference	CBOC	3.9.20	3.9.20	?
Accept Report	CBOC	3.25.20 *	3.25.20 *	?
Accept Report	Board	3.25.20 *	3.25.20 *	?
Legal Deadline	Board	3.31.20	3.31.20	n/a
Annual Evaluation of Auditor	CBOC	4.13.20	4.13.20	n/a
Responses to Audit Recommendations ²	District Staff	6.25.20	6.25.20	n/a

* Tentative date for Joint Board/CBOC meeting.

√ Indicates that this activity has been completed.

Entity Key:

CBOC ~ Citizens' Bond Oversight Committee

ASC ~ CBOC Audit Subcommittee

Board ~ WCCUSD Board of Education

The schedule for the Moss Adams LLP Phase 2 Final Forensic Accounting Investigation Review (upon completion of the implementation of the 112 recommendations) is June 20, 2020. There is no current plan for Moss Adams to review the 29 recommendation not verified in Phase I report, March 20, 2019.

¹ Moss Adams LLP review of forensic accounting investigation implementation FY2017 (as of June 30, 2017, Phase 1) and upon implementation of all recommendations (Phase 2) was approved by Board of Education on October 18, 2017

² Education Code Section 15280 (a)(2) provides, "The governing board of the district shall provide the citizens' oversight committee with responses ... within three months of receiving the audits."

ACTION ITEM AGREEMENTS FROM THE CBOC'S AUDIT SUBCOMMITTEE'S ENTRANCE CONFERENCE CALLS

<u>FOR THE BOND FUND FINANCIAL AUDIT</u>		<u>FOR THE BOND PROGRAM PERFORMANCE AUDIT</u>	
Entrance Conference Call Agreements October 9 th , 2019	Responsible Party	Entrance Conference Call Agreements, October 9 th , 2019	Responsible Party
Christy White Associates FY2019 Financial Audit October 9, 2019 Entrance Conference Open Items Michael Ash, Partner, Christy White Associates Auditor agreed to review Spending by Site, Report 2, to determine if totals reconcile with FY2019 Bond Audit Report.	Michael Ash Christy White Associates	Moss Adams, LLP FY2019 Performance Audit October 9, 2019 Entrance Conference Open Items Stephen Bacchetti, Moss Adams, LLP Auditor indicated that they would review the District's July 1, 2019 implementation of timesheets to account for staff time charged to Fund 21 Building fund. Auditor agreed to determine if the June 30, 2019 Bond Program Spending to Date by Site (Report 2) is correct. Auditor agreed to determine if the June 30, 2019 Cash Projection to June 2021 (Report 13) is correct.	Stephen Bacchetti Moss Adams LLP
Christy White Associates FY2019 Financial Audit October 9, 2019 Entrance Conference Open Items Tony Wold, Associate Superintendent of Business Services Confirmed that audit note 5 on reconciliation of Building Fund Balance will be included. Dr. Wold will consider providing additional detail on this footnote in FY2019. Audit report. Dr. Wold agreed to review Measure J expenditures and ending fund balance, if any, in FY2019. Dr. Wold agreed to consider including a footnote on completed FY2019 project expenses that were not capitalized. Dr. Wold agreed to provide the Audit Subcommittee with a FY2019 detail report of Fund 21 Resource 9790 Bond Related Revenue similar to FY2018 shown at page 17 of the Audit Subcommittee October 9, 2019 agenda packet.	Tony Wold WCCUSD Business Services	Moss Adams, LLP FY2019 Performance Audit October 9, 2019 Entrance Conference Open Items Tony Wold, Associate Superintendent of Business Services Dr. Wold said he would consider including a review of the District's compliance with bond disclosure requirements post bond sale in the FY2019 performance audit objectives.	Tony Wold WCCUSD Business Services

Dates and assigned responsibilities taken from minutes of conference calls on October 9th, 2019 with Audit Subcommittee, District Staff, the Bond Fund Financial Auditors (Christy White Associates) and the Bond Program Performance Auditors (Moss Adams LLP).



Facilities Master Plan Projects Update

Citizens' Bond Oversight Committee
March 9, 2020

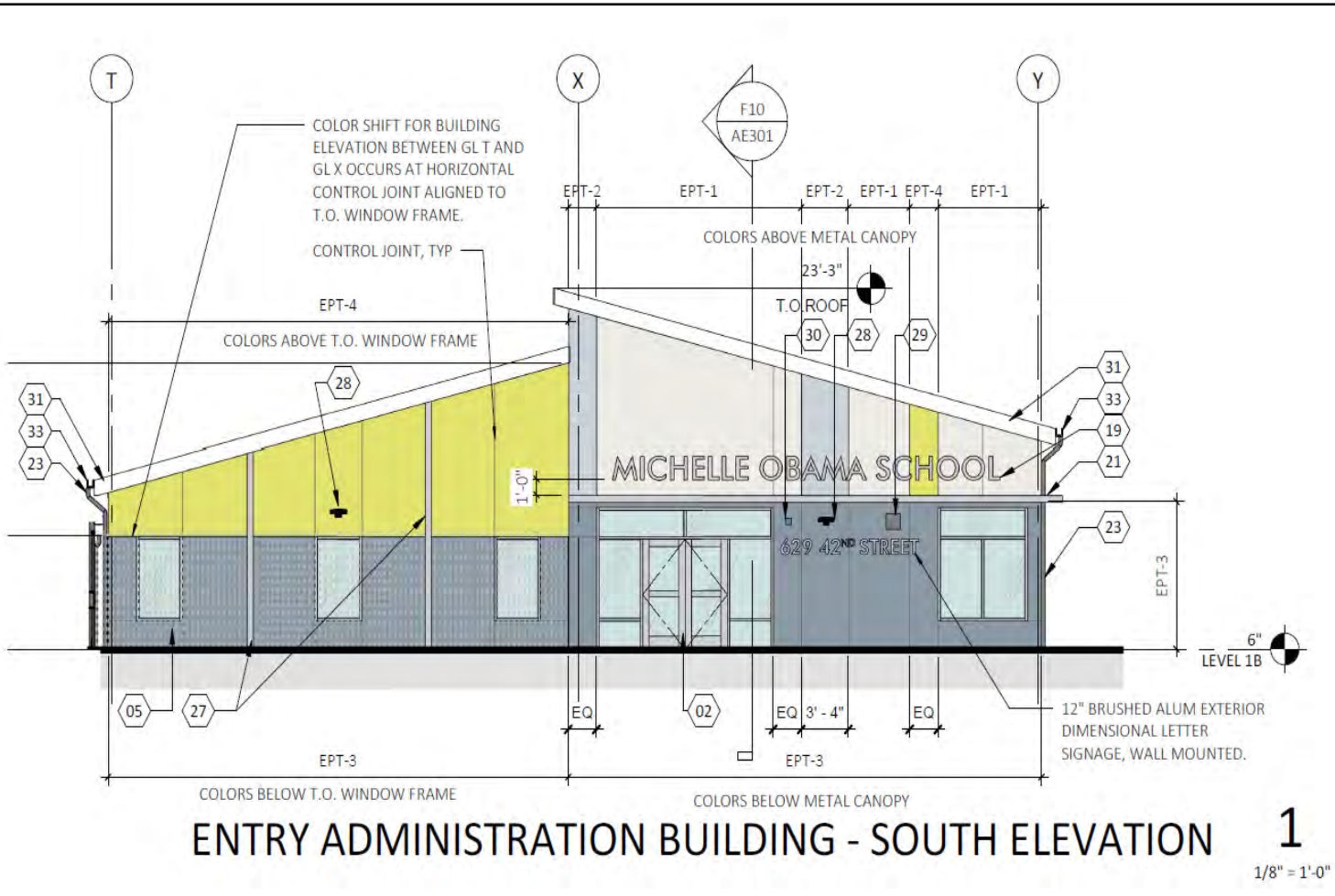
Michelle Obama School

Local Hire Update
As of January 31,
2020

54.85%
Overall Local Hire

24.54%
Apprenticeship

20.35%
West County
Residents



Michelle Obama School



Admin Roof Shingle and Wall Lath



Michelle Obama School



Kinder Room 111 HVAC Rough-In Above Ceiling

Michelle Obama School



Library Insulation & Plaster

Michelle Obama School



Learning Suite North 2nd Floor Framing



Learning Suite South 2nd Floor Framing

Richmond High School Critical Needs



Gym Footing Rebar

Richmond High School Critical Needs



Gym Footing Stemwall

Richmond High School Critical Needs



Softball Field New Sod

Richmond High School Critical Needs



Seismic Braces, Science Bldg.



Seismic Blocking, Science Bldg.

Crespi Middle School Gym Seismic Retrofit



Crespi Middle School Gym Seismic Retrofit



Student Assembly in the Gym



Crespi Middle School Gym Seismic Retrofit



Girls Locker Room Restroom

Bond Project Status Update

March 9, 2020

	SITE	PROJECT	REVISED CONTRACT AMOUNT	STATUS
CONSTRUCTION	Michelle Obama School	New Campus	\$35,963,093.00	Under Construction
	Richmond HS	Critical Needs	\$19,932,841.00	Under Construction
	Crespi MS	Gym Seismic Retrofit	\$ 4,212,798.59	Under Construction
	SITE	PROJECT	BUDGET	STATUS
PROCUREMENT	Riverside ES	Critical Needs (Soils Stabilization)	\$ 6,900,000.00	Pending Reissuance
	Fairmont ES	Critical Needs Phase 2	\$ 2,000,000.00	Currently Bidding
	Lake ES	Campus Replacement	\$ 1,000,000.00	RFQ/P for Bridging AOR
	E-Rate Year 23	Wireless Upgrades at Various Sites	\$ 650,000.00	Bids Under Review
	Korematsu MS	Fall Protection	\$ 726,978.00	Ready to Bid
	SITE	PROJECT	BUDGET	STATUS
DESIGN	Pinole Valley HS	Fields Restoration & Site Work	\$15,000,000.00	DSA Review
	Stege ES	Critical Needs	\$ 2,900,000.00	Design Development
	Highland ES	Critical Needs	\$ 747,125.00	Summer Project - Assessing Water & Power Upgrades



OVERVIEW

News Flash- Wilson Elementary School has a new name: Michelle Obama School.

Welcome to our monthly newsletter issued to inform neighbors and the campus community about construction activities and updates to the **Michelle Obama School Reconstruction project.**

We understand that a construction project does not make the best neighbor. While we strive to make the experience as pleasant as possible, we are working hard to reach the long-term goal of providing a new 21st century Elementary School for our community here in Richmond.

Please don't hesitate to email us at facilitiesplanning@wccusd.net to request to be removed or added to this newsletter mailing list.



UPCOMING ACTIVITIES

PLANNED CONSTRUCTION WORK THIS MONTH

- Plaster Kindergarten and Admin
- Install drywall in Kindergarten and Admin
- Install roof, prepare for plaster at Learning Suite
- Grade site for utilities and play yards



POTENTIAL IMPACTS TO NEIGHBORS

- *Truck traffic on 41st and 42nd Street*
- *Noise due to construction*
- *Increased site security patrols*



MITIGATION MEASURES

- Water down trucks before exiting if muddy
- Maintain gravel at construction entry/ exit for tracking control



COMPLETED WORK

- Roofing installed. Prep exterior for plaster at Kindergarten
- Rough in mechanical, electrical, plumbing at MPR and 1st floor Learning Suite buildings
- Frame 2nd floor Learning Suite walls

Weather Barrier / Frames:



Learning Suite Framing:



CONTACT INFORMATION

Contractor: C. Overaa Construction, Inc.

Frank Driscoll 510-234-0926

Niall Walsh 510-234-0926

Construction Manager: Swinerton Management & Consulting

Peter Hempel 415-516-1250



Gym / Main Entry & Student Quad

CONSTRUCTION ACTIVITIES

Previous Month:

GYM Bldg. foundation work completed.

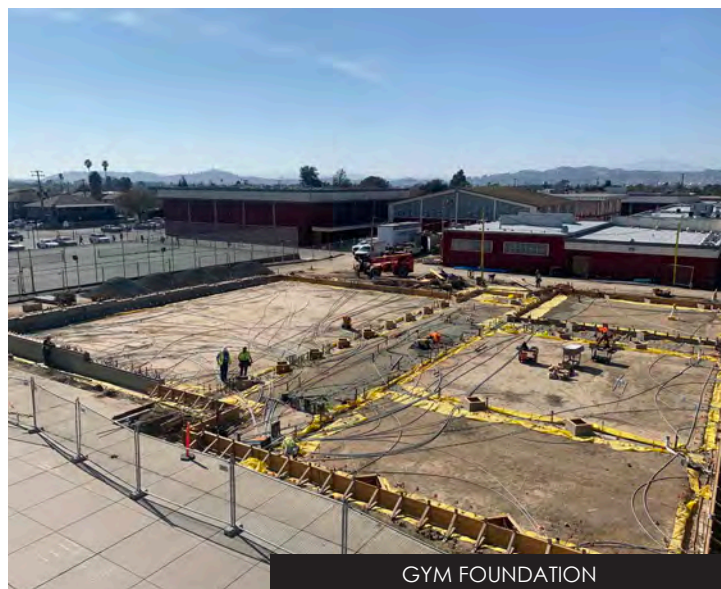
Underslab utility work performed.

At the Science Bldg., Structural work continued, electrical and plumbing layout completed, selective demo and seismic work ongoing.

Upcoming Month:

Gym slab on grade placement.

Science Bldg. Structural, plumbing and electrical work will continue.



GYM FOUNDATION

PROJECT FACTS

New Auxiliary Gym Square Footage: 15,500

Completion: The Science Classroom Building is scheduled to be finished in the Summer of 2020, and the new Auxiliary Gym in the first quarter of 2021.

Design Build Contractor:

Lathrop Construction Associates
www.lathropconstruction.com

Design Build Architect:

HKIT Architects
www.hkit.com

CONTACT INFORMATION

To subscribe to this monthly newsletter or to submit project questions, please email:

Facilitiesplanning@wccusd.net

Construction Manger

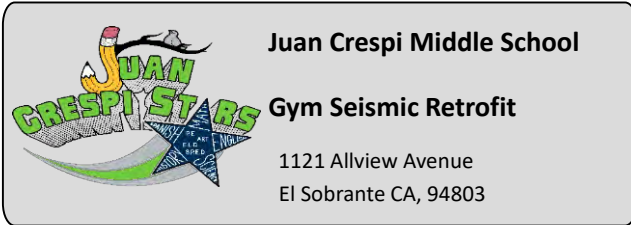
Peter Hempel

Project Manager

Swinerton Management & Consulting

415.516.1250

Project Status Report: 02/27/2020



Project No: **1000003031** DSA No: **01-117076**

Project Scope	Seismic upgrades to an existing two story concrete gymnasium building and adjacent one story modular classroom building.
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Project Team	Owner	WCCUSD
	Architect	HMC Architects
	Construction Manager	Lisa Nagai
	Contractor	Strawn Construction
	Inspector	Brad Williamson

Schedule	NTP	05/01/2019
	Original Project Duration	224
	Final Completion	12/10/2019
	Approved Time Extensions	71
	Revised Project Duration	295
	Revised Completion Date	02/19/2020
	Calendar Days Lapsed	303 103%



Contract Summary	Original Contract Amount	\$ 3,997,407		
	BOE Executed CO's	4	\$ 215,392	5%
	(1) Unforeseen Conditions	2	\$ 155,357	4%
	(2) Owner Requested	0	\$ 0	0%
	(3) Design Changes	1	\$ 60,034	2%
	(4) Outside Agency/Other	1	\$ 0	0%
	Revised Contract Amount (Contract + \$ Executed CO)	\$ 4,212,799		
	No. of PCOs	4	\$ 49,325	1%
	Pending PCOs	4	\$ 49,325	1%
	Rejected PCOs	0	\$ 0	0%
	Contractor Net \$ Billed to Date	\$ 3,780,510		95%
	Stop Notices Amount	\$ 0		

Project Status	Completed Work: Gym Girls and Boys locker room work are completed, and is turn over to the school site. Punch list is in progress.
	Upcoming Work: Smoke detector installation for elevator is schedule to be complete. Elevator inspection is schedule end of March.
	Project Issues: No issues to report at this time.



**Michelle Obama School
Campus Replacement**
629 42nd Street
Richmond, CA 94805

Project No: 1000002635

DSA No: 01-117849

Project Scope	New construction of single and two story k-6 academic buildings. The buildings include kindergarten/pre-kindergarten classrooms, administration office/reception, library, community rooms, multi-purpose room, kitchen, special education, flex office, learning suites, and supporting space. Site design includes public quads, parking, library patio, outdoor learning spaces, outdoor student dining, court and play yards.
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Project Team	Owner	WCCUSD
	DBE	C.Overaa & Co.
	Construction Manager	Swinerton
	Inspector	Structure Groups

Schedule	NTP	08/02/2019	
	Original Project Duration	362	
	Final Completion	07/28/2020	
	Approved Time Extensions	0	
	Revised Project Duration	362	
	Revised Completion Date	07/28/2020	
	Calendar Days Lapsed	208	57%



Contract Summary	Original Scope	\$ 33,441,281		
	District Contingency	\$ 836,032		
	Project Contingency	\$ 836,032		
	Original Contract Amount	\$ 35,113,345		
	Amendment to Scope	\$ 849,748		
	Amendment to District Contingency	\$ 0		
	Amendment to Project Contingency	\$ 0		
	Amendments to Date	\$ 849,748		
	Revised Contract Amount	\$ 35,963,093		
	District Contingency		\$ 836,032	
	Executed CO	0	\$ 0	0%
	Remaining Contingency		\$ 836,032	100%
	Project Contingency		\$ 836,032	
	Executed CO	0	\$ 0	0%
	Remaining Contingency		\$ 836,032	100%
	Pending PCOs	15	\$ 1,264,587	76%
	Rejected PCOs	1	\$ 116,000	7%
	Contractor Net \$ Billed to Date	\$ 15,872,544		44%
	Stop Notices	\$ 40,131		

Project Status	Completed Work: Kinder. N. Bldg – Roof shingles installed. Exterior wall ready for plaster. Start drywall installation. Kinder. E. Bldg – Roof shingles installed. Exterior wall ready for plaster. Start drywall installation. Admin. Bldg -- Roof shingles in progress. Insulation and backing 80% complete. MPR Bldg – MEP 75% complete. Weather barrier membrane installed at walls. Learning Suite N. – MEP rough in at 1st floor in progress. Frame walls at 2nd floor. Learning Suite S. – MEP rough in at 1st floor in progress. Frame 2nd floor walls and roof- framing details in progress.
	Upcoming Work: Kinder. N. Bldg – Plaster exterior walls. Tape and top drywall. Install T-bar ceilings. Paint. Kinder. E. Bldg – Plaster exterior walls. Tape and top drywall. Install T-bar ceilings. Paint. Admin. Bldg – Complete roofing. Plaster exterior walls. Tape and top drywall. Install T-bar ceilings. Paint. MPR Bldg – Roof low roof. Frame stage. Complete MEP wall rough in. Drywall. Learning Suite N. – Complete 2nd floor and roof framing. Learning Suite S. – Complete 2nd floor and roof framing. Site - Compaction and grading for site utilities and play yards.
	Project Issues: Electrical and gas service- PG&E Design expected by 2/28/20. Fire water service- EBMUD requires tie in to 41st St and Roosevelt Ave; previously both tie-ins designed for 41st St. Site compaction- poor soils anticipated to be encountered during sitework. Board approval in February for school name change.

Project Status Report: 3/2/2020



Richmond High School

Critical Needs Project

1250 23rd Street
Richmond CA, 94804

Project No: 1000003023 DSA No: 01-118099

Project Scope	New construction of a single story gymnasium, demolition of old gymnasium and new plaza sitwork. Seismic upgrade of existing two-story Science Building and sitwork surrounding the building, including adding a new exterior elevator to the building. Demolition of existing Building A (old auto-shop building) and repavement of area to prepare for new Health Clinic portable buildings.
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Project Team	Owner	WCCUSD
	DBE	Lathrop Construction
	Construction Manager	Swinerton
	Inspector	Structure Groups

Schedule	NTP	11/11/2019
	Original Project Duration	459
	Final Completion	2/11/2021
	Approved Time Extensions	0
	Revised Project Duration	459
	Revised Completion Date	2/11/2021
	Calendar Days Lapsed	113 25%



Contract Summary	Scope	\$16,399,899		
	District Contingency	\$0		
	Project Contingency	\$1,639,990		
	Original Contract Amount	\$18,039,889		
	Scope	\$1,092,952		
	District Contingency	\$800,000		
	Project Contingency	\$0		
	Amendments	\$1,892,952		
	Revised Contract Amount	\$19,932,841		
	District Contingency		\$800,000	
	Executed CO	0	\$0	0%
	Remaining Contingency		\$800,000	100%
	Project Contingency		\$1,639,990	
	Executed CO	0	\$0	0%
	Remaining Contingency		\$1,639,990	100%
	Pending PCOs	3	\$117,369	5%
Rejected PCOs	0	\$0	0%	
Contractor Net \$ Billed to Date	\$1,515,320		8%	
Stop Notices	\$0			

Project Status	Completed Work: For new Auxiliary Gymnasium install electrical room conduits and underslab plumbing. Form gym walls and install rebar. Form curbs and lockers bases. Irrigation installation complete at Softball field. Grading and installation of grass (sod) and temporary fencing. Install seismic hardware on 1st and 2nd floors of Science building. Asbestos abatement in restrooms. Selective demolition and plumbing rough in.
	Upcoming Work: Pour slab on grade, to include locker area. Wall waterproofing. Seismic retrofit 2nd floor. Rough in wall plates throughout. Plumbing and electrical rough in.

Project Issues	Waiting for PG&E to provide new gas meter design.
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Consolidated Budget Status Report

Budgets versus Commitments and Expenditures for multiple Projects

Budget vs. Commitments and Expenditures

Fund 21 and Fund 35

Data as of 02/29/2020

School/Project Name	Budget ³	Commitments			Expenditures	
	Total Budget	Total Commitments	% Budget Committed	Remaining Against Budget	Total Expenditures	% Budget Spent
1 Bayview Elementary School						
Legacy Project	19,850,802	19,850,802	100.0%	-	19,850,802	100.0%
	19,850,802	19,850,802	100.0%	-	19,850,802	100.0%
1 Cameron						
+ Critical Needs	-	-	-	-	-	-
Legacy Project	122,195	122,195	100.0%	-	122,195	100.0%
	122,195	122,195	100.0%	-	122,195	100.0%
1 Castro Elementary School						
Legacy Project	620,944	620,944	100.0%	-	620,944	100.0%
	620,944	620,944	100.0%	-	620,944	100.0%
1 Chavez Elementary School						
Critical Needs	72,847	72,847	100.0%	-	72,847	100.0%
Legacy Project	985,387	985,387	100.0%	-	985,387	100.0%
	1,058,234	1,058,234	100.0%	-	1,058,234	100.0%
1 Collins Elementary School						
+ Critical Needs	-	-	-	-	-	-
Legacy Project	1,638,871	1,638,871	100.0%	-	1,638,871	100.0%
	1,638,871	1,638,871	100.0%	-	1,638,871	100.0%
1 Coronado Elementary School						
Legacy Project	43,022,627	43,022,627	100.0%	-	43,022,627	100.0%
	43,022,627	43,022,627	100.0%	-	43,022,627	100.0%
1 Dover Elementary School						
Legacy Project	35,095,267	35,095,267	100.0%	-	35,095,267	100.0%
	35,095,267	35,095,267	100.0%	-	35,095,267	100.0%
1 Downer Elementary School						
Legacy Project	33,415,902	33,415,902	100.0%	-	33,415,902	100.0%
	33,415,902	33,415,902	100.0%	-	33,415,902	100.0%
1 El Sobrante Elementary School						
Legacy Project	536,231	536,231	100.0%	-	536,231	100.0%
	536,231	536,231	100.0%	-	536,231	100.0%
1 Ellerhorst Elementary School						
Legacy Project	13,931,806	13,931,806	100.0%	-	13,931,806	100.0%
	13,931,806	13,931,806	100.0%	-	13,931,806	100.0%
1 Fairmont Elementary School						
* Critical Needs	3,000,000	865,787	28.9%	2,134,213	828,459	27.6%
Legacy Project	3,864,259	3,864,259	100.0%	-	3,864,259	100.0%
	6,864,259	4,730,046	68.9%	2,134,213	4,692,718	68.4%
1 Ford Elementary School						
Legacy Project	30,817,526	30,817,526	100.0%	-	30,817,526	100.0%
	30,817,526	30,817,526	100.0%	-	30,817,526	100.0%
1 Grant Elementary School						
Critical Needs	211,467	211,467	100.0%	-	211,467	100.0%
Legacy Project	1,944,098	1,944,098	100.0%	-	1,944,098	100.0%
	2,155,565	2,155,565	100.0%	-	2,155,565	100.0%
1 Hanna Ranch Elementary School						
Legacy Project	783,349	783,349	100.0%	-	783,349	100.0%
	783,349	783,349	100.0%	-	783,349	100.0%
1 Harbour Way						
Legacy Project	121,944	121,944	100.0%	-	121,944	100.0%
	121,944	121,944	100.0%	-	121,944	100.0%



Consolidated Budget Status Report

Budgets versus Commitments and Expenditures for multiple Projects

Budget vs. Commitments and Expenditures

Fund 21 and Fund 35

Data as of 02/29/2020

School/Project Name	Budget ³	Commitments			Expenditures	
	Total Budget	Total Commitments	% Budget Committed	Remaining Against Budget	Total Expenditures	% Budget Spent
1 Harding Elementary School						
Legacy Project	22,632,446	22,632,446	100.0%	-	22,632,446	100.0%
	22,632,446	22,632,446	100.0%	-	22,632,446	100.0%
1 Harmon Knolls						
Critical Needs	406,946	406,946	100.0%	-	406,946	100.0%
Soil Testing	41,489	41,489	100.0%	-	41,489	100.0%
	448,435	448,435	100.0%	-	448,435	100.0%
1 Highland Elementary School						
* Water & Power Upgrade	747,125	-	0.0%	747,125	-	0.0%
Critical Needs	52,875	52,875	100.0%	-	52,875	100.0%
Legacy Project	1,879,839	1,879,839	100.0%	-	1,879,839	100.0%
	2,679,839	1,932,714	72.1%	747,125	1,932,714	72.1%
1 Kensington Elementary School						
Legacy Project	19,343,892	19,343,892	100.0%	-	19,343,892	100.0%
	19,343,892	19,343,892	100.0%	-	19,343,892	100.0%
1 King Elementary School						
Legacy Project	25,342,166	25,342,166	100.0%	-	25,342,166	100.0%
	25,342,166	25,342,166	100.0%	-	25,342,166	100.0%
1 Lake Elementary School						
* Campus Replacement	1,000,000	8,400	0.8%	991,600	-	0.0%
Legacy Project	1,500,322	1,500,322	100.0%	-	1,500,322	100.0%
Portable Demolition	147,501	147,501	100.0%	-	147,501	100.0%
	2,647,823	1,656,223	62.6%	991,600	1,647,823	62.2%
1 Lincoln Elementary School						
Legacy Project	17,676,561	17,676,561	100.0%	-	17,676,561	100.0%
	17,676,561	17,676,561	100.0%	-	17,676,561	100.0%
1 Lupine Hills Elementary School						
Legacy Project	15,395,678	15,395,678	100.0%	-	15,395,678	100.0%
	15,395,678	15,395,678	100.0%	-	15,395,678	100.0%
1 Madera Elementary School						
Legacy Project	12,233,801	12,233,801	100.0%	-	12,233,801	100.0%
	12,233,801	12,233,801	100.0%	-	12,233,801	100.0%
1 Mira Vista K-8						
Legacy Project	16,651,130	16,651,130	100.0%	-	16,651,130	100.0%
	16,651,130	16,651,130	100.0%	-	16,651,130	100.0%
1 Montalvin K-8						
Additional New Classrooms	4,028,011	4,028,011	100.0%	-	4,028,011	100.0%
Legacy Project	12,763,017	12,763,017	100.0%	-	12,763,017	100.0%
	16,791,028	16,791,028	100.0%	-	16,791,028	100.0%
1 Murphy Elementary School						
Legacy Project	15,619,655	15,619,655	100.0%	-	15,619,655	100.0%
	15,619,655	15,619,655	100.0%	-	15,619,655	100.0%
1 Nystrom Elementary School						
Classroom Renovation	30,233,455	30,233,455	100.0%	-	30,233,455	100.0%
Demo Portable and Sitework	518,285	518,285	100.0%	-	518,285	100.0%
Legacy Project	5,442,234	5,442,234	100.0%	-	5,442,234	100.0%
Multi-purpose Room	11,606,839	11,606,839	100.0%	-	11,606,839	100.0%
	47,800,813	47,800,813	100.0%	-	47,800,813	100.0%
1 Ohlone Elementary School						
Classroom and Admin Building	24,508,510	24,508,510	100.0%	-	24,508,510	100.0%



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School/Project Name	Budget ³	Commitments			Expenditures	
	Total Budget	Total Commitments	% Budget Committed	Remaining Against Budget	Total Expenditures	% Budget Spent
Critical Needs	623,885	623,885	100.0%	-	623,885	100.0%
Legacy Project	3,962,598	3,962,598	100.0%	-	3,962,598	100.0%
Portable Removal and Playground	5,397,758	5,397,758	100.0%	-	5,397,758	100.0%
	34,492,752	34,492,752	100.0%	-	34,492,752	100.0%
1 Olinda Elementary School						
Critical Needs	793,247	793,247	100.0%	-	793,247	100.0%
Legacy Project	1,286,942	1,286,942	100.0%	-	1,286,942	100.0%
	2,080,188	2,080,188	100.0%	-	2,080,188	100.0%
1 Peres K-8						
Legacy Project	21,424,293	21,424,293	100.0%	-	21,424,293	100.0%
	21,424,293	21,424,293	100.0%	-	21,424,293	100.0%
1 RCP Charter School						
Legacy Project	4,415,204	4,415,204	100.0%	-	4,415,204	100.0%
	4,415,204	4,415,204	100.0%	-	4,415,204	100.0%
1 Riverside Elementary School						
* Critical Needs	6,900,000	299,540	4.3%	6,600,460	127,900	1.9%
Legacy Project	14,611,005	14,611,005	100.0%	-	14,611,005	100.0%
	21,511,005	14,910,545	69.3%	6,600,460	14,738,905	68.5%
1 Seaview Elementary School						
Legacy Project	499,116	499,116	100.0%	-	499,116	100.0%
	499,116	499,116	100.0%	-	499,116	100.0%
1 Shannon Elementary School						
+ Critical Needs	-	-	-	-	-	-
Legacy Project	1,555,163	1,555,163	100.0%	-	1,555,163	100.0%
	1,555,163	1,555,163	100.0%	-	1,555,163	100.0%
1 Sheldon Elementary School						
Legacy Project	15,102,837	15,102,837	100.0%	-	15,102,837	100.0%
	15,102,837	15,102,837	100.0%	-	15,102,837	100.0%
1 Stege Elementary School						
* Critical Needs	2,900,000	35,900	1.2%	2,864,100	35,900	1.2%
Legacy Project	3,445,886	3,445,886	100.0%	-	3,445,886	100.0%
	6,345,886	3,481,786	54.9%	2,864,100	3,481,786	54.9%
1 Stewart K-8						
Legacy Project	16,737,037	16,737,037	100.0%	-	16,737,037	100.0%
	16,737,037	16,737,037	100.0%	-	16,737,037	100.0%
1 Tara Hills Elementary School						
Legacy Project	14,975,067	14,975,067	100.0%	-	14,975,067	100.0%
	14,975,067	14,975,067	100.0%	-	14,975,067	100.0%
1 TLC Elementary School						
Legacy Project	116,673	116,673	100.0%	-	116,673	100.0%
	116,673	116,673	100.0%	-	116,673	100.0%
1 Valley View Elementary School						
Critical Needs	1,091,447	1,091,447	100.0%	-	1,091,447	100.0%
Existing Campus Demo	33,096	33,096	100.0%	-	33,096	100.0%
Legacy Project	3,908,093	3,908,093	100.0%	-	3,908,093	100.0%
Portables	5,189,726	5,189,726	100.0%	-	5,189,726	100.0%
	10,222,362	10,222,362	100.0%	-	10,222,362	100.0%
1 Verde K-8						
Legacy Project	16,065,870	16,065,870	100.0%	-	16,065,870	100.0%
	16,065,870	16,065,870	100.0%	-	16,065,870	100.0%



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School/Project Name	Budget ³	Commitments			Expenditures	
	Total Budget	Total Commitments	% Budget Committed	Remaining Against Budget	Total Expenditures	% Budget Spent
1 Washington Elementary School						
Legacy Project	15,322,847	15,322,847	100.0%	-	15,322,847	100.0%
	15,322,847	15,322,847	100.0%	-	15,322,847	100.0%
1 West Hercules						
Legacy Project	56,847	56,847	100.0%	-	56,847	100.0%
	56,847	56,847	100.0%	-	56,847	100.0%
1 Wilson Elementary School						
* Campus Replacement	40,300,000	39,394,751	97.8%	905,249	17,463,987	43.3%
Legacy Project	3,829,324	3,829,324	100.0%	-	3,829,324	100.0%
	44,129,324	43,224,075	97.9%	905,249	21,293,312	48.3%
2 Adams Middle School						
Legacy Project	691,211	691,211	100.0%	-	691,211	100.0%
	691,211	691,211	100.0%	-	691,211	100.0%
2 Crespi Middle School						
* Critical Needs	5,300,000	4,889,825	92.3%	410,175	4,415,548	83.3%
Legacy Project	1,245,896	1,245,896	100.0%	-	1,245,896	100.0%
	6,545,896	6,135,721	93.7%	410,175	5,661,444	86.5%
2 DeJean Middle School						
Legacy Project	381,209	381,209	100.0%	-	381,209	100.0%
	381,209	381,209	100.0%	-	381,209	100.0%
2 Helms Middle School						
Legacy Project	83,432,888	83,432,888	100.0%	-	83,432,888	100.0%
	83,432,888	83,432,888	100.0%	-	83,432,888	100.0%
2 Hercules Middle School						
Legacy Project	699,000	699,000	100.0%	-	699,000	100.0%
	699,000	699,000	100.0%	-	699,000	100.0%
2 Korematsu Middle School						
* New Buildings	53,439,076	52,712,098	98.6%	726,978	52,712,098	98.6%
Legacy Project	19,943,103	19,943,103	100.0%	-	19,943,103	100.0%
	73,382,179	72,655,201	99.0%	726,978	72,655,201	99.0%
2 Pinole Middle School						
Legacy Project	56,689,430	56,689,430	100.0%	-	56,689,430	100.0%
	56,689,430	56,689,430	100.0%	-	56,689,430	100.0%
3 De Anza High School						
Legacy Project	132,236,248	132,236,248	100.0%	-	132,236,248	100.0%
	132,236,248	132,236,248	100.0%	-	132,236,248	100.0%
3 DELTA NSS						
Legacy Project	152,226	152,226	100.0%	-	152,226	100.0%
	152,226	152,226	100.0%	-	152,226	100.0%
3 El Cerrito High School						
Legacy Project	128,477,500	128,477,500	100.0%	-	128,477,500	100.0%
Stadium	18,372,605	18,372,605	100.0%	-	18,372,605	100.0%
	146,850,105	146,850,105	100.0%	-	146,850,105	100.0%
3 Greenwood High School						
Legacy Project	79,583,607	79,583,607	100.0%	-	79,583,607	100.0%
	79,583,607	79,583,607	100.0%	-	79,583,607	100.0%
3 Hercules High School						
+ Critical Needs	-	-	-	-	-	-
Legacy Project	3,295,019	3,295,019	100.0%	-	3,295,019	100.0%
	3,295,019	3,295,019	100.0%	-	3,295,019	100.0%



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	Total Budget	Total Commitments	% Budget Committed	Remaining Against Budget	Total Expenditures	% Budget Spent
3 KAPPA NSS						
Legacy Project	109,831	109,831	100.0%	-	109,831	100.0%
	109,831	109,831	100.0%	-	109,831	100.0%
3 Kennedy High School						
+ Critical Needs	-	-	-	-	-	-
Legacy Project	33,854,981	33,854,981	100.0%	-	33,854,981	100.0%
	33,854,981	33,854,981	100.0%	-	33,854,981	100.0%
3 North Campus High School						
Legacy Project	205,450	205,450	100.0%	-	205,450	100.0%
	205,450	205,450	100.0%	-	205,450	100.0%
3 OMEGA NSS						
Legacy Project	118,313	118,313	100.0%	-	118,313	100.0%
	118,313	118,313	100.0%	-	118,313	100.0%
3 Pinole Valley High School						
* Campus Replacement	154,571,123	152,069,382	98.4%	2,501,741	151,603,135	98.1%
* Fields/Sitework	19,177,394	175,025	0.9%	19,002,369	175,025	0.9%
* Interim Campus Demo	3,628,014	3,628,013	100.0%	1	3,628,013	100.0%
* Site Design	17,935,216	17,926,214	99.9%	9,002	16,927,645	94.4%
Detention Basin and Paving	3,517,521	3,517,521	100.0%	-	3,517,521	100.0%
Existing Building Demolition	2,511,397	2,511,397	100.0%	-	2,511,397	100.0%
Hillside Stabilization	2,199,821	2,199,821	100.0%	-	2,199,821	100.0%
Interim Campus	8,796,248	8,796,248	100.0%	-	8,796,248	100.0%
Legacy Furniture & Equipment	36,520	36,520	100.0%	-	36,520	100.0%
Legacy Program Cost	696,938	696,938	100.0%	-	696,938	100.0%
Legacy Restroom Renovation	167,601	167,601	100.0%	-	167,601	100.0%
Legacy Technology	37,165	37,165	100.0%	-	37,165	100.0%
Legacy Track	1,676,771	1,676,771	100.0%	-	1,676,771	100.0%
Off Site Parking and Traffic	1,240,584	1,240,584	100.0%	-	1,240,584	100.0%
Video Surveillance System	357,268	357,268	100.0%	-	357,268	100.0%
	216,549,580	195,036,467	90.1%	21,513,113	193,571,651	89.4%
3 Richmond High School						
* Gym and Seismic Classroom	21,000,000	20,504,077	97.6%	495,923	1,778,986	8.5%
Legacy Project	21,622,087	21,622,087	100.0%	-	21,622,087	100.0%
	42,622,087	42,126,165	98.8%	495,923	23,401,073	54.9%
3 SIGMA NSS						
Legacy Project	110,949	110,949	100.0%	-	110,949	100.0%
	110,949	110,949	100.0%	-	110,949	100.0%
3 Vista High School						
Legacy Project	7,236,543	7,236,543	100.0%	-	7,236,543	100.0%
	7,236,543	7,236,543	100.0%	-	7,236,543	100.0%
4 Technology						
* Infrastructure	15,004,976	14,324,188	95.5%	680,788	14,324,188	95.5%
Computer Common Core	3,903,858	3,903,858	100.0%	-	3,903,858	100.0%
District Network Backbone	568,416	568,416	100.0%	-	568,416	100.0%
IT Data Center	1,400,746	1,400,746	100.0%	-	1,400,746	100.0%
Teacher Equipment	112,360	112,360	100.0%	-	112,360	100.0%
Tech Communication	1,130,966	1,130,966	100.0%	-	1,130,966	100.0%
Technology Equipment	1,885,661	1,885,661	100.0%	-	1,885,661	100.0%
Technology Wireless	10,993,016	10,993,016	100.0%	-	10,993,016	100.0%
	35,000,000	34,319,212	98.1%	680,788	34,319,212	98.1%



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Budget vs. Commitments and Expenditures

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School/Project Name	Budget ³	Commitments			Expenditures	
	Total Budget	Total Commitments	% Budget Committed	Remaining Against Budget	Total Expenditures	% Budget Spent
4 Central						
District Support	55,206,732	52,570,307	95.2%	2,636,425	51,936,568	94.1%
Program Coordination	47,624,903	46,122,624	96.8%	1,502,279	44,990,240	94.5%
Totals	1,652,929,646	1,610,721,218	97.4%	42,208,428	1,566,142,779	94.7%

Note 1: * Site Projects are under planning, construction or in closeout.

Note 2: + Site Projects approved by the Board 2016 Master Plan to commence in the future.

Note 3: Budget approved by BOE 02/26/2020

Note 4: 1 School Name - Elementary school site name

Note 5: 2 School Name - Middle school site name

Note 6: 3 School Name - High school site name

Note 7: 4 Central/Program Name

Note 8: Measure 1998E is not covered under Proposition 39 regulations for school bonds, and is not ordinarily reported in the Bond Program expenditure reports. The following report shows Measure 1998E projects by site with state funded DeJean middle school project.

Measure 1998E Project

DeJean Middle School	36,836,215.33	36,836,215.33	100.0%	-	36,836,215.33	100.0%
1998E Project	23,994,285.33	23,994,285.33	100.0%	-	23,994,285.33	100.0%
State Fund Project	12,841,930.00	12,841,930.00	100.0%	-	12,841,930.00	100.0%
Pinole Valley High School	190,570.61	190,570.61	100.0%	-	190,570.61	100.0%
Central Program Coordination	16,276,517.57	16,276,517.57	100.0%	-	16,276,517.57	100.0%
Total	53,303,303.51	53,303,303.51	100.0%	-	53,303,303.51	100.0%



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Budget vs. Commitments and Expenditures

2016 MASTER PLAN PROJECT

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School/Project Name	Budget			Commitments			Expenditures	
	Original Budget	Approved Budget Changes	Total Budget	Total Commitments	% Budget Committed	Remaining Against Budget	Total Expenditures	% Budget Spent
1 Cameron								
+ Critical Needs	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
1 Chavez Elementary School								
Critical Needs	600,000	(527,153)	72,847	72,847	100.0%	-	72,847	100.0%
	600,000	(527,153)	72,847	72,847	100.0%	-	72,847	100.0%
1 Collins Elementary School								
+ Critical Needs	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
1 Fairmont Elementary School								
* Critical Needs	3,000,000	-	3,000,000	865,787	28.9%	2,134,213	828,459	27.6%
	3,000,000	-	3,000,000	865,787	28.9%	2,134,213	828,459	27.6%
1 Grant Elementary School								
Critical Needs	900,000	(688,533)	211,467	211,467	100.0%	-	211,467	100.0%
	900,000	(688,533)	211,467	211,467	100.0%	-	211,467	100.0%
1 Harmon Knolls								
Critical Needs	200,000	206,946	406,946	406,946	100.0%	-	406,946	100.0%
Soil Testing	100,000	(58,511)	41,489	41,489	100.0%	-	41,489	100.0%
	300,000	148,435	448,435	448,435	100.0%	-	448,435	100.0%
1 Highland Elementary School								
* Water & Power Upgrade	-	747,125	747,125	-	0.0%	747,125	-	0.0%
Critical Needs	800,000	(747,125)	52,875	52,875	100.0%	-	52,875	100.0%
	800,000	-	800,000	52,875	6.6%	747,125	52,875	6.6%
1 Lake Elementary School								
* Campus Replacement	1,000,000	-	1,000,000	8,400	0.8%	991,600	-	0.0%
Portable Demolition	500,000	(352,499)	147,501	147,501	100.0%	-	147,501	100.0%
	1,500,000	(352,499)	1,147,501	155,901	13.6%	991,600	147,501	12.9%
1 Ohlone Elementary School								
Critical Needs	800,000	(176,115)	623,885	623,885	100.0%	-	623,885	100.0%
	800,000	(176,115)	623,885	623,885	100.0%	-	623,885	100.0%
1 Olinda Elementary School								
Critical Needs	1,000,000	(206,753)	793,247	793,247	100.0%	-	793,247	100.0%
	1,000,000	(206,753)	793,247	793,247	100.0%	-	793,247	100.0%
1 Riverside Elementary School								
* Critical Needs	6,900,000	-	6,900,000	299,540	4.3%	6,600,460	127,900	1.9%
	6,900,000	-	6,900,000	299,540	4.3%	6,600,460	127,900	1.9%
1 Shannon Elementary School								
+ Critical Needs	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
1 Stege Elementary School								
* Critical Needs	2,900,000	-	2,900,000	35,900	1.2%	2,864,100	35,900	1.2%
	2,900,000	-	2,900,000	35,900	1.2%	2,864,100	35,900	1.2%
1 Valley View Elementary School								
Critical Needs	1,000,000	91,447	1,091,447	1,091,447	100.0%	-	1,091,447	100.0%
	1,000,000	91,447	1,091,447	1,091,447	100.0%	-	1,091,447	100.0%
1 Wilson Elementary School								
* Campus Replacement	40,300,000	-	40,300,000	39,394,751	97.8%	905,249	17,463,987	43.3%
	40,300,000	-	40,300,000	39,394,751	97.8%	905,249	17,463,987	43.3%
2 Crespi Middle School								
* Critical Needs	3,100,000	2,200,000	5,300,000	4,889,825	92.3%	410,175	4,415,548	83.3%
	3,100,000	2,200,000	5,300,000	4,889,825	92.3%	410,175	4,415,548	83.3%



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Budget vs. Commitments and Expenditures

2016 MASTER PLAN PROJECT

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School/Project Name	Budget			Commitments			Expenditures	
	Original Budget	Approved Budget Changes	Total Budget	Total Commitments	% Budget Committed	Remaining Against Budget	Total Expenditures	% Budget Spent
3 Hercules High School								
+ Critical Needs	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
3 Kennedy High School								
+ Critical Needs	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
3 Richmond High School								
* Gym and Seismic Classroom	15,100,000	5,900,000	21,000,000	20,504,077	97.6%	495,923	1,778,986	8.5%
	15,100,000	5,900,000	21,000,000	20,504,077	97.6%	495,923	1,778,986	8.5%
4 Central								
Program Coordination (Ed Specs & School Size)	200,000	-	200,000	148,128	0.0%	200,000	148,128	74.1%
	200,000	-	200,000	148,128	0.0%	200,000	148,128	74.1%
Totals	78,400,000	6,388,828	84,788,828	69,588,112	82.1%	15,200,716	28,240,611	33.3%

Note 1: * Site Projects are under planning, construction or in closeout.

Note 2: + Site Projects approved by the Board 2016 Master Plan to commence in the future.

Note 3: Budget approved by BOE 02/26/2020

Note 4: 1 School Name - Elementary school site name

Note 5: 2 School Name - Middle school site name

Note 6: 3 School Name - High school site name

Note 7: 4 Central/Program Name



WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

Bond Program Financial Status

As of February 29, 2020 Preliminary

Cash Projection to June-2021

		<u>Notes</u>
<u>Adjusted Cash Balance</u>	56,640,562	1
 <u>Projected Revenues</u>		
Bond Sales 2010 Measure D	\$ 65,000,000	2
Bond Sales 2012 Measure E	\$ 65,000,000	2
Less: Cost of Issuance	\$ (510,000)	2
Interest Earning & Other Revenue	\$ 3,624,000	2
	<u>\$ 133,114,000</u>	
 <u>Projected Available Funds</u>	 \$ 189,754,562	
 <u>Budget Balance</u>		
Board Approved Budget	\$ 1,652,929,646	3
Less Expenses to Date	<u>\$ (1,566,142,779)</u>	3
<u>Current budget balance</u>	\$ 86,786,867	
 Projected Cash Balance June 2021	 \$ 102,967,695	

State Facility Grants Pending State Approval

Estimated during current planning period:	\$ 23,400,090	4
Estimated after current planning period:	\$ 7,615,578	4

Items Pending Board Approval

Future Facilities Master Plan Projects	\$ 103,400,000	5
2022-2023 Estimated Central Cost	\$ 6,033,211	6
2022-2023 Estimated Other Revenue	\$ 2,530,000	2



WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

Bond Program Financial Status

As of February 29, 2020 Preliminary

Note 1 Adjusted Cash Balance

Description	Amount	Comments
Cash & Equivalents Building Fund 21	\$ 56,935,814	A
Cash & Equivalents County School Facilities Fund 35	\$ -	B
Cash with Fiscal Agent (contract retentions)	\$ 4,885,212	C
Accounts Receivable	\$ -	
Accounts Payable	\$ -	D
Contract Retention	\$ (5,180,464)	C
Adjusted Cash Balance	\$ 56,640,562	

Comments

A. The cash balance is reflective of financial data from MUNIS.

B. California School Facilities Grants are deposited into the County School Facilities Fund 35 and subsequently transferred to the Building Fund 21.

C. This liability is deducted from the contractor's process payment and retained; it is deposited in a Third party escrow account or accumulated and held by the district. The amounts are reflective of financial data from MUNIS.

D. Accounts payable is reflective of financial data from MUNIS.



WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

Bond Program Financial Status

As of February 29, 2020 Preliminary

Note 2 Projected Revenues

Fiscal Year	Bond Sales 2010 Measure D		Bond Sales 2012 Measure E		Less: Cost of Bond Issuance	Interest Earnings & Other Revenue		Total
FY2020	\$	65,000,000	\$	65,000,000	\$ (510,000)	\$	462,000	\$ 129,952,000
FY2021						\$	3,162,000	\$ 3,162,000
Sub-Totals	\$	65,000,000	\$	65,000,000	\$ (510,000)	\$	3,624,000	\$ 133,114,000
FY2022						\$	1,530,000	\$ 1,530,000
FY2023						\$	1,000,000	\$ 1,000,000
Sub-Total	\$	-	\$	-	\$ -	\$	2,530,000	\$ 2,530,000
Grand Total	\$	65,000,000	\$	65,000,000	\$ (510,000)	\$	6,154,000	\$ 135,644,000

The average issuance cost for the last two issues is \$ 505,549.60.

The Projected Cash Balance June 2021 is less \$510,000 because the Cost of Bond Issuance is included in both Revenue and Board Approved Budget (Central Program Budget).

Note 3 Budget Balance

Description	Note
Board Approved Budget	This represents the current board approved budget amount and should agree with Report#2, Bond Program Spending by Site.
Expenses to Date	This is total expended amount from FY 1999-01 thru Current Fiscal Year Period and should agree with Report#2, Bond Program Spending by Site.



WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

Bond Program Financial Status

As of February 29, 2020 Preliminary

Note 4 State Facility Grants

Upon release of funds by the California State Allocation Board the State Controller prepares the checks which are then mailed to the County Treasurer for deposit into the District's bank account Fund 35 (County School Facilities Fund) and subsequently are transferred to Fund 21, Building Fund.

School	Funding	OPSC * Status	SAB** Approval ¹	SAB** Funded	Amount
Pinole Valley HS	Modernization	Unfunded Approval 8/28/19	Est: 01/20-06/20	Est: Jul-20	\$ 23,400,090
Helms MS	Modernization	On Workload List	Est: 01/23-06/23	Est: Jul-23	\$ 4,133,414
Crespi MS	Modernization	On Workload List	Est: 07/23-12/23	Est: Feb-24	\$ 3,482,164
				Total	\$ 31,015,668

*Office of Public School Construction - OPSC

**State Allocation Board - SAB

¹ Last updated 10/24/2019



WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

Bond Program Financial Status

As of February 29, 2020 Preliminary

The Board of Education received the Implementation Plan with the draft Master Plan on June 15, 2016 and approved them unanimously. The Board approved Implementation Plan - Model one, which includes the following projects with the project cost, including inflation:

School	Project Type	FMP 2016	Current Budget
Ed Specs & School Size		\$ 200,000	\$ 200,000
Chavez Elementary School	Critical Needs	\$ 600,000	\$ 72,847
Crespi Middle School	Critical Needs	\$ 3,100,000	\$ 5,300,000
Fairmont Elementary School	Critical Needs	\$ 3,000,000	\$ 3,000,000
Grant Elementary School	Critical Needs	\$ 900,000	\$ 211,467
Harmon Knolls	Critical Needs	\$ 200,000	\$ 406,946
Harmon Knolls	Soils Testing	\$ 100,000	\$ 41,489
Highland Elementary School	Critical Needs	\$ 800,000	\$ 800,000
Lake Elementary School	Critical Needs	\$ -	\$ 147,501
Lake Elementary School	RS Replacement	\$ -	\$ 1,000,000
Ohlone Elementary School	Critical Needs	\$ 800,000	\$ 623,885
Olinda Elementary School	Critical Needs	\$ 1,000,000	\$ 793,247
Richmond High School**	Critical Needs	\$ 15,100,000	\$ 21,000,000
Riverside Elementary School	Critical Needs	\$ 6,900,000	\$ 6,900,000
Stege Elementary School	Critical Needs	\$ 2,900,000	\$ 2,900,000
Valley View Elementary School	Critical Needs	\$ 1,000,000	\$ 1,091,447
Wilson Elementary School*	RS Replacement	\$ 40,300,000	\$ 40,300,000
Sub Total		\$ 76,900,000	\$ 84,788,828

Note 5: Future Facilities Master Plan Projects

School	Project Type	FMP 2016	Current Budget
Cameron School	Critical Needs	\$ 1,300,000	\$ 1,300,000
Collin Elementary School	Critical Needs	\$ 3,500,000	\$ 3,500,000
Hercules Middle School	Critical Needs	\$ 7,500,000	\$ 7,500,000
Hercules High School	Critical Needs	\$ 7,200,000	\$ 7,200,000
Kennedy High School	Critical Needs	\$ 12,200,000	\$ 12,200,000
Lake Elementary School-Campus Replace	RS Replacement	\$ 66,100,000	\$ 64,600,000
Shannon Elementary School	Critical Needs	\$ 7,100,000	\$ 7,100,000
Sub Total		\$ 104,900,000	\$ 103,400,000

TOTAL IMPLEMENTATION PLAN MODEL 1

\$ 181,800,000 \$ 188,188,828

* BOE approved supplemental funds for Wilson ES: Fund 25 of \$1.75M and Fund 01 MRAD of \$0.85M on 06/26/19

** BOE approved supplemental funds for Richmond HS: Fund 40 of \$1M on 11/06/19

Definition of ROM¹

Five percent inflation has been applied from mid-2016 to the scheduled midpoint of construction, compounded yearly, to account for inflation. These "Rough Order of Magnitude" (R.O.M.) cost estimates, which are based on general cost per square foot, do not include market-based contract escalation (if any) above 5% annual inflation.

Additionally, the cost of temporary housing has been included where it was known to be required at the time of the Master Plan (e.g., at Lake Elementary). It has not been included where it was not anticipated prior to the release of the Master Plan (e.g., at Wilson Elementary).

Note that further Architectural and Engineering studies are required, including scoping and budgeting, for all Critical Needs.

*In June 2016 the Board approved \$181,800,000 FMP since then the following budget revisions have been approved by the Board:

- Harmon Knolls \$250,000 and Valley View \$150,000 on 08/09/17; Grant <\$688,533>, Harmon Knolls <\$101,565>, Lake <\$352,499>, Ohlone <\$176,115>, & Valley View <\$58,553> on 07/25/18; Richmond \$3,900,000 on 11/14/18; Crespi \$2,200,000 on 03/20/19; Chavez <\$572,153> on 06/26/19; Richmond \$2,000,000 on 11/06/19; Olinda <\$206,753.35> on 02/26/20



WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
Bond Program Financial Status
As of February 29, 2020 Preliminary

Note 6 Unbudgeted Central Services Projected Expenses FY2021-22 & 2022-23

Description	FY 2021-22		FY 2022-23		Total
Salaries & Benefits	\$	1,603,377	\$	1,307,890	\$ 2,911,267
Services & Other Cost	\$	1,530,600	\$	1,591,344	\$ 3,121,944
Total Projection	\$	3,133,977	\$	2,899,234	\$ 6,033,211



WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
Financial Impact of Report 13 Analysis
From January 2020 to February 2020 Preliminary

Updated 02/29/2020

Items	Beginning Balance	Ending Balance	Variance	Notes
Adjusted Cash Balance	58,204,490	56,640,562	(1,563,928)	<\$1,565,891.48> expended in Feb.2020 \$1,963.31 PG&E refund for ECHS project
Projected Revenue				
Bond Sales 2010 Measure D	65,000,000	65,000,000	-	
Bond Sales 2010 Measure E	65,000,000	65,000,000	-	
Less: Cost of Issuance	(510,000)	(510,000)	-	
Other Revenues estimated to 2021	3,624,000	3,624,000	-	
Projected Revenue Total	133,114,000	133,114,000	-	
Projected Available Funds	191,318,490	189,754,562	(1,563,928)	<\$1,565,891.48> expended in Feb.2020 \$1,963.31 PG&E refund for ECHS project
Budget Balance				
Board Approved Budget	1,656,822,430	1,652,929,646	(3,892,784)	
Less Expenses to Date	(1,564,576,887)	(1,566,142,779)	(1,565,891)	
Budget Balance Total	92,245,543	86,786,867	(5,458,675)	<\$1,565,891.48> expended in Feb.2020 <\$3,686,030.51> 2/26/20 BOE Nystrom Budget Reduction <\$206,753.35> 2/26/20 BOE Olinda Budget Reduction
Projected Cash Balance June 2021	99,072,948	102,967,695	3,894,747	<\$3,686,030.51> 2/26/20 BOE Nystrom Budget Reduction <\$206,753.35> 2/26/20 BOE Olinda Budget Reduction <\$1,963.31> PG&E refund for ECHS project
State Facility Grants				
Estimated during current planning period	23,400,090	23,400,090	-	
Estimated after current planning period	7,615,578	7,615,578	-	
Future Facilities Master Plan Projects	103,400,000	103,400,000	-	
2022-2023 Estimated Central Cost	6,033,211	6,033,211	-	
2022-2023 Estimated Other Revenue	2,530,000	2,530,000	-	

Report#13 Bond Program Financial Status Data as of 01/31/2020

Projected Cash Balance June 2021	99,072,948
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State Facility Grants Pending State Approval

Estimated During Current Planning Period:	23,400,090
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Items Pending Board Approval

Future Facilities Master Plan Projects:	103,400,000
2022-2023 Estimated Central Cost:	6,033,211
2022-2023 Estimated Other Revenue:	2,530,000

Projected Cash Balance @ June 2023	15,569,827
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02/26/20 BOE Returning to Fund Balance

Nystrom Legacy	3,686,031
Olinda Critical Needs	206,753

Return to Fund Balance	3,892,784
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Anticipated Savings on Cash Flow

Highland Critical Needs	247,125
Riverside Critical Needs	3,000,000

Anticipated Future Saving to Fund Balance	3,247,125
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Cost of Issuance both Revenue & Exp	510,000
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Central Budget vs Estimated Cost

2019-20 Budget	3,916,389
2019-20 Estimated Actual	2,889,746

2019-20 Balance to 2020-21	1,026,643
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2020-21 Budget	3,980,695
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2020-21 Estimated Actual	3,982,025
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2021-22 Balance to 2021-22	(1,330)
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Total Variances	8,675,222
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Adjusted Cash Balance @ June 2023	24,245,048
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Cash Flow Projection Data as of 01/31/2020	24,245,049
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WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

Bond Program Financial Status

As of January 31, 2020

Cash Projection to June-2021

		<u>Notes</u>
<u>Adjusted Cash Balance</u>	58,204,490	1
 <u>Projected Revenues</u>		
Bond Sales 2010 Measure D	\$ 65,000,000	2
Bond Sales 2012 Measure E	\$ 65,000,000	2
Less: Cost of Issuance	\$ (510,000)	2
Interest Earning & Other Revenue	\$ 3,624,000	2
	<u>\$ 133,114,000</u>	
 <u>Projected Available Funds</u>	 \$ 191,318,490	
 <u>Budget Balance</u>		
Board Approved Budget	\$ 1,656,822,430	3
Less Expenses to Date	\$ (1,564,576,887)	3
<u>Current budget balance</u>	\$ 92,245,543	
 Projected Cash Balance June 2021	 \$ 99,072,948	

State Facility Grants Pending State Approval

Estimated during current planning period:	\$ 23,400,090	4
Estimated after current planning period:	\$ 7,615,578	4

Items Pending Board Approval

Future Facilities Master Plan Projects	\$ 103,400,000	5
2022-2023 Estimated Central Cost	\$ 6,033,211	6
2022-2023 Estimated Other Revenue	\$ 2,530,000	2

WCCUSD
Bond Program Change Order Status for Active Projects

School Type	#	Sub-Project Name	Architect of Record	Construction Contract Value	Notice to Proceed	Completion Date	Percent Complete	Approved Change Orders		Pending Change Orders	
								Amount	%	Amount	%
Middle Schools	1	Crespi Middle School Gym Seismic Retrofit	HMC Architects	\$ 3,997,407.00	5/1/2019	11/18/2019	99%	\$215,391.59	5.39%	\$0.00	0.00%
High Schools	2	Pinole Valley High School New Campus	WLC Architects	\$ 129,894,002.00	6/15/16	4/8/2019	100%	\$5,978,568.00	4.60%	\$0.00	0.00%
TOTALS				\$133,891,409.00				\$6,193,959.59	4.63%	\$0.00	0.00%



West Contra Costa Unified School District

Bond Program

Report # 6

CBOC Change Order Information - Sub-Project Summary

(as of: 3/2/2020 5:37:04 PM)

Sub-Project Summary For: Crespi Middle School Seismic Retro

Contract No.: 1000003031 (Strawn Construction, Inc. - Original Contract Amt = \$3,997,407.00)

CO Reason Code (See Below)	COs \$0 to \$5,000		COs \$5,000 to \$25,000		COs > \$25,000		Grand Total COs > \$0		COs With Net Credits		Grand Total All COs	
	# of COs	Total CO Value	# of COs	Total CO Value	# of COs	Total CO Value	# of COs	Total CO Value	# of COs	Total CO Value	# of COs	Total CO Value
1	0	\$0.00	0	\$0.00	1	\$91,309.37	1	\$91,309.37	0	\$0.00	1	\$91,309.37
2	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00
3	1	\$0.00	0	\$0.00	2	\$124,082.22	3	\$124,082.22	0	\$0.00	3	\$124,082.22
4	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00
Not Indicated	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00
Totals	1	\$0.00	0	\$0.00	3	\$215,391.59	4	\$215,391.59	0	\$0.00	4	\$215,391.59

CO Reason Code Definitions

Reason CD	Reason Description
1	Unforeseen Conditions
2	Owner Initiated Scope Change
3	Design Deficiency
4	Outside Agency

Construction Change Order Summary Log

Report # 6

Date: 3/2/2020

Crespi Middle School Seismic Retro

Start Date: 5/1/2019

Original Completion Date: 12/10/2019

	Reason Code	CO No.	Amount This C/O	CM/PM Status	BOE Approve	Time Ext.	Revised Compl. Date	Revised Contract Amount	% of Contract Cumulative
Contract No.: 1000003031		Strawn Construction, Inc.		Contract Amount:		\$3,997,407.00			
Board of Education Approved			Total :	\$215,391.59	Time :	71			
CO	Structural C Chanel @ Line J	3	00001	\$64,048.09	APP	9/9/19	0	\$4,061,455.09	1.60%
CO	RFI #35 Eletrical Raceway	1	00002	\$91,309.37	APP	12/16/19	0	12/10/2019 \$4,152,764.46	3.89%
CO	RFI 18 ADA Ramp Landing	3	00003	\$60,034.13	APP	12/20/19	0	12/10/2019 \$4,212,798.59	5.39%
CO	Crespi Gym Time Extension	3	00004	\$0.00	APP	12/30/19	71	2/19/2020 \$4,212,798.59	5.39%
			Total of all Changes:	\$215,391.59	Total Time:	71	\$4,212,798.59		5.39%

C/O Key Legend

- | | |
|---|-------------------|
| 1: Unforeseen Conditions | 4: Outside Agency |
| 2: Owner Initiated Scope Change | 5: Other |
| 3: Design Deficiency (Errors and Omissions) | |

Page: 1 of 1

Report m_change_505dprev4



West Contra Costa Unified School District

Bond Program

CBOC Change Order Information - Sub-Project Summary

Report # 6

(as of: 3/2/2020 5:35:59 PM)

Sub-Project Summary For: Pinole Valley HS Ph5 Main Campus

Contract No.: 1000001929 (Lathrop Construction Associates, Inc - Original Contract Amt = \$129,894,002.00)

CO Reason Code (See Below)	COs \$0 to \$5,000		COs \$5,000 to \$25,000		COs > \$25,000		Grand Total COs > \$0		COs With Net Credits		Grand Total All COs	
	# of COs	Total CO Value	# of COs	Total CO Value	# of COs	Total CO Value	# of COs	Total CO Value	# of COs	Total CO Value	# of COs	Total CO Value
1	9	\$0.00	4	\$41,681.00	6	\$483,631.00	19	\$525,312.00	0	\$0.00	19	\$525,312.00
2	2	\$7,168.00	0	\$0.00	3	\$149,847.14	5	\$157,015.14	5	-\$369,934.00	10	(\$212,918.86)
3	3	\$10,583.00	8	\$120,907.86	53	\$5,833,370.00	64	\$5,964,860.86	6	-\$586,383.00	70	\$5,378,477.86
4	1	\$3,101.00	2	\$25,584.00	3	\$259,012.00	6	\$287,697.00	0	\$0.00	6	\$287,697.00
Not Indicated	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00
Totals	15	\$20,852.00	14	\$188,172.86	65	\$6,725,860.14	94	\$6,934,885.00	11	-\$956,317.00	105	\$5,978,568.00

CO Reason Code Definitions

Reason CD	Reason Description
1	Unforeseen Conditions
2	Owner Initiated Scope Change
3	Design Deficiency
4	Outside Agency



WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
Bond Program Spending to Date by Site
Data as of 02/29/2020 Preliminary

Updated 02/29/20

Site Name	Original Budget *	Board Approved Budget 02/26/20	Expended FY 99-01 thru FY 18-19	Expended FY 19-20 Jul-Feb	Expended Total thru 02/29/20	Committed Balance as of 02/29/20	Budget Balance as of 02/29/20	Notes
BAYVIEW	17,732,392	19,850,802	19,850,802	-	19,850,802	-	-	Footnote 1
CHAVEZ	1,339,784	1,058,234	1,058,234	-	1,058,234	-	-	Footnote 1
COLLINS	993,294	1,638,871	1,638,871	-	1,638,871	-	-	Footnote 4
CORONADO	11,278,047	43,022,627	43,022,627	-	43,022,627	-	-	Footnote 1
DOVER	13,070,243	35,095,267	35,095,267	-	35,095,267	-	-	Footnote 1
DOWNER	28,819,079	33,415,902	33,415,902	-	33,415,902	-	-	Footnote 1
ELLERHORST	11,238,341	13,931,806	13,931,806	-	13,931,806	-	-	Footnote 1
FAIRMONT	10,971,356	6,864,259	4,213,128	479,589	4,692,718	37,328	2,134,213	Footnote 3
FORD	11,839,322	30,817,526	30,817,526	-	30,817,526	-	-	Footnote 1
GRANT	1,409,600	2,155,565	2,155,565	-	2,155,565	-	-	Footnote 1
HANNA RANCH	680,923	783,349	783,349	-	783,349	-	-	Footnote 1
HARDING	15,574,211	22,632,446	22,632,446	-	22,632,446	-	-	Footnote 1
HARMON KNOLLS	-	448,435	448,435	-	448,435	-	-	Footnote 1
HIGHLAND	13,504,714	2,679,839	1,932,714	-	1,932,714	-	747,125	Footnote 3
KENSINGTON	16,397,920	19,343,892	19,343,892	-	19,343,892	-	-	Footnote 1
KING	16,688,732	25,342,166	25,342,166	-	25,342,166	-	-	Footnote 1
LAKE	822,657	2,647,823	1,647,823	-	1,647,823	8,400	991,600	Footnote 3
LINCOLN	15,225,821	17,676,561	17,676,561	-	17,676,561	-	-	Footnote 1
LUPINE HILLS	16,111,242	15,395,678	15,395,678	-	15,395,678	-	-	Footnote 1
MADERA	11,088,764	12,233,801	12,233,801	-	12,233,801	-	-	Footnote 1
MIRA VISTA	13,928,364	16,651,130	16,651,130	-	16,651,130	-	-	Footnote 1
MONTALVIN	15,904,716	16,791,028	16,791,028	-	16,791,028	-	-	Footnote 1
MURPHY	13,554,495	15,619,655	15,619,655	-	15,619,655	-	-	Footnote 1
NYSTROM	20,999,690	47,800,813	45,461,314	2,339,500	47,800,813	-	(0)	Footnote 1
OHLONE	14,174,928	34,492,752	34,492,752	-	34,492,752	-	-	Footnote 1
OLINDA	1,170,596	2,080,188	1,582,078	498,111	2,080,188	-	-	Footnote 1
PERES	19,752,789	21,424,293	21,424,293	-	21,424,293	-	-	Footnote 1
RIVERSIDE	13,439,831	21,511,005	14,723,012	15,893	14,738,905	171,640	6,600,460	Footnote 3
SHANNON	1,157,736	1,555,163	1,555,163	-	1,555,163	-	-	Footnote 4
SHELDON	14,968,745	15,102,837	15,102,837	-	15,102,837	-	-	Footnote 1
STEGE	13,000,749	6,345,886	3,481,786	-	3,481,786	-	2,864,100	Footnote 3
STEWART	12,710,427	16,737,037	16,737,037	-	16,737,037	-	-	Footnote 1
TARA HILLS	14,160,935	14,975,067	14,975,067	-	14,975,067	-	-	Footnote 1
VALLEY VIEW	11,117,405	10,222,362	10,222,362	-	10,222,362	-	-	Footnote 1
VERDE	15,709,690	16,065,870	16,065,870	-	16,065,870	-	-	Footnote 1
WASHINGTON	14,051,720	15,322,847	15,322,847	-	15,322,847	-	-	Footnote 1
WILSON	13,673,885	44,129,324	9,664,279	11,629,033	21,293,312	21,930,764	905,249	Footnote 3
Elementary Total	438,263,142	623,862,105	572,509,101	14,962,126	587,471,226	22,148,132	14,242,747	



WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
Bond Program Spending to Date by Site
Data as of 02/29/2020 Preliminary

Updated 02/29/20

Site Name	Original Budget *	Board Approved Budget 02/26/20	Expended FY 99-01 thru FY 18-19	Expended FY 19-20 Jul-Feb	Expended Total thru 02/29/20	Committed Balance as of 02/29/20	Budget Balance as of 02/29/20	Notes
CRESPI MS	1,205,711	6,545,896	2,553,745	3,107,699	5,661,444	474,277	410,175	Footnote 3
DEJEAN MS	64,929	381,209	381,209	-	381,209	-	-	Footnote 1
HELMS MS	61,287,986	83,432,888	83,432,888	-	83,432,888	-	-	Footnote 1
HERCULES MS	602,982	699,000	699,000	-	699,000	-	-	Footnote 1
KOREMATSU MS	37,937,901	73,382,179	72,655,201	-	72,655,201	-	726,978	Footnote 2
PINOLE MS	38,828,979	56,689,430	56,689,430	-	56,689,430	-	-	Footnote 1
Middle Sch Total	139,928,488	221,130,602	216,411,473	3,107,699	219,519,172	474,277	1,137,153	
DE ANZA HS	105,389,888	132,236,248	132,236,248	-	132,236,248	-	-	Footnote 1
EL CERRITO HS	93,605,815	146,850,105	146,850,105	-	146,850,105	-	-	Footnote 1
GREENWOOD	35,315,772	79,583,607	79,583,607	-	79,583,607	-	-	Footnote 1
HERCULES HS	12,603,343	3,295,019	3,295,019	-	3,295,019	-	-	Footnote 4
KENNEDY HS	89,903,130	33,854,981	33,854,981	-	33,854,981	-	-	Footnote 4
PINOLE VALLEY HS	124,040,286	216,549,580	185,963,019	7,608,632	193,571,651	1,464,816	21,513,113	Footnote 2
RICHMOND HS	94,720,910	42,622,087	22,854,818	546,255	23,401,073	18,725,092	495,923	Footnote 3
VISTA HS	3,566,208	7,236,543	7,236,543	-	7,236,543	-	0	Footnote 1
High Sch Total	559,145,352	662,228,170	611,874,340	8,154,887	620,029,227	20,189,907	22,009,036	
ADAMS MS	703,660	691,211	691,211	-	691,211	-	-	Footnote 1
CAMERON	284,012	122,195	122,195	-	122,195	-	-	Footnote 4
CASTRO	11,901,504	620,944	620,944	-	620,944	-	-	Footnote 1
DELTA NSS	152,564	152,226	152,226	-	152,226	-	-	Footnote 1
EL SOBRANTE	187,343	536,231	536,231	-	536,231	-	-	Footnote 1
HARBOUR WAY	121,639	121,944	121,944	-	121,944	-	-	Footnote 1
KAPPA NSS	109,809	109,831	109,831	-	109,831	-	-	Footnote 1
NORTH CAMPUS	169,849	205,450	205,450	-	205,450	-	-	Footnote 1
OMEGA NSS	117,742	118,313	118,313	-	118,313	-	-	Footnote 1
SEAVIEW	178,534	499,116	499,116	-	499,116	-	-	Footnote 1
SIGMA NSS	110,728	110,949	110,949	-	110,949	-	-	Footnote 1
TLC	118,020	116,673	116,673	-	116,673	-	-	Footnote 1
WEST HERCULES	-	56,847	56,847	-	56,847	-	-	Footnote 1
Closed/Program Total	14,155,404	3,461,930	3,461,930	-	3,461,930	-	-	
CENTRAL	67,713,312	102,831,634	94,934,549	1,992,258	96,926,808	1,766,123	4,138,703	Budget thru 20-21
RCP CHARTER	8,148,550	4,415,204	4,415,204	-	4,415,204	-	-	Footnote 1
TECHNOLOGY	35,000,000	35,000,000	34,294,330	24,882	34,319,212	-	680,788	Footnote 2
Admin/Other Total	110,861,862	142,246,838	133,644,083	2,017,140	135,661,223	1,766,123	4,819,492	
GRAND TOTAL	1,262,354,248	1,652,929,646	1,537,900,927	28,241,852	1,566,142,779	44,578,440	42,208,428	

* Original Budget provided is based on Report#2 dated April 30, 2018, and has not been reconciled.

Footnote 1: Site projects are completed.

Footnote 2: Site Legacy projects are under planning, construction or in closeout.

Footnote 3: Site Legacy projects are completed and 2016 Facilities Master Plan Projects are under planning, construction or in closeout.

Footnote 4: Site projects are part of the 2016 Facilities Master Plan Projects to commence in future.

Note: Measure 1998E is not covered under Proposition 39 regulations for school bonds, and is not ordinarily reported in the Bond Program expenditure reports.

The following report shows Measure 1998E projects by site with state funded DeJean middle school project.

Measure 1998E Project	Budget	Expended	
DeJean Middle School	36,836,215	36,836,215	-
1998E Project	23,994,285	23,994,285	-
State Fund Project	12,841,930	12,841,930	-
Pinole Valley High School	190,571	190,571	-
Central Program Coordination	16,276,518	16,276,518	-
Total	53,303,304	53,303,304	-



A/P Check List

February, 2020

Fund 21

Updated 02/29/2020

Vendor Name	Check No.	Check Date	Short Account	Invoice Number	Invoice Date	Amount	Invoice Description
Site 123 - FAIRMONT						17,839.01	
A AND E EMAAR	191766	02/25/20	21-9745-6211-123	1000003141-07	01/31/20	16,995.36	FAIRMONT ES CRITICAL NEEDS PR
HIBSER YAMAUCHI ARCHITECTS INC	191681	02/11/20	21-9745-6201-123	491023	01/31/20	843.65	FAIRMONT ES - DESIGN SERVICES
Site 145 - OLINDA						513.50	
DIVISION OF STATE ARCHITECT	191654	02/11/20	21-9745-6205-145	01-11043	02/06/20	513.50	OLINDA ES DSA INV 01-11043 CHE
Site 165 - WILSON						132,901.38	
AQUATECH CONSULTANCY, LLC	191401	02/04/20	21-9745-5860-165	47429	01/13/20	3,757.50	WILSON ES WATERPROOFING CONSTR
INSPECTION SERVICES INC	191490	02/04/20	21-9745-5890-165	255449	01/14/20	8,318.88	WILSON ES DSA SPECIAL TESTING
MICHAELS TRANSPORTATION	191523	02/04/20	21-9745-5890-165	113337	01/27/20	32,725.00	WILSON ES MASTER PLAN TRANSPOR
MICHAELS TRANSPORTATION	191884	02/25/20	21-9745-5890-165	112590 *	11/11/19	29,750.00	WILSON ES MASTER PLAN TRANSPOR
MICHAELS TRANSPORTATION	191884	02/25/20	21-9745-5890-165	113596	02/10/20	29,750.00	WILSON ES MASTER PLAN TRANSPOR
STRUCTURE GROUPS	191928	02/25/20	21-9745-6214-165	190933-6	01/31/20	28,600.00	WILSON ES PROJECT INSPECTOR SE
Site 206 - CRESPI JR HIGH						35,125.00	
BRADLEY J WILLIAMSON	191957	02/25/20	21-9745-6214-206	1734	01/31/20	8,930.00	CRESPI MS GYM DSA INSPECTOR OF
BRADLEY J WILLIAMSON	191957	02/25/20	21-9745-6214-206	1741	01/31/20	8,170.00	CRESPI MS GYM DSA INSPECTOR OF
HMC ARCHITECTS	191483	02/04/20	21-9745-6201-206	149123	01/24/20	7,725.00	CRESPI MS - SEISMIC RETROFIT O
HMC ARCHITECTS	191483	02/04/20	21-9745-6201-206	149428	01/13/20	10,300.00	CRESPI MS - SEISMIC RETROFIT O
Site 362 - PINOLE VALLEY HIGH						684,469.52	
ERA CONSTRUCTION INC	191820	02/25/20	21-9745-6211-362	1000003087-3	01/28/20	12,297.34	PINOLE VALLEY HS INTERIM CAMPU
HEARTLAND SCHOOL SOLUTIONS	191678	02/11/20	21-9745-4400-362	229035	11/12/19	21,164.53	PVHS NEW CAMPUS - POS MACHINES
LATHROP CONSTRUCTION ASSOCIATE	191701	02/11/20	21-9748-6211-362	00044	01/30/20	548,360.00	PINOLE VALLEY HS NEW CAMPUS
METEOR EDUCATION LLC	191714	02/11/20	21-9745-6400-362	1000003059-02	02/06/20	67,626.21	PVHS FURNITURE PROJECT
SIERRA WEST CONSULTING GROUP I	191920	02/25/20	21-9748-5860-362	20-3646	01/07/20	17,960.00	PVHS COST ESTIMATING SERVICES
SYSTEMS & SPACE, INC	191575	02/04/20	21-9745-4300-362	0014776-IN	01/24/20	17,061.44	PVHS NEW CAMPUS FILE SYSTEM
Site 364 - RICHMOND HIGH						20,914.58	
INSPECTION SERVICES INC	191849	02/25/20	21-9745-5890-364	255522	01/28/20	731.08	RHS SPECIAL INSPECTION AND MAT
STRUCTURE GROUPS	191928	02/25/20	21-9745-6214-364	190934-4	01/31/20	14,900.00	RICHMOND HS DSA PROJECT INSPEC
VISTA ENVIRONMENTAL INC	191952	02/25/20	21-9745-6207-364	INV-19234	02/03/20	5,283.50	RHS GYM & SCIENCE BLDG CRITICA
Site 615 - OPERATIONAL SUPPT SRVS CE						651,756.92	
AA OFFICE EQUIPMENT CO INC	191593	02/11/20	21-9745-5640-615	AR74170	01/31/20	47.82	FOC COPIERS- SERVICE MAINT. AG
CMRC CONSULTING	191431	02/04/20	21-9745-5890-615	1511	01/22/20	6,500.00	PROGRAM MGMT - PRIMAVERA HOSTI
EDUARDO DONOSO	191450	02/04/20	21-9745-5210-615	01/14/20-01/28/20	01/31/20	67.62	
INTEGRATED EDUCATIONAL PROGRAM	191491	02/04/20	21-9748-5860-615	1000002979-7	01/27/20	30,750.00	STAFF AUGMENTATION - VARIOUS P
INTEGRATED EDUCATIONAL PROGRAM	191491	02/04/20	21-9748-5860-615	1000002979-8	01/27/20	45,150.00	STAFF AUGMENTATION - VARIOUS P
KBA DOCUMENT SOLUTIONS, LLC	191861	02/25/20	21-9745-4300-615	55Y1060390	01/28/20	24.50	BLANKET PURCHASE ORDER
KBA DOCUMENT SOLUTIONS, LLC	191861	02/25/20	21-9745-4300-615	55Y1061958	01/31/20	182.67	BLANKET PURCHASE ORDER
KBA DOCUMENT SOLUTIONS, LLC	191861	02/25/20	21-9745-4300-615	55Y1061960	01/31/20	83.99	BLANKET PURCHASE ORDER
LISA NAGAI	191888	02/25/20	21-9745-6217-615	39	02/07/20	7,875.00	CONSTRUCTION MANAGEMENT-PROJEC
MELISSA TRUITT	191753	02/11/20	21-9745-6203-615	0041	01/31/20	15,900.00	PROGRAM MANAGEMENT- PLANNING/C
SOUTHWEST SCHOOL & OFFICE SUPP	191566	02/04/20	21-9745-4300-615	PINV0667191	01/07/20	15.82	BLANKET PURCHASE ORDER
SWINERTON MANAGEMENT & CONSULT	191572	02/04/20	21-9745-6202-615	18100022-003-008Rev	01/09/20	226,348.50	FOC - STAFF AUGMENTATION
SWINERTON MANAGEMENT & CONSULT	191572	02/04/20	21-9745-6217-615	18100022-003-008Rev	01/09/20	184,925.00	FOC - STAFF AUGMENTATION
SWINERTON MANAGEMENT & CONSULT	191572	02/04/20	21-9748-5860-615	19100027-003-007Rev	01/31/20	133,265.00	FOC STAFF AUGMENTATION
WEST COUNTY TIMES	191815	02/25/20	21-9748-5890-615	0001239117	01/31/20	621.00	FOC - BID ADVERTISEMENTS
Grand Total						1,543,519.91	



A/P Check List

February, 2020

Fund 21

Updated 02/29/2020

Vendor Name	Check No.	Check Date	Short Account	Invoice Number	Invoice Date	Amount	Invoice Description
AP CHECKS TOTAL						1,543,519.91	
unpaid RETENTION WITHHOLD AMOUNT						1,541.72	
Feb.2020 PAYROLL						100,788.35	
VOID CHECK						(29,750.00)	
MANUAL JOURNAL ENTRY						(50,208.50)	
TOTAL Feb.2020 EXPENSE AMOUNT						1,565,891.48	

Object 9570 - Retention withhold amount:

Vendor Name	Check No.	Check Date	Short Account	Invoice Number	Invoice Date	Amount	Invoice Description
A AND E EMAAR	191766	02/25/20	21-9745-6211-123	1000003141-07	01/31/20	894.49	FAIRMONT ES CRITICAL NEEDS PR
ERA CONSTRUCTION INC	191820	02/25/20	21-9745-6211-362	1000003087-3	01/28/20	647.23	PINOLE VALLEY HS INTERIM CAMPU
Grand Total						1,541.72	

Payroll

Project#	Check No.	Check Date	Short Account	Invoice Number	Invoice Date	Amount	Notes
66901396-01		02/28/20				64,861.97	Facility Program Staff
67001396-01		02/28/20				26,277.43	Assoc Supt Operation Staff
67701396-01		02/28/20				9,648.95	Business Services Staff
Grand Total						100,788.35	

VOID CHECK

Vendor Name	Check No.	Check Date	Short Account	Invoice Number	Invoice Date	Amount	Notes
MICHAELS TRANSPORTATION	188678	11/19/19	21-9745-5890-165	112590	11/11/19	(29,750.00)	WILSON ES MASTER PLAN TRANSPOR
Grand Total						(29,750.00)	

Manual Journal

Vendor Name	Check No.	Check Date	Short Account	Invoice Number	Invoice Date	Amount	Notes
SCHOOL FACILITY CONSULTANTS			21-9748-5860-615	FY 16-17 EXPENSES		(50,208.50)	FY 16-17 EXPENSES REFUND
Grand Total						(50,208.50)	

West Contra Costa Unified School District

Bond Policies & Procedures
“Program Management Plan” Update
March 9, 2020

presented to Citizens' Bond Oversight Committee

Background

- The Moss Adams Program Effectiveness Audit recommends that: “the District consolidate all policies, procedures, and resolutions into one document to ensure effective controls and communication of the policies and procedures.”
- On May 8th, 2019, the Board of Education approved a contract with Swinerton Management & Consulting (“SMC”) to assist the District to develop and publish a Bond Program Management Plan (“PMP”)
- The Program Management Plan is anticipated to be completed by June 2020
- Regular updates and draft sections are available at <https://www.wccusd.net/Page/13520>

presented to Citizens' Bond Oversight Committee

Program Management Plan: Anticipated Schedule to Release Working Drafts

- ✓ **Program and Operations** – December 2019
- ✓ **Administrative** – January 2020
- **Project Management** – March 2020
- ✓ **Fiscal** – February 2020
- **Program Management Plan** – April 2020
- **Present to Board** – June 2020

After publishing each section, the District will open a 30-day public comment window for suggestions.

Written suggestions for improvement are encouraged and may be submitted online using a google form.

<https://www.wccusd.net/Page/13520>

Program Management Plan: Fiscal Table of Contents & Working Draft

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2. Types of Transactions	
The District will procure a variety of goods and services required for the delivery of a project. Section III.A and B provide further detail on the Bidding and Procurement procedures for the following types of transactions:	
Construction - Design-Bid-Build:	III.A.3.b.i and III.B.2
Construction - Design-Build:	III.A.3.b.ii and III.B.3
Construction - CUPCCAA:	III.A.2.a and III.B.1.a
Professional Services:	III.A.4 and III.B.4
Equipment or Materials:	III.A.5
3. Proposal Approval Checklist Form	
The procurement of all types of transactions begins with the Project Manager or department initiating a Proposal Approval Checklist Form (PACF) and attaching the corresponding proposal, contract, or quote. The PACF is described in further detail in Section III.A.4.a, Proposal Approval Checklist. An example of the PACF is attached in the Appendix as Item 1.01, and a flowchart of the New Proposal Approval Checklist process is attached as Item 2.02.	
While the PACF is under review by the Bond Controls Team (BCT), the Fiscal Approver reviews the budget availability in the account string as well as the overall project. If a Budget Transfer or Budget Amendment are required, they will initiate the process described in Section IV.A.3 and 4. When the review is complete, the Fiscal Approver will sign and date the PACF for confirmation.	
Check requests for permits or fees where payment is required in advance are processed differently from other types of procurement transactions. The Project Manager or Contracts Team will prepare a Check Request form and attach an invoice if available, or an email from the Architect or Project Manager that shows the calculation of the requested amount. In the case of a DSA check request, a screenshot of the DSA Fee Calculator should be included. The Check Request form is then routed to the Bond Controls Team for review and approval. Sample DSA Check Request and Non-DSA Check Request forms are attached in the Appendix as Items 1.02 and 1.03.	
4. Enter in MUNIS	
After the bidding process, as described in Section III.A. and B. for each of the transaction types listed above in Section IV.B.2, has been completed, Contracts will complete a PACF as described above in Section IV.B.3. If Board approval is required, Contracts will prepare the précis, and the Assistant Superintendent of	

Draft [02/26/2020]
Fiscal Section

4

West Contra Costa Unified School District
Swinerton Management & Consulting, Inc.

References
to other
Sections

Annual
Reporting
practices
for Budget,
Facilities
Committee
& CBOC

Budget

Facilities

CBOC

2. Annual Reports

The Associate Superintendent of Business Services, with considerable input from the Bond Management Team, is responsible for presenting the annual budget reports for the Bond Program as part of the annual Districtwide presentation of the budget. After adoption of the annual budget, the State Department of Education requires two interim financial reports each year which are first submitted to the County Office of Education before being forwarded to the State. The Interim Reports include updates that reflect new information and Board actions taken since the original budget adoption. Any significant updates in Revenue and Expense expectations since adoption of the original budget are summarized. These reports can be found at the District's Business Services website at <https://www.wccusd.net/Page/10962>.

- New Fiscal Year Annual Budget – presented annually to the Board in June and adopted at the following Board meeting
- First Interim Report (October) – update presented annually to the Board in December
- Second Interim Report (January) – update presented annually to the Board in March

As a best practice, the following reports are also presented to the Facilities Committee (FC) annually:

- Cash Flow with April Data (included in Facilities Master Plan update)
- Cash Flow with June data after fiscal year close

In addition to the annual reports listed above, the following reports are provided to the Citizens' Bond Oversight Committee (CBOC) to aid in the preparation of their annual report:

- Bond Program Key Performance Indicators (KPI) Summary
- Annual Report 13 Variance for January-December

Draft [02/26/2020]
Fiscal Section

11

West Contra Costa Unified School District
Swinerton Management & Consulting, Inc.

presented to Citizens' Bond Oversight Committee

Program Management Plan: Fiscal Appendix Table of Contents & Resources

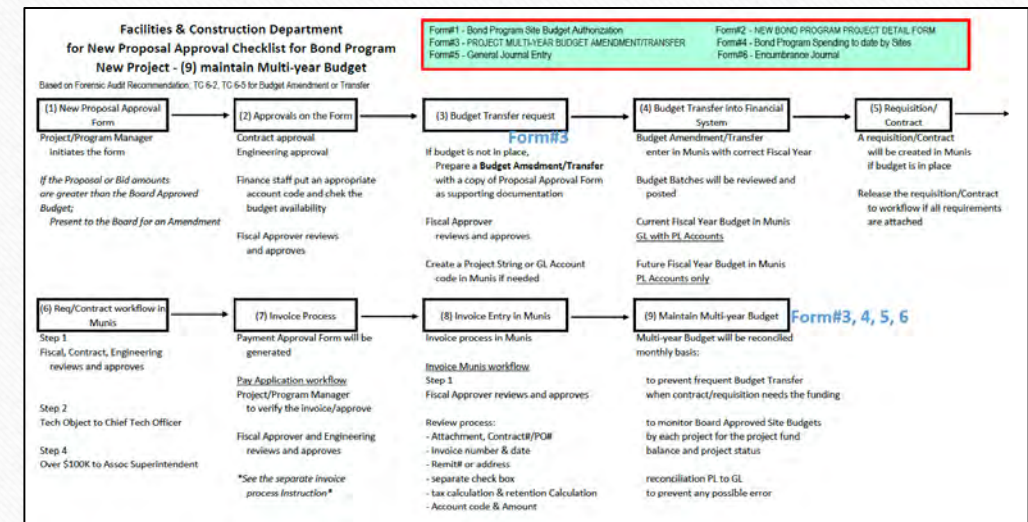
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WCCUSD Bond Program				Appendix Item 4.03 03/18/2019
Cost Code Explanations and Examples				
Object Site	Object Building	Cost Code	Description	
Examples:		Many Lanes, BKF Engineers		
Varies	Varies	0240BVC	Other Services (see 615 Central Program - 7640BVC) District Cost Phase 01 - 868XVC)	
Explanation:		Misc. charge account for construction phase costs.		
Examples:		Moving, storage, and rental costs. Clearing, transportation, porta-potties, site utilities, EIR/MD installation		
Misc:		Object 5210 Project Manager's Mileage reimbursement		
Misc:		Object 5640 Service Contract for repairs or maintenance (AA Office Equipment)		
Object 5840 Fees		Object 5850 (Central Program only) Software License annual fees for maintaining the program (Primavera)		
Misc:		Object 5860 All other services		
Object 5862 Legal fees		Object 5865 Communications for periodic service such as phone service, fax, internet service		
Misc:		Object 5901 Postage		
6170	6211	604XBBB	General Construction	
Explanation:		Main contractor for a project or sub-project (Maine or Other Contract) athletic fields, tennis courts, furnishing and installing playground apparatus)		
Examples:		After Construction Inc., C Overna and Company, J W and Sons, West Bay Builders Inc.		
Contract:		Contractors that are not the main contractor for a sub-phase should be coded 508-XCTC - Other Costs		
6170	6211	604XBBB	Construction Contingency	
Explanation:		A percentage of a contract value set aside budget amount for unpredictable changes in the scope of the work		
6170	6219	588XCTC	Other Construction	
Explanation:		Other distribution contracts for project		
Examples:		Paving & grading, fencing, demolition, landscaping, seeding, planting, sidewalks, roadways, sewers, storm drains, hydrants, s		
Site Improvements		Roadways, walkways, underground storage, athletic fields, tennis courts, furnishing and installing playground apparatus		
Examples:		Pools, roofing/waterproofing, electrical, air conditioning, sprinkling, swimming, fencing, demolition of heating and venting		
Building Imp		heating, abatement of asbestos, telecommunications wiring		
Examples:		Plumbing and Gaswork, Earth Construction, CF Contracting, Diemo Maciers, EIR/MD, Sandstone Construction		
Contract:		Do not use for other construction services such as moving, porta-potties, cleaning		

Cost Code	Explanations & Examples
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Payment Approval Form Features & Types



Next Steps

- ☐ Ongoing iterative review of updated section working drafts and accompanying appendix
- ☐ Release and working drafts online
- ☐ Receive, review and if approved incorporate feedback
- ☐ Maintain the summary of all audit recommendations & provide updates on the implementation of recommendations
- ☐ Continue to provide monthly updates to the Facilities Committee and Citizens' Bond Oversight Committee
- ☐ Publish the Program Management Plan in June 2020

presented to Citizens' Bond Oversight Committee

BOND REFUNDING OPPORTUNITIES

Over the last two years, the municipal bond market has seen a steady decline in interest rates which are currently at historically low levels. The 10-year AAA rate is approximately 1.0% and the 30-year AAA rate is approximately 1.6%. In light of the low interest rate environment, District staff in conjunction with our financial advisor, KNN Public Finance, have been closely monitoring opportunities to refinance outstanding general obligation bonds for purposes of generating taxpayer savings. Based on the most recent analysis prepared by KNN, there are several refunding candidates that could be advanced refunded on a taxable basis in order to generate significant taxpayer savings. A summary of the refunding analysis can be found below. We are also analyzing additional refunding candidates with longer call dates (e.g. 8/1/2023 & 8/1/2024) to possibly be added into the potential refunding transaction.

Refunding Type	Advance Refunding (2010 Series A)	Advance Refunding (2011 Refunding)	Advance Refunding (2012 Refunding)
Tax Status	Taxable	Taxable	Taxable
Delivery Date	5/29/2020	5/29/2020	5/29/2020
First Optional Call Date	8/1/2021	8/1/2021	8/1/2022
Refunding Par Amount	\$2,625,000	\$15,460,000	\$105,580,000
Par Amount Refunded	\$2,470,000	\$14,380,000	\$94,150,000
Final Maturity	8/1/2027	8/1/2024	8/1/2032
Nominal Savings	\$251,995	\$1,108,111	\$14,271,869
Present Value Savings	\$236,630.24 (9.58%)	\$1,084,238.54 (7.54%)	\$12,724,210.70 (9.42%)
Negative Arbitrage	\$56,740	\$332,414	\$3,906,967
Escrow Efficiency	80.66%	76.54%	76.51%
Ave. Coupon of Refunded Bonds	4.25%	5.25%	5.00%
True Interest Cost	1.690%	1.460%	2.03%

The refunding candidates comply with guidelines outlined within the District's refunding and restructuring policy (BP 7214.3). Furthermore, the estimated debt service savings from the collective refunding are estimated to be over \$13 million. District staff recommends proceeding with the proposed refunding transaction at the earliest opportunity, targeting March 18th to bring the authorizing resolution and corresponding financing documents to the Board for approval. KNN has recommended proceeding with a negotiated sale for this financing to provide an opportunity to engage investors in advance of the sale and ensure flexibility regarding market timing.

JP Morgan Chase was selected by District staff as one of the top firms during the District's 2017 underwriter RFP process and performed strongly on the District's 2018 negotiated transaction. District staff is recommending JP Morgan to work on the proposed 2020 refunding transaction. Additionally, Raymond James, another top firm from the 2017 RFP process, is being recommended to work alongside JP Morgan Chase and collectively the two firms would operate as an underwriting syndicate for the 2020 GO Refunding transaction.

WCCUSD
CITIZENS' BOND OVERSIGHT COMMITTEE

DRAFT MINUTES

Meeting of February 10, 2020

A) OPENING PROCEDURES

B) CALL TO ORDER/PLEDGE OF ALLEGIANCE

Mr. Gosney called the meeting to order at 6:15 pm.

C) ROLL CALL

Present: Sallie DeWitt, Guadalupe Enllana (arrived 6:18 pm), Don Gosney, Vanessa Hill, (arrived 6:26 pm), Anton Jungherr, Cameron Moore, Gregg Visineau

Absent: Lorraine Humes

8 members ~ 5 required for a quorum; a quorum was present.

Staff Present: Luis Freese, Julio Arroyo, Melissa Payne

Board Liaison: Absent

D) APPROVAL OF AGENDA

The agenda was approved with no objections.

E) PUBLIC COMMENTS FOR ITEMS NOT ON THE AGENDA

None.

F) TELEPHONE CONFERENCE CALL WITH MOSS ADAMS TO DISCUSS THE PERFORMANCE AUDIT SCHEDULE

Stephen Bacchetti and Lawrence Stepanik of Moss Adams joined the meeting via conference call. There was a discussion of the timing of the release of the draft 2019 performance audit. Melissa Payne and the representatives from Moss Adams confirmed the draft is scheduled to be released on March 4, to allow for inclusion in the agenda packet for the CBOC meeting on March 9. Mr. Visineau noted that this would allow members to submit written comments and questions on the draft for inclusion in the March 9 agenda packet. There was a discussion about District implementation of a staff timekeeping system to address previous audit findings regarding determining whether costs of staff that work on bond funded projects and non-bond funded activities are allocated in accordance with Prop 39 requirements. Moss Adams described how they would evaluate staff allocations. Ms. Payne indicated that the District had implemented a system as of June 3, 2019. Members sought assurance that the system would be reviewed within the 2019 performance audit and Moss Adams stated they would consult with the District to confirm this was possible. Ms. Hill asked whether historical staff allocations had been provided to the CBOC, and Ms. Payne stated that recently the District had provided this information to Mr. Jungherr in response to

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CITIZENS' BOND OVERSIGHT COMMITTEE

a long-outstanding public records request, and that he could provide this information to other members.

D I S T R I C T R E P O R T S

G) BOND PROGRAM PROJECTS STATUS and FINANCIAL REPORTS (Luis Freese/Melissa Payne)

Mr. Freese presented the standard project status reports. Mr. Gosney asked whether it made sense to continue forward with the critical needs project for Stege Elementary in the near term considering the school was on the Measure R priority schools list for a more significant project if the measure passes. Mr. Freese indicated that the District was mindful of these potential issues, but that the Stege work related to demolition of certain facilities that needed to occur whether or not the larger project received funding under Measure R. In response to a question from Mr. Visineau, Mr. Freese indicated that negotiations with the contractor on proposed change orders for the PVHS campus reconstruction project were ongoing, with a goal of resolving and closing out the project within 45 days.

Ms. Payne presented the standard financial reports, noting several enhancements. She also reviewed a revised forecast of “central costs” and “other revenue” line items in Report 13, with back up for the revised forecasts in the agenda packet. The revised “other revenue” forecast resulted in a positive variance of \$3.3 million and revised “central cost” forecast a positive variance of \$2.0 million. She indicated that these forecasts would be updated quarterly going forward. In response to a question from Mr. Moore, she confirmed that the Nystrom litigation had been settled and that at the February 26, 2020 Board meeting the District will present a reconciliation and close-out of the Nystrom project and Olinda project, both of which were completed under budget and will return \$3.9 million of budget allocation to the bond fund for other projects.

In response to the financial report enhancements, Mr. Jungherr recommended that the CBOC pass a resolution indicating that the CBOC and the District had come to agreement on the form and frequency of financial reports in part to address two FAI recommendations (TC 16-4, FI 6-2). Mr. Gosney agreed to include this proposal on the agenda for the next meeting.

Ms. Payne provided a status update on PMP implementation. The Administrative section has been posted on the District website and is available for review and comment. The goal is to release the next two sections, Project Management and Fiscal, within February. The overall schedule to present the full plan for Board approval in June is still on track.

H) BOARD OF EDUCATION LIAISON REPORT (Consuelo Lara)

None.

D I S C U S S I O N O N L Y

C B O C R E P O R T S

CONSENT ITEMS

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CITIZENS' BOND OVERSIGHT COMMITTEE

Consent items were approved with no objections.

- I) **ADOPTION OF MINUTES (Cameron Moore)**
12.10.19 CBOC Draft Minutes
- J) **CBOC MEMBER INFORMATION REQUEST LOG (Don Gosney)**
02.10.20 CBOC Member Information Requests Status Log
- K) **APPROVED RECOMMENDATIONS BY THE CBOC (Don Gosney)**
02.10.20 CBOC Approved Recommendations
- L) **INDEPENDENT LEGAL COUNSEL INVOICE (Don Gosney)**
01.31.20 Ferber ~ CBOC Invoice

C O M M I T T E E R E P O R T S

M) CHAIRPERSON (Don Gosney)

Mr. Gosney provided a summary of several reports made to the Board. One item of note is that he had attempted to present the interim 2019 annual report as a “special order of business” item at the Board meeting in accordance with the motion passed by the CBOC at its January 13, 2020 meeting, but that the District ultimately did not include this item on any of its subsequent agendas (Mr. Gosney did present a summary during his standing committee report at the January 29, 2020 Board meeting).

N) 2018 ANNUAL REPORT (Don Gosney)

Mr. Gosney noted that the revised 2018 Annual Report (revised photos) prepared by Sallie DeWitt has been posted to the website.

O) AN INDEPENDENT CBOC (Anton Jungherr)

Mr. Jungherr provided an overview of this discussion item to consider a resolution to enhance CBOC independence and best practices by urging the Board to support legislative changes recommended by the Little Hoover Commission for stronger independent bond oversight.

P) ATTENDANCE REVIEW (Don Gosney)

Mr. Moore referred to the attendance report in the agenda packet.

Q) BOARD POLICY 7214.2 UPDATE (Don Gosney)

Mr. Gosney provided an update on Board actions related to Policy 7214.2 update, essentially that the Board had tabled vote on the matter until at least after further discussion at the joint Board-CBOC meeting on March 25, 2020.

R) CALENDAR (Don Gosney)

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CITIZENS' BOND OVERSIGHT COMMITTEE

No discussion.

S) FUTURE AGENDA TOPICS

No discussion.

T) ADJOURNMENT

Mr. Gosney adjourned the meeting at 9:23 pm.

Submitted by: Cameron M. Moore, Secretary
March 4, 2020

CBOC MEMBER RECORDS REQUEST AND STATUS LOG

03/09/20

REQUESTER	DATE REC'D	SUBJECT	FORWARDED FOR RESPONSE	RESPONSE DATE	RESPONSE
111) Anton Jungherr	3/16/19	Copy of 03/20/19 Closed Session referenced case and District's related cross-action	03/18/19 to L. LeBlanc	04/02/19 emailed A. Jungherr documents requested	04/02/19
112) Anton Jungherr	4/15/19	Copy of Riverside RFQ Design Build	4/15/19 to L. LeBlanc	4/17/19 emailed A. Jungherr requested documents	4/17/19
113) Anton Jungherr	4/15/19	Disclosure Procedures	5/15/19 to J. al-Amin	4/17/19 emailed A. Jungherr requested documents	4/17/19
114) Anton Jungherr	5/2/19	Parley Pro agreement	5/2/19 to M. Payne	5/6/19 emailed A. Jungherr requested documents	5/6/19
115) Anton Jungherr	5/6/19	Copy of Moss Adams proposal for systems and procedures services	5/6/19 to L. LeBlanc	5/6/19 emailed A. Jungherr requested documents	5/6/19
116) Anton Jungherr	5/5/19	Copy of DDLN agreement and amendments 1-6	5/6/19 to M. Payne	5/9/19 emailed A. Jungherr requested documents	5/9/19
117) Anton Jungherr	5/16/19	Details for 4 items discussed at FSC meeting -5-15-19	5/16/19	6-17-19 emailed A. Jungherr documents	6/17/19
118) Anton Jungherr	5/16/19	Details of Bond Program Cash Position Projection Summary	5/16/19 to M. Payne	6/17/19 emailed A. Jungherr documents(duplicate of #117)	6/17/19
119) Anton Jungherr	5/16/19	Melissa Truitt Project Administration Agreement	5/17/19 to M. Payne	6/17/19 emailed agreement to A. Jungherr	6/17/19
120) Anton Jungherr	5/17/19	Lisa Nagai Consulting Project Agreement	5/17/19-to M. Payne	6/17/19 emailed agreement to A. Jungherr	6/17/19
121) Anton Jungherr	5/17/19	Colbi Implementation Survey	5/17/19-to M. Payne	6/24/19 emailed A. Jungherr survey	6/24/19

CBOC MEMBER RECORDS REQUEST AND STATUS LOG

03/09/20

REQUESTER	DATE REC'D	SUBJECT	FORWARDED FOR RESPONSE	RESPONSE DATE	RESPONSE
122) Anton Jungherr	5/17/19	Bond Program Management Plan table of contents	5/17/19 to M. Payne	7/15/19 Emailed Jungherr and Gosney	7/25/19
123) Anton Jungherr	5/17/19	Current version of Bond Program Budget Practices and Procedures (duplicate from 4.16.19)	5/17/19 to M. Payne	Withdrawn by A. Jungherr	7/27/19
124) Anton Jungherr	5/17/19	Copies of Adam Ferber's invoices for assorted listed months	5/20/19 to S. Garfield	5/28/19 emailed copies of invoices to A. Jungherr	5/28/19
125) Anton Jungherr	5/24/19	Bond Program staffing positions for 2015-16 and 2016-17.	5/24 to Payne 10/16 to Bueno/Wold	2/10/20 emailed A. Jungherr & D. Gosney updated report	2/10/20
126) Anton Jungherr	5/26/19	Current version of Munis Training Manual	5/28/19 to S. Garfield	5/28/19 emailed response to A. Jungherr to access manual through the District's website under Purchasing Dept.	5/28/19
127) Anton Jungherr	5/1/19	Copies of sample reports provided by Colbi	5/1/19 to M. Payne	5/1/19 emailed reports to G. Visineau, A. Jungherr, D. Gosney	5/1/19
127A) Anton Jungherr	6/22/19	Explanation in Variance between Report 13 and staff report	6/24/19 to M. Payne	Emailed information to Jungherr and Gosney to share with CBOC	6/28/19
128) Anton Jungherr	6/30/19	Master List Numbers for various Phase 1 & Phase 2 recommendations	7/1/19 to M. Payne		
129) Anton Jungherr	6/30/19	Completed version of the Colbi District information document.	7/1/19 to M. Payne	2-7-20 emailed Jungherr/Gosney requested information	2/7/20
130) Gregg Visineau	7/4/19	Questions on KNN schedules & clarification on previously answered inquiries.	7/8/19 to M. Payne	7/19/19 emailed to G. Visineau with comments and documents	7/19/19

CBOC MEMBER RECORDS REQUEST AND STATUS LOG

03/09/20

REQUESTER	DATE REC'D	SUBJECT	FORWARDED FOR RESPONSE	RESPONSE DATE	RESPONSE
131) Sallie DeWitt	7/16/19	Asked for staff to review and comment on the variance report she prepared for Annual Report	7/16/19 to M. Payne	7/17/19 emailed S. DeWitt with comments and document	7/17/19
132) Anton Jungherr	8/16/19	Copy of Riverside ES Soils Stabilization Project RFP	8/19 to L. Freese	9/3/19 emailed Jungherr & Gosney requested documents	9/3/19
133) Don Gosney	9/19/19	RFP for Wilson Project	9/19 to L. Freese	10/09/19 emailed record to Gosney	10/09/19
134) Anton Jungherr	10/11/19	District's CBOC budget for FY 2019	10/14 to L. Freese & T. Wold	10/16 Emailed response to A. Jungherr	10/16/19
135) Anton Jungherr	1/15/20	Request for copies of Orbach's invoices for check #190261	1/15/20 S. Cha	1/21/20 emailed Jungherr/Gosney	1/21/20
136) Anton Jungherr	2/2/20	Detailing variances from Report 13A	2/2/20 M. Payne	2/7/20 emailed Jungherr/Gosney Requested information	2/7/20
137) Gregg Visineau	2/12/20	Settlement agreement District & RCI for Nystrom	2/13/20 to M. Mayne	2/25/20 emailed G. Visineau and D. Gosney with copy of settlement	2/25/20

West Contra Costa Unified School District
Citizens' Bond Oversight Committee
CBOC Approved Recommendations

03.09.20

Per Board of Education Policy #7214.2: "All recommendations approved by the Committee (CBOC) shall be presented to the Board of Education. The Board shall respond to the Committee's recommendation(s) within sixty (60) days after receipt of the recommendation(s)."

The purpose of this log is to document recommendations made by the CBOC to the Board of Education

Item No.	Recommendation	Date CBOC Approved	District's Response ¹
1	Proposed Board Policy 7161.1 Lesson Learned Process	12.21.16	"...not needed at this time"
2	Eight standard Financial Impact Statement formats for Board of Education agenda precis on bond Program budget approval and expenditure authorizations.	07.30.18 09.12.18 discussed joint CBOC/Board meeting	Currently being reviewed as part of the drafting of the Bond Program Management Plan
3	Amendments to Board Policy BP 7214.2 Citizens' Bond Oversight Committee	03.14-27.19 discussed joint CBOC/Board meeting 05.15.19 Governance Committee	Approved by Governance Committee 11/21/19
4	Facilities Road Map 2023 be approved by the Board of Education. Discuss at the Joint Board/CBOC September 11, 2019.	06.20.19	Currently under review Done

¹ District's response and CBOC assessment.

West Contra Costa Unified School District
Citizens' Bond Oversight Committee
CBOC Approved Recommendations

03.09.20

Item No.	Recommendation	Date CBOC Approved	District's Response ²
5	That the Board of Education ensure that an independent 3rd party determine the amount of FY2019 salaries & benefits that can be legally charged to Fund 21 Building Fund based on California Attorney General Opinion No. 04-110.	06.20.19	Need response
6	That the Board of Education ensure that only legally appropriate amount of FY2020 salaries & benefits are charged to Fund 21 Building Fund.	06.20.19	Need response
7	District staff include Board Program Financial Status Reports (Report 12 and 13A) in the Board of Education agenda packet for one meeting each month under agenda item E.2, Standing Reports.	07.30.18	rejected
8	Amend Director Internal Audit job description to report functionally to the Board of Education and administratively to the Superintendent.	12.19.18	rejected
9	That the District prepare a plan to update 2016 Master Plan cost estimates.	03.14.19	Active

² Based on Lisa LeBlanc May 7, 2019 email responses reviewed by CBOC Audit Subcommittee at its May 9, 2019 meeting. See the minutes of that meeting for her complete email responses.

West Contra Costa Unified School District
Citizens' Bond Oversight Committee
CBOC Approved Recommendations

03.09.20

Item No.	Recommendation	Date CBOC Approved	District's Response ³
10	That the Board provide a response to the CBOC by June 28, 2019 to the 24 recommendations in the FY2018 Board Program Performance Audit marked "TBD" including a responsible official and a planned resolution date.	04.18.19	Need response
11	Appoint an appropriate Business Services member to the 2016 FAI Recommendation Implementation Task Force.	12.19.18	Done
12	Have Moss Adams, LLP forensic accounting review cycle align with their bond program performance audit cycle.	12.18.18	rejected
13	Have Moss Adams, LLP review forensic accounting investigation implementation status as of June 30, 2019 and June 30, 2020.	03.14.19	rejected
14	Have Director Internal Audit dedicate full time on the implementation of the forensic investigation recommendations.	03.14.19	"... will assess... .

³ Based on Lisa LeBlanc May 7, 2019 email responses reviewed by CBOC Audit Subcommittee at its May 9, 2019 meeting. See the minutes of that meeting for her complete email responses.

West Contra Costa Unified School District
Citizens' Bond Oversight Committee
CBOC Approved Recommendations

03.09.20

Item No.	Recommendation	Date CBOC Approved	District's Response ⁴
15	Amend Director Internal Audit job description to include responsibility for auditing the implementation of the forensic review and performance audit recommendations.	04.18.19	Need response
16	Fill the position of Director Internal Audit as soon as possible.	04.18.19	Position open 12.10.19
17	That the Board of Education take formal action to accept the March 20, 2019 Phase 1 Forensic Accounting Investigation Implementation Review report. Furthermore, that the Board of Education advise when the 29 unvalidated recommendations from Phase 1 will be reviewed and validated as effectively implemented; and by whom.	05.16.19	Need response
18	Review three job descriptions: • Associate Superintendent of Business and Operations • Associate Superintendent of Facilities, Maintenance, Operations and Bond Program Director of Internal Audit (including reporting relationship to Board of Education)	08.15.19	Need Response

⁴ Based on Lisa LeBlanc May 7, 2019 email responses reviewed by CBOC Audit Subcommittee at its May 9, 2019 meeting. See the minutes of that meeting for her complete email responses.

West Contra Costa Unified School District
Citizens' Bond Oversight Committee
CBOC Approved Recommendations

03.09.20

Item No.	Recommendation	Date CBOC Approved	District's Response ⁵
19	Include these three planning elements in the scope of the Lake Elementary School planning report: • Alternatives, if any, to the replacement of this school. • Elementary schools current design capacities, enrollments, projected enrollments and excess capacities. • Options for redrawing elementary school attendance boundaries and closing elementary schools.	08.15.19	Need Response
20	Make format changes to the Bond Program Financial Status (Report #13) as displayed in August 15, 2019 CBOC Minutes.	08.15.19	Done
21	Immediate fulfillment of the role of Director of Internal Audit for purpose of independent review of the implementation of internal controls improvement recommendations in preparation for the Moss Adams final review.	12.10.19	Awaiting Response
22	That the Superintendent direct that additional revenue sources to finance bond Fund 21 Building Fund projects be transferred to Fund 21 Building Fund.	12.10.19	Awaiting Response

⁵ Based on Lisa LeBlanc May 7, 2019 email responses reviewed by CBOC Audit Subcommittee at its May 9, 2019 meeting. See the minutes of that meeting for her complete email responses.

West Contra Costa Unified School District
Citizens' Bond Oversight Committee
CBOC Approved Recommendations

03.09.20

23	That the District modify the format for the Colbi Technologies Consolidated Budget Status Report to include a column for the "original budget" and that Measure E budget and actual expenditures be added.	12.10.19	District and CBOC agreed that the Bond Program Spending to Date by Site (Report #2) would continue to display "Original Budget" and include a footnote on Measure E budget and actual expenditures. Therefore, the current Colbi financial reports do not need to be modified.
24	That the District negotiate with Moss Adams LLP a three-year extension to their current agreement to prepare Proposition 39 school construction performance audits for FY2020, FY2021 and FY2022. Further, that the audit objectives include compliance, effectiveness and results.	01.13.20	Needs Response



WCCUSD
CITIZENS' BOND OVERSIGHT COMMITTEE
Guadalupe Enllana Don Gosney Cameron Moore
Vice Chairperson Chairperson Secretary

CHAIRPERSON'S REPORT
2/12/20

The CBOC met just two nights ago and it was a very productive meeting.

The main reason it was so productive was because of the tremendous work that Melissa Payne has put in to provide the community the very detailed financial information that's necessary to provide the oversight required by our neighbors. These are some really good sets of data.

In particular, some of the process descriptions provided in the draft Project Management Plan has been illuminating. I've been with this bond program for more than 21 years and I learned more last Monday afternoon reading her reports than I had the previous 21 years.

And then we have Luis Freese over the whole shebang. Luis is also a great asset to the program.

Both are salaried but I'm getting calls and emails from them both deep into the night and all weekend long. They don't get paid overtime for this yet they're bending over backwards to make sure that the CBOC has everything it needs.

I don't know if the Board and senior staff appreciates them but the CBOC appreciates them and with special emphasis, I appreciate all of the help they give me.

One of the things discussed at length on Monday night was a presentation put together by very long time CBOC member Anton Jungherr about what it means for a CBOC to be independent. This was the result of the discussion the Board had just a couple of weeks back where the question was bandied about and there were even comments about how important it

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CITIZENS' BOND OVERSIGHT COMMITTEE

is for the CBOC to understand that they work for the Board and that the Board can fire us if they choose.

The CBOC's independence is guaranteed in the Prop 39 language and again in the Ed Code. But, as was told to us all at that Board meeting, independence can mean different things to different people.

I'm confident that when the Board and the CBOC meet for their joint meeting on March 25th this will be discussed.

The whole two year discussion about the proposed amendments to the Board Policy and the perceived feeling that the Board and senior staff have radically different ideas on what it means for the community to have oversight of the Bond Program has hurt us all. It's brought up time and time again on social media when discussing whether to trust the Board and staff with 575 million of their tax dollars. Considering the hundreds of thousands of dollars the Board spent putting Measure R on the ballot, we would think they might do what's necessary to rebuild the community's trust.

It's also hurt our ability to retain and recruit CBOC members. We're down to 8 members right now and in just a few months we'll be down to 7. Just about this time next year you'll likely lose two of the six and the two CBOC members who have the most history and knowledge about the Bond Program.

I realize that the budget deficit is priority #1 but it doesn't mean that the rest of the District's work gets shut down.

I recently sent a letter to each of the Board members and staff soliciting a conversation to learn where they thought we might be able to improve relations between the CBOC and the staff and Board we work with. I want to learn what their concerns might be in an effort both to find ways to address their concerns but also to affect changes in how the CBOC interacts

WCCUSD

CITIZENS' BOND OVERSIGHT COMMITTEE

with them so we might work as partners instead of adversaries. Chief Business Officer Dr. Tony Wold took me up on the offer and met just last night. It was a good first step. The invitation is extended to the rest of you to meet so we can both learn how to work as a team.

We absolutely need to make a concerted effort to get the word out to recruit new CBOC members.

This Board has a lot on its plate tonight and you don't need to hear me rant my complaints for the full five minutes.

As long as you listened to me sing the praises of Melissa and Luis, then I'll yield the remaining two and a half minutes.

Our next meeting is at 6:15 PM on Monday March 9th at the Facilities Building at 1400 Marina Way South. All are welcome. We invite everyone to sit at the grown-ups table and in the two years I've been the Chair, we've never used a clock to limit what our guests have to say.





WCCUSD
CITIZENS' BOND OVERSIGHT COMMITTEE
Guadalupe Enllana Don Gosney Cameron Moore
Vice Chairperson Chairperson Secretary

CHAIRPERSON'S REPORT
2/26/20

Since it has only been two weeks since my last report, there is little to report to the public and the Board about the activities conducted by the CBOC.

Next week we expect the Draft version of the Bond Program Performance Audit.

For those unfamiliar with the Performance Audit, it usually takes a close look at how well the Bond Program has been conducted:

- Are the contractors doing what they are paid to do?
- Are the contractors being paid in a timely manner?
- Is the District following the ballot language in their expenditure of Bond funds?
- Is the District following the Prop 39 requirements for such a bond?

There are many other things that a performance audit should be looking at but the WCCUSD Bond Program Performance Auditors have had limitations placed upon them. They are not allowed to look at certain aspects of the Bond Program because they fall outside the scope of their contract.

One of the bigger stumbling blocks is that the auditors are not allowed to speak with members of the CBOC unless they've been given prior permission from District staff. Even then, they're not allowed to discuss items outside of the scope of their contract.

In my ten years serving on the CBOC—with nearly half as the Audit Subcommittee Co-Chair—I firmly believe that a critical part of the performance audit is to speak with the stakeholders about their views on the implementation of the Bond Program. These are potentially some of the greatest sources of information.

WCCUSD

CITIZENS' BOND OVERSIGHT COMMITTEE

For instance, who can testify on how well the District has been communicating with the community? And who would be the best source of information when it comes to whether the CBOC web site is up to date and of any value?

A critical part of these interviews, though, is that they be confidentially conducted so the interviewee might feel free to tell the truth and nothing but the truth. If the interviews are held en masse, wouldn't you think that people might feel intimidated to say something about a fellow CBOC member or a staff member when immediately afterwards they would have to closely work with the people they had just ratted out?

We recently held the interviews and initially I was told that, for expediency's sake, everyone would be interviewed at one time.

I flat refused to participate in such an interview and decided that whatever performance audit was put out, it could not be relied upon to be accurate or truthful.

I relented, however, and was given permission by staff to be interviewed. Even so, a great deal of what I told the auditors I learned was outside of the scope of their contract so none of it will be addressed in the Audit.

In my opinion, this is a HUGE mistake that undermines the faith and trust that the public might have in the people administering the Bond Program—both staff and the Board members that authorize their actions.

The CBOC expects to receive the Draft Audit in the middle of next week so it can be reviewed and discussed in detail when the CBOC meets again on the 9th of March.

Both the Performance and the Financial Audits will be presented at the Joint Meeting of the Board and the CBOC on the 25th of March.

At the Joint Meeting we expect to have a discussion about what an independent CBOC is. We've all heard members of the Board questions

WCCUSD

CITIZENS' BOND OVERSIGHT COMMITTEE

what that actually means and have even heard that, in spite of the Ed Code and Prop 39, the CBOC should not have independence.

It wouldn't be a CBOC report without a reminder that we have 9 vacancies on the CBOC and desperately need help from the Board and Staff in getting the word out about these vacancies.

In just a few months we'll go from 8 CBOCers down to 7 and this time next year we'll lose one of the two most experienced members of the CBOC with the second leaving just a couple of months later.

If the Board, staff and the public doesn't like what's in this Performance Audit, I'm betting that next year's audit will send shivers up and down the spines of those paying attention wondering how the Board and Staff could let things reach that level. Please keep in mind that this is something that I've brought up at each of the past 24 CBOC reports. Is this really what this Board wants to throw in the laps of the new Board at the end of the year?

Our next meeting is at 6:15 PM on Monday March 9th at the Facilities Building at 1400 Marina Way South. The Joint Meeting with the Board will be on Wednesday March 25th. All are welcome. We invite everyone to sit at the grown-ups table and in the two years I've been the Chair, we've never used a clock to limit what our guests have to say.



Implementation of Recommendations

March 2020

WCCUSD Facilities and Operations
Forensic Audit Investigation Report

<http://www.wccusd.net/audit>



Background

2



VLSFAI - On September 21, 2016, the Board accepted the Vicenti, Lloyd & Stutzman, LLP Forensic Accounting Investigation (VLSFAI) Phase II Report, which offered 112 recommendations to improve management and oversight of WCCUSD's bond program. Some recommendations were assigned high, medium, or low-risk designations.



Implementation Task Force - An implementation task force comprised of district staff and representatives of key stakeholders was created to develop and monitor the plan for implementing recommendations.



Moss Adams LLC Review of Implementation - On October 18, 2017, the Board of Education approved a contract with Moss Adams, LLC to conduct a third-party independent review of the implementation of the VLSFAI recommendations. The scope of the contract provided for two phases:

- ▶ **Phase 1:** From November 2017 - March 2019, Moss Adams reviewed 62 recommendations that the District deemed implemented as of June 30, 2017. Each recommendation was reviewed and designated as "Implemented and Verified", "Partially Implemented", "Not Implemented", or "Undetermined".
- ▶ **Phase 2:** Moss Adams will review the remaining 50 recommendations. Phase 2 will begin when the District identifies all recommendations as implemented. Currently, the anticipated implementation of all recommendations is scheduled for June 2020.



Internal Auditor Review - The District's Internal Auditor (IA) will independently review the implementation of recommendations in a timely manner. The IA will review and verify the VLSFAI recommendations upon implementation by the District.

Bond Program Management Plan Implementation

3

The Bond Program Management Plan is intended to provide the District with documentation of the internal controls that properly implement the District's policies, safeguard its assets, provide compliance with state and federal laws and regulations, and produce timely and accurate financial information.

Program Management Plan: Anticipated Schedule to Release Working Drafts

- ✓ **Program and Operations** – December 2019
- ✓ **Administrative** – January 2020
- **Project Management** – March 2020
- ✓ **Fiscal** – February 2020
- **Program Management Plan** – April 2020
- **Present to Board** – June 2020

After publishing each section, the District will open a 30-day public comment window for suggestions.

Written suggestions for improvement are encouraged and may be submitted online using a google form.

<https://www.wccusd.net/Page/13520>

Financial Reporting

Draft CBOC Notes for 2/10/20: In response to the financial report enhancements, Mr. Jungherr recommended that the CBOC pass a resolution indicating that the CBOC and the District had come to an agreement on the form and frequency of financial reports in part to address two FAI recommendations (TC 16-4, FI 6-2). Mr. Gosney agreed to include this proposal on the agenda for the next meeting.

Program Wide Reporting



✓ Program Wide Project Reporting

Enhanced AP Checklist



✓ Complete Reporting of Bond funded Payments

Updated Report 13



✓ Future Central Cost & Revenue projections

Enhanced Report 13 Variance



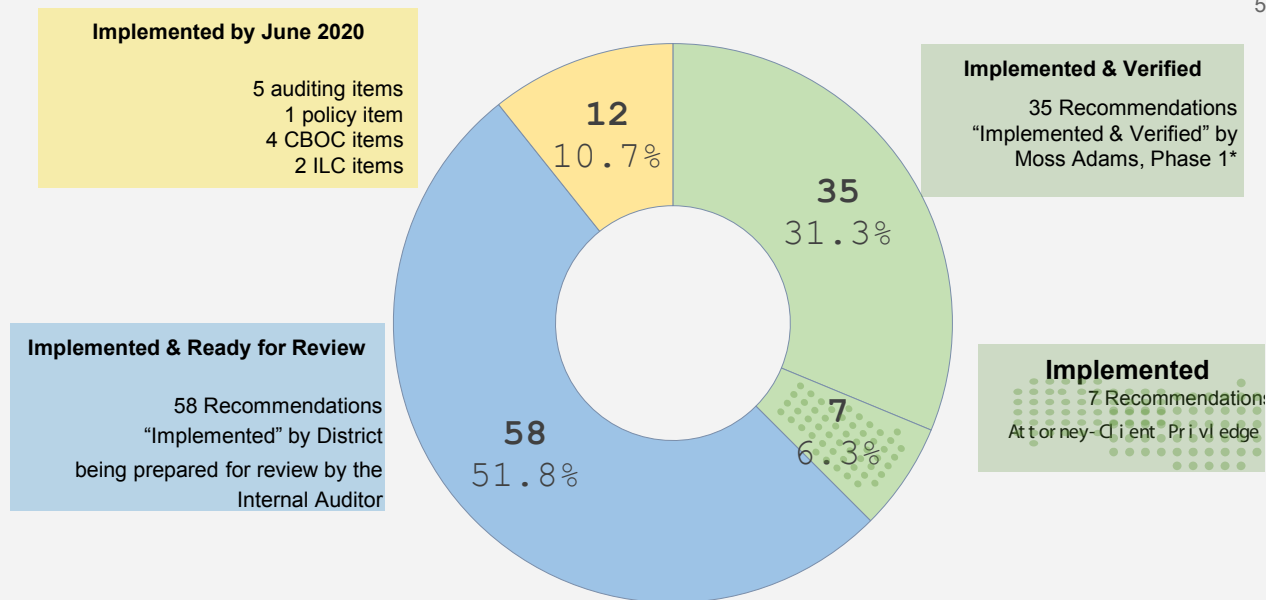
✓ Enhanced Variance Explanation

- ✓ **Recommendation 69:** Once consensus is reached between the CBOC and the District regarding the report naming, presentation, format, and content; and once report development is finalized, develop written procedures for the preparation and distribution of reports so that processes can continue when there are changes in personnel. The written procedures should include the following:
 - Identify the type of reports to be generated.
 - Indicate the interval with which reports should be generated, such as monthly.
 - Require that the Executive Director of Business Services, Bond Finance reviews the reports prior to distribution to other management, staff, or other users.
 - Identify the individuals that should receive the reports generated and the process for communicating questions or comments back to the Bond Finance department.

- ✓ **High Risk Recommendation 95:** The District and CBOC should evaluate the value (frequency and type) of proposed monthly reporting against the ongoing cost of development and maintenance of the reports, as this is not required under the Education Code enumerated duties of a CBOC and runs counter to the existing statement of Board policy.

February 2020- Work Plan & Progress Update for all recommendations

5



Anticipated Implementation Timeline	February 2020	June 2020
Total Implemented & Verified*	35	
Total Implemented	100	112
% Implemented (Total Items 112)	89%	100%
Total High Risk Items	17	21
% Implemented (Total Items 21)	81%	100%



WCCUSD
CITIZENS' BOND OVERSIGHT COMMITTEE
 Guadalupe Enllana Don Gosney Cameron Moore
 Vice Chairperson Chairperson Secretary

CITIZENS' BOND OVERSIGHT COMMITTEE
MEMBERSHIP ROSTER
03/09/20

Categories per BP 7214.2 Effective December 9, 2015					
#	Category	Name	Term Start Date	Term Ends	Term #
1	Business Organization*	Sallie DeWitt	01/18/19	01/17/21	2
2	Senior Citizen Organization*	Gregg Visineau	03/29/19	03/28/21	2
3	Taxpayers Organization*	Lorraine Humes	03/06/19	03/05/21	1
4	Parent or Guardian*	Vanessa Hill	07/25/18	07/24/20	1
5	Parent or Guardian & PTA*	Cameron Moore	04/11/18	04/10/20	2
6	El Cerrito Resident	Vacant	—	—	—
7	Hercules Resident	Anton Jungherr	02/11/19	02/10/21	3
8	Pinole Resident	Vacant	—	—	—
9	Richmond Resident	Guadalupe Enllana	08/07/19	08/06/21	1
10	Richmond Resident	Vacant	—	—	—
11	Richmond Resident	Don Gosney	05/24/19	05/24/21	3
12	San Pablo Resident	Vacant	—	—	—
13	Unincorporated Area Resident	Vacant	—	—	—
14	Unincorporated Area Resident	Vacant	—	—	—
15	Building Trades Council	Vacant	—	—	—
16	WCCUSD Employee Unions**	Veronica Diaz	Pending	—	—
17	WCCUSD Student	Vacant	—	—	—

The Proposition 39 WCCUSD CBOC was established by the Board of Education on April 9, 2003. All appointments are made by the Board of Education per BP 7214.2. Terms are for two (2) years with a maximum of three consecutive two (2) year terms.

The date appointments were approved by the Board of Education is the same as the "Term Start" date.

* Legally required category under Proposition 39, California Education Code Section 15282 (a).

**One member, who is not a current WCCUSD employee, representing the five WCCUSD employee unions: United Teachers of Richmond, Teamsters Local 856, School Supervisors Association, West Contra Costa Administrators Association and Adult School Teachers United.

WCCUSD CBOC

Attendance Report for Last 12 Meetings

3/4/2020

	2019						2020								
	4/18	5/16	6/20	7/25	8/15	9/10	9/11	10/15	11/7	12/10	1/13	2/10	Y's	N's	Total
Sallie DeWitt															
Lupe Enllana						Y			Y				2		2
Kathy Fleming									Y				1		1
Don Gosney															
Vanessa Hill	Y												1		1
Lorraine Humes									Y			Y	2		2
Anton Jungherr															
Cameron Moore			Y										1		1
Gregg Visineau		Y				Y	Y	Y	Y		Y		6		6
BOE Liason*	N									N	N	Y	1	3	4

Key Codes:

Y = Absent, contacted Chairperson or Secretary prior to the meeting

N = Absent, did not contact the Chairperson or Secretary prior to the meeting

Total Column – Too many absences (>=5 absences)

Total Column – Warning on absences (4 absences)

* Consuelo Lara from February 13, 2019. Tom Panas attended the June 20, 2019 meeting in her place.

ANTON JUNGHERR

TIMEKEEPING

Salaries and benefits for many of the bond program staff are allocated to Fund 21 Building Fund and other District's budgets based on an arbitrary percentage allocation. For example, over the past six fiscal years (FY2015 to FY2020) 75% of the Associate Superintendent for Operations salaries and benefits have been charged to the Fund 21 Building Fund with no supporting timekeeping system to justify this charge.

The Moss Adams, LLP Performance Audit Reports for FY 2017 and FY2018 recommended that a timekeeping system be implemented so that all cost incurred are identifiable and have a beneficial relationship to the Board Program.

A timekeeping system was not implemented for FY2019 or FY2020.

Based on District reports \$9,614,000 of salaries and benefits, for staff partially charged to Fund 21 Building Fund, has been charged to Fund 21 Building Fund over the past six (6) fiscal years FY2015 to FY2020 with no supporting timekeeping system to justify these charges.

A variance of just 10% in the allocation percentages would result in illegal charges to Fund 21 Building Fund of \$961,000.

A variance of 20% in the allocation percentage would result in illegal charges to Fund 21 Building Fund of \$1,923,000.

With the current General Fund fiscal crises, the Superintendent has an incentive to charge General Fund FY2021 to FY2023 salaries and benefits to Fund 21 Building Fund.

This is unacceptable. This is illegal.

Recommended Motion: That FY2021 salaries and benefits charged to Fund 21 Building Fund shall have a beneficial relationship to the Bond Program and be supported by a timekeeping system approved by the District's independent performance auditor.

RESOLUTION 20-1

Little Hoover Commission Legislative Changes

Whereas: For the past two years the Board of Education has been considering amendments to Board Policy 7214.2 (Citizens' Bond Oversight Committee (CBOC)) and the CBOC role, scope, independence and CBOC best practices with no Board approval; and

Whereas: On November 21, 2019 the Board Governance Committee approved amendments to Board Policy BP 7214.2; and

Whereas: These amendments were supported by the CBOC and would provide for an independent CBOC that would follow CBOC "best practices."; and

Whereas: The Board at its January 29, 2020 meeting referred these amendments to the Joint Board/CBOC meeting for action; and

Whereas: The Board's considerations of the proposed amendments are informed by School Proposition 39, the California Education Code, definition of "independent", Attorney Ferber's legal opinion, the January 29, 2020 Board discussion, Trustee Lara's recommendations and the California Little Hoover Commission recommendations; therefore be it

Resolved: That the WCCUSD Citizens' Bond Oversight Committee (CBOC) support Little Hoover Commission legislative changes to enhance the independents of the CBOC and provide authority for CBOC "best practices" as displayed below:

- "Amend statutory code on performance audits to include the effectiveness and results of the bond program."
- "Expand the role of Citizens' Oversight Committees in selecting and interacting with bond program auditors."
- "Require bond measures proposed to voters under the reduced threshold to include specific project lists."

RESOLUTION 20-1

Little Hoover Commission Legislative Changes

- “Change the appointment authority for members of Citizens’ Bond Oversight Committees.”
- “Require districts to provide a minimal budget for the oversight committees, including a budget to hire independent counsel with municipal bond expertise.”
- “Require districts to provide a Web presence for Citizens’ Bond Oversight Committees to prominently display meeting agendas and reports.”

and be it further

Resolved: That the WCCUSD CBOC urge the WCCUSD Board of Education to support these Little Hoover Commission legislative changes.



WCCUSD
CITIZENS' BOND OVERSIGHT COMMITTEE
Guadalupe Enllana Don Gosney Cameron Moore
Vice Chairperson Chairperson Secretary

2020
CBOC MEETINGS CALENDAR

Meetings will begin at 6:15

M a r 25 (proposed joint meeting)	J u n 08	S e p t 14 S e p t ?? (proposed joint meeting)
A p r 13	J u l 13	O c t 19
M a y 11	A u g 10	N o v 09
		D e c 14

SCHOOL BOARD MEETINGS

M a r 11	M a y 06	A u g 05
M a r 18	M a y 20	A u g 26
M a r 25 (joint meeting)	J u n 10	O c t 07
	J u n 24	O c t 21
A p r 08	J u l 15	N o v 04
A p r 22		N o v 18
	S e p t 09	D e c 09
	S e p t 23	D e c 16

CBOC Bylaw Requirements

There must be a December meeting for officer elections
2 joint meetings with Board of Education

FUTURE AGENDA ITEM LOG

03/09/20

Item #	Description	Suggested	Agendized
18-1	Board Policy 7214.2 Amendments	10.24.18	04.18.19
18-2	CBOC Handbook	10.24.18	ongoing
18-3	Election of 2019 Officers	10.24.18	12.19.18
18-4	Distribution of '17 Annual Report	10.24.18	12.19.18
18-5	Work Plan ~ CBOC Web Site	10.24.18	12.19.18
18-6	Recruitment of CBOC Members	10.24.18	01.17.19
18-7	CBOC Meeting Schedule	10.24.18	12.19.18
18-8	Updated By-Laws		TBD
18-9	Recommendation that the District appoint an appropriate Business Services Division member to the Implementation Task Force	12/14/18	12/19/18
18-10	Invite PVHS Construction Manager (Roebbelin Construction Management Services, Inc.) to CBOC meeting to discuss cost overruns	10/24/18	05/16
19-1	Bring Draft ByLaws to CBOC for review	02/06/19	TBD
19-2	Distribution of '17 Annual Report	02/06/19	04/18/19
19-3	Recruitment of CBOC applicants	02/06/19	04/18/19
19-4	Provide opinion from CBOC attorney on the role of the CBOC	02/06/19	03/27/19
19-5	September Joint Meeting Agenda Topics	08/15/19	09/11/19
19-6	PVHS Lessons Learned	08/15/19	TBD
19-7	Invite newly hired staffers to meet with CBOC	08/15/19	08/15/19
19-8	Facilities Master Plan Update	08/15/19	TBD
19-9	2020 CBOC Meeting Calendar	10/15/19	12/10/19
19-10	Election of Officers for 2020	10/15/19	12/10/19
19-11	Extensive review of Wilson ES Project	10/15/19	11/07/19
20-01	CBOC Training	01/13/20	TBD