WCCUSD

CITIZENS' BOND OVERSIGHT COMMITTEE

MEETING PACKET FOR: JUNE 8, 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

B A S I C P A R L I A M E N T A R Y P R O C E D U R E S

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.

WCCUSD
CITIZENS' BOND OVERSIGHT COMMITTEE

Guadalupe Enllana, Vice Chairperson
Don Gosney, Chairperson
Cameron Moore, Secretary

AGENDA

Monday June 8th, 2020 at 2:00 PM

Viewing and Participating in the CBOC Meetings

As authorized by the Governor's Emergency Executive Order issued on March 17, 2020, the West Contra Costa Unified School District Citizens' Bond Oversight Committee will conduct meetings via video conference/teleconference until further notice. The meeting will be streamed via Zoom using the following link:

By computer, please click the link below to join the webinar:
https://zoom.us/j/92280010513

Or by Telephone:
US: 1+(669) 900 6833
Webinar ID: 922-8001-0513

Participating in Board Meetings:

The WCCUSD CBOC welcomes participation from concerned citizens. Participants must provide their first and last name and either an email address or phone number.

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:

06.08.20 CBOC Agenda Packet

A) OPENING PROCEDURES

B) CALL TO ORDER/PLEDGE OF ALLEGIANCE

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C) ROLL CALL

Sallie DeWitt, Don Gosney, Vanessa Hill, Lorraine Humes, Anton Jungherr, Cameron Moore & Guadalupe Enllana
[7 members ~ 4 required for a quorum]

D) APPROVAL OF AGENDA

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

DEPENDING ON THE LENGTH OF THIS AGENDA AND MEETING, ITEMS ON THIS AGENDA MAY BE DEFERRED TO THE JULY MEETING

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

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

F) 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

[06.08.20 Facilities Master Plan Projects Update]
Page 8 of 264

[Michelle Obama Newsletter (June)]
Page 21 of 264

[Richmond HS Newsletter Number 11 (June)]
Page 22 of 264

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Crespi MS Gym Seismic Retrofit Status Report (June)
Page 23 of 264

Michelle Obama School Project Status Report (June)
Page 24 of 264

RHS Critical Needs Project Status Report (June)
Page 25 of 264

Consolidated Budget Report 05.31.20
Page 26 of 264

Consolidated Budget Report-2016 Master Plan 05.31.20
Page 32 of 264

Report #2 Bond Program Spending to Date 05.31.20
Page 34 of 264

Report #13 Bond Program Financial Status 05.31.20
Page 36 of 264

Report #13A Variance Report 05.31.20
Page 42 of 264

'19-'20 Accounts Payable Check List 05.31.20
Page 43 of 264

06.08.20 CBOC Project Management Plan (PMP
Page 45 of 264

G) BOARD OF EDUCATION LIAISON REPORT (Consuelo Lara)

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

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WCCUSD
CITIZENS' BOND OVERSIGHT COMMITTEE

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

H) ADOPTION OF MINUTES (Cameron Moore)

05.11.20 CBOC Draft Minutes
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I) CBOC MEMBER INFORMATION REQUEST LOG (Don Gosney)

06.08.20 CBOC Member Information Requests Status Log
Page 54 of 264

J) APPROVED RECOMMENDATIONS BY THE CBOC (Don Gosney)

05.11.20 CBOC Approved Recommendations
Page 57 of 264

K) AUDIT SCHEDULES (Don Gosney)

06.08.20 Audit Schedules
Page 65 of 264

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

L) MEMBERSHIP (Cameron Moore)

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

05.11.20 Attendance Review
Page 66 of 264

M) NEW MEMBER APPLICATIONS (Don Gosney)

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

Ken Burns CBOC Membership Application 05.28.20 (Redacted)
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N) MEMBERSHIP ROSTER (Don Gosney)

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

05.11.20 CBOC Roster
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O) 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

Schools on the Facilities Master Plan
Page 72 of 264

P) ANNUAL REPORT UPDATE (Sallie DeWitt and Don Gosney)

Review status and plans for the 2019Annual Report of the Bond Program

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

Q) AN INDEPENDENT CBOC (Anton Jungherr)

Discuss and act on a resolution with suggestions to the Board of Education which includes a list of recommendations pulled from the Little Hoover Commission

[Each subsection of Resolution 20-1 will be addressed separately]

A C T I O N I T E M

Resolution 20-1
Page 73 of 264

An Independent CBOC
Page 75 of 264

R) BOARD POLICY 7214.2 UPDATE (Don Gosney)

Review current status of proposed amendments to Board Policy7214.2 covering the CBOC.

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

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S) NEW MEMBER ORIENTATION PRIMER (Lorraine Humes)

Present and discuss an orientation document for new CBOC members to help ease their entry onto the CBOC

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

Draft New Member Orientation Primer
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T) MOVING THE CBOC FORWARD (Lorraine Humes)

Present and discuss ideas on how to move the CBOC forward

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

Proposition 39 Bond Performance Audit Report for the Fiscal Year Ended June 30
Page 130 of 264

Reporting Views Of Responsibility Officials
Page 133 of 264

Lorraine Humes' Website Suggestions
Page 134 of 264

Appendix C
Page 135 of 264

U) ANNUAL EVALUATION OF PERFORMANCE AND FINANCIAL AUDITORS (Don Gosney)

Accept evaluations the Bond Program's Financial Auditors (Christy White) and the Performance Auditor (Moss Adams)

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

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V) ACCEPTANCE OF FINANCIAL AND PERFORMANCE AUDITS (Don Gosney)

Formally accept the 2019 Bond Program Financial and Performance Audits. Draft audits were presented to CBOC on 03.11.20 and then approved by the Board of Education on 04.08.20;

A C T I O N I T E M

'19 WCCUSD Bond Program Performance Audit
Page 139 of 264

'19 WCCUSD Bond Program Financial Audit
Page 237 of 264

W) CALENDAR (Don Gosney)

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

05.11.20 CBOC Meetings Calendar
Page 137 of 264

X) FUTURE AGENDA TOPICS (Don Gosney)

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

06.08.20~Future Agenda Items Log (short list)
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Y) ADJOURNMENT

NEXT SCHEDULED CBOC MEETING: July 13, 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.

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Facilities Master Plan Projects Update

Citizens' Bond Oversight Committee
June 8, 2020

Michelle Obama School



Administration Entry with Canopy

Michelle Obama School



Admin North East Rooms Ceiling Tiles



Admin South East Room Finishes

Michelle Obama School



Kindergarten Play Area Formwork



Preschool Play Area Curbs Poured

Michelle Obama School



Learning Suite North and MPR Exterior Painting



Learning Suite South with Paint Ceiling

Michelle Obama School



MPR Kitchen Equipment



MPR with Finished Ceilings

Michelle Obama School



AREAS UNDER CONSTRUCTION ON 8/17/20

Richmond High School Critical Needs



New Gym Aerial View

Richmond High School Critical Needs



New Gym Framing



New Gym Fire Sprinkler Pipping

Richmond High School Critical Needs





Old Gym Demolition in Process

Richmond High School Critical Needs



Science Quad Paving Removed



Science Building Ceiling Replaced

Crespi Middle School Gym Seismic Retrofit



Elevator Second Floor

Crespi Middle School Gym Seismic Retrofit



Girls Locker Room



Girls Restroom

Bond Project Status Update
June 8, 2020

	SITE	PROJECT	REVISED CONTRACT AMOUNT	STATUS
CONSTRUCTION	Fairmont ES	Critical Needs Phase 2	$ 1,363,095	Contract Awarded
	Korematsu MS	Fall Protection	$255,000	Contract Awarded
	Michelle Obama School	New Campus	$ 35,963,093	Under Construction
	Richmond HS	Critical Needs	$ 19,932,841	Under Construction
	SITE	**PROJECT**	**BUDGET**	**STATUS**
PROCUREMENT	Pinole Valley HS	Fields Restoration & Site Work	$ 19,000,000*	Approved by DSA; being prepared for bid
	Riverside ES	Critical Needs (Soils Stabilization)	$ 6,900,000	Pending Reissuance
	E-Rate Year 23	Wireless Upgrades at Various Sites	$ 650,000	Awarded; pending Erate approval
	SITE	**PROJECT**	**BUDGET**	**STATUS**
DESIGN	Lake ES	Campus Replacement	$ 1,000,000	Planning services ongoing
	Pinole Valley HS	Bleachers	*	DSA Review
	Stege ES	Critical Needs	$ 2,900,000	Design Development
	Highland ES	Critical Needs	$ 747,125	Assessing Water & Power Upgrades

LEGEND & ACRONYMS

(DSA) Division of the State Architect

*Budget is part of the overall PVHS final phase

MICHELLE OBAMA SCHOOL June 2020

CONSTRUCTION NEWS

OVERVIEW

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

- Above ceiling mechanical, electrical
- Continue exterior painting
- Start installation of sidewalks
- Install Pre-K play structure

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

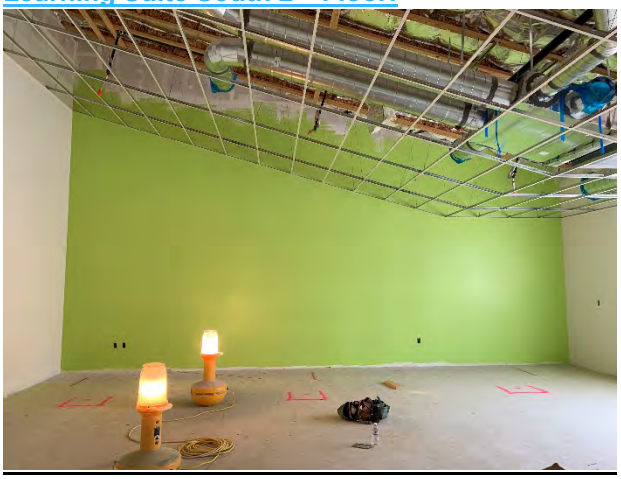
COMPLETED WORK

- Curbs in Pre-K play area
- Install casework in Kinder buildings
- Frame acoustical panel ceilings Learning Suite

Pre-K Play Area Curbs:



Learning Suite South 2nd Floor:



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

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RHS CONSTRUCTION NEWS | NUMBER 11, JUNE, 2020



Gym / Main Entry & Student Quad

CONSTRUCTION ACTIVITIES

Previous Month:

Metal Framing continued through the month
MEP Rough-In started in the lockers/ Dance/ Weights

Science Structural Repairs Completed
Ceiling Tiles Installation Completed

Existing GYM and Locker Room Demolished

Upcoming Month:

Metal Joist Installation at the GYM

Metal Framing will continue

MEP Rough-In will continue

Science Bathroom Finishes will start

Earthwork/ Grading activities will continue around the Science and GYM





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

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Project Status Report: 06/03/2020

Juan Crespi Middle School

Gym Seismic Retrofit

1121 Allview Avenue
El Sobrante CA, 94803

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.

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	400	179%



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	**8**	**$ 55,220.16**	**1.38%**
Pending PCOs	8	$ 55,220.16	1.38%
Rejected PCOs	0	$ 0	0%
Contractor Net $ Billed to Date		**4,108,363.56**	**97%**
Stop Notices Amount	$ 0		

Project Status

Completed Work:

Punch List Walk 100% completed

Upcoming Work:

State Elevator Inspection June 30, 2020

Project Issues:

No issues to report at this time.

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Project Status Report: 06/03/2020

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.

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	307	85%



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	4	$ 699,541	84%
Remaining Contingency		$ 136,491	16%
Project Contingency		**$ 836,032**	
Executed CO	2	$ 450,818	54%
Remaining Contingency		$ 385,214	46%
Pending PCOs	18	$ 841,766	50%
Rejected PCOs	1	$ 161,000	10%
Completed & Stored $ Billed to Date		**$ 24,739,571**	**69%**
Stop Notices		$ 40,131	

Project Status

Completed Work:

Kinder. N. Bldg – Install Ceiling Tiles, Marker Boards/Tack Boards, Door Hardware (partial)
Kinder. E. Bldg – Install Ceiling Tiles, Marker Boards/Tack Boards, Door Hardware (partial).
Admin. Bldg -- Exterior Paint, Glazing (partial), Casework, Marker Boards/Tack Boards in progress. Door Hardware (partial), MEPF Rough in and Trim Complete.
MPR Bldg – Ceiling installed. Rooftop Units hoisted. Gypboard in kitchen.
Learning Suite S. – Plaster, Exterior Paint, Interior Paint, Ceiling Grid in progress, MEPF Rough in, Marker Boards/Tack Boards/Misc Finishes and Mechanical Units set.
Learning Suite N. – Exterior Paint, Interior Paint, Ceiling Grid, MEPF Rough in, Marker Boards/Tack Boards/Misc Finishes and Mechanical Units set.
Site - Underground electric in progress, Soil overexcavation, Prep for Grease Interceptor. Pour Light Pole Bases and Curb Pours at Kinder Play Areas in progress. East side retaining wall in progress.

Upcoming Work:

Kinder. N. Bldg – Flooring, Operable windows, Plumbing fixtures. MEF Trim.
Kinder. E. Bldg – Flooring, Operable windows, Plumbing fixtures. MEF Trim.
Admin. Bldg – Exterior Paint, Ceiling Tiles, Glazing, Casework, Marker Boards/Tack Boards, Flooring, Partition Doors.
MPR Bldg – Interior Paint, Storefront, Flooring. MEPF Trim
Learning Suite S. – Exterior Paint, Exterior Stairs, Ceiling Tile, MEPF Trim, Door Hardware, Casework, Partitions and Scaffold Removal Ongoing.
Learning Suite N. – Exterior Paint, Exterior Stairs, Ceiling Tile, MEPF Trim, Door Hardware, Casework, Partitions.
Site - Grading, AC Paving, Underground Utilities, Retaining Walls, Play Structures, Bioswale structure.

Project Issues:

Electrical and gas service - Pending PG&E permitting of poles.
Domestic water service - EBMUD will accept master meter with a submeter at each building (4 total) in lieu of early May requirement for separate meters for each building.
Site compaction - poor soils anticipated to be encountered during site work.
COVID 19 Pandemic - Impact to misc metal detailing.

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Project Status Report: 6/3/2020

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 repavment of area to prepare for new Health Clinic portable buildings.

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	206	45%



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	25	$572,641	23%
Rejected PCOs	0	$0	0%
Completed & Stored $ Billed to Date		**$6,040,409**	**30%**
Stop Notices		$0	

Project Status

Completed Work:

At new Auxiliary Gymnasium:
Installed structural steel framing at north half of building (locker room side).
Installed exterior and interior demising wall metal stud framing.
Installed exterior wall sheathing.
Installed rough plumbing and electrical in walls, and fire sprinkler piping.
Completed demolition of old Auxiliary Gym and Locker Room.

At Science Building:
Installed drywall at remodeled bathrooms.
New ceiling tiles installed in all classrooms.

At new Health Clinic site (old Building A):
Site cleared of old in-ground auto lift cylinder.
PG&E provided new gas meter design.

Upcoming Work:

At new Auxiliary Gymnasium:
Continue metal joist installation.
Continue metal stud wall framing and MEP rough-in

Start grading and utility work at new Quad space between Gym and Sci Bldg.

At Science Building:
Continue to install finishes at rebuilt bathrooms
Continue to replace acoustical ceiling tiles.

At new Health Center site:
Start grading/utility work at site for new paving.

Project Issues

Schedule PG&E to provide new gas meter and underground piping.

Some demolition and sitework scheduling has been moved up in sequence due to campus covid-19 closures.

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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 05/31/2020

	Budget	Commitments			Expenditures	
School/Project Name	Total Budget	Total Commitments	% Budget Commited	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	871,290	29.0%	2,128,710	831,606	27.7%
Legacy Project	3,864,259	3,864,259	100.0%	-	3,864,259	100.0%
	6,864,259	***4,735,548***	***69.0%***	***2,128,710***	***4,695,865***	***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%***

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	Budget	Commitments			Expenditures	
School/Project Name	Total Budget	Total Commitments	% Budget Commited	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	175,650	17.6%	824,350	49,650	5.0%
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	***1,823,473***	***68.9%***	***824,350***	***1,697,473***	***64.1%***
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 Michelle Obama School						
* Campus Replacement	40,300,000	39,570,219	98.2%	729,781	28,559,074	70.9%
Legacy Project	3,829,324	3,829,324	100.0%	-	3,829,324	100.0%
	44,129,324	***43,399,543***	***98.3%***	***729,781***	***32,388,399***	***73.4%***
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%

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	Budget	Commitments			Expenditures	
School/Project Name	Total Budget	Total Commitments	% Budget Commited	Remaining Against Budget	Total Expenditures	% Budget Spent
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%
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	130,220	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***	***14,741,225***	***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%

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	Budget	Commitments			Expenditures	
School/Project Name	Total Budget	Total Commitments	% Budget Commited	Remaining Against Budget	Total Expenditures	% Budget Spent
	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%***
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%***
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	4,969,589	93.8%	330,411	4,841,932	91.4%
Legacy Project	1,245,896	1,245,896	100.0%	-	1,245,896	100.0%
	6,545,896	***6,215,484***	***95.0%***	***330,411***	***6,087,827***	***93.0%***
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	52,721,598	98.7%	717,478	52,713,808	98.6%
Legacy Project	19,943,103	19,943,103	100.0%	-	19,943,103	100.0%
	73,382,179	***72,664,701***	***99.0%***	***717,478***	***72,656,911***	***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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School/Project Name	Total Budget	Total Commitments	% Budget Commited	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	154,564,387	154,414,386	99.9%	150,002	153,978,744	99.6%
* Fields/Sitework	19,184,130	178,105	0.9%	19,006,025	175,980	0.9%
* Interim Campus Demo	3,628,014	3,628,013	100.0%	1	3,628,013	100.0%
* Site Design	17,935,216	17,935,214	100.0%	2	17,240,571	96.1%
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	***197,393,550***	***91.2%***	***19,156,030***	***196,261,141***	***90.6%***
3 Richmond High School						
* Gym and Seismic Classroom	21,000,000	20,695,863	98.6%	304,137	6,547,332	31.2%
Legacy Project	21,622,087	21,622,087	100.0%	-	21,622,087	100.0%
	42,622,087	***42,317,951***	***99.3%***	***304,137***	***28,169,420***	***66.1%***
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	14,299,306	95.3%
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***	***34,294,330***	***98.0%***

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	Budget	Commitments			Expenditures	
School/Project Name	Total Budget	Total Commitments	% Budget Commited	Remaining Against Budget	Total Expenditures	% Budget Spent
4 Central						
District Support	54,964,766	52,308,264	95.2%	2,656,503	52,153,836	94.9%
Program Coordination	47,866,868	46,121,650	96.4%	1,745,218	45,346,446	94.7%
	102,831,634	***98,429,914***	***95.7%***	***4,401,720***	***97,500,283***	***94.8%***
Totals	***1,652,929,646***	***1,613,444,555***	***97.6%***	***39,485,091***	***1,585,727,506***	***95.9%***

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: 1 School Name - Elementary school site name
Note 4: 2 School Name - Middle school site name
Note 5: 3 School Name - High school site name
Note 6: 4 Central/Program Name
Note 7: BOE approved supplemental funds for Michelle Obama school: Fund 25 of $1.75M and Fund 01 MRAD of $0.85M on 6/26/19
Note 8: BOE approved supplemental funds for Richmond HS: Fund 40 of $1M on 11/06/19
Note 9: 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%	-	100.0%
1998E Project	*23,994,285.33*	*23,994,285.33*	*100.0%*	-	*100.0%*
State Fund Project	*12,841,930.00*	*12,841,930.00*	*100.0%*	-	*100.0%*
Pinole Valley High School	190,570.61	190,570.61	100.0%	-	100.0%
Central Program Coordination	16,276,517.57	16,276,517.57	100.0%	-	100.0%
Total	***53,303,303.51***	***53,303,303.51***	***100.0%***	***-***	***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 Commited	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	871,290	29.0%	2,128,710	831,606	27.7%
	3,000,000	**-**	***3,000,000***	***871,290***	***29.0%***	***2,128,710***	***831,606***	***27.7%***
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	175,650	17.6%	824,350	49,650	5.0%
Portable Demolition	500,000	(352,499)	147,501	147,501	100.0%	-	147,501	100.0%
	1,500,000	***(352,499)***	***1,147,501***	***323,151***	***28.2%***	***824,350***	***197,151***	***17.2%***
1 Michelle Obama School								
* Campus Replacement	40,300,000	-	40,300,000	39,570,219	98.2%	729,781	28,559,074	70.9%
	40,300,000	**-**	***40,300,000***	***39,570,219***	***98.2%***	***729,781***	***28,559,074***	***70.9%***
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	130,220	1.9%
	6,900,000	**-**	***6,900,000***	***299,540***	***4.3%***	***6,600,460***	***130,220***	***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%***
2 Crespi Middle School								
* Critical Needs	3,100,000	2,200,000	5,300,000	4,969,589	93.8%	330,411	4,841,932	91.4%
	3,100,000	***2,200,000***	***5,300,000***	***4,969,589***	***93.8%***	***330,411***	***4,841,932***	***91.4%***

Consolidated Budget Status Report

Budgets versus Commitments and Expenditures for multiple Projects

Budget vs. Commitments and Expenditures

2016 MASTER PLAN PROJECT

Fund 21 and Fund 35

Data as of 05/31/2020

School/Project Name	Budget			Commitments			Expenditures	
	Original Budget	Approved Budget Changes	Total Budget	Total Commitments	% Budget Commited	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	20,695,863	98.6%	304,137	6,547,332	31.2%
	15,100,000	***5,900,000***	***21,000,000***	***20,695,863***	***98.6%***	***304,137***	***6,547,332***	***31.2%***
4 Central								
Program Coordination (Ed Specs & School Size)	200,000	-	200,000	148,128	74.1%	51,872	148,128	74.1%
	200,000	***-***	***200,000***	***148,128***	***74.1%***	***51,872***	***148,128***	***74.1%***
Totals	***78,400,000***	***6,388,828***	***84,788,828***	***70,207,882***	***82.8%***	***14,580,946***	***44,585,545***	***52.6%***

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: 1 School Name - Elementary school site name
Note 4: 2 School Name - Middle school site name
Note 5: 3 School Name - High school site name
Note 6: 4 Central/Program Name
Note 7: BOE approved supplemental funds for Michelle Obama school: Fund 25 of $1.75M and Fund 01 MRAD of $0.85M on 6/26/19
Note 8: BOE approved supplemental funds for Richmond HS: Fund 40 of $1M on 11/06/19

Gold Technologies Inc. (c)

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WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
Bond Program Spending to Date by Site
Data as of 05/31/2020

Updated 06/01/2020

Site Name	Original Budget *	Board Approved Budget 02/26/20	Expended FY 99-01 thru FY 18-19	Expended FY 19-20 Jul-May	Expended Total thru 05/31/20	Committed Balance as of 05/31/20	Budget Balance as of 05/31/20	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	482,736	**4,695,865**	**39,684**	**2,128,710**	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	49,650	**1,697,473**	**126,000**	**824,350**	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
MICHELLE OBAMA**	**13,673,885**	**44,129,324**	9,664,279	22,724,120	**32,388,399**	**11,011,145**	**729,781**	Footnote 3
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	18,213	**14,741,225**	**169,320**	**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
Elementary Total	**438,263,142**	**623,862,105**	**572,509,101**	**26,112,330**	**598,621,431**	**11,346,149**	**13,894,526**	

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WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
Bond Program Spending to Date by Site
Data as of 05/31/2020

Updated 06/01/2020

Site Name	Original Budget *	Board Approved Budget 02/26/20	Expended FY 99-01 thru FY 18-19	Expended FY 19-20 Jul-May	Expended Total thru 05/31/20	Committed Balance as of 05/31/20	Budget Balance as of 05/31/20	Notes
CRESPI MS	**1,205,711**	**6,545,896**	2,553,745	3,534,082	**6,087,827**	**127,657**	**330,411**	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	1,710	**72,656,911**	**7,790**	**717,478**	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**	**3,535,792**	**219,947,265**	**135,447**	**1,047,890**	
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	10,298,122	**196,261,141**	**1,132,409**	**19,156,030**	Footnote 2
RICHMOND HS	**94,720,910**	**42,622,087**	22,854,818	5,314,602	**28,169,420**	**14,148,531**	**304,137**	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**	**15,612,724**	**627,487,064**	**15,280,940**	**19,460,166**	
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	2,565,733	**97,500,283**	**929,631**	**4,401,720**	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	-	**34,294,330**	**24,882**	**680,788**	Footnote 2
Admin/Other Total	**110,861,862**	**142,246,838**	**133,644,083**	**2,565,733**	**136,209,816**	**954,513**	**5,082,509**	
GRAND TOTAL	**1,262,354,248**	**1,652,929,646**	**1,537,900,927**	**47,826,579**	**1,585,727,506**	**27,717,049**	**39,485,091**	

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

*** Board approved renaming of Wilson Elementary school to Michelle Obama School on 02/12/20.*

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**	**-**

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
Bond Program Financial Status
As of May 31, 2020

Cash Projection to June-2021

				Notes
Adjusted Cash Balance			**37,279,407**	**1**
Projected Revenues				
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	$	3,519,000	$ 133,009,000	**2**
Projected Available Funds			**$ 170,288,407**	
Budget Balance				
Board Approved Budget			$ 1,652,929,646	**3**
Less Expenses to Date			$ (1,585,727,506)	**3**
Current budget balance			**$ 67,202,140**	
Projected Cash Balance June 2021			**$ 103,086,266**	

State Facility Grants Pending State Approval

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

Items Pending Board Approval

			Notes
Future Facilities Master Plan Projects	$	103,400,000	**5**
Future Bond Sale 2020 Measure R	$	575,000,000	
2022-2023 Estimated Central Cost	$	5,927,011	**6**
2022-2023 Estimated Other Revenue	$	2,530,000	**2**

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
Bond Program Financial Status
As of May 31, 2020

Note 1 Adjusted Cash Balance

Description		Amount	Comments
Cash & Equivalents Building Fund 21	$	37,751,087	A
Cash & Equivalents County School Facilities Fund 35	$	-	B
Cash with Fiscal Agent (contract retentions)	$	5,447,617	C 3rd-Party held Retention
Accounts Receivable	$	-	
Accounts Payable	$	-	D
Contract Retention	$	(5,919,297)	C District held Retention
Adjusted Cash Balance	**$**	**37,279,407**	

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.

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WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
Bond Program Financial Status
As of May 31, 2020

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)	$ 149,000	$ 129,639,000
FY2021				$ 3,370,000	$ 3,370,000
Sub-Totals	$ 65,000,000	$ 65,000,000	$ (510,000)	$ 3,519,000	$ 133,009,000
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)**	**$ 6,049,000**	**$ 135,539,000**

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 Perid and should agree with Report#2, Bond Program Spending by Site.

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
Bond Program Financial Status
As of May 31, 2020

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	May 27, 2020	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 05/27/20

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
Bond Program Financial Status
As of May 31, 2020

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
M Obama Elementary School*	RS Replacement	$ 40,300,000	$ 40,300,000
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
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 Obama 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 ROM[1]

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 M Obama 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 May 31, 2020

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

Description		FY 2021-22		FY 2022-23		Total
Salaries & Benefits	$	1,530,600	$	1,591,344	$	3,121,944
Services & Other Cost	$	1,532,177	$	1,272,890	$	2,805,067
Total Projection	**$**	**3,062,777**	**$**	**2,864,234**	**$**	**5,927,011**

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
Financial Impact of Report 13 Analysis
From April 2020 to May 2020

Updated 06/01/2020

Items	Beginning Balance	Ending Balance	Variance	Notes
Adjusted Cash Balance	**43,184,803**	**37,279,407**	**(5,905,396)**	**<$5,905,396.46> expended in May.2020**
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	3,519,000	3,519,000	-	
Projected Revenue Total	**133,009,000**	**133,009,000**	**-**	
Projected Available Funds	**176,193,803**	**170,288,407**	**(5,905,396)**	**<$5,905,396.46> expended in May.2020**
Budget Balance				
Board Approved Budget	1,652,929,646	1,652,929,646	-	
Less Expenses to Date	(1,579,822,109)	(1,585,727,506)	(5,905,396)	
Budget Balance Total	**73,107,537**	**67,202,140**	**(5,905,396)**	**<$5,905,396.46> expended in May.2020**
Projected Cash Balance June 2021	**103,086,266**	**103,086,266**	**0**	
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	-	
Future Bond Sale 2020 Measure R	575,000,000	575,000,000	-	
2022-2023 Estimated Central Cost	6,033,211	5,927,011	(106,200)	FY 2022 & 2023 Central Cost Revised
2022-2023 Estimated Other Revenue	2,530,000	2,530,000	-	

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A/P Check List

May, 2020

Fund 21

Updated 06/01/2020

Vendor Name	Check No.	Check Date	Short Account	Invoice Number	Invoice Date	Amount	Invoice Description
Site 000 - UNDISTRIBUTED						**54,161.02**	
LATHROP CONSTRUCTION ASSOCIATE	194381	05/19/20	21-9745-9135-000	1000003023-00016ATRU	04/02/20	54,161.02	Contract 1000003023 retainage 11/01/2018 to
Site 150 - RIVERSIDE						**2,320.00**	
ALAN KROPP AND ASSOCIATES INC	194473	05/27/20	21-9745-6190-150	26985	04/29/20	2,320.00	RIVERSIDE ES GEOTECHNICAL ENGI
Site 165 - MICHELLE OBAMA						**3,305,948.06**	
AQUATECH CONSULTANCY, LLC	194476	05/27/20	21-9745-5860-165	48166	05/14/20	337.50	WILSON ES WATERPROOFING CONSTR
C OVERAA & CO	194489	05/27/20	21-9745-6201-165	1000002635-21A	05/18/20	29,533.00	WILSON ES - DESIGN & CONSTRUCT
C OVERAA & CO	194489	05/27/20	21-9745-6211-165	1000002635-21	05/18/20	3,087,428.56	WILSON ES - DESIGN & CONSTRUCT
C OVERAA & CO	194489	05/27/20	21-9745-6211-165	20-STOP NOTICE	05/21/20	89,263.84	WILSON ES - DESIGN & CONSTRUCT
INSPECTION SERVICES INC	194371	05/19/20	21-9745-5890-165	256012	05/06/20	21,639.38	WILSON ES DSA SPECIAL TESTING
MICHAELS TRANSPORTATION	194250	05/12/20	21-9745-5890-165	114100 CREDIT	03/10/20	(297.50)	WILSON ES MASTER PLAN TRANSPOR
PACIFIC GAS AND ELECTRIC	194105	05/05/20	21-9745-6219-165	114514579	04/27/20	40,275.28	OBAMA NEW CAMPUS GAS & ELECTRI
STATE WATER RESOURCES CONTROL	194442	05/19/20	21-9745-6205-165	SW-0191959	05/06/20	568.00	M OBAMA SCHOOL-ANNUAL PERMIT F
STRUCTURE GROUPS	194443	05/19/20	21-9745-6214-165	190933-9	04/30/20	37,200.00	WILSON ES PROJECT INSPECTOR SE
Site 206 - CRESPI JR HIGH						**37,663.04**	
BRADLEY J WILLIAMSON	194318	05/12/20	21-9745-6214-206	1760	04/30/20	570.00	CRESPI MS GYM DSA INSPECTOR OF
INSPECTION SERVICES INC	194527	05/27/20	21-9745-5890-206	254978	04/30/20	12,440.46	CRESPI MS GYM SEISMIC RETROFIT
INSPECTION SERVICES INC	194527	05/27/20	21-9745-5890-206	255088	04/30/20	7,213.16	CRESPI MS GYM SEISMIC RETROFIT
INSPECTION SERVICES INC	194527	05/27/20	21-9745-5890-206	255171	04/30/20	889.38	CRESPI MS GYM SEISMIC RETROFIT
INSPECTION SERVICES INC	194527	05/27/20	21-9745-5890-206	255247	04/30/20	13,409.34	CRESPI MS GYM SEISMIC RETROFIT
INSPECTION SERVICES INC	194527	05/27/20	21-9745-5890-206	255331	04/30/20	1,903.20	CRESPI MS GYM SEISMIC RETROFIT
INSPECTION SERVICES INC	194527	05/27/20	21-9745-5890-206	255367	04/30/20	75.00	CRESPI MS GYM SEISMIC RETROFIT
INSPECTION SERVICES INC	194527	05/27/20	21-9745-5890-206	255695	04/30/20	1,162.50	CRESPI MS GYM SEISMIC RETROFIT
Site 214 - KOREMATSU MIDDLE						**1,710.00**	
BRADLEY J WILLIAMSON	194135	05/05/20	21-9748-6214-214	1756	03/31/20	570.00	KOREMATSU MS PROJECT INSPECTOR
BRADLEY J WILLIAMSON	194318	05/12/20	21-9748-6214-214	1763	04/30/20	1,140.00	KOREMATSU MS PROJECT INSPECTOR
Site 362 - PINOLE VALLEY HIGH						**251,398.46**	
CITY OF PINOLE	194037	05/05/20	21-9745-5610-362	PVHS2020	04/17/20	954.75	SPRING 2020 BASEBALL SEASON-PV
METEOR EDUCATION LLC	194248	05/12/20	21-9745-6400-362	102779	02/24/20	7,513.06	PVHS FURNITURE PROJECT
WLC ARCHITECTS INC	194319	05/12/20	21-9745-6201-362	0101970104	04/29/20	242,930.65	PINOLE VALLEY DESIGN CONTRACT
Site 364 - RICHMOND HIGH						**1,949,773.26**	
AQUATECH CONSULTANCY, LLC	194010	05/05/20	21-9745-5860-364	48017	04/13/20	7,512.50	RICHMOND HS WATERPROOFING CONS
LATHROP CONSTRUCTION ASSOCIATE	194235	05/12/20	21-9745-6201-364	1000003023-00016	04/02/20	36,236.90	RICHMOND HS - DESIGN-BUILD FOR
LATHROP CONSTRUCTION ASSOCIATE	194235	05/12/20	21-9745-6211-364	1000003023-00016A	04/02/20	1,029,059.43	RICHMOND HS - DESIGN-BUILD FOR
LATHROP CONSTRUCTION ASSOCIATE	194545	05/27/20	21-9745-6201-364	1000003023-00017A	05/11/20	36,236.90	RICHMOND HS - DESIGN-BUILD FOR
LATHROP CONSTRUCTION ASSOCIATE	194545	05/27/20	21-9745-6211-364	1000003023-00017	05/11/20	823,127.53	RICHMOND HS - DESIGN-BUILD FOR
STRUCTURE GROUPS	194443	05/19/20	21-9745-6214-364	190934-7	05/08/20	17,600.00	RICHMOND HS DSA PROJECT INSPEC
Site 615 - OPERATIONAL SUPPT SRVS CE						**47,062.96**	
AA OFFICE EQUIPMENT CO INC	194139	05/12/20	21-9745-5640-615	AR74544	04/30/20	40.62	FOC COPIERS- SERVICE MAINT. AG
BPXPRESS REPROGRAPHICS	194333	05/19/20	21-9748-6207-615	BE00147087	05/06/20	1,996.99	FOC - DOCUMENT REPRODUCTION SE
COLBI TECHNOLOGIES	194343	05/19/20	21-9745-5850-615	5702	04/30/20	6,255.25	FOC-PROGRAM MANAGEMENT SOFTWAR
EMPLOYERS ADVOCATE INC	194509	05/27/20	21-9748-5890-615	11251	05/15/20	200.00	PROGRAM-WIDE PROJECT LABOR AGR
LISA NAGAI	194252	05/12/20	21-9745-6217-615	42	05/01/20	8,025.00	CONSTRUCTION MANAGEMENT-PROJEC
MELISSA TRUITT	194306	05/12/20	21-9745-6203-615	0044	04/30/20	15,200.00	PROGRAM MANAGEMENT- PLANNING/C
ORBACH HUFF AND SUAREZ LLP	194401	05/19/20	21-9745-5895-615	90456	05/05/20	9,892.09	CONTINUING AGREEMENT
ORBACH HUFF AND SUAREZ LLP	194401	05/19/20	21-9745-5895-615	90457	05/05/20	4,191.21	CONTINUING AGREEMENT
WEST COUNTY TIMES	194507	05/27/20	21-9748-5890-615	0001251764	04/30/20	1,261.80	FOC - BID ADVERTISEMENTS
Grand Total						**5,650,036.80**	

A/P Check List

May, 2020

Fund 21

Updated 06/01/2020

Vendor Name	Check No.	Check Date	Short Account	Invoice Number	Invoice Date	Amount	Invoice Description

AP CHECKS TOTAL	**5,650,036.80**
Non expense account - RETENTION TO VENDOR'S ESCROW ACCOUNT	(54,161.02)
unpaid RETENTION WITHHOLD AMOUNT	264,677.86
May.2020 PAYROLL	111,547.42
Refund Check from Vendor	(5,796.00)
MANUAL JOURNAL ENTRY	(60,908.60)
TOTAL Mar.2020 EXPENSE AMOUNT	**5,905,396.46**

-

Object 9570 - Retention withhold amount:

Vendor Name	Check No.	Check Date	Short Account	Invoice Number	Invoice Date	Amount	Invoice Description
C OVERAA & CO	194489	05/27/20	21-9745-6211-165	1000002635-21	05/18/20	162,496.24	WILSON ES - DESIGN & CONSTRUCT
C OVERAA & CO	194489	05/27/20	21-9745-6211-165	20-STOP NOTICE	05/21/20	4,698.10	WILSON ES - DESIGN & CONSTRUCT
LATHROP CONSTRUCTION ASSOCIATE	194235	05/12/20	21-9745-6211-364	1000003023-00016A	04/02/20	54,161.02	RICHMOND HS - DESIGN-BUILD FOR
LATHROP CONSTRUCTION ASSOCIATE	194545	05/27/20	21-9745-6211-364	1000003023-00017	05/11/20	43,322.50	RICHMOND HS - DESIGN-BUILD FOR
Grand Total						**264,677.86**	

Payroll

Project#	Check No.	Check Date	Short Account	Invoice Number	Invoice Date	Amount	Notes
66901396-01		05/29/20				85,657.49	Facility Program Staff
67001396-01		05/29/20				25,889.93	Assoc Supt Operation Staff
Grand Total						**111,547.42**	

Refund Checks

Vendor Name	Check No.	Check Date	Short Account	Invoice Number	Invoice Date	Amount	Notes
COLLINS ELECTRICICAL COMPANY	638223	05/06/20	21-9745-6211-362	32601377-05	05/06/20	(5,796.00)	Credit for Vault CV-4
Grand Total						**(5,796.00)**	

Manual Journal

Vendor Name	Check No.	Check Date	Short Account	Invoice Number	Invoice Date	Amount	Notes
66901396-01						(27,593.38)	April Payroll adjustment thru Time Study
67001396-01						(14,227.63)	April Payroll adjustment thru Time Study
MOSS ADAMS LLP			21-9745-5830-615			(8,705.00)	Performance Audit Msr D to GF Unrest
MOSS ADAMS LLP			21-9748-5830-615			(8,705.00)	Performance Audit Msr E to GF Unrest
MOSS ADAMS LLP			21-9745-5830-615			(838.79)	Forensic Audit Ph01 Msr D to GF Unrest
MOSS ADAMS LLP			21-9748-5830-615			(838.80)	Forensic Audit Ph01 Msr E to GF Unrest
Grand Total						**(60,908.60)**	

West Contra Costa Unified School District

Bond Policies & Procedures

"Program Management Plan" Update

June 8, 2020

presented to Citizens' Bond Oversight Committee

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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

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Program Management Plan: Anticipated Schedule to Release Working Drafts

- ✓ **Program and Operations** – December 2019
- ✓ **Administrative** – January 2020
- ✓ **Project Management** – June 2020
- ✓ **Fiscal** – February 2020
- **Program Management Plan** – June 2020
- **Present at Board Facilities Workshop** – Summer 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

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Program Management Plan: Project Management Section

II. Project Management

This section generally describes the project life-cycle from initiation through closeout and certification. Each project is unique and differs in scope and size. The amount of resources assigned to a project is customized based on the size, scope and complexity of the project. Our intention is to identify significant differences between project types and sizes appropriately, so the overall level of Project Management described sets a minimum set of criteria for all bond-funded projects. We also use the term Project Manager, Design Manager or Construction Manager generally. Project Manager typically identifies the District employee or consultant assigned to oversee the entire project from initiation through closeout. The Design Manager or Construction Manager identifies the consultant hired and assigned to manage the project in coordination with the District's assigned Project Manager.

The Board approved 2016 Long-Range Facilities Master Plan (FMP) is the road map for the project scope, sequence, schedule and budget. Therefore, this document, including the latest yearly update, should establish which projects will be moving forward to design and construction. The District is beginning the process to update the 2016 FMP to reflect the current needs of the District including the recent passage Measure R. The 2016 FMP including historical and future updates, as well as, the Board approved Education Specifications, Material and Product Standards, and Sole Source Resolutions that guide our Project Management Process are available on the District website https://www.wccusd.net/Page/6945.

There are two primary Project Delivery Methods in use at WCCUSD:

- Design-Bid-Build (D-B-B), sometimes called Traditional Project Delivery, and
- Design-Build (D-B)

i. Design-Bid-Build

This method is the most commonly used delivery method, which is easily understood by stakeholders and has a deep body of case law governing its use.

D-B-B Features Include:

- Three linear phases: Design, Bid and Build
- Three prime players: District, Design Team, Contractor
- Two separate contracts: District to Design Team, District to Contractor

Responsibilities:

- District: Program, finance, management
- Design Team: Architectural/ Engineering services
- Contractor: Prime and Subcontractor Construction

Reasons for selecting Design-Bid-Build

- District has control over the entire process
- Multiple and alternative designs can be developed and reviewed
- A/E works directly for District
- Contractor works directly for District

Characteristics of Design-Build include:

- Project value at least one million dollars
- Integrated process; overlapped design and construction
- Often fast-tracked
- Two prime players: District and Design-Build Entity
- One primary contract - District to Design-Build Entity
  - A Bridging Architect may be contracted to create the bridging documents, which include programming and conceptual design. The Bridging documents can be used as the basis of design for the Design-Build Entity.
- Involvement of the builder in the design phase

Responsibilities:

- District: Program, performance requirements, and finance
- Design-Build Entity: Design and construction

Reasons for selecting Design-Build:

- Single point of responsibility for District
- Professional relationship with Contractor and Design Team
- A/E and Contractor on the same team providing unified recommendations to District
- Early Contractor involvement
- Transfer of Risk from District to DBE
- Faster project delivery

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Next Steps

- Release **Program Management Plan** final draft online and the summary of feedback and associated revisions
  - CBOC members will be notified when the compiled PMP final draft is available
- Continue to provide monthly updates to the Facilities Committee and Citizens' Bond Oversight Committee
  - Historical presentations are available online https://www.wccusd.net/Page/13520
- Publish the Program Management Plan online in June 2020
  - Anticipated presentation of the full PMP at the Summer 2020 Facilities Board Workshop

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DRAFT MINUTES

Meeting of May 11, 2020

A) OPENING PROCEDURES

Note: this meeting was held on line using the Zoom platform and was open to the public to attend.

B) CALL TO ORDER/PLEDGE OF ALLEGIANCE

Mr. Gosney called the meeting to order at 2:03 pm.

C) ROLL CALL

Present: Sallie DeWitt, Guadalupe Enllana, Don Gosney, Vanessa Hill, Lorraine Humes, Anton Jungherr, Cameron Moore

Absent: None

7 members ~ 4 required for a quorum; a quorum was present.

Staff Present: Luis Freese, Julio Arroyo, Melissa Payne, Seung Cha

Board Liaison: Absent

Guests: John Anderson, Maisha Cole (CBOC applicants)

D) APPROVAL OF AGENDA

The agenda was approved via consent.

E) PUBLIC COMMENTS FOR ITEMS NOT ON THE AGENDA

None.

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

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

Mr. Freese and Ms. Payne presented the standard project and financial reports. Highlights of the presentation and discussion:

Fairmont: the critical needs project was initially bid during early stage of Covid-19 restrictions and the responses were high; the District rejected the bids and rebid with the winning bid coming in at $1.3 million.

Obama School: overtime related to a 7-day work schedule by the contractor is being absorbed by the project/contractor contingency. The contractor is proposing change orders (some related to Covid-19) that are likely to result in additional costs charged to District contingency and will likely exceed the contingency budget.

Obama School: there are a number of additional costs related to soil conditions at the site that were not indicated in the soils report for the project. Mr. Moore asked why the soils report was so far off, and whether the District was pursuing recourse to the engineer; Mr. Freese indicated not at this time.

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Korematsu Fall Protection: the Board deferred approval of the fall protection contract for Korematsu due to misunderstanding about its purpose. Ms. Enllana commented that the Board liaison should attend CBOC meetings so that misunderstandings such as this could be cleared up.

Covid-19: Mr. Moore asked if any of the contractors were invoking Force Majeure provisions in the contracts, Mr. Freese stated not yet, but it is likely, and so far there is no guidance from the state on how to handle such claims.

PVHS Contractor Settlement: the $2.5 million negotiated settlement payment (relative to $5 million in change order claims) would exceed the contingency budget for the main construction contract, however, since the fields restoration contract was budgeted at $19 million, and its contract value was $15 million, the overall PVHS project should be completed within the established budget.

Facilities Master Plan: budgeting for the final 7 projects of the near-term 2016 Facilities Master Plan would be completed in June. Funding for these projects will come from the final issuance of $130 million of bonds under Measures D and E in June. Mr. Moore asked if there was enough cash on hand to cover existing contract commitments, and Ms. Payne stated yes.

Budget: In response to written questions from Mr. Jungherr, Ms. Payne confirmed that (1) there was no borrowing from the bond fund by the general fund, and (2) the salary charge adjustments between the bond and general funds were a result of review of actual staff time relative to budget estimates.

Project Management Plan: there has been a delay in the overall schedule with the Project Management chapter to be released for comment in May rather than the scheduled March date, and the overall/full Project Management plan from May to June. Ms. Payne noted that all public comments and responses would be catalogued in a spreadsheet and released to the public.

G) RFP FOR BOND PROGRAM PERFORMANCE AUDITOR (Staff and Anton Jungherr)

Mr. Jungherr made the following motion, seconded by Ms. DeWitt.

> Motion: The CBOC supports the staff recommendation that an RFP be issued for Proposition 39 school bond performance audit services for FY2020 through 2022. The audit scope should include compliance (California Guide for Annual Audits, Appendix A attached) and program effectiveness and results (Government Auditing Standards 2018 Revision, section 1.22a attached in the agenda packet).

There was some discussion and clarification, followed by a roll call vote: Yes (7), No (0), Abstain (0), Absent (0). The motion passed.

H) BOARD OF EDUCATION LIAISON REPORT (Consuelo Lara)

None.

C B O C R E P O R T S

CONSENT ITEMS

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Consent items were approved.

I) ADOPTION OF MINUTES (Cameron Moore)

03.09.20 CBOC Draft Minutes

J) CBOC MEMBER INFORMATION REQUEST LOG (Don Gosney)

05.11.20 CBOC Member Information Requests Status Log

K) APPROVED RECOMMENDATIONS BY THE CBOC (Don Gosney)

05.11.20 CBOC Approved Recommendations

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

L) MEMBERSHIP (Cameron Moore and Don Gosney)

No discussion.

M) NEW MEMBER APPLICATIONS (Don Gosney)

No discussion.

N) MEMBERSHIP ROSTER (Don Gosney)

No discussion.

O) CHAIRPERSON REPORTS (Don Gosney)

No discussion.

P) ANNUAL REPORT UPDATE (Sallie DeWitt and Don Gosney)

Ms. DeWitt provided a summary of her proposed plans for completing the 2019 annual report.

Q) BOARD POLICY 7214.2 UPDATE (Don Gosney)

Mr. Gosney provided background on the latest draft version of the BP 7214.2 update. He made a motion for the CBOC to approve the new version, seconded by Mr. Moore. Ms. Hill expressed concern that the provisions regarding CBOC legal counsel could impinge on the CBOC's ability to obtain independent legal advice. Roll Call Vote: Yes (5), No (2 Enllana, Hill), Abstain (0), Absent (0). The motion passed.

R) TIMEKEEPING (Anton Jungherr)

Mr. Jungherr made the following motion, seconded by Mr. Gosney:

> 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.

Ms. Hill and Mr. Jungherr discussed the practical possibilities for auditing and corrective action. Ms. Payne noted that the District had no issue with the motion. Mr. Moore requested an amendment to the motion substituting the word "reviewed" for "approved"; Mr. Jungherr and Mr. Gosney accepted this amendment. Roll Call Vote: Yes (6), No (1 Humes), Abstain (0), Absent (0). The motion passed.

S) PERFORMANCE AUDIT RFP RECOMMENDATION (Anton Jungherr)

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Mr. Jungherr made the following motion, seconded by Mr. Gosney:

> Motion: Recommend to the WCCUSD Board of Education that an RFP be solicited for performance audit services to verify the 29 forensic investigation recommendations that were not verified in the Moss Adams, LLP Phase 1 report and are not covered in their Phase 2 Report contract.

Ms. Hill noted that it was not necessary for the District to conduct a new RFP, rather it could simply adjust the scope of the existing Moss Adams agreement. Ms. Payne noted that the cost estimate for the extra scope was $36,000. Mr. Moore expressed the opinion that much of the scope of the review overlapped with that of the annual performance audit, and that the cost/benefit of the extra expense was not justified. Roll Call Vote: Yes (6), No (1 Moore), Abstain (0), Absent (0). The motion passed.

T) CALENDAR

No discussion.

U) FUTURE AGENDA TOPICS

Ms. Humes suggested Brown Act training and school bond training.

V) ADJOURNMENT

Mr Gosney requested feedback on the meeting structure. Mr. Gosney adjourned the meeting at 6:13 pm.

Submitted by: Cameron M. Moore, Secretary

June 3, 2020

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CBOC MEMBER RECORDS REQUEST AND STATUS LOG

06/08/20

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

06/08/20

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	04/13/20 ~ A. Jungherr requested for it to be marked Completed	04/13/20
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

06/08/20

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

06.08.20

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	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 Tabled by BOE on 05.27.20
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	Discussion but no action when discussed by Board on 05.27.20
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

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West Contra Costa Unified School District

Citizens' Bond Oversight Committee

CBOC Approved Recommendations

06.08.20

Item No.	Recommendation	Date CBOC Approved	District's Response
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	IMPLEMENTED on 03.01.20
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	IMPLEMENTED on 03.01.20
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	REPORTED MONTHLY TO FACILITIES COMMITTEE
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	DONE

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West Contra Costa Unified School District

Citizens' Bond Oversight Committee

CBOC Approved Recommendations

06.08.20

Item No.	Recommendation	Date CBOC Approved	District's Response
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	NOT DONE
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	NOT DONE.

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West Contra Costa Unified School District

Citizens' Bond Oversight Committee

CBOC Approved Recommendations

06.08.20

Item No.	Recommendation	Date CBOC Approved	District's Response
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	NOT DONE
16	Fill the position of Director Internal Audit as soon as possible.	04.18.19	Filled on 07.01.20 [lower level classification of Lead Internal Auditor without Certified Public Accountant license requirement]
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	NOT DONE

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West Contra Costa Unified School District

Citizens' Bond Oversight Committee

CBOC Approved Recommendations

06.08.20

Item No.	Recommendation	Date CBOC Approved	District's 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	DONE
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

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West Contra Costa Unified School District

Citizens' Bond Oversight Committee

CBOC Approved Recommendations

06.08.20

Item No.	Recommendation	Date CBOC Approved	District's Response
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	Filled on 07.01.20 [lower level classification of Lead Internal Auditor without Certified Public Accountant license requirement]
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	Done via footnotes on Fund 21 Financial reports
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.

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West Contra Costa Unified School District

Citizens' Bond Oversight Committee

CBOC Approved Recommendations

06.08.20

Item No.	Recommendation	Date CBOC Approved	District's Response
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
25	That the District submit the following financial reports to the CBOC on the frequency displayed in the table below:	03.09.20	DONE

25 Table	REPORT TITLE	FREQUENCY
	• Consolidated Budget Status Report (Colbi)	Monthly
	• Consolidated Budget Status Report ~ 2016 Master Plan Projects (Colbi)	Monthly
	• Bond Program Spending to Date by Site (Report #2)	Monthly
	• Bond Program Financial Status (Report #13)	Monthly
	• Financial Impact of Report #13 Analysis (Report #13A)	Monthly
	• A/P (Accounts Payable) Check List	Monthly
	• Bond Program KPI Summary (Report #1)	Annually
	• Report #13A Annual Variance	Annually

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West Contra Costa Unified School District

Citizens' Bond Oversight Committee

CBOC Approved Recommendations

06.08.20

Item No.	Recommendation	Date CBOC Approved	District's Response
26	The CBOC supports the staff recommendation that an RFP be issued for Proposition 39 school bond performance audit services for FY2020 through 2022. The audit scope should include compliance (California Guide for Annual Audits, Appendix A) and program effectiveness and results (Government Auditing Standards 2018 Revision, section 1.22 a).	05.11.20	Needs Response
27	That an RFP be solicited for performance audit services to verify the 29 forensic investigation recommendations that were not verified in the Moss Adams. LLP Phase 1 report and are not covered in their Phase 2 Report contract.	05.11.20	Needs Response
28	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 reviewed by the District's independent performance auditor.	05.11.20	Needs Response

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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	03.09.20 *	03.09.20 *	?
Accept Report	CBOC	06.08.20	06.08.20	?
Accept Report	Board	04.01.20 *	04.01.20 *	?
Legal Deadline	Board	03.31.20	03.31.20	N/A
Annual Evaluation of Auditor	CBOC	06.08.20	06.08.20	N/A
Responses to Audit Recommendations [2]	District Staff	N/A	07.01.20	N/A

* 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."

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WCCUSD CBOC

Attendance Report for Last 12 Meetings

6/3/2020

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

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.

** The April 13, 2020 meeting was cancelled.

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WCCUSD
CITIZENS' BOND OVERSIGHT COMMITTEE

Guadalupe Enllana, Vice Chairperson | Don Gosney, Chairperson | Cameron Moore, Secretary

MEMBERSHIP APPLICATION

COMMITTEE'S PURPOSE

"The purpose of the Committee is to inform the public concerning the expenditures and uses of bond revenues. The Committee's legal charge is to actively review and report on the expenditures of taxpayer's money for school construction." WCCUSD Board Policy BP 7214.2

APPLICATION INSTRUCTIONS

Please complete and submit this Membership Application with a current resume and a personal statement explaining why you want to serve on the Citizens' Bond Oversight Committee and what special areas of expertise or experience that you think would be helpful to the Committee. Please submit the completed Membership Application and supporting documents to Senior Administrative Assistant Silvia Garfield at sgarfield@wccusd.net **and** CBOC Chair Don Gosney at dongosney@comcast.net

Name	Home Address	
Ken Burns	XX XXth Street Richmond, CA 94804	
Home Phone	**Mobile Phone**	**Email**
(510) XXX-XXXX	(510) XXX-XXXX	XXXXX@oe3.org

GENERAL MEMBERSHIP REQUIREMENTS	YES	NO
Do you live or work within the boundaries of the WCCUSD?	✔	
Are you an elected official?		✔
Are you an employee or official of the WCCUSD? (No employee or official shall be appointed to the CBOC.)		✔
Are you a vendor, contractor or consultant of the WCCUSD? (None shall be appointed to the CBOC.)		✔
Can you serve a full two year term?	✔	
Can you attend monthly CBOC meetings (normally held at 6:15 PM at the Facilities Operations Center at 1400 Marina Way South, Richmond, CA?) See '19 schedule below.	✔	
Do you know of any reason such as a potential conflict of interest, which would adversely affect your ability to serve on the CBOC?		✔

SUBCOMMITTEES YOU WOULD LIKE TO SERVE ON
ALL CBOC MEMBERS ARE REQUIRED TO SERVE ON AT LEAST ONE SUBCOMMITTEE

✔	Annual Report	✔	By-Laws
✔	Audit (Financial and Performance)		Site Tours
	Web Site		Training

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WCCUSD
CITIZEN'S BOND OVERSIGHT COMMITTEE
MEMBERSHIP APPLICATION

SPECIFIC MEMBERSHIP REQUIREMENTS (CHECK THE ONE CATEGORY YOU ARE APPLYING FOR)		
✓	**CATEGORY**	**QUALIFIER**
REQUIRED BY PROPOSITION 39		
	Business Organization (1 position)	One member shall be active in a business organization representing the business community located within the District
	Senior Citizen Organization (1 position)	One member shall be active in an Approved Senior Citizen Organization
	Taxpayer Organization (1 position)	One member of a bona fide Taxpayer Organization
	Parent or Guardian (1 position)	Parent or Guardian of a current WCCUSD student
	Parent or Guardian AND PTA (1 position)	Parent or Guardian of a current WCCUSD student AND a member of a PTA Organization
PER BOARD POLICY		
	El Cerrito (1 position)	Resident of El Cerrito
	Hercules (1 position)	Resident of Hercules
	Pinole (1 position)	Resident of Pinole
	Richmond (3 positions)	Resident of Richmond
	San Pablo (1 position)	Resident of San Pablo
	Unincorporated Areas (2 positions)	Resident of Unincorporated Areas
✔	Contra Costa Building Trades Council (1 position)	Member of an Affiliated Union
	WCCUSD Employees Unions (1 position)	Member of an Affiliated Union
	WCCUSD Student (1 position)	Current WCCUSD Student

Various CBOC documents are available on the CBOC's website at
http//www.wccusd-bond-oversight.com
including agendas, minutes. membership by categories, audit reports, Board of Education Policy BP 7214.2, CBOC By-Laws, audio records of meetings, subcommittee documents, annual reports, bond measures etc.

✓	MEMBERSHIP APPLICATION CHECKLIST	✓	
	Completed Application Form		Current Resume
	Personal Statement (Why do you want to serve on the CBOC and what areas of expertise or experience do you possess that will benefit the CBOC?		
	Email everything to sgarfield@wccusd.net **AND** dongosney@comcast.net		

SELECTION PROCESS

Applicants will be interviewed by the Facilities Subcommittee which shall make recommendations based on merit to the Board of Education for appointment to the CBOC. Application Packages will be included in Board and Facilities Subcommittee Agenda Packets prior to a public review and determination by the Board of Education to appoint the Committee members. The Committee **must** consist of at least seven members but the Board intends the Committee to consist of 17 members (per Board Policy 7214.2)

SIGNATURE OF APPLICANT

By signature, the Membership Application answers, current resume and personal statement are true and complete to the best of my knowledge.

Name	Date
Ken Bard	05/27/2020

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Ken Burns
[redacted]
Richmond, CA 94804
Home: (510) [redacted]

Education

B.S. in Criminology from San Jose State University, 1986

Experience

Operating Engineers, Local 3, Alameda, CA

- Business Agent, 2005 – Present
- Operating Engineer, 1995 – Present

Skills

- Construction
- Contracts
- Labor relations

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MAY 27, 2020

TO THE: WCCUSD
CITIZEN'S BOND OVERSIGHT COMMITTEE

FROM: KEN BURNS
CONTRA COSTA COUNTY BUILDING TRADES MEMBER &
BUSINESS AGENT FOR IUOE #3

DEAR BOARD MEMBERS:

I KEN BURNS, WOULD LIKE TO BECOME A MEMBER OF THE WCCUSD OVERSIGHT COMMITEE AS A BUILDING TRADE MEMBER. I FEEL THAT I'AM FULLY QUALIFIED FOR THE POSITION, BECAUSE I HAVE BEEN A LONG TIME RICHMOND RESIDENT, BUT, I'AM A 25 YEAR MEMBER OF THE OPERATING ENGINEER LOCAL #3 UNION. ALSO I'AM A LOCAL BUSINESSMAN IN THE CITY OF RICHMOND. I'AM DEEPLY ROOTED HERE IN RICHMOND AND CONTRA COSTA COUNTY I'AM A LANDLORD OF MANY PROPERTIES THROUGHOUT THE CITY AND I PLAN TO MAKE RICHMOND MY HOME AFTER MY RETIREMENT. WITH ALL OF THAT SAID, I FEEL THAT I WOULD BE A GOOD CANDIDATE FOR THE WCCUSD CITIZEN'S BOND OVERSIGHT COMMITTE

KEN BURNS

THANK YOU

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WCCUSD
CITIZENS' BOND OVERSIGHT COMMITTEE

Guadalupe Enllana, Vice Chairperson | Don Gosney, Chairperson | Cameron Moore, Secretary

CITIZENS' BOND OVERSIGHT COMMITTEE MEMBERSHIP ROSTER
06/08/20

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*	Don Gosney	05/24/19	05/23/21	3
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	04/27/20	04/26/22	3
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	Vacant	—	—	—
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.

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FACILITIES MASTER PLAN SCHOOLS

https://drive.google.com/open?id=1ZvDhoTkwi7IPYPYgKVVFoLjzeGHGfCaU

RANK	SCHOOL	BUILT	CITY
1	Obama ES [1]	1953 (67 yrs)	Richmond
2	Lake ES	1956 (64 yrs)	San Pablo
3	Stege ES	1943 (77 yrs)	Richmond
4	Highland ES	1958 (62 yrs)	Richmond
5	Valley View ES [2]	1962 (58 yrs)	Richmond
6	Grant ES	1956 (64 yrs)	Richmond
7	Richmond HS [3]	1968 (52 yrs)	Richmond
8	Shannon ES	1965 (55 yrs)	Pinole
9	Olinda ES	1957 (63 yrs)	Richmond
10	Fairmont ES [4]	1957 (63 yrs)	El Cerrito
11	Crespi MS [5]	1964 (56 yrs)	El Sobrante
12	Collins ES	1949 (71 yrs)	Pinole
13	Kennedy HS [6]	1967 (53 yrs)	Richmond
14	Riverside ES	1940 (70 yrs)	San Pablo
15	Chavez ES	1996 (24 yrs)	Richmond
16	Hercules MS	2000 (20 yrs)	Hercules
17	Hercules HS	2000 (20 yrs)	Hercules
18	Ohlone ES [7]	2014 (6 yrs)	Hercules
	Cameron Special Ed	1951 (69 yrs)	El Cerrito
	Serra/Mandarin	1954 (66 yrs)	County
	Alvarado Adult	1946 (74 yrs)	Richmond

[1] Will reopen in August, 2020
[2] Old campus demolished and new portables currently used
[3] New gym, science bldg. and health center being constructed now
[4] Civic Center demolished and replaced with portables
[5] Seismic upgrades being completed now
[6] New science building constructed several years ago
[7] Largely rebuilt in 2014

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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 independence of the CBOC and provide authority for CBOC "best practices" as displayed below:

- Res 20-1A: "Amend statutory code on performance audits to include the effectiveness and results of the bond program."
- Res 20-1B: "Expand the role of Citizens' Oversight Committees in selecting and interacting with bond program auditors."
- Res 20-1C: "Require bond measures proposed to voters under the reduced threshold to include specific project lists."

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RESOLUTION 20-1

Little Hoover Commission Legislative Changes

- Res 20-1D: "Change the appointment authority for members of Citizens' Bond Oversight Committees."
- Res 20-1E: "Require districts to provide a minimal budget for the oversight committees, including a budget to hire independent counsel with municipal bond expertise."
- Res 20-1F: "Require districts to provide and maintain a Web presence for Citizens' Bond Oversight Committees to prominently display meeting agendas, reports and background information."; and be it further

Resolved: Res 20-1G: That the WCCUSD CBOC urge the WCCUSD Board of Education to support these Little Hoover Commission legislative changes.

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EXECUTIVE SUMMARY

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

On November 21, 2019 the Board Governance Committee approved amendments to Board Policy BP 7214.2. These amendments were supported by the CBOC and would provide for an independent CBOC that would follow CBOC "best practices." The Board at its January 29, 2020 meeting referred these amendments to the Joint Board/CBOC meeting for action.

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

A propose CBOC Resolution 20-1 Independent CBOC makes the recommendations below:

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."
- "Change the appointment authority for members of Citizens' Bond Oversight Committees."

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- "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."

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

PURPOSE

The purpose of this paper is to discuss the meaning of an "Independent CBOC" in the context of the discussion at the January 29, 2020 Board meeting on the proposed amendments to Board

Policy BP7214.2 Citizens' Bond Oversight Committee (CBOC).

This paper will first exam various aspects that should inform the Board of Education on this subject. A review of the Board Members January 29, 2020 discussion on this matter will be summarized. Next, the 2017 recommendations of the California Little Hoover Commission will be examined. And finally, support for the California Little Hoover Commission legislative recommendations for stronger independent bond oversight.

BACKGROUND

Two years ago, at the February 7, 2018 Board meeting Superintendent Duffy recommended that Board Policy BP 7214.2 Citizens' Bond Oversight Committee (CBOC) be amended require only one Joint Board/CBOC meeting per year rather than two. Superintendent Duffy commented,

"With the improvements to internal controls in the Bond program, as well as having a smaller Bond program in scope, staff sees the need for only a single joint CBOC meeting."[1]

[1] Board minutes, February 7, 2018, Agenda Item F.8

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During the past two years this Board policy and the CBOC role, scope, independence and best practices has been widely debated at two subsequent Board meetings,[2] three joint Board/CBOC meetings[3] and three Board Governance Committee meetings.[4]

At the January 29, 2020 Board meeting Dr. Tony Wold, Associate Superintendent Business Services, recommended that "no action be taken at this time" on the matter.[5]

This matter is scheduled for further debate at the March 25, 2020 Joint Board/CBOC meeting.

PROPOSITION 39

"On November 7, 2000, California voters reduced the voter approval threshold for school and community college district general obligation bonds from two-thirds (2/3) voter approval to 55% voter approval. Proposition 39 amends article XVIII A of the California Constitution .... "[6] The California Legislature, as part of the Proposition 39 implementation legislation, enacted Education Code Section 15278 which establishes Citizens' Oversight Committee.

EDUCATION CODE SECTION 15278: CITIZENS' OVERSIGHT COMMITTEE

Education Code Section 15278, Article 2 Citizens' Oversight Committee, provides that if a bond measure authorized pursuant to Proposition 39 is approved, " ... the governing board of the school district or community college district shall establish and appoint members to an independent

[2] December 11, 2019 and January 29, 2020
[3] March 14, 2018; September 12, 2018 and March 27, 2019
[4] July 24, 2019; September 25, 2019 and November 21, 2019
[5] January 29, 2020 Board precis, Agenda Item E.4
[6] Proposition 39 Best Practices Handbook, California Coalition for Adequate School Housing, 2000, Page 1

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citizens' oversight committee, pursuant to Section 15282[7], within 60 days of the date that the governing board enters the election results on its minutes pursuant to Section 15274."[8]

DEFINITION OF "INDEPENDENT"

Dictionary.com is helpful in the context of Education Code Section 15278 an "independent citizens' oversight committee". In this context Dictionary.com defines "independent" as follows:

"not influenced or controlled by others in matters of opinion, conduct, etc.; thinking or acting for oneself."
"not subject to another's authority or jurisdiction; autonomous; free"
"not influenced by the thought or action of others."
"capable of acting for oneself or on one's own."

CBOC ATTORNEY ADAM S. FERBER OPINION, MARCH 8, 2019

On March 2, 2019 the CBOC requested CBOC Attorney Ferber for his opinion " ... concerning how, in general, California courts would likely interpret the purview of a Citizens Bond Oversight Committee in light of Proposition 3 9 . . . . The precise interpretation by a court of any Constitutional or statutory language would depend primarily on the specific facts of the matter in front of it. However, in my opinion, in general, a court would likely construe that purview
liberally."[9]

JANUARY 29, 2020 BOARD OF EDUCATION MEETING

There was an extensive discussion, agenda item E.4 at the January 29, 2020 Board of Education meeting on the proposed Board Policy BP 7214.2 Citizens' Bond Oversight Committee (CBOC) amendments, recommended by the Board Governance Committee.

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[7] Education Code Section 15282 prescribes the CBOC membership requirements
[8] Education Code Section 15278 (a) [See Attachment A]
[9] Intent of Proposition 39 With Regard to Bond Program, Adam S. Ferber Memorandum to WCCUSD CBOC, March 8, 2019, page 1 [See Attachment B]

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"Staff strongly recommends that no action be taken at this time .... . "[10]

Dr. Tony Wold, Associate Superintendent for Business Services, said, "We also currently, with the bylaws as written, do have more authority for our CBOC than is required by law. As it stands today, the current revisions, there are some areas that are definitely improvements on our existing bylaws, but there's also some proposals in there that can create additional costs to the District, can create additional potential staff implications."[11]

Trustee Tom Panas: "I'm very disappointed that the precis continues to omit the fact that these bylaw changes were approved by the Governance Subcommittee. . .. Nixon Peabody's obligation, fiduciary obligation is to the bond holders. The CBOC obligation is to the taxpayers. So, to me that at least smells like some kind of a conflict of interest having Nixon Peabody write the report."[12]

Trustee Val Cuevas: "This is to me a facade for what the real issue is. Embedded in the bylaws the changes that would recommend is I think something that really scars the District staff, and you can tell me if I'm wrong, and that is a section that says CBOC will be completely independent and I'm not afraid of that, but I can see why staff is afraid of that."[13]

Trustee Conseulo Lara: "We are the governing board. We are the ones who appoint and can remove people from the CBOC. We are the governing board. I am the liaison to the CBOC. It's my job to look over the shoulder of the CBOC and report back to the Board, and I have, on a few occasions, some very unpleasant incidences I'm not going to go into."[14]

[10] Board of Education January 29, 2020 E.4 Backup Document
[11] Transcription of Board Discussion, January 29, 2020, Agenda Item E.4 , page 1, prepared by the CBOC
[12] Transcript, January 29, 2020, pages 7-8
[13] Transcript, January 29, 2020, page 8
[14] Transcript, January 29, 2020, Page 14

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"I think that we've got anti-bullying policies, we've got codes of conduct. Why does it not apply to the behavior of some of the CBOC? It should."[15]

Trustee Lara during July-August 2019 stated several observations and recommendations regarding the CBOC:

- July 25, 2019 CBOC meeting: " ... the Ed Code specifically says the Board oversees CBOC."[16] " ••• but I find that this committee is very difficult. There's lot of arguing. I feel like there's a lot of negativity, and it just is not an easy committee to deal with. And, and, I really think if affects our staff. I really do. I think that some of the requests, demands, are excessive, and I think it's very unfair to our staff."[17]
- August 8, 2019 Board Meeting: "And lastly ... As you know, I am the CBOC liaison. And I have to tell you I had a really negative experience at the last board meeting (CBOC July 25, 2019 meeting), where I was treated in a very rude and disrespectful manner. And it seems to be the way this group operates."[18]
- August 16, 2019 email to Board Governance Committee and Superintendent: "As CBOC liaison from the Board, I have attended several of these meeting, I see a great need for the board policy to be changed and updated to fit the present day. From my observations and reviewing Ed Code for this committee I submit these suggestions. I Hope they will be considered as you revise the CBOC board policy."
- "Begin the policy with the statement that, 'the governing board of the school district ... shall establish and appoint members" to make it clear that the School Board oversees the CBOC."
- "under Committee Duties change shall to May. And add to each Duty, 'with approval of the governing board'. It must be made clear that any

[15] Transcript, January 29, 2020 page 15
[16] Transcript of July 25, 2019 CBOC meeting, exchange with Trustee Lara, page 4, prepared by CBOC
[17] Transcript July 25, 2019, page 6
[18] Transcript of August 8, 2019 Board meeting, closing remark, page 1, prepared by CBOC

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requests of any kind from this committee to staff must be public and approved by the governing board."

- "Under The Committee shall have the authority to: Change shall to May. Delete without limitation, and add with board approval."
- "Emphasize legal representation must be permitted by the board. Requests must be in writing publicly at the Board meeting including purpose."
- "Emphasize technical assistance of any kind, may be provided if deemed necessary by the board."
- Delete: The Committee and Board shall hold joint meetings .... "
- "ADD: During the Committee Selection process, the district shall make every effort to select committee members that reflect the diversity of the district."
- "Change: ... the Board intends the Committee to consist of seven (7) members ... as required by California Ed code."
- "Change: ... May serve for no more than two consecutive terms of two years each, as in Ed Code."
- "ADD: the CBOC shall meet quarterly."
- August 24, 2019 email to Board Governance Committee and Superintendent: "I have more suggestions for the CBOC district policy. Specifically, I have suggestions for the Appointment Procedure to be on the CBOC committee. I found these on other school district CBOC policies."
- "Application includes resume, letter acknowledging participation in organization they represent, and a letter explaining why they want to be on the committee."
- Applications submitted to HR."
- "Panel interview conducted."
- "Application information sent to Superintendent"
- "Superintendent chooses recommendation(s),"
- "Board votes on recommendations."

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President Stephanie Hernandez-Jarvis: "And, I also think, that, I mean if we are trying to get a bond measure to pass, we're trying to get the community to see that we have a CBOC that is having oversight of the Bond Program, and that we're trying to report back that we're going to be transparent, that we want the committees to be functioning. Not just this committee but the DBEC, and the other committees."[19]

Trustee Mister Phillips: "Now, that doesn't mean that we should not have this conservation. It doesn't mean that we should not discuss whether this should be passed or not, but I do not think that we should do anything under false pretenses, and it is a false presence to think that because we do this, people are going to come out in support of Measure R. So, I want to put that out there I think that it is the truth.: [20]

Trustee Val Cuevas: "First bullet, the CBOC is independent of the Board of Education. That can mean anything to anybody. Let's have a conversation of defining what we mean by that. That includes the CBOC."[21]

President Stephanie Hernandez-Jarvis: "With that, with those comments from the Board Members, I would really like us to move forward with having this conversation be part of our CBOC joint meeting, and I would like for us to make sure we allot enough time for the regular business of the meeting plus this additional conversation as well."[22]

MARCH 25, 2020 JOINT BOARD/CBOC MEETING

The March 25, 2020 Joint Board/CBOC meeting will take action to accept the bond program financial audit report and performance audit report for the fiscal year ended June 30, 2019. March 31, 2020 is the deadline for acceptance of these two audit reports.

[19] Transcript, January 29, 2020, page 15
[20] Transcript, January 29, 2020, page 18
[21] Transcript, January 29, 2020, page 19
[22] Transcript, January 29, 2020, page 21

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The second reading and action on the proposed amendments to Board Policy BP72 l 4.2 Citizens' Bond Oversight Committee will also be on the agenda for this meeting.

CALIFORNIA LITTLE HOOVER COMMISSION

The Little Hoover Commission is a bipartisan independent California oversight agency to promote economy and efficiency in state and local government.

"The Commission fulfills this charge by listening to the public, consulting with the experts and conferring with the wise. In the course of its investigation, the commission typically empanels advisory committee, conducts public hearing and visits government operations in action."[23]

In its update of its 2009 bond oversight study, the Commission heard testimony and recommendations focusing both on improving the bond issuance process and improving local oversight, particularly in bolstering the effectiveness of local Citizens' Bond Oversight Committees as previously recommended by the Commission. Based on the testimony and written comments received, the Commission expands on and refines its prior recommendations for improving local bond oversight.

On September 22, 2016 the Commission held a public hearing on Bond Oversight at the State Capital, Room 437, Sacramento. At that public hearing 14 witnesses provide written testimony, five of whom were from WCCUSD (in the order as listed on the public hearing agenda):

- Anton Jungherr, Member and Secretary WCCUSD CBOC, Co-Founder, California League of Bond Oversight Committees. Mr. Jungherr also orally testified at this public hearing. See Attachment C.
- Dennis Clay, WCCUSD accounting staff, whistle blower.

[23] Borrowed Money: Opportunities for Stronger Bond Oversight, Report #236, February 27, 2017, Little Hoover Commission, page i

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- Matthew Duffy, WCCUSD Superintendent of Schools. See Attachment D.
- Tom Panas, CBOC Chairperson. See Attachment E.
- Ivette Ricco, former WCCUSD CBOC Chairperson. See Attachment F.

In February 2017 the Commission published their report, Borrower Money: Opportunities for Stronger Bond Oversight. See Attachment G. This report made six recommendation to the Governor and the Legislature for their consideration in regards School Proposition 39 bonds.

The Commission's recommendation 7 helps inform the meaning of an "independent CBOC" and provides the authority for CBOC "best practices" as requested by the WCCUSD Board of Education.

"Recommendation 7: The Governor and Legislature should update and overhaul the education code related to the Strict Accountability in Local School Construction Bonds Act of 2000. Specifically,

- "Amend statutory code on performance audits to include the effectiveness and results of the bond program." (WCCUSD does based on recommendation of the CBOC.)
- "Expand the role of Citizens' Oversight Committees in selecting and interacting with bond program auditors." (Included in the proposed amendments to Board Policy 7214.2 Citizens' Bond Oversight /Committee.)
- "Require bond measures proposed to voters under the reduced threshold to include specific project lists." (CBOC has made this recommendation to the Board).
- "Change the appointment authority for members of Citizens' Bond Oversight Committees." (Will make the CBOC independent of the Board.)

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- "Require districts to provide a minimal budget for the oversight committees, including a budget to hire independent counsel with municipal bond expertise." (Included in the proposed amendments to Board Policy 7214.2 Citizens' Bond Oversight /Committee.)
- "Require districts to provide a Web presence for Citizens' Bond Oversight Committees to prominently display meeting agendas and reports."[24] (Included in the proposed amendments to Board Policy 7214.2 Citizens' Bond Oversight /Committee.)

RECOMMENDATION:
CBOC RESOLUTION 20-1 INDEPENDENT CBOC

Whereas: Proposition 39 school general obligation bonds voter approval threshold was reduced from two-thirds (2/3) to 55% voter approval;

Whereas: California Education Code Section 15278 provides that if a bond measure authorized pursuant to Proposition 39 is approved the governing board of the school district shall establish and appoint members to an independent citizens' oversight committee;

Whereas: WCCUSD currently has four (4) Proposition bond measures approved by the voters;

Whereas: On March 3, 2020 WCCUSD voters will vote on another Proposition 39 school bond measure, Measure R;

Whereas: WCCUSD has a single Citizens' Oversight Committee that provides oversight for all WCCUSD Proposition 39 school bond measures;

[24] Transcript, January 29, 2020, page 20

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Whereas: California law requires the Citizens' Oversight Committee to be independent, not subject to another's authority or jurisdiction; autonomous; free;

Whereas: WCCUSD Citizens' Oversight Committee should adopt "best practices" so that it can effectively execute its purpose of actively reviewing and reporting on the proper expenditures of taxpayer's money for school construction;

Whereas: CBOC Attorney Ferber has provided his opinion that a court would likely interpret liberally the purview of a Citizens' Bond Oversight Committee;

Whereas: The California Little Hoover Commission February 2017 Report to the Governor and Legislature made six recommendations to update and overhaul the education code to make Citizens' Oversight Committee independent and provide "best practices";

Whereas: It is in the best interest of the WCCUSD Citizens Oversight Committee to support Little Hoover Commission legislative changes;

Whereas: It would be to the benefit of the WCCUSD Board of Education to support Little Hoover Commission legislative changes;

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."

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- "Require bond measures proposed to voters under the reduced threshold to include specific project lists."
- "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."

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

Approved by CBOC on _____ by a vote of _____

ATTACHMENTS

A. Education Code Section 15278 Citizens' Oversight Committee
B. Attorney Ferber Memorandum, March 8, 2019
C. Little Hoover Commission Letter to Anton Jungherr, September 30, 2016
D. Superintendent Duffy letter to Little Hoover commission, September 22, 2016
E. Tom Panas letter to Little Hoover Commission, August 30, 2016
F. Ivette Ricco letter to Little Hoover Commission, August 24, 2016
G. Borrowed Money: Opportunities for Stronger Bond Oversight, Little Hoover Commission, Report #236, February 2017 (excludes Statewide Bonds section)

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EDUCATION CODE - EDC

TITLE 1 GENERAL EDUCATION CODE PROVISIONS [1. - 32500] *(Title 1 enacted by Stats. 1976, Ch. 1010.)*

DIVISION 1 GENERAL EDUCATION CODE PROVISIONS [1. - 32500] *(Division 1 enacted by Stats. 1976, Ch. 1010.)*

PART 10. SCHOOL BONDS [15100 - 17199.6] *(Part 10 repealed and added by Stats. 1996, Ch. 277, Sec. 2.)*

CHAPTER 1.5. Strict Accountability in Local School Construction Bonds Act of 2000 [15264 - 15288] *(Chapter 1.5 added by Stats. 2000, Ch. 44, Sec. 3.)*

ARTICLE 2. Citizens' Oversight Committee [15278 - 15282] *(Article 2 added by Stats. 2000, Ch. 44, Sec. 3.)*

15278. (a) If a bond measure authorized pursuant to paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution and subdivision (b) of Section 18 of Article XVI of the California Constitution is approved, the governing board of the school district or community college shall establish and appoint members to an independent citizens' oversight committee, pursuant to Section 15282, within 60 days of the date that the governing board enters the election results on its minutes pursuant to Section 15274.

(b) The purpose of the citizens' oversight committee shall be to inform the public concerning the expenditure of bond revenues. The citizens' oversight committee shall actively review and report on the proper expenditure of taxpayers' money for school construction. The citizens' oversight committee shall advise the public as to whether a school district or community college district is in compliance with the requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. The citizens' oversight committee shall convene to provide oversight for, but not be limited to, both of the following:

(1) Ensuring that bond revenues are expended only for the purposes described in paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(2) Ensuring that, as prohibited by subparagraph (A) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution, no funds are used for any teacher or administrative salaries or other school operating expenses.

(c) In furtherance of its purpose, the citizens' oversight committee may engage in any of the following activities:

(1) Receiving and reviewing copies of the annual, independent performance audit required by subparagraph (C) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(2) Receiving and reviewing copies of the annual, independent financial audit required by subparagraph (C) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(3) Inspecting school facilities and grounds to ensure that bond revenues are expended in compliance with the requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(4) Receiving and reviewing copies of any deferred maintenance proposals or plans developed by a school district or community college district, including any reports required by Section 17584.1.

(5) Reviewing efforts by the school district or community college district to maximize bond revenues by implementing cost-saving measures, including, but not limited to, all of the following:

(A) Mechanisms designed to reduce the costs of professional fees.

(B) Mechanisms designed to reduce the costs of site preparation.

(C) Recommendations regarding the joint use of core facilities.

(D) Mechanisms designed to reduce costs by incorporating efficiencies in schoolsite design.

(E) Recommendations regarding the use of cost-effective and efficient reusable facility plans.

(Added by Stats. 2000, Ch. 44, Sec. 3. Effective January 1, 2001.)

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Memorandum

The information in this document is confidential
and protected by attorney-client and attorney work product privileges.

TO: Don Gosney
Chair – WCCUSD Citizens' Bond Oversight Committee

FROM: Adam S. Ferber

SUBJECT: Intent of Proposition 39 With Regard to Bond Program

DATE: March 8, 2019

In a letter dated March 2, 2019, which I received on March 5, 2019, you asked for my opinion concerning how, in general, California courts would likely interpret the purview of a Citizens Bond Oversight Committee in light of Proposition 39, the 2001 ballot measure which amended California Constitution Section 1 of Article XIII A, and Section 13 of Article XVI.

The precise interpretation by a court of any Constitutional or statutory language would depend primarily on the specific facts of the matter in front of it. However, in my opinion, in general, a court would likely construe that purview liberally.

Discussion

The principal impact of Proposition 39 was to lower the threshold required to pass California local school district bond measures from a two-thirds super majority vote to a 55% super majority vote, subject to certain oversight and accountability requirements.[1] These oversight and

[1] In the interest of economy, this memorandum is brief. For a fuller discussion of the purview of the CBOC, I refer you to pertinent portions of my September 16, 2015 opinion letter to Ms. Ivette Rico, then CBOC Chair. A copy of that letter is transmitted electronically along with this memorandum.

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accountability requirements ultimately included the creation, by the enactment of Education Section 15278, of a Citizens Bond Oversight Committee ("CBOC") upon the first successful passage of a school district bond measure pursuant to Proposition 39.

The ultimately prevailing proponents of Proposition 39 stated the following in their arguments in support of the measure:

> Passing Prop. 39 will:
>
> Hold Administrators accountable for spending school bond construction money:
>
> - Prohibit using funds for administration or bureaucracy.
>
> - Require school administrators to produce a detailed list of specific school construction and repair projects to be funded.
>
> - Require schools to undergo two rigid, independent financial and performance audits every year.
>
> - Require bonds to be passed by a tough 55% supermajority vote.
>
> This initiative helps fix classroom overcrowding and provides much needed repairs of unsafe and outdated schools. It mandates the **strictest accountability requirements** to ensure that bond funds are spent only on schools and classrooms, protecting taxpayers. (Emphasis supplied)

It therefore appears that the drafters of the Measure, and the voters who passed it, understood and expected that the accountability measures provided for were to be of the strictest kind. Conversely, especially in light of the expansion of taxing authority accorded to school districts, it appears that the drafters wished to avoid the "evil" of less than the strictest accountability requirements including any possible obfuscation or concealment, however inadvertent. It can be fairly inferred that citizen oversight to enforce accountability measures would be liberally construed.

In the interest of brevity, this memorandum omits the precise language of the ballot measure, and the language of the Constitutional amendments that effectuated it. I will happy to provide this language upon request.

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In my opinion, among, and subject to, other factors, the forgoing ballot arguments would likely exert a general influence over a court to construe liberally the purview of a CBOC.

I hope this information is helpful. As always, please free to contact me with any additional questions or concerns.

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LITTLE HOOVER COMMISSION

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(916) 445-2125 ♦ *fax* (916) 322-7709
http://www.lhc.ca.gov
carole.d'elia@lhc.ca.gov

September 30, 2016

Anton Jungherr
Member and Secretary, West Contra Costa Unified School District's Citizens' Bond Oversight Committee
Co-Founder, California League of Bond Oversight Committees
121 Ash Court
Hercules, CA 94547

Dear Mr. Jungherr,

Thank you for participating in the Little Hoover Commission's hearing on Thursday, September 22, 2016. The Commission appreciates your detailed and succinct written testimony and your assistance in helping me identify other experts in local bond oversight for this hearing and for background information prior to the hearing.

The Commission also appreciates your comments during the hearing about how the state can add some teeth to the "watchdog that has no bite." It was clear at this hearing, as it was in 2009, that there is much that could be done to improve the statutes on Citizens' Bond Oversight Committees.

Your testimony and continuing work will be most valuable to the Commission as it completes its review. We hope we can call upon you again for further information.

We thank you again for your time and your valuable input.

Sincerely,

Carole D'Elia

Carole D'Elia
Executive Director

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

Matthew Duffy
Superintendent

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

September 22, 2016

Pedro Nava, Chair
Little Hoover Commission
925 L Street, Suite 805
Sacramento, CA 95814

To the Members of the Little Hoover Commission,

Thank you for this opportunity to address you and the commission regarding some concerns presented about the school construction and bond program in the West Contra Costa Unified School District. In April of 2015, several allegations were raised with regard to the potential of fraud and/or mismanagement of the District's bond program over the last 15+ years. In October of 2015, our Board of Education approved a contract for an extensive forensic accounting audit that was recently completed. The auditors identified several high risk areas and internal controls weaknesses at or prior to the time that the allegations were raised and acknowledged the efforts made by the District to reduce the risks and improve internal controls over the last two years. We fully recognize that additional work needs to be done but we are on a path moving forward.

The District initiated the forensic investigation report in order to improve its practices and ensure the resources given into its care are used to benefit students. You can review the final Phase II Forensic Accounting Investigation Report of the District's school construction bond program on the District website at www.wccusd.net/audit.

We know and understand the concern expressed by many members of our community about some of the District's past practices. However, several changes have been implemented that have improved our practices and we look forward to implementing the recommendations of the audit to give members of our community the confidence to know that the District takes its fiduciary responsibility seriously. To that end, if you or any members of the Little Hoover Commission are interested in the steps that have been taken to rectify the situation that caused many of the allegations, I encourage you to meet with me or gather additional information from the District directly.

We look forward to the continued conversation around our school construction program.

Sincerely,

Matthew Duffy
Superintendent

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TOM PANAS

August 30, 2016

Carole D'Elia
Executive Director
Little Hoover Commission
925 L Street, Suite 805
Sacramento, CA 95811
Via electron transition: carole.d'elia@lhc.ca.gov

Disclaimer: The author of this testimony is speaking in his individual capacity and not as a representative of the West Contra Costa Unified School District Citizens' Bond Oversight Committee. The recommendations expressed in this testimony are those of the author Tom Panas.

RE: Little Hoover Commission Written Testimony September 22, 2016
Proposition 39 Citizens' Bond Oversight Committees Members Training

Dear Ms. D'Elia:

I am the current Chairperson of the West Contra Costa Unified School District (WCCUSD) Proposition 39 Citizens' Bond Oversight Committee (CBOC). WCCUSD has operated a consolidated CBOC since March 2002 for four bond measures totaling $1.4 billion.

Currently we have seventeen (17) authorized positions on our CBOC. During the past three years (3) years our CBOC has had twenty-four (24) new members.

Training of new members is a critical need for us. We have a continuing need to train new members. Independently prepared online training courses would be an enormous benefit for our CBOC.

I personally support the California League of Bond Oversight Committees training recommendation to the Little Hoover Commission:

"Specifically, the state must provide independent training for some 3,500 bond oversight committee members, organized in about 500 oversight committees. The California Fiscal Crisis and Management Assistance Team in collaboration with the California League of Bond Oversight Committees should develop a website with easy-to-access training materials and easy-to understand descriptions of the roles and responsibilities of the local citizens' oversight committee members."

Sincerely,

Tom Panas

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Carole D'Elia
Little Hoover Commission
925 I, Street, Suite 805
Sacramento, Ca. 95814

August 24, 2016

Dear Ms. D'Elia:

I read with great interest the letter sent to Mr. Anton Jungherr by the LHC.
I wish to provide written testimony for your meeting scheduled for September 22, 2016.

I served on the West Contra Costa County Unified School District's Citizens' Bond Oversight Committee from June 2010 to June 2016.
I served as Chair of the WCCUSD CBOC from February 2013 to January 2016.

I initially served on the committee as the appointee of a WCCUSD Trustee, Mr. Antonio Medrano.
At the time I was the President of the Pinole Chamber of Commerce and actively involved in my community.
I admit that I had no background in this area; my career was spent in the Alternative Finance Industry as VP of Operations.
But as a product of the New York City Public School System, I believe in Public Education and I was very aware of the difficulties our school district faced.
It was my naïve belief that I could help improve our schools by serving on the CBOC.

I learned rather quickly that the committee was merely serving as a "cheer leader" for the District and its Bond Program.
What I did not learn quickly was just how mired in ineptitude, secrecy and politics the Bond Program was.

After sitting through three years of two-hour monthly meetings that were dominated by photos of the projects, reports that backed-up those photos and little discussion regarding budgets or costs, I was frankly, ready to throw in the towel.

Members of the Committee did not appear to know what was occurring, frankly neither did I. If we were to believe what we were hearing everything was absolutely wonderful.
Many members did not attend on a regular basis and we had problems reaching a quorum. Most members had little or no knowledge of the nuts and bolts of the Program. How can you ask questions if you don't know what to ask?
Many were there to bolster their resumes, protect their company affiliations, their specific schools, or their constituents.

There was a lot of yelling and screaming between political adversaries and a total

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lack of protocol.
But I hung in there.

In 2013 after we had gone through several Chairs and no one wanted to serve in that capacity, I, very reluctantly, agreed to serve as Chair with the caveat that the committee understand that I was dealing with family health issues that took me to the East Coast on almost a regular basis. It was better than not having a Chair at all. Fortunately, I had a Secretary and Vice-Chair who helped me plan meetings while I was out of town, and I was at least able to show up for meetings. Most of 2013 was a blur for me.

But once my family crisis ended, my mother passed away, I realized that my background in management and organization would not allow me to lead this committee as Chair, without completely transforming it.
And thus I set out to make some very big changes.

My challenges were many.
The State Legislature had not done the taxpayers any favors when they created the Citizens' Bond Oversight Committee in 2000 under Prop 39.

A CBOC can meet as infrequently as once a year.
The same District that they are tasked with overseeing, appoints them.
There are not allocated or budgeted resources for training.
The District is under no obligation to provide timely data or to respond to inquires within a specific timeframe.
The CBOC is charged with actively reviewing, reporting and informing the community on the expenditures of those bonds funds, but only after the fact.
We are powerless to effect changes.
Our only real tool is the media.

The CBOC must rely on the District it is overseeing to provide the information it needs to make informed decisions. But, the District controls the information and when or if we receive it.

Members are selected and appointed, not based on their expertise or background, but by criteria developed by the Board.
The Board has the final say as to who sits on the Committee.

I, of course could not affect the selection process, but I could work to ensure that the CBOC was operating efficiently, effectively and getting the information and cooperation it needed from the District. I could also enforce the absentee policy so that we had members working as a team and improve our productivity.

I addressed the lack of organization, lack of protocol, and absenteeism and implemented changes.
I sought to improve the website and make it relevant and a source of public

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information.
I challenged the District to provide us with support, training, information and resources.
I publicly requested resources and enhanced communication, responsiveness and cooperation from the District at Board meetings.
I told the Board that it should not be necessary for the CBOC to have to go through an obstacle course or arm-wrestle them for information.

There was a perceptible change in attitude by the District late in 2013 and into 2014 - 2015.
The shift in attitude was due to several significant developments that helped to spur the District's increased cooperation.

In February 2014, then Associate Superintendent, Bill Fay, responded to the CBOC's questions regarding budgets, by stating that the WCCUSD Bond Program was a scope driven program, not a budget driven program.
It was a jaw-dropping revelation.

In May 2014 the CBOC agenda was altered without my approval or consent by staff in order to include a Debt Limit Waiver on the agenda, and thus check off that box on their application.
We call that the "Mad as Hell" meeting.
The media was there and captured the frustration of the CBOC. It led to a shakeup of staff.

In June 2014 voters rejected the seventh Bond Measure, the first Bond Measure to be rejected for the WCCUSD Bond Program.

2015 marked a change in the District's attitude and tone.
Why?
1. Because, the District was assailed by the press.
2. Because, there were ongoing IRS and SEC investigations.
3. Because voters rejected the seventh Bond Measure.
4. Because, Dennis Clay, WCCUSD analyst, made serious allegations about Program mismanagement.
This has lead to a forensic investigation into the Bond Program; the final report is due on September 9. I am a member of the Clay Investigation Sub-Committee.
5. Because the Contra Costa County 2015 Grand Jury Report, "A Case Study in Stymied Oversight" detailed the CBOC's frustration with the District.
6. Because the CBOC pressured the District to be open, transparent, cooperative and collaborative.
7. Because the public began to question how their Bond money was being spent.

There had been questions raised about the size and effectiveness of the CBOC.
The effectiveness of the CBOC is in direct relation to the lack of authority the CBOC has, and the fact that they are completely controlled by the District they are

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overseeing.
The District's fall back position is to quote the exact language of Prop 39 and the role of the CBOC, and to cite their lack of resources for the work of the CBOC.

The CBOC is still fighting an uphill battle to get the type of reports and data it needs to not only be able ask relevant questions, but to properly prepare to ask relevant questions.
As I told then Superintendent Bruce Harter when discussing training for the CBOC, "they don't know what they don't know".

Get the community more involved, provide the CBOC with resources, data, true support and elevate and enhance the CBOC's abilities and resources.

I certainly hope the LHC can effect real changes through the State Legislature that will ensure that the work of the CBOC is taken seriously and supported.
I sincerely hope that the recommendations made by LHC in 2009 are not simply filed away for another seven years, but implemented.

Sincerely,

Ivette Ricco

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BORROWED MONEY: OPPORTUNITIES FOR STRONGER BOND OVERSIGHT

REPORT #236, FEBRUARY 2017






A LITTLE HOOVER COMMISSION LETTER REPORT
TO THE GOVERNOR AND LEGISLATURE OF CALIFORNIA

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Little Hoover Commission

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To Promote Economy and Efficiency

The Little Hoover Commission, formally known as the Milton Marks "Little Hoover" Commission on California State Government Organization and Economy, is an independent state oversight agency.

By statute, the Commission is a bipartisan board composed of five public members appointed by the governor, four public members appointed by the Legislature, two senators and two assemblymembers.

In creating the Commission in 1962, the Legislature declared its purpose:

...to secure assistance for the Governor and itself in promoting economy, efficiency and improved services in the transaction of the public business in the various departments, agencies and instrumentalities of the executive branch of the state government, and in making the operation of all state departments, agencies and instrumentalities, and all expenditures of public funds, more directly responsive to the wishes of the people as expressed by their elected representatives...

The Commission fulfills this charge by listening to the public, consulting with the experts and conferring with the wise. In the course of its investigations, the Commission typically empanels advisory committees, conducts public hearings and visits government operations in action.

Its conclusions are submitted to the Governor and the Legislature for their consideration. Recommendations often take the form of legislation, which the Commission supports through the legislative process.

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Letter from the Chair



February 14, 2017

The Honorable Kevin de León
President pro Tempore of the Senate
and members of the Senate

The Honorable Jean Fuller
Senate Minority Leader

The Honorable Anthony Rendon
Speaker of the Assembly
and members of the Assembly

The Honorable Chad Mayes
Assembly Minority Leader

Dear Governor and Members of the Legislature:

Taking on long-term debt is a very serious and important government decision. Paying down bond debt makes a long-term claim on every annual budget and limits all other spending for decades to come. Because of this, bond measures typically require a vote of the people. Bonds are most frequently used to finance large projects such roads, schools, dams and other infrastructure that is expected to last for generations and would be difficult to pay for all at once.

California voters have been exceedingly supportive of bond measures. In the past decade, voters have approved more than $70 billion in statewide bond financing. They have been equally supportive of local bonds, with some $138 billion in local school facilities bonds enacted since voters reduced the threshold for approving these measures in 2000.

Spreading the costs of major infrastructure projects across generations makes sense. But as Californians have put more and more on the tab, a day of reckoning will arrive. When the next recession hits and revenues fall, the payment on the debt remains. Now is a critical time to assess and reevaluate whether current oversight mechanisms are enough to ensure both state and local bond proceeds are spent as efficiently as possible and as voters intended.

Governor Brown, in his 2017-18 proposed budget, highlighted the need for improved oversight on the nearly $10 billion statewide school construction bond enacted by voters in 2016. The Commission agrees with and applauds the Governor. But oversight should not be implemented bond by bond. The Commission urges the Governor and the Legislature to develop a strategy for oversight of all statewide bond measures that links bond expenditures with results and makes this information easily available to the public.

This brief updates and builds on recommendations the Commission made in a 2009 report, *Bond Spending: Expanding and Enhancing Oversight*. At a September 2016 hearing as part of this update, the Commission found progress in statewide bond oversight and promise in legislation enacted in 2016. SB 1029 (Hertzberg) gave the California Debt Limit Allocation Committee within the State Treasurer's Office the authority to annually track the use of bond proceeds from both state and local debt-issuing agencies. Policymakers should ensure adequate resources are provided to implement this legislation. It holds the potential for making

all state and local bond information available on one statewide Web platform in a format that is easy for researchers, policymakers, the media and the public to understand.

With the table set by the Governor for legislative discussion on statewide bond oversight, the Commission also urges policymakers to assess and improve local bond oversight. A record $28 billion in local school facility bonding capacity was approved by voters in 2016 alone.

In this update, the Commission learned that the vast majority of borrowing is done by local governments, particularly local school and community college districts. Local government officials often lack the sophistication or experience issuing and managing bonds. The Commission was told this is unnecessarily costing Californians hundreds of millions of dollars.

When poor financing choices are made or when money is spent inefficiently, or on projects not listed in a bond measure, it hurts taxpayers and limits other local spending. Even worse, it very often robs California school children of the benefits of clean and modern learning environments that voters have indicated are a top priority. Better training on bond issuances and prudent debt ratios, truth in borrowing statements and more involvement of county treasurers could help prevent poor municipal financing decisions.

The Commission also recommends that policymakers update and overhaul statutory code enacted in 2000 that created Citizens' Bond Oversight Committees for local school facility construction bonds. The law was written to give these committees active oversight, yet by and large, this is not happening. Some 200 new local bond oversight committees will be formed in the next year with 1,400 Californians volunteering their time to participate on these committees. Policymakers should make sure their time is used as efficiently and effectively as possible so that these important local oversight committees can live up to their promise. This briefing includes a list of specific changes, including improved training for committee members and enhanced performance audits that assess the effectiveness and results of the bond program, as well as other opportunities for improvement.

With significant new bond capacity added in 2016, the time to act is now and the Commission stands ready to assist.



Pedro Nava
Chair, Little Hoover Commission

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Recommendation 1: The Governor and the Legislature should adopt a consistent system to improve transparency and oversight of all statewide bonds, particularly the 2008 high-speed rail and the 2016 school facility construction bonds, which currently lack such requirements, as well as all future statewide bond measures.

Recommendation 2: The Governor and Legislature should ensure adequate resources are available for the California Debt Limit Allocation Committee's implementation of SB 1029.

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Recommendation 3: The California Debt and Investment Advisory Committee is encouraged to expedite the development of training materials for locally-elected officials on bond issuance.

Recommendation 4: Policymakers should enact legislation requiring a truth in bonding statement be provided for review by elected officials prior to authorizing a bond issuance.

Recommendation 5: Policymakers should enact legislation requiring the county treasurer to review and comment on bond issuance proposals prior to authorization. The county treasurer also should advise policymakers on maintaining a prudent debt ratio.

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Recommendation 6: Develop easy-to-access online training materials for members of Citizens' Bond Oversight Committees.

Recommendation 7: The Governor and Legislature should update and overhaul the education code related to the Strict Accountability in Local School Construction Bonds Act of 2000.

Recommendation 8: Impose sanctions for school and community college districts that fail to adhere to constitutional and statutory requirements of Proposition 39, including preventing the district from adopting future bond measures under the reduced voter threshold.

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Local Bonds

Although the Commission's primary concern and focus in its 2009 review of bond oversight was on statewide bonds, the Commission devoted one chapter and provided recommendations on improving local bond oversight, specifically bolstering the effectiveness of Citizens' Bond Oversight Committees. These committees were established by an act of the state Legislature in 2000, in part to help ensure that Proposition 39, a 2000 initiative enacted by voters to lower the threshold of votes required for local school facilities bonds from two-thirds majority to 55 percent, would pass. Additionally, the local bonds the committees oversee – school facility construction bonds – are very often used in tandem with statewide school facilities bonds. As a result, the Commission saw a role for the state in ensuring this local oversight was efficient and effective.

In its 2009 report, the Commission found the concept of the local oversight committees appealing because it put hundreds, if not thousands, of eyes and ears on the ground to ensure that school facility bonds were spent efficiently and as described in the text of the bond measures provided to voters. By and large, however, these committees have proven ineffective and some committee members have told the Commission that is at least in part, by design. As one witness at the September 2016 hearing told the Commission, "The watchdog has no bite."[17]

Prior Recommendations: Improve Local School Bond Oversight

In its June 2009 report, Bond Spending: Expanding and Enhancing Oversight, the Commission had recommendations for improving local bond oversight.

Recommendation 4: To improve local oversight of school and community college school facility construction projects passed under the reduced threshold established by Proposition 39, the state should bolster the capabilities of local bond oversight committees. Specifically, the state must:

- Require mandatory independent training for bond oversight committee members. The State Allocation Board and the California Community Colleges should develop and host a website with easy-to-access training materials and easy-to-understand descriptions of the roles and responsibilities of the local citizens' oversight committee members. The website should include a mandatory online training course.
- Require civic groups to nominate local committee members, allowing veto power for the school or community college district.
- Clearly delineate the role and responsibility of the local oversight committees and define the purpose and objectives of the annual financial and performance audits.
- Encourage county grand juries to review the annual financial and performance audits of expenditures from local school and community college bond measures.
- Impose sanctions for school and community college districts that fail to adhere to constitutional and statutory requirements of Proposition 39, such as preventing the district from adopting future bond measures under the reduced voter threshold.

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The Commission's 2009 recommendations for improving local bond oversight were based on testimony from a co-founder of what in 2008 was a fledging organization, the California League of Bond Oversight Committees (CalBOC), and recommendations from a scathing 2008 State Controller's Office audit of a community college district's expenditures from state and local bond fund proceeds.

During the Commission's update on its 2009 report, it learned that very little progress has been made implementing the Commission's recommendations in this area. Although the Commission's 2009 review of local bond oversight focused on bond expenditures, its 2016 update brought alarming testimony on bond issuances and their sometimes questionable background stories. Written comments to the Commission described the significant and unnecessary costs to taxpayers resulting from decisions by local officials who often unknowingly are heavily influenced by those who stand to gain by these decisions.

As a result, this update on local bond oversight is divided into two sections focusing on local bond measure language and issuances, as well as oversight of local bond expenditures.

Playing With Financial Matches

Unfortunately, but understandably, many locally-elected government officials who must make multimillion- and multibillion-dollar decisions on bond issuances lack experience in municipal finance. School and community college board members, who authorize more bond debt than their counterparts in other local government entities – more than $15 billion in 2016 alone – often are concerned citizens who run for office to make a contribution to their community and ensure local schools are efficient and effective.[18] Suddenly, these individuals, who are contributing to society as part of their civic duty, find themselves confronted with municipal finance decisions that will have far-reaching implications on their district and local taxpayers.

One municipal finance expert with more than three decades of experience testified that the vast majority of finance professionals are honest and try to do the right thing with limited resources. "It is safe to assume that most finance directors and staff were not hired because of their knowledge and experience in the capital markets, but rather for their accounting, budgeting or other more traditional finance-related knowledge and skills. They often work with a small staff and wear multiple hats and juggle multiple tasks simultaneously," Jay Goldstone, managing director of public finance for MUFG Americas and co-chair of the previously mentioned Task Force on Bond Accountability, told the Commission.
The Commission also received written comments suggesting that a significant amount of money has and continues to be wasted through poor financial practices, both when bonds are initially sold and when they later are refinanced, often multiple times.[19] The comments and witness testimony suggested many, if not a majority, of the school and community college districts and their boards lack the financial savvy to avoid unnecessarily expensive bonds. Unscrupulous financial advisors, who stand to gain from bond issuances that are poorly designed, can dupe unsuspecting district staff who may not know any better, significantly raising the cost of the bond. Local officials also may lack the context of how new debt issuance fits within the overall budget and the future impact on the budget. Financial staff should inform local elected officials considering debt issuance on current debt ratio, how it will change after issuing more debt, and what is considered a prudent ceiling for debt ratio.

Hearing witnesses suggested that the California Debt and Investment Advisory Committee could have an expanded role before districts sell bonds or the state could require a review by the county treasurer prior to bond issuances. Several concerned with this aspect of bond oversight pointed to a July 2016 report from the Los Angeles County Grand Jury on school bond debt. The report found that taxpayers were paying between 25 percent and 50 percent too much for poorly designed debt issuances, costing hundreds of millions of dollars more than necessary.[20]

One former deputy school superintendent told Commission staff that "excess bond payments take dollars out of local economies. That loss harms the local economy. In addition, this excess payment results in a loss of taxes to local, county and state government as those local property taxes reduce other tax payments. This, in turn, reduces the ability of local and state government to provide needed services to Californians. These negative

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impacts of poorly planned and structured bonds last for decades."[21]

Mr. Schaefer, in his testimony to the Commission, said that the California Debt and Investment Advisory Commission provides workshops for public officials several times each year and has numerous resources available on its website on public works financing. But he also expressed concerns about a continual lack of financial sophistication at the local level. "Elected officials appear to be absent from that kind of training … If a concerned citizen wants to become engaged in his or her political system in this state, what does she do? She runs for the school board. Now we have five folks at the beginning of their political career, well-intentioned folks who wish to make a contribution to the community, and suddenly they are confronted with these multimillion-dollar decisions that have to be made and experts telling them it's okay. That strikes me as playing with financial matches," Mr. Schaefer told the Commission.

Former Assemblymember Fred Keeley, who also has served on the Santa Cruz County Board of Supervisors and as the Treasurer of Santa Cruz County and co-chaired the Task Force on Bond Accountability with Mr. Goldstone, also spoke to the Commission at the September 2016 hearing. Local officials making these decisions have so much information to digest they are literally drinking out of a fire hose, he told the Commission. Mr. Keeley agreed that additional disclosure information for local officials was a good idea, but suggested it be condensed to a page or two.[22]

Mr. Schaefer indicated that the State Treasurer's Office is working on developing ways to assist and educate local officials, either through on-demand videos, webinars or written materials. Commissioners encouraged the development of these tools, particularly a one-or two-page guide as suggested by Mr. Keeley, that would help officials understand bond issuances, but more specifically would help them understand the questions they need to ask of their financial advisors.

Another witness, Michael Turnipseed, president of CalBOC and executive director of the Kern County Taxpayers Association, agreed that "intervention up front is the most effective tool" in bond oversight. Mr. Turnipseed recommended that bond issuers provide a "truth in bonding statement" to local officials before they vote on a bond issuance, similar to the "truth in lending statement" required for consumers signing a home mortgage. In his written testimony to the Commission, Mr. Turnipseed recommended, "Before final bond issuance documents are signed by the district, a simple, readable summary of costs, fees and projected interest costs should be provided to the district to sign for disclosure, with the other bond documents."[23]

Limited Progress Improving Local Bond Oversight

In its 2009 report, the Commission found great promise in local bond oversight committees, although also many shortcomings in their current design. The Commission in 2009 focused solely on the bond oversight committees overseeing local school construction bonds. But the co-chairs of the Task Force on Accountability also described the importance of independent oversight for all bonds.

Mr. Keeley relayed statements made at a meeting of the Task Force on Bond Accountability. He said that ensuring that bond funds are spent appropriately really depends on prevention and detection.[24] Fellow task force co-chair, Mr. Goldstone added that one of the main conclusions from the task force was the constant need for oversight – "Bond oversight is a key element of any bond issuance."[25]

The task force recommended that public agencies establish oversight bodies to provide independent review of bond programs. "This may be internal or external to the agency, but it must be afforded the authority and resources needed to exercise control over the program when necessary."[26] The task force was not prescriptive in what the oversight body should look like, but it did include a set of 17 guidelines that, if used, would help to ensure that bond funds are appropriately managed. Those guidelines are available as an appendix to the task force report on the CDIAC website, at http://treasurer.ca.gov/tfba/final_report.pdf.

The task force also found that it is extremely important that all public agencies with bond programs establish a good and current debt policy. With the enactment of SB 1029, all public entities that have bond programs now will be required to have a current debt policy. This should result in improvements in bond oversight at the local level.

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Since its inception in 2006, the California League of Bond Oversight Committees (CalBOC) has grown in size and stature. It is an all-volunteer, nonpartisan association of bond oversight committee members who are interested in helping other committee members across California access better training so that they can perform their duties. In recent years, CalBOC has championed legislative changes to improve the effectiveness of local bond oversight. Legislation enacted in 2010, SB 1473 (Wyland), set standards for performance audits required for local school facility construction bonds. In 2011, SB 423 (Wyland), set a timeline for when the audits are submitted to the local bond oversight committee. Legislation in 2013, SB 581 (Wyland), required that local bond oversight committees receive the annual performance and financial audits at the same time the district receives the audits. Finally, SB 584 (Wyland) required the Education Audits Appeals Panel to include explicit guidelines for financial and performance audits for bond funds. These new guidelines were included in the 2016 edition of the panel's Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.

Although considered progress, local bond oversight committee experts suggest these measures did not go far enough. The audit guide, for example, includes compliance performance audit procedures, but did not provide guidance for measuring program effectiveness and results. Current CalBOC members participated in the Commission's September 2016 hearing and were asked to discuss whether the recommendations the Commission made in 2009 are still valid or if other or additional measures are necessary to ensure local bond accountability. They also were asked what might be required to overcome the logjam that has prevented progress in improving local bond oversight.

As mentioned previously, one of the most common forms of oversight for local bond measures is a Citizens' Bond Oversight Committee, and bolstering the effectiveness of these committees was a focus of the Commission's 2009 report. Some local governments establish oversight committees for various other types of bonds. However, they are only mandatory for local school bond measures enacted under the 55 percent majority option created by Proposition 39, enacted by voters in 2000.

Since 2001, voters have enacted more than 1,100 local school bond measures under the reduced threshold totaling approximately $138 billion in local bonding capacity.[27] One fifth, or more than $28 billion of that total was added in 2016. Voters approved 41 measures in June 2016 and another 169 in November 2016. In June, voters enacted 91 percent of all local measures on the ballot under the reduced threshold and 95 percent in November.[28]

The Strict Accountability in Local School Construction Bonds Act of 2000, AB 1908 (Lempert), required school and community college districts to establish a local bond oversight committee and conduct annual fiscal and performance audits on any school construction project financed with bond money approved under the reduced voter threshold. In its 2009 study, the Commission saw great promise in these oversight committees' ability to ensure school facility bond money was spent efficiently and effectively and as authorized by voters in the bond measure. In many cases, this local bond funding is paired with state bond money, which means the local bond oversight committees also could ensure state school construction bond funds are spent appropriately and efficiently. In its 2009 study, however, the Commission found not all local bond oversight committees lived up to this promise.

At the Commission's September 2016 hearing, it heard from the current president of the California League of Bond Oversight Committees (CalBOC), a co-founder of CalBOC and current member of the West Contra Costa Unified School District's Citizens' Bond Oversight Committee and the chair of the Sweetwater Union High School District Bond Oversight Committee. The West Contra Costa and Sweetwater school districts have one commonality – both have been plagued by scandals in spending bond proceeds and both have since seen constructive changes in their bond oversight committees, providing insight for the hundreds of other oversight committees in California. The West Contra Costa bond oversight committee benefitted from a district employee who blew a whistle on serious bond program mismanagement, which led to a forensic investigation of the bond program.[29] In the Sweetwater district, actions were so egregious that numerous officials were charged and convicted of crimes.

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According to Sweetwater Citizens' Bond Oversight Committee Chair Nick Marinovich, "The reason why bond oversight has become effective at the Sweetwater Union High School District is that there are nine committed members who understand their role, realize they are independent and it is their role to speak out, and they have sufficient tools/information to make their reports to the public. The primary tool used to assess the overall program effectiveness is an expanded performance audit."[30]

Several others who have either served or currently serve on local bond oversight committees, as well as other concerned Californians, submitted written comments to the Commission. These comments came from Californians in communities both large and small, across the state, but all painted a grim picture of local oversight.

Most of the concerns revolved around bond oversight committee members who lack training, have conflicts of interest, either real or perceived, and the difficulty committee members have receiving required documents from the districts. Others stated that districts are not following Proposition 39 requirements to specifically list projects that will be paid for with local bond proceeds. Some expressed concerns about the role that bond counsel, bond issuers and construction companies – all who stand to profit when a bond measure is enacted – play in supporting bond measures, often called "pay-to-play" practices. When bond measures are vague about what is going to be paid for with bond proceeds, it adds yet another hurdle to effective oversight by the bond oversight committees.

In written comments to the Commission, Ivette Ricco, appointed to the West Contra Costa County Unified School District's Citizens' Bond Oversight Committee in 2010, describes how she nearly "threw in the towel" after her first three years as a member and then significantly turned the committee around after being elected chair. She relayed that the challenges were many and that the Legislature "had not done the taxpayers any favors when they created the Citizens' Bond Oversight Committee in 2000."[31] Shortcomings, according to Ms. Ricco as well as others:

- A Citizens' Bond Oversight Committee (CBOC) can meet as infrequently as once a year.

SWEETWATER: SCANDAL GIVES RISE TO MODEL OVERSIGHT COMMITTEE

In 2012, the Sweetwater High School Unified School District was part of a large corruption scandal involving local school facility construction bond proceeds. Sweetwater, located in San Diego County, is the largest high school district in the state with 32 campuses in four Southern California cities. The district superintendent and several school board members were convicted of accepting gifts above the state limit and failure to report gifts. A vendor was convicted of offering something of value to a board member. This pay-to-play scandal revolved around the superintendent and board members encouraging and accepting lavish dinners and expensive professional sports tickets from vendors bidding on bond-funded school construction projects. An extreme example was the district superintendent inviting vendors to attend his daughter's bridal shower and encouraging them to contribute to a money tree. At the time of the scandal, there was not an active independent bond oversight committee.

In the wake of the scandal, with a new superintendent and new board members, the bond oversight committee has evolved into a model for other districts. According to Nick Marinovich, chair of the Sweetwater Citizens' Bond Oversight Committee, key elements of a successful bond oversight committee include comprehensive training for committee members, performance audits that include experts in the field of design, construction and project management and a modest budget from the district.

Additionally, Mr. Marinovich said that Sweetwater now has "a fair and open process for committee member selection, strong support for an expanded performance audit and ongoing efforts to improve transparency. Effective bond oversight requires district "buy in" to the process."

Source: Nick Marinovich, Chair, Sweetwater High School Unified School District Bond Oversight Committee. September 22, 2016. Written testimony to the Commission.

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- The same district that the committee is tasked with overseeing, appoints its members.
- The CBOC is not allocated or budgeted resources for training.
- The district is under no obligation to provide timely data or respond to inquiries within a specific timeframe.
- The CBOC is charged with actively reviewing, reporting and informing the community on the expenditures of bond funds, but only after the fact.

Ms. Ricco added, "We are powerless to effect changes. Our only real tool is the media."[32]

With hundreds of new bond measures enacted in 2016 under the reduced threshold allowed by Proposition 39, some 1,400 Californians will be appointed in 2017 to serve on over 200 new Citizens' Bond Oversight Committees. It is imperative that the volunteers who serve on these committees have every opportunity to use their time wisely and effectively and to live up to the implied promise of oversight. To ensure this happens, the Legislature should update and overhaul the education code created by AB 1908, the Strict Accountability in Local School Construction Bonds Act of 2000, that created the Citizens' Bond Oversight Committees.

Independent Training is Key

Bond oversight committees in many communities act simply as cheerleaders for the district, often because members simply do not understand their roles or know what actions they can take. Key to the success of bond oversight committees is adequately training members so that they understand their role and the tools they have at their disposal to ensure they are effective. Ideally, training is provided by an organization that is independent from the district. According to the chair of the Sweetwater Union High School District Bond Oversight Committee, the system works when you have "members who are qualified, trained and believe what they are doing can make a difference."[33]

CalBOC president Michael Turnipseed, in written comments to the Commission, said that "in order to have the most effective bond oversight, the volunteer citizens must have a basic understanding of the role of the bond oversight committee and its required reports." Mr. Turnipseed and other members of CalBOC suggested that the Fiscal Crisis and Management Assistance Team (FCMAT), a state agency whose mission is to help California local educational agencies fulfill their financial and management responsibilities by providing training and related school business services, might be an appropriate entity to develop online training, with assistance from CalBOC members.[34]

In part, for a Citizens' Bond Oversight Committee to be effective, it must know the right questions to ask. Current law requires that school districts change auditors, or, at a minimum, audit partners every six years.[35] Bond oversight committee members can ensure local districts abide by this statutorily-required practice by asking how auditors are selected and how audit scopes are created, or even have a role in that process. According to an independent public finance consultant, bond oversight committee members should start by learning more about the policies and procedures in place in the district and any concerns public officials may have in this area. They should ask district staff questions, such as, "How do you ensure that expenditures are made only for the projects on the project list," or "How do you ensure that we get the best price?" These types of questions not only will help the bond oversight committee members better understand district operations, but may spark a district to inject more rigor into its practices with bond expenditures.[36]

In its 2009 report, the Commission recommended mandatory training for CBOC members. Witnesses at the 2016 hearing and other CBOC members who reached out to the Commission suggested that training at this juncture, although highly important for successful oversight, should be voluntary as mandatory training might create a recruitment barrier in smaller districts.

Performance Audits Tailored to Results

The Commission also received detailed testimony on improving and better defining performance audits and giving local bond oversight committees a greater role in selecting the auditors and greater freedom communicating with the auditors. Currently, according to

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witnesses, almost all performance audits are compliance audits. The audits focus solely on whether any money went to teacher salaries or operating expenses, and whether bond dollars were spent on projects authorized by voters. According to Mr. Marinovich, these audits do not address how effectively the program is being managed or identify possible cost saving measures. He told the Commission that expanded performance audits after the scandal in Sweetwater have provided an invaluable tool in identifying process improvements. Additionally, he said the consultants performing the audits were not just accountants, but included professionals with project management and construction experience.[37]

Anton Jungherr, co-founder of CalBOC, told the Commission at the September 2016 hearing, "The single most important thing that you could do to assist CBOCs in California would be to require a performance audit that speaks to effectiveness and results."[38]

Other Opportunities for Improving Local Oversight

The Commission recommended in 2009 that the state consider changing the appointing authority for the committee members. Oversight committee members are appointed by the district officials they oversee. At the September 2016 hearing, Mr. Keeley told the Commission, "Keys to ensuring effective local bond oversight revolve around the composition of the oversight body – to who and how frequently do they report."[39] The state also could consider rethinking the makeup of the bond oversight committee members, which was established when the Legislature created the requirement for the committees in 2000.

Others suggested the district provide a modest budget for the Citizens' Bond Oversight Committee to ensure they have the capacity for independent assistance when needed. According to Mr. Marinovich, there are times when issues may arise requiring independent counsel, for example, if there is a dispute over whether a particular expenditure was authorized by the voters.[40] Additionally, Mr. Keeley said that local CBOCs could benefit from an online presence so that the public can access information. Agendas and reports should be posted online, he said.

Finally, even when a district is found out of compliance with the requirements of Proposition 39, there is very little recourse. In certain instances, such as with the Sweetwater Union High School District, activities may be so egregious as to warrant criminal charges. In many instances, the only available sanction for districts that violate the requirements of Proposition 39, such as when money is not being spent on the projects outlined in the bond measure, is for a local taxpayer to obtain a restraining order to prevent expenditures of funds, as delineated through California education code or to challenge an actual expenditure in court.[41] This section of education code states that "it is the intent of the Legislature that, upon receipt of allegations of waste or misuse of bonds funds authorized in this chapter, appropriate law enforcement officials shall expeditiously pursue the investigation and prosecution of any violation of law associated with the expenditure of those funds."[42]

Although this appears to give some teeth to ensuring bond funds are not wasted or spent differently than outlined in the bond measure, in reality, these sanctions are rarely used. One concerned citizen and former bond oversight committee member provided the Commission with a copy of a complaint that he filed against the Anderson Union High School District in Shasta County regarding misuse of bond funds, the lack of a competitive bidding process and the lack of a bond oversight committee. In a conversation with Commission staff, he said the district was able to do whatever it wanted and local law enforcement did not have the resources to investigate his complaint. "If the laws aren't enforced, they're just no good," he told Commission staff.[43]

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2017 Recommendations for Local Bond Oversight

In its update of its 2009 bond oversight study, the Commission heard testimony and recommendations focusing both on improving the bond issuance process and improving local oversight, particularly in bolstering the effectiveness of local Citizens' Bond Oversight Committees as previously recommended by the Commission. Based on the testimony and written comments received, the Commission expands on and refines its prior recommendations for improving local bond oversight.

Recommendation 3: The California Debt and Investment Advisory Committee is encouraged to expedite the development of training materials for locally-elected officials on bond issuance. Specifically, in addition to webinars, online training and other written materials, this should include a one- or two-page guide for local officials including key questions that should be answered by staff and consultants on the terms of any bond authorization, including total cost of the bond, including interest and fees and the effect of a bond issuance on debt ratio.

Recommendation 4: Policymakers should enact legislation requiring a truth in bonding statement be provided for review by elected officials prior to authorizing a bond issuance.

Recommendation 5: Policymakers should enact legislation requiring the county treasurer to review and comment on bond issuance proposals prior to authorization. The county treasurer also should advise policymakers on maintaining a prudent debt ratio.

Recommendation 6: Develop easy-to-access online training materials for members of Citizens' Bond Oversight Committees. Specifically, the Governor and Legislature should direct and authorize one-time funding to the Fiscal Crisis and Management Assistance Team to develop online training for local Citizens' Bond Oversight Committee members, with input and assistance from the California Debt and Investment Advisory Committee and the California League of Bond Oversight Committees.

Recommendation 7: The Governor and Legislature should update and overhaul the education code related to the Strict Accountability in Local School Construction Bonds Act of 2000. Specifically,

- Amend statutory code on performance audits to include the effectiveness and results of the bond program.
- Expand the role of Citizens' Bond 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.
- 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.

Recommendation 8: Impose sanctions for school and community college districts that fail to adhere to constitutional and statutory requirements of Proposition 39, including preventing the district from adopting future bond measures under the reduced voter threshold.

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APPENDICES

Appendix A

Public Hearing Witnesses

September 22, 2016
Sacramento, California

Bryan Cash, Deputy Assistant Secretary, California Natural Resources Agency

Fred Keeley, Former Speaker Pro Tempore, California State Assembly, and Co-Chair, Task Force on Bond Accountability

Jay Goldstone, Managing Director, Public Finance, MUFG Americas, and Co-Chair, Task Force on Bond Accountability

Anton Jungherr, Member and Secretary, West Contra Costa Unified School District's Citizens' Bond Oversight Committee, and Co-Founder, California League of Bond Oversight Committees

Nick Marinovich, Chair, Sweetwater Union High School District Bond Oversight Committee

Tim Schaefer, Deputy Treasurer for Public Finance, State Treasurer's Office

Michael Turnipseed, President, California League of Bond Oversight Committees

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Appendix B

Cover Photo Credits

Photos: Courtesy of Florence Low and the California Department of Water Resources.
http://pixel-ca-dwr.photoshelter.com/index. Accessed on February 9, 2017.

Also, courtesy of the California-High Speed Rail Authority.
http://www.hsr.ca.gov/Newsroom/Multimedia/images.html. Accessed on February 9, 2017.

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NOTES

1 Michael Coleman, Principal, CaliforniaCityFinance.com. December 10, 2016. "Local Revenue Measure Results November 2016." Also, July 5, 2016. "Local Tax and Bond Measure Results, California, June 2016." www.californiacityfinance.com. Website accessed December 30, 2016.

2 California State Treasurer's Office. 2016. "California Bonds 101: A Citizen's Guide to General Obligation Bonds." http://www.treasurer.ca.gov/publications/bonds101.pdf. Website accessed December 27, 2016.

3 Michael Coleman. Refer to endnote 1.

4 Jay M. Goldstone. Managing Director, Public Finance, MUFG Americas, and Co-Chair, Task Force on Bond Accountability. September 22, 2016. Written testimony to the Commission.

5 California State Treasurer's Office. Refer to endnote 2. (2016 debt service). Legislative Analyst's Office. August 2015. "State of California Expenditures, 1984-85 to 2015-16. (1980s debt service data.)

6 California State Treasurer's Office. October 2016. "Strong Investor Demand for California Tax-Exempt Bonds – Debt Affordability Report." Pages 15-17.

7 California State Treasurer's Office. Refer to endnote 2.

8 California State Auditor. February 26, 2009. "High-Risk Update – Maintaining and Improving Infrastructure. State Agencies Have Established Controls That, if Followed, Should Provide Reasonable Assurance that Infrastructure Bond Proceeds are Used as Intended."

9 Adrian Moore, Vice President of Research, Reason Foundation. October 23, 2008. Testimony to the Commission.

10 Department of Finance. August 2016. "Final Report: Department of General Services, Office of Public School Construction's Proposition 1D Audit." http://www.dof.ca.gov/Programs/OSAE/Audit_Memos/documents/WEBDepartmentofGeneralServicesOfficeofPublicSchoolConstructionsProposition1DBondFundAudit-BA.pdf. Website accessed January 3, 2017.

11 Department of Finance. Refer to endnote 10.

12 California Secretary of State. "Statement of Vote: November 8, 2016 General Election." http://elections.cdn.sos.ca.gov/sov/2016-general/sov/2016-complete-sov.pdf. Website accessed January 3, 2017.

13 Governor Edmund G. Brown Jr. January 10, 2017. "2017-18 Governor's Budget Summary."

14 Tim Schaefer, Deputy Treasurer of Public Finance, State Treasurer's Office. September 22, 2016. Testimony to the Commission.

15 Tim Schaefer. Refer to endnote 14.

16 Proposition 51. School Bond. Funding for K-12 School and Community College Facilities. California General Election November 8, 2016 . "Official Voter Guide." http://voterguide.sos.ca.gov/en/propositions/51/. Website accessed December 27, 2016.

17 Anton Jungherr, Member and Secretary, West Contra Costa Unified School District's Citizens' Bond Oversight Committee, and Co-Founder, California League of Bond Oversight Committees. September 22, 2016. Testimony to the Commission.

18 California State Treasurer. http://debtwatch.treasurer.ca.gov/ Website accessed January 3, 2017.

19 Richard Michael, California School Bond Clearinghouse Project. September 6, 2016. Written comments to the Commission.

20 Los Angeles County Grand Jury. July 2016. "Capital Appreciation Bonds and Other School Bond Debt: Consequences of Poor Financial Practices."

21 Mark Fulmer, Retired Deputy Superintendent, Office of the Kern County Superintendent of Schools. September 8, 2016. Personal and written communication with Commission staff.

22 Fred Keeley, Former Speaker Pro Tempore, California State Assembly, and Co-Chair, Task Force on Bond Accountability. September 22, 2016. Testimony to the Commission

23 Michael Turnipseed, President, California League of Bond Oversight Committees. September 22, 2016. Written testimony to the Commission.

24 Fred Keeley. Refer to endote 22.

25 Jay M. Goldstone. Refer to endnote 4.

26 Jay M. Goldstone. Refer to endnote 4.

27 Kevin Dayton, Policy Analyst, California Policy Center. July 2015. "For the Kids: California Voters Must Become Wary of Borrowing Billions More From Wealthy Investors for Educational Construction." (From 2001 to 2014, California voters have considered 1,147 ballot measures proposed by K-12 school and community college districts for construction and renovation projects. Voters approved 911 or nearly 80 percent of these measures authorizing approximately $110 billion for these local bonds.) Also, Michael Coleman, Principal, CaliforniaCityFinance.com. July 5, 2016. "Local Tax and Bond Measure Results California June 2016." Also, December 10, 2016. "Local Revenue Measure Results November 2016." www.californiacityfinance.com.

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Website accessed January 5, 2017. (Data on 2016 bond measures is from the CaliforniaCityFinance website.)

28 Michael Coleman, Principal, CaliforniaCityFinance.com. July 5, 2016. "Local Tax and Bond Measure Results California June 2016." Also, December 10, 2016. "Local Revenue Measure Results November 2016." www.californiacityfinance.com. Website accessed January 5, 2017.

29 Dennis Clay, Fiscal/Project Account Analyst, West Contra Costa Unified School District. September 22, 2016. Public comments and written testimony to the Commission.

30 Nick Marinovich, Chair, Sweetwater Union High School District Bond Oversight Committee. September 22, 2016. Written testimony to the Commission.

31 Ivette Ricco, Former Member and Chair of the West Contra Costa County Unified School District's Citizens' Bond Oversight Committee, 2010-2016. August 24, 2016. Written testimony to the Commission.

32 Ivette Ricco. Refer to endnote 31.

33 Nick Marinovich, Chair, Sweetwater Union High School District Bond Oversight Committee. September 22, 2016. Testimony to the Commission.

34 Michael Turnipseed. Refer to endnote 23.

35 California Education Code 41020 (f)(2).

36 Lori Raineri, President, Government Financial Strategies. February 2, 2017. Written communication.

37 Nick Marinovich. Refer to endnote 30.

38 Anton Jungherr. Refer to endnote 17.

39 Fred Keeley. Refer to endnote 22.

40 Nick Marinovich. Refer to endnote 30.

41 California Education Code 15284.

42 California Education Code 15288.

43 Richard G. Urban. September 7, 2016. Personal communication with Commission staff and written testimony to the Commission.

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Little Hoover Commission Members

Chairman Pedro Nava *(D-Santa Barbara)* Appointed to the Commission by former Speaker of the Assembly John Pérez in April 2013. Government relations consultant. Former state Assemblymember from 2004 to 2010. Former civil litigator, deputy district attorney and member of the state Coastal Commission. Elected chair of the Commission in March 2014.

Vice Chairman Jack Flanigan *(R-Granite Bay)* Appointed to the Commission by Governor Edmund G. Brown Jr. in April 2012. A member of the Flanigan Law Firm. Co-founded California Strategies, a public affairs consulting firm, in 1997.

Scott Barnett *(R-San Diego)* Appointed to the Commission by former Speaker of the Assembly Toni Atkins in February 2016. Founder of Scott Barnett LLC, a public advocacy company, whose clients include local non-profits, public charter schools, organized labor and local businesses. Former member of Del Mar City Council and San Diego Unified School District Board of Trustees.

David Beier *(D-San Francisco)* Appointed to the Commission by Governor Edmund G. Brown Jr. in June 2014. Managing director of Bay City Capital. Former senior officer of Genentech and Amgen. Former counsel to the U.S. House of Representatives Committee on the Judiciary. Serves on the board of directors for the Constitution Project.

Senator Anthony Cannella *(R-Ceres)* Appointed to the Commission by the Senate Rules Committee in January 2014. Elected in November 2010 and re-elected in 2014 to represent the 12th Senate District. Represents Merced and San Benito counties and a portion of Fresno, Madera, Monterey and Stanislaus counties.

Assemblymember Chad Mayes (*R-Yucca Valley)* Appointed to the Commission by former Speaker of the Assembly Toni Atkins in September 2015. Elected in November 2014 to represent the 42nd Assembly District. Represents Beaumont, Hemet, La Quinta, Palm Desert, Palm Springs, San Jacinto, Twentynine Palms, Yucaipa, Yucca Valley and surrounding areas.

Don Perata *(D-Orinda)* Appointed to the Commission in February 2014 and reappointed in January 2015 by the Senate Rules Committee. Political consultant. Former president pro tempore of the state Senate, from 2004 to 2008. Former Assemblymember, Alameda County supervisor and high school teacher.

Assemblymember Sebastian Ridley-Thomas *(D-Los Angeles)* Appointed to the Commission by former Speaker of the Assembly Toni Atkins in January 2015. Elected in December 2013 and re-elected in 2014 to represent the 54th Assembly District. Represents Century City, Culver City, Westwood, Mar Vista, Palms, Baldwin Hills, Windsor Hills, Ladera Heights, View Park, Crenshaw, Leimert Park, Mid City, and West Los Angeles.

Senator Richard Roth *(D-Riverside)* Appointed to the Commission by the Senate Rules Committee in February 2013. Elected in November 2012 to represent the 31st Senate District. Represents Corona, Coronita, Eastvale, El Cerrito, Highgrove, Home Gardens, Jurupa Valley, March Air Reserve Base, Mead Valley, Moreno Valley, Norco, Perris and Riverside.

Jonathan Shapiro *(D-Beverly Hills)* Appointed to the Commission in April 2010 and reappointed in January 2014 by the Senate Rules Committee. Writer and producer for Amazon Studios, FX, HBO and Warner Brothers. Former counsel to Kirkland & Ellis LLP, chief of staff to Lt. Governor Cruz Bustamante, counsel for the law firm of O'Melveny & Myers LLP, federal prosecutor for the U.S. Department of Justice Criminal Division in Washington, D.C., and the Central District of California.

Janna Sidley *(D-Los Angeles)* Appointed to the Little Hoover Commission by Governor Edmund Brown Jr. in April 2016. General counsel at the Port of Los Angeles since 2013. Former deputy city attorney at the Los Angeles City Attorney's Office from 2003 to 2013.

Helen Torres *(NPP-San Bernardino)* Appointed to the Little Hoover Commission by Governor Edmund Brown Jr. in April 2016. Executive director of Hispanas Organized for Political Equality (HOPE), a women's leadership and advocacy organization.

Sean Varner *(R-Riverside)* Appointed to the Little Hoover Commission by Governor Edmund Brown Jr. in April 2016. Managing partner at Varner & Brandt LLP where he practices as a transactional attorney focusing on mergers and acquisitions, finance, real estate and general counsel work.

Full biographies available on the Commission's website at www.lhc.ca.gov.

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“Democracy itself is a process of change, and satisfaction and complacency are enemies of good government.”

Governor Edmund G. “Pat” Brown,
addressing the inaugural meeting of the Little Hoover Commission,
April 24, 1962, Sacramento, California

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DRAFT NEW MEMBER ORIENTATION PRIMER

A. Mission of CBOC

"The purpose of the Committee is to inform the public concerning the expenditures and uses of bond revenues. The Committee's legal charge is to actively review and report on the expenditures of taxpayer's money for school construction." (Board Policy BP 7214.2)

B. Addresses – Physical, Website and e-mail

1. Facilities Planning and Construction Building – Facilities offices and CBOC meeting site

1400 Marina Way South
Richmond, CA 94804
(510) 307-4545
facilitiesplanning@wccusd.net

2. West Contra Costa Unified School District website

www.WCCUSD.net

3. Citizens Bond Oversight Committee

Location of Meeting:
Facilities Planning and Construction Building
1400 Marina Way South
Richmond, CA 94804
(Meeting entrance is on south side of the building)
www.WCCUSD.net/CBOC
westcontracostacboc@gmail.com

Note: Due to Brown Act restrictions, CBOC member access to the email is limited; therefore, only the CBOC Chair, CBOC Secretary and Christina Hanson (WCCUSD) have the password.

C. Regulatory Documents (Note: Documents are being updated)

1) Proposition 39 §4, [the "Smaller Classes, Safer Schools and Financial Accountability Act, 2000"]

Allows bonds to pass with 55% local vote but must create an independent citizens' oversight committee to monitor the program and abide by certain

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accountability standards [amending the California Constitution XII A and creates California Education Code laws]

(See Proposition 39 Training Video – CBOC website – site map – Training Videos)

Location of Document:
CBOC website – Library - Resources – Regulatory Documents or

Prop 39 Text
https://drive.google.com/file/d/1TaUNjOFQ1I09t3yUUnA8Nd7Bnpam8tPr/view?usp=sharing

2) California Constitution Article XIIIA, Section 1 (B)(3)
Codifies into law Proposition 39

Location of Document:
CBOC website – (web site needs to be updated)

California Constitution Article XIIIA
https://drive.google.com/file/d/1UcIZSlWlRXAu4ojw3X9A4Y-zCot4NNgl/view?usp=sharing

3) California Education Codes
#15278
Establishes the CBOC, states the purpose and job description of the committee

#15280
Describes school board's obligations to CBOC, CBOC proceedings open to public, and CBOC must produce yearly report of their findings

#15282
Describes make-up of CBOC

California Education Codes #15278-#15280
https://drive.google.com/file/d/1vE63TFoZj1A5CEMhPTGVDIphX31UCwpF/view?usp=sharing

4) Brown Act

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Rules for providing transparency in public meetings

Location of Document:
CBOC website – Library - Resources – Regulatory Documents or

Brown Act
https://drive.google.com/file/d/1hKCYu4HRzQTn_I7-TtEzzHoS5EK4czw-/view?usp=sharing

[See Brown Act Training Material (power point presentation) – CBOC website – sitemap – training documents]

5. Robert's Rules of Order
How to run meetings

Location of Document:
https://www.boardeffect.com/blog/roberts-rules-of-order-cheat-sheet/#:~:text=Robert's%20Rules%20of%20Order%20is,is%20still%20in%20use%20today

D. WCCUSD Documents

1. Bond History Chart – 2018 Annual Report, page 13
   Historical summary chart of school construction bonds (1998 – 2012)
   Location of Chart:
   CBOC website – Reports / CBOC Annual Reports – 2018 Annual Report, page 13

   Note: School board are selling last of funds for Measures 2010 D & 2012 E ($65,000 each) in 2020 and in 2020 Measure R ($575.000) passed.
2. Facilities Master Plan (FMP) 2016 and Updates 2018 and 2019

Plan prioritizing school construction timeline and what construction projects are needed for listed schools.
Location of report:
https://www.wccusd.net/Page/6945

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[WCCUSD.net – at bottom = Facilities Master Plan for long range plan 2016,and updates (2018 & 2019)] Note: the 2016 FMP was the first time the bond measure projects were written in report form.

Also see 2018 Annual Report pages 28, 95-98.

3.Audits

a. Annual audits – required under Proposition 39 – audit period coincides with school fiscal year period (July 1, 2018 – June 30, 2019) & and presented in March – school board's response due 90 days after audits presented to board per CA. Ed Code 15780

1) Financial audit for bond measures (2010 D & 2012 E) performed by Christy White LLC.

Location of Report:
CBOC website – site map at bottom – financial audits

'19 WCCUSD Bond Program Financial Audit

https://drive.google.com/file/d/11GClsJ-8yNEPlBQZfV1BmKSrzONPAH2C/view?usp=sharing

2) Performance audit for bond measures (2010 D & 2012 E) performed by Moss Adams.. The purpose of this audit is to make sure bond funds were spent only on bond construction projects not school board operating funds.

Location of Report:
CBOC website – site map at bottom – performance audits

'19 WCCUSD Bond Program Performance Audit

https://drive.google.com/file/d/1uRveVHnNFG9g0Wl4A2hnVt6uzqHoZqMd/view?usp=sharing

b. Forensic Accounting Audit (FAI) Contracted by the Board of Education in response to a whistle blower complaint in **???2006???**. Vincenti, Lloyd & Stutzman, LLP (VLS) report, presented in **???March of 2016???**, assessed the risk of fraud, **???corruption???** and waste in the Bond Program as a result of allegations. Moss

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Adams was later contracted to assess the District's implementation of the VSL recommendations. Phase I was completed in March of 2019 7 Phase 2 is ongoing.
See 2018 Annual Report, pages 25-27, 72-73.
See www.WCCUSD.net – at bottom Committee Meetings – Facilities Committee – Facilities and Planning Construction – Forensic Accounting Investigation **[Directions need clarification.]**

https://connect.xfinity.com/appsuite/#!!&app=io.ox/mail&folder=default0//sczj5FJC'Ufo%24Duqk%23Q%7Cgxvpgov%23jsosl%7Bwgk **[This link needs to be verified.]**
(MOSS ADAMS) – ck agenda packet mar 2019

Location of Report:
WCCUSD website – committee meetings – Facilities Committee - Facilities Planning & Construction or

https://www.wccusd.net/domain/40
(VLS)

4.Bond Program Master Plan (BPMP) – plan being created by the District and Swinerton Management and Consulting to create policies and procedures for recommendations in the Performance and Forensic Investigation Audits

Location of Document:
CBOC website – Quick Links – Bond Program Management Plan or
https://www.wccusd.net/Page/13520

5.WCCUSD Board Policy 7214.3 – School Boards vision of the role of the CBOC. The purpose of this policy is to establish the practices and procedures for CBOC selection and supports its operations.

Location of Document:
CBOC website – Library – Resources – Regulatory Documents or
https://www.wccusd.net/ ?

6.Financial Reports for Bond Program (Fund 21)

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Location of Documents:
CBOC Agenda Packets

7.Construction Project Reports for Bond Program

Location of Documents:
CBOC Agenda Packets

8.School bond resolutions and wording of bond measures

Location of Documents:
CBOC website – Library - Resources

E. CBOC Documents

1. Agendas and Minutes of meetings – meetings are held monthly

‘

Location of Documents:

See CBOC website – quick links – present agenda & Historical CBOC Meeting agendas etc.

2.Audit Subcommittee Agendas and Minutes (current and historical)

Location of Documents:
CBOC website – Quik Links

3. Annual Report – report on bond program that is required by law (Current and archived reports)

Location of Documents:

See CBOC website – Reports – CBOC Annual Reports

4.CBOC By-laws
Our committee’s governing document, 2014

Location of Document:
CBOC website – Library – Resources – Regulatory Documents

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5.CBOC Handbook
Information explaining the workings of the committee

Location of Document:
In progress

6. Training Materials
Training Videos - Intro to general obligation bonds, Construction 101, Proposition 39 – CBOC website – site map - training

7.Bond measures' language, resolution, and issuance documents

Location of Document:
CBOC website – Resources

8. Agreements Services and Proposals

Location of Document:
CBOC website – Library

9.Information Requests

Location of Document:
CBOC website - Library

F. CBOC Subcommittees
1. Audit Subcommittee - standing subcommittee open to the public. Meets once monthly to review audits, financial reports and related bond program oversight issues.
2. Site Tours Subcommittee - ad hoc subcommittee to visit bond program work-in-progress.
3.Annual Report Subcommittee - ad hoc subcommittee to produce the CBOC's annual report.
4.Website Subcommittee - ad hoc subcommittee to make improvements to the WCCUSD CBOC website.

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5.Bylaws Subcommittee - ad hoc subcommittee to review and update CBOC bylaws, as needed.
6.Forensic Task Force - A Board appointed CBOC member serves on the District's 2016 Forensic Accounting Investigation Implementation Task Force.

G.CBOC Members and pending members as of 5/11/20 (for biographies of members see 2018 Annual Report, pages 86-90 and for Guadalupe Enllana's application see CBOC Meeting Agenda packet for 7/25/19, pages 52-57)

Name Role / Representative / Office & Subcommittee / e-mail address / phone number
1 Don Gosney, Senior Citizen Rep. / Chairperson /dongosney@comcast.net / (510) 685-2403
2. Guadalupe (Lupe) Enllana, Richmond Rep. / Vice Chairperson / guadalupeenllana@gmail.com / (510)
3.Cameron (Mac) Moore, Parent or Guardian & PTA Rep. / Secretary / Forensic Investigation Implementation Task Force/ macmoore55@yahoo.com / (510)
4.Sallie DeWitt, Business Org. Rep. / Annual Report Committee / salliedewitt@gmail.com / (510)
5.Vanessa Hill, Parent or guardian Rep / vanessahill@comcast.net / (510)
6.Lorraine Humes, Taxpayers Org. / Annual Report / lorrainehumes@comcast.net (519) 237-7896
7.Anton Jungherr, Hercules Rep. / Annual Report, Bylaws / ajungherr@aol.com (510) 697-7212

Pending Members:
1.John Anderson, Richmond Rep. / jande83103@aol.com / (510)
2.Maisha Cole, Richmond Rep. / maishacole4@gmail.com / (510)
3. Ken Burns

Vacant Committee Slots:
El Cerrito Rep. (1)
Pinole Rep. (1)
San Pablo Rep. (1)
Unincorporated Areas Rep. (2*)

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Building Trades Rep. (1*)
WCCUSD Employees Rep. (1*)
WCCUSD Student Rep. (!*)
*This number may change after the Board Policy 7214.2 is revised.

H. WCCUSD Personnel
Board of Education Trustees:
Stephanie Hernandez-Jarvis, Bd. Pres.
Stephanie.hernandez-jarvis@wccusd.net (510) 661-2394
Consuelo Lara, Bd. Clerk clara@wccusd.net (510) 309-1514
Mister Phillips, Trusteemister.phillips@wccusd.net (510) 307-7872
Valerie Cuevas, Trustee Valerie.cuevas@wccusd.net (510) 231-1101
Tom Panas,. Trustee tom.panas@wccusd.net (510) 610-9438

School Board Administration:
Matthew Duffy, Superintendent of Schools matthew.duffy@wccusd.net
(510) 231-1103
Debbie Hayne, Executive Secretary to the Superintendent dhayne@wccusd.net
(510) 231-1103
Dr. Tony Wold, tony.wold@wccusd.net (510) 231-1170

Marcus Walton, Director of Communications mwalton@wccusd.net
(510) 231-1151

Luis Freese, Superintendent of Operations lfreese@wccusd.net
(510) 307-4545
Silvia Garfield, Senior Administrative Assistant sgarfield@wccusd.net

(510) 231-1305
Melissa Payne, Director of Contract Administration mpayne@wccusd.net
(510) 307-4545

I. WCCUSD Committee meetings of CBOC interest
1. WCCUSD School Board Meetings]

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Ask Debbie Hayne to put you on their agenda list
Presently a Zoom meeting
Broadcast on local TV channel 26/28
Audio recording _____

Non-Zoom Location of meeting:
LoVonya DeJean Middle School Multipurpose Room, 3400 Macdonald Ave., Richmond.

2. Facilities Committee Meetings
The committee_____
Ask Luis to get someone to put you on agenda list
Non-Zoom Location of meeting:
1400 Marina Way South, Richmond, CA 94804

3. Governance Committee Meetings
The committee _____
Ask Debbie Hayne to put you on their agenda list
Non-Zoom Location of meeting:
Alvarado Adult Education Center, 5625 Sutter Ave., Richmond, CA 94804.

J. Tour of CBOC website

K. Tour of WCCUSD website

L. Assign Mentors for new committee members

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Proposition 39 Bond Performance Audit Report for the Fiscal Year Ended June 30

III. AUDIT RESULTS

Objective No. 22 – Transparency of the Bond Program,
Proposition 39 Bond Performance Audit Report for the Fiscal Year Ended June 30, 2018, WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
Pages 30 & 31

Observation No. 22: Bond Program policies and procedures should be formalized and approved by the Board and the transparency of the Bond Program can be improved.

The District has not taken steps to address Transparency of Bond Program recommendation (Moss Adams 2017 Report Objective No. 22); however, formal policies and procedures were not available and the CBOC website lacked 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 San Diego Taxpayers Educational Foundation (SDTEF) for School Bond Transparency.

The CBOC website included information such as meeting minutes, member vacancies, and various Bond Program reports. However, the following benchmark items were not 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 through June 30, 2018.

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- Project Descriptions – A brief written description of currently funded projects was not available or easily identified on the CBOC website through June 30, 2018.
- Project Progress – The current status and plan of action for each currently funded project was not available or easily identified on the CBOC website through June 30, 2018.
- 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. Transparency by the District is of the utmost importance as there has been a shift in resources and responsibilities. One of the main ways other school districts improve their transparency is by creating a comprehensive Bond Program policies and procedures manual. Policies and procedures for District Bond Program activities were requested as part of the performance audit; however, the District did not have a formal procedures manual and compiled the practices implemented for invoice review and processing, change order review and processing, and bidding and procurement requirements upon request. However, the District was able to show progress on a draft program management manual, including draft table of contents and outlines, and drafted procedural documents for particular processes.

Recommendation: As a best practice, the District should consolidate all policies, procedures, and resolutions into one document to ensure effective controls and communication of the policies and procedures. 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.

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

- Update all information on the ICOC's 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, as they should take no longer than a few months to prepare. Similarly, project status updates should be regularly provided— not just as budget updates, but construction progress with expected timelines for completion as well.
- Adjust ICOC website organization to make it easy to navigate and 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 the information available. All files are important, but they are often not easy to differentiate between, 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 a website with a user-friendly interface in which all information is categorized and presented separately for better navigation.

Through June 30, 2018 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.

Additionally, the District should create a comprehensive Bond Program policies and procedures manual for presentation to the Board. This manual should highlight all the functional areas related to Bond Program activities

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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.

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IV. REPORTING VIEWS OF RESPONSIBILITY OFFICIALS CHART, *Proposition 39 Bond Performance Audit Report for the Fiscal Year Ended June 30, 2018, WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT Page 40 & 41*

Fiscal Year:

2017 and 2018

Management Response:

The District will consider this recommendation and update its current policies and procedures after consideration.

Status of Resolution:

Open – The District has taken steps to address the Transparency of Bond Program recommendation provided in

the prior year's report

Planned Resolution Date:

TBD

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LORRAINE HUMES' CBOC WEBSITE SUGGESTIONS

In the 2017 and 2018 Performance Audits, Proposition 39 Bond Performance Audit Report for the Fiscal Year Ended June 30, 2018 and June 30, 2018, for the WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT, both had Objective 22, Transparency of Bond Program listed. Objective 22b deals with the CBOC website, which had several items that were not available or easily identified.

In the audit, they made several recommendations and attached Appendix C, containing best practices, for a website, from the San Diego Taxpayers Education Foundation (SDTEF) as a suggested guide.

California Education Code # 15280, states that the School Board Governing Body is to maintain a website for the CBOC. It does not say they have the obligation to create a website for the CBOC.

The following are three excerpts from the performance audit for Objective 22b – the Audit Results, the Reporting Views of Responsible Officials Chart, and Appendix C (SDTEF guide).

The results have not changed for the audits from 2017 and 2018 – nothing has been done – and the planned resolution date in both reports is To Be Determined (TBD).

I think we can all agree that our present website is in poor condition with many documents that have not been updated or are not easy to find. Management's response is that they do not want us to maintain the website but they do not have manpower to do it themselves.

The CBOC should form a website committee to design on paper, a new website, based on the suggestions in the performance audits, with active links to current documents. Then we present it to the School Board and ask them to have the IT person, who re-designed their website last year, transfer the material to a new website for us.

In the future we can monitor the website and suggest updates to material on the website (ex. add wording for School Construction Bond R, passed in 2020) to the School board's IT person.

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APPENDIX C

APPENDIX C:
SAN DIEGO TAXPAYERS EDUCATIONAL FOUNDATION CRITERIA FOR SCHOOL BOND TRANSPARENCY
Proposition 39 Bond Performance Audit Report for the Fiscal Year Ended June 30, 2018,

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT, Page 45

The following best practice criteria for independent Citizens' Oversight Committee (ICOC) websites was utilized by the SDTEF to measure school bond program transparency:

- 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.

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APPENDIX C

- 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.

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WCCUSD
CITIZENS' BOND OVERSIGHT COMMITTEE

Guadalupe Enllana, Vice Chairperson
Don Gosney, Chairperson
Cameron Moore, Secretary

2020
CBOC MEETINGS CALENDAR

Meetings will begin at 6:15

Jun 08	Aug 10	Oct 19
Jul 13	Sept 14	Nov 09
	Sept ?? (proposed joint meeting)	
	Dec 14	

SCHOOL BOARD MEETINGS

Jun 10	Jul 15	Sept 09
Jun 24		Sept 23
Aug 05	Oct 07	
Aug 26	Oct 21	
Nov 04	Dec 09	
Nov 18	Dec 16	

CBOC Bylaw Requirements

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

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FUTURE AGENDA ITEM LOG

06/08/20

Item #	Description	Suggested	Agendized
18-2	CBOC Handbook	10.24.18	ongoing
18-8	Updated By-Laws		TBD
19-1	Bring Draft ByLaws to CBOC for review	02/06/19	TBD
19-6	PVHS Lessons Learned	08/15/19	TBD
19-8	Facilities Master Plan Update	08/15/19	TBD
20-01	CBOC Training	01/13/20	TBD
20-02	Resolution 20-1	03/09/20	06/08/20

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FINAL REPORT

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

PROPOSITION 39 BOND PERFORMANCE AUDIT REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2019

March 12, 2020

Moss Adams LLP
101 Second Street, Suite 900
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MOSSADAMS

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101 Second Street
Suite 900
San Francisco, CA 94105

March 12, 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.

Assurance, tax, and consulting offered through Moss Adams LLP. Investment advisory services offered through Moss Adams Wealth Advisors LLC. Investment banking offered through Moss Adams Capital LLC.

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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.

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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. Many 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).

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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).

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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

Page 144 of 264

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

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;*

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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."*

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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

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$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.

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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.

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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.

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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.

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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.

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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	75
SR ADMIN SECRETARY	75
ENGINEERING OFFICER	90
DIRECTOR OF CONTRACT	90
BOND REGIONAL FACILT	100
BOND REGIONAL FACILT	05
COORDINATOR-FISCAL	80
ADMIN SVCS MANAGER	90
ADMIN SVCS MANAGER	10
SR SCH FACILITY SPEC	50

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SR SCH FACILITY SPEC	50
ADMINISTRATIVE TECH	90
ASSOC SUPT BUSINESS	10
SR ADMIN SECRETARY-BUSIN	10
DIRECTOR INT AUDIT	20
INTERNAL AUDITOR	40
PRINCIPAL ACCOUNTANT	90
SR BUDGET CLERK	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

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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

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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.

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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	-

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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 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 Recommendation No. 22a for more detail).

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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.

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(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

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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.

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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

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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. The District should continue efforts to align policies and procedures to Guide to Development of Long Range Facilities Plan Prepared by the California Department of Education, or equivalent. Part 5, or the Evaluation Plan, includes the following guidance surrounding the evaluation plan:

> Evaluating the Long-Range Facilities Plan. State the policy of the district for reviewing and evaluating continually the long-range facilities plan. An annual schedule with specific responsibilities and a deadline for submitting the plan to the superintendent is preferable.
>
> Updating the Long-Range Facilities Plan. State the policy to ensure continual updating of all divisions of the long-range facilities plan. Any changes in program, facilities, or demographic data should be immediately analyzed for their implication to the overall plan and accommodated through the implementation plan, by appropriate revisions recommended to the district's board of trustees.

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

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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.

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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).

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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*

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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.

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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.

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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.

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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:

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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	DDLN 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	ROEBBELEN 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

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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

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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

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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

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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 dated February 10, 2020. However, complete documentation regarding compliance of good faith efforts to achieve District-wide local participation goals 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

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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.

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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.

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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	OBSERVATION THROUGH JUNE 30, 2019	AUDITOR'S RECOMMENDATION THROUGH JUNE 30, 2019	MANAGEMENT RESPONSE PROVIDED ON FEBRUARY 29, 2020	STATUS OF RESOLUTION THROUGH JUNE 30, 2019	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.	After the closing date of the audit period, 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	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	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	July 2020

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FISCAL YEAR	OBJECTIVE NO.	OBJECTIVE TITLE	OBSERVATION THROUGH JUNE 30, 2019	AUDITOR'S RECOMMENDATION THROUGH JUNE 30, 2019	MANAGEMENT RESPONSE PROVIDED ON FEBRUARY 29, 2020	STATUS OF RESOLUTION THROUGH JUNE 30, 2019	PLANNED RESOLUTION DATE
				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.	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.	and procedures were not available as of June 30, 2019.	
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	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	Open – The District has taken steps to address the *Design and Construction Budget Management* 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

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FISCAL YEAR	OBJECTIVE NO.	OBJECTIVE TITLE	OBSERVATION THROUGH JUNE 30, 2019	AUDITOR'S RECOMMENDATION THROUGH JUNE 30, 2019	MANAGEMENT RESPONSE PROVIDED ON FEBRUARY 29, 2020	STATUS OF RESOLUTION THROUGH JUNE 30, 2019	PLANNED RESOLUTION DATE
				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.	Facilities Committee and CBOC meetings.		
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 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	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

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FISCAL YEAR	OBJECTIVE NO.	OBJECTIVE TITLE	OBSERVATION THROUGH JUNE 30, 2019	AUDITOR'S RECOMMENDATION THROUGH JUNE 30, 2019	MANAGEMENT RESPONSE PROVIDED ON FEBRUARY 29, 2020	STATUS OF RESOLUTION THROUGH JUNE 30, 2019	PLANNED RESOLUTION DATE
				ensure appropriate review and approval controls are in place for both internal and public reporting procedures (see Recommendation No. 22a 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 Recommendation No. 22a 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 *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.	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 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.	**Closed** – No exceptions noted during the current fiscal year.	N/A

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FISCAL YEAR	OBJECTIVE NO.	OBJECTIVE TITLE	OBSERVATION THROUGH JUNE 30, 2019	AUDITOR'S RECOMMENDATION THROUGH JUNE 30, 2019	MANAGEMENT RESPONSE PROVIDED ON FEBRUARY 29, 2020	STATUS OF RESOLUTION THROUGH JUNE 30, 2019	PLANNED RESOLUTION DATE
					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	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	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)

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FISCAL YEAR	OBJECTIVE NO.	OBJECTIVE TITLE	OBSERVATION THROUGH JUNE 30, 2019	AUDITOR'S RECOMMENDATION THROUGH JUNE 30, 2019	MANAGEMENT RESPONSE PROVIDED ON FEBRUARY 29, 2020	STATUS OF RESOLUTION THROUGH JUNE 30, 2019	PLANNED RESOLUTION DATE
				requirement to evaluate 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.	Program Management Plan details the procedures		
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	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 *Procurement Fraud Prevention and Detection Control* 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

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FISCAL YEAR	OBJECTIVE NO.	OBJECTIVE TITLE	OBSERVATION THROUGH JUNE 30, 2019	AUDITOR'S RECOMMENDATION THROUGH JUNE 30, 2019	MANAGEMENT RESPONSE PROVIDED ON FEBRUARY 29, 2020	STATUS OF RESOLUTION THROUGH JUNE 30, 2019	PLANNED RESOLUTION DATE
				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.			
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 Recommendation No. 22a for more detail). Documentation requirements for any Master Plan changes from the original approved	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 *Bond Program Master Planning and Reporting* 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	Spring 2020

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FISCAL YEAR	OBJECTIVE NO.	OBJECTIVE TITLE	OBSERVATION THROUGH JUNE 30, 2019	AUDITOR'S RECOMMENDATION THROUGH JUNE 30, 2019	MANAGEMENT RESPONSE PROVIDED ON FEBRUARY 29, 2020	STATUS OF RESOLUTION THROUGH JUNE 30, 2019	PLANNED RESOLUTION DATE
				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.		surrounding master planning was not available and program reporting had select areas for improvement as of June 30, 2019.	
2016–2019	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 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	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 *Bond Program Reporting* recommendation provided in the prior year's report.	Spring 2020

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FISCAL YEAR	OBJECTIVE NO.	OBJECTIVE TITLE	OBSERVATION THROUGH JUNE 30, 2019	AUDITOR'S RECOMMENDATION THROUGH JUNE 30, 2019	MANAGEMENT RESPONSE PROVIDED ON FEBRUARY 29, 2020	STATUS OF RESOLUTION THROUGH JUNE 30, 2019	PLANNED RESOLUTION DATE
				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 *Claims Avoidance and Control Procedures* 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 *Materials Specifications* 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

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2017–2019	10	Cost Benefit and Value Engineering Analyses	The District did not have approved policies and procedures for conducting cost benefit analysis and value engineering studies.	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.	The Bond Program Management Plan details cost benefit analysis and value engineering management throughout the Project life cycle.	Open – The District has not taken steps to address the *Cost Benefit and Value Engineering Analyses* 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.	Spring 2020

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FISCAL YEAR	OBJECTIVE NO.	OBJECTIVE TITLE	OBSERVATION THROUGH JUNE 30, 2019	AUDITOR'S RECOMMENDATION THROUGH JUNE 30, 2019	MANAGEMENT RESPONSE PROVIDED ON FEBRUARY 29, 2020	STATUS OF RESOLUTION THROUGH JUNE 30, 2019	PLANNED RESOLUTION DATE
				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.			
2017–2019	11	Maintenance of District Assets Funded by Local Bond and Warranty Conditions Compliance	The District did not provide documentation to evidence assets funded by the Bond Program were compliant with warranty condition requirements and District requirements.	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, 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.	The Bond Program Management Plan details the Project closeout and turnover process to the Maintenance & Operations department.	Open – 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.	Spring 2020
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	The Bond Program Management Plan section details the change order review and approval process	**Open** – The District has taken steps to address the *Change Order Management and Controls Application* recommendation provided in the prior year's report. During the current fiscal year, the District	Spring 2020

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FISCAL YEAR	OBJECTIVE NO.	OBJECTIVE TITLE	OBSERVATION THROUGH JUNE 30, 2019	AUDITOR'S RECOMMENDATION THROUGH JUNE 30, 2019	MANAGEMENT RESPONSE PROVIDED ON FEBRUARY 29, 2020	STATUS OF RESOLUTION THROUGH JUNE 30, 2019	PLANNED RESOLUTION DATE
				review and approval controls are in place before vendor payment release (see Recommendation No. 22a for more detail).		made progress on drafting the BPMP; however, formalized policies and procedures were not available as of June 30, 2019.	
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 *Change Order Management and Controls Application* 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 information and documentation, the District may pay excessive costs for change order work.	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 *Project Close-Out Controls* recommendation provided in the prior years' reports.	Spring 2020
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	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	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 *Contractor Billing Compliance Controls* recommendation provided in the prior year's report. During the current fiscal year, the District made progress on drafting the BPMP; however, formalized	Spring 2020

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			ensure appropriate review and controls.	place before vendor payment release (see Recommendation No. 22a for more detail).		policies and procedures were not available as of June 30, 2019.	
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 *Post-Financing Review* 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

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FISCAL YEAR	OBJECTIVE NO.	OBJECTIVE TITLE	OBSERVATION THROUGH JUNE 30, 2019	AUDITOR'S RECOMMENDATION THROUGH JUNE 30, 2019	MANAGEMENT RESPONSE PROVIDED ON FEBRUARY 29, 2020	STATUS OF RESOLUTION THROUGH JUNE 30, 2019	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 *Timeliness of Payments* 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 Recommendation No. 22a 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 *Local Participation Requirements* 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	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	**Open** – The District has not taken steps to address *Transparency of Bond Program* recommendation provided in the prior years' reports.	Spring 2020

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FISCAL YEAR	OBJECTIVE NO.	OBJECTIVE TITLE	OBSERVATION THROUGH JUNE 30, 2019	AUDITOR'S RECOMMENDATION THROUGH JUNE 30, 2019	MANAGEMENT RESPONSE PROVIDED ON FEBRUARY 29, 2020	STATUS OF RESOLUTION THROUGH JUNE 30, 2019	PLANNED RESOLUTION DATE
				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 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	continues to encourage recruitment for CBOC membership.		

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				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
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	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

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FISCAL YEAR	OBJECTIVE NO.	OBJECTIVE TITLE	OBSERVATION THROUGH JUNE 30, 2019	AUDITOR'S RECOMMENDATION THROUGH JUNE 30, 2019	MANAGEMENT RESPONSE PROVIDED ON FEBRUARY 29, 2020	STATUS OF RESOLUTION THROUGH JUNE 30, 2019	PLANNED RESOLUTION DATE
				periodically review its communication and outreach plans to determine their effectiveness and make adjustments accordingly for ongoing and future projects.			

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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/Former Engineering Officer
- Bond Oversight Committee Members
- Director of Contracts Administration
- Internal Auditor

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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.

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- 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.

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

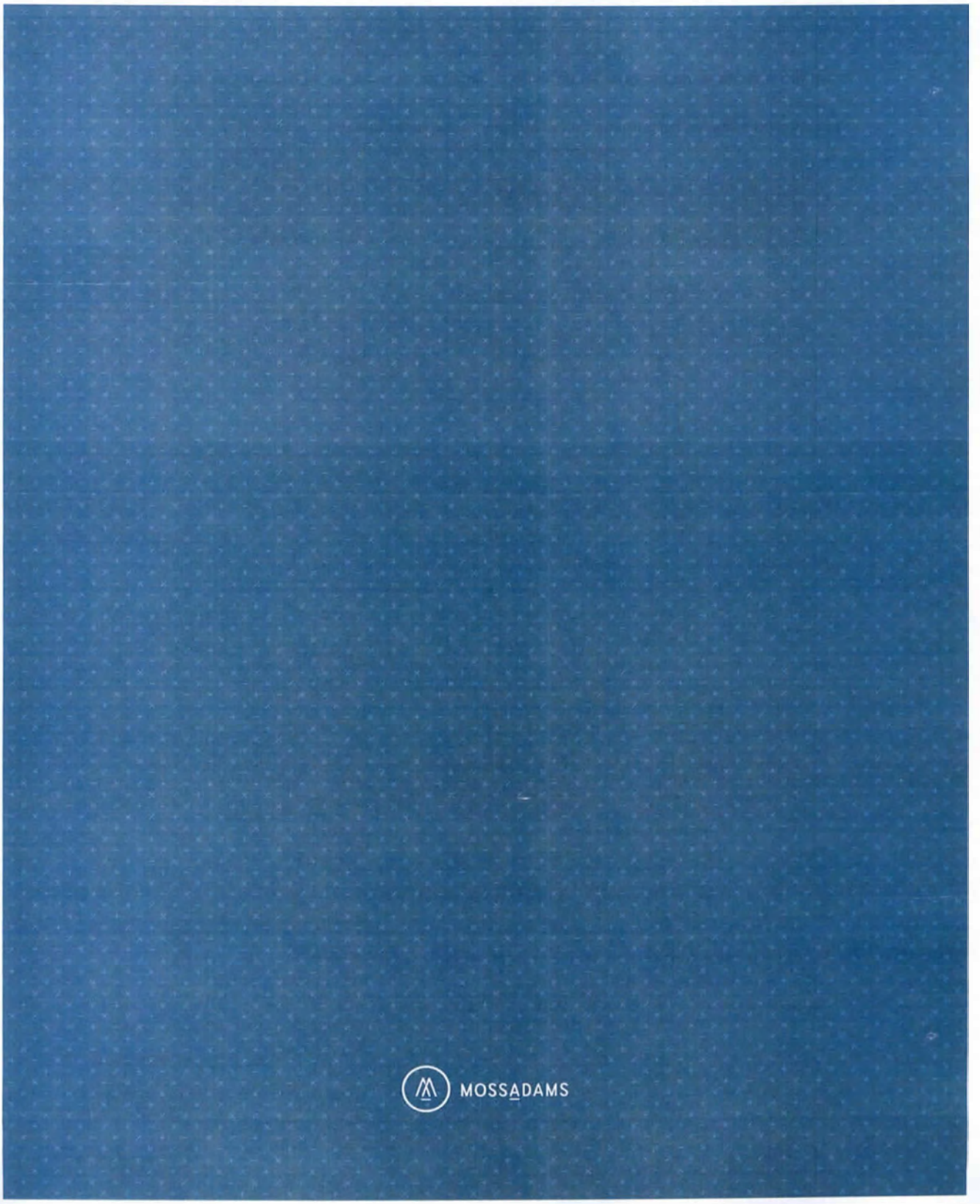
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APPENDIX C: SAN DIEGO TAXPAYERS EDUCATIONAL FOUNDATION CRITERIA FOR SCHOOL BOND TRANSPARENCY

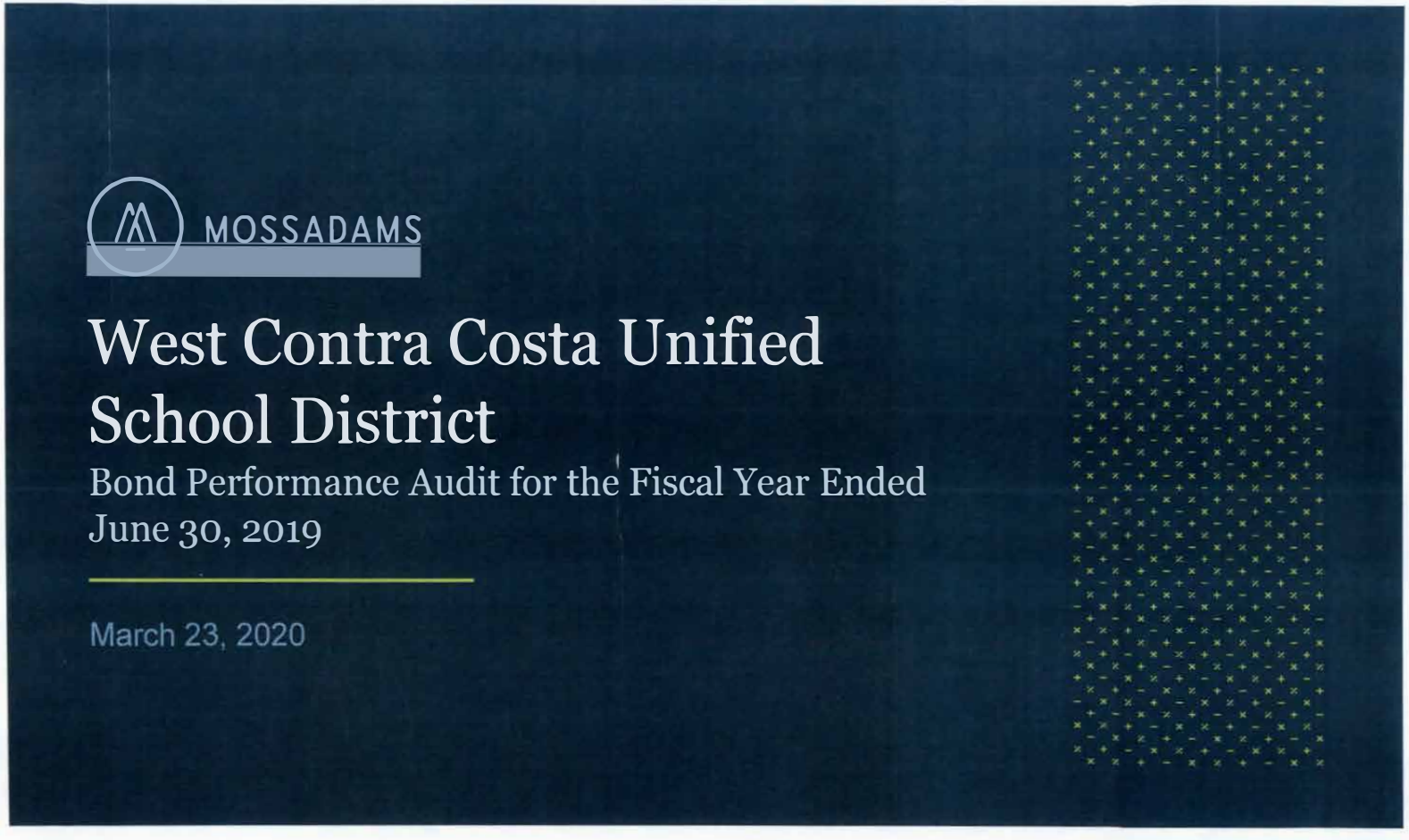
The following best practice criteria for ICOC websites was utilized by the SDTEF to measure school Bond program transparency. See Observation No. 22b in the report body for further information.

- **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.

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Overview

This presentation covers the results of our performance audit of the West Contra Costa Unified School District (the District) Fiscal Year (FY) 2019 Measure D and E Construction Bond (Bond Program) as ***required by California Proposition 39***.

- California State requirements specify that the proceeds from the sale of school facilities bonds are expended only on the specific projects listed in the proposition authorizing the sale of bonds.
- Both the State Constitution and the Education Code require an annual independent performance audit to verify Bond proceeds are used on Listed Projects. An annual financial audit is also required by these rules.
- Generally Accepted Government Auditing Standards (GAGAS) are required and ***define the term performance audit and related professional standards***.

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Overview

This presentation ***also covers our performance and controls review surrounding the Bond Program*** for the FY ended June 30, 2019 of the following:

- District and Professional Services Staffing Plan for the Bond Program
- 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
- Cost, Schedule, Budgetary Management, and Reporting Controls Implementation
- Claim Avoidance and Control Procedures



3 *Please refer to our final report issued March 12, 2020 for detailed performance audit results.*

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Overview

This presentation ***also covers our performance and controls review surrounding the Bond Program*** for the FY ended June 30, 2019 of the following (continued):

- Materials Specifications
- Cost Benefit and Value Engineering Analyses
- Maintenance of District Assets Funded by Local Bond and Warranty Conditions Compliance
- Implementation of Schedule Quality, Scope, and Performance Management Controls
- Change Order Management and Controls Application
- Contractor Billing Compliance Controls
- Project Close-Out Controls
- Post-Financing Review

4 *Please refer to our final report issued March 12, 2020 for detailed performance audit results.*

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Overview

This presentation ***also covers our performance and controls review surrounding the Bond Program*** for the FY ended June 30, 2019 of the following (continued):

- Refunding of Outstanding Bonds
- Arbitrage and Investments
- Timeliness of Payments
- Local Participation Requirements
- CBOC Compliance
- Transparency of Bond Program

5 *Please refer to our final report issued March 12, 2020 for detailed performance audit results.*

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Overview - Progress

- 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.

 Please refer to our final report issued March 12, 2020 for detailed performance audit results.

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Good Practices Observed

Good Bond Program practices were observed, as indicated 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.

7 *Please refer to our final report issued March 12, 2020 for detailed performance audit results.*

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Audit Observations: Proposition 39 Compliance

Observation

- The performance audit procedures applied provided reasonable assurance in accordance with GAGAS. For FY ended June 30, 2019, we conclude the following:
  - Bond proceeds were only expended on the Listed Projects under Measure D (2010) and Measure E (2012) Bond language.
  - 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.

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.

8 *Please refer to our final report issued March 12, 2020 for detailed performance audit results.*

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Audit Observations: Staffing Plan for the Bond Program

Observation

- 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).

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 the organizational structure's alignment with the Bond Program's needs.
- 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.

9 *Please refer to our final report issued March 12, 2020 for detailed performance audit results.*

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Audit Observations: Design and Construction Schedules Cash Flow Analysis

Observation

- 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).

Recommendation

- 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.
- 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.

10 *Please refer to our final report issued March 12, 2020 for detailed performance audit results.*

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Audit Observations: Design & Construction Budget Mgmt.

Observation

- 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).

Recommendation

- The District should continue efforts to develop and implement policies and procedures for budget establishment and management activities for the Bond Program. 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.

11 *Please refer to our final report issued March 12, 2020 for detailed performance audit results.*

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Audit Observations: Design & Construction Budget Mgmt.

Recommendation

- 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.
- As a best practice, project reporting with key project information, including forecast amounts, should be consistently reported to WCCUSD management and key stakeholders.
- 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.
- 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.



12 *Please refer to our final report issued March 12, 2020 for detailed performance audit results.*

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Audit Observations: Bidding & Procurement

Observation

- 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).

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Audit Observations: Bidding & Procurement

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.
- 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.
- 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.

 Please refer to our final report issued March 12, 2020 for detailed performance audit results.

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Audit Observations: Fraud Prevention & Detection

Observation

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

Recommendation

- WCCUSD should implement policies and procedures to assist in identifying, preventing, and detecting procurement fraud
- 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.

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Audit Observations: Master Planning & Reporting

Observation

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

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.
- The District should continue efforts to align policies and procedures to Guide to Development of Long Range Facilities Plan Prepared by the California Department of Education, or equivalent. Part 5, or the Evaluation Plan

 Please refer to our final report issued March 12, 2020 for detailed performance audit results.

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Audit Observations: Master Planning & Reporting

Recommendation

- 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.

 Please refer to our final report issued March 12, 2020 for detailed performance audit results.

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Audit Observations: Claim Avoidance & Control

Observation

- District policies and procedures did not clearly identify roles and responsibilities to be taken to prevent or limit claim exposures (see Observation No. 8 in the report body).

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

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Audit Observations: Materials Specifications

Observation

- 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).

Recommendation

- 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.
- This policy should ensure that documentation exists, including the requestor and date of request, description of change, cost-benefit relationship for the change, approver and date of approval, and a time-stamped updated specifications document.

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Audit Observations: Cost Benefit & Value Engineering

Observation

- 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).

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.

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Audit Observations: Maintenance & Warranty Compliance

Observation

- 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).

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.

21 *Please refer to our final report issued March 12, 2020 for detailed performance audit results.*

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Audit Observations: Change Order Management & Controls

Observation

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

22 *Please refer to our final report issued March 12, 2020 for detailed performance audit results.*

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Audit Observations: Change Order Management & Controls

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
- 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.
- 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.

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Audit Observations: Contractor Billing Compliance

Observation

- 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).

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.

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Audit Observations: Project Close-Out

Observation

- 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).

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

25 *Please refer to our final report issued March 12, 2020 for detailed performance audit results.*

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Audit Observations: Post-Financing Review

Observation

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

Recommendation

- As a best practice, the District should have established pricing goals and requirements included within their policies and procedures

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Audit Observations: Timeliness of Payments

Observation

- 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).

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.

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Audit Observations: Local Participation Requirements

Observation

- 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).

Recommendation

- The District should define its position and role in achieving local participation goals and Board Policies should be updated accordingly.

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Audit Observations: CBOC Compliance

Observation

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

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.

 Please refer to our final report issued March 12, 2020 for detailed performance audit results.

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Audit Observations: Transparency of Bond Program

Observation

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

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.



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Audit Observations: Transparency of Bond Program

Recommendation

- The District should continue efforts to follow best practices, as specified by SDTEF, to support demonstration of accountability and transparency to all stakeholders.
- As a best practice, the District should develop a communications strategy and plan for projects for key and public stakeholders.

31 *Please refer to our final report issued March 12, 2020 for detailed performance audit results.*

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CHRISTY WHITE
Certified Public Accountants serving
K-12 School Districts and Charter
Schools throughout California

March 12, 2020

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

We have audited the financial statements of the 2010 Measure D & 2012 Measure E Bond Building Fund of West Contra Costa Unified School District (the "District") for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 6, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2019. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

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Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 12, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on the supplementary information section, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of Board of Education and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Christy White, Inc.

Christy White, Inc.

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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

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2010 MEASURE D AND 2012 MEASURE E BOND BUILDING FUND
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
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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 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 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.

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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

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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.

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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 March 12, 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.

Christy White, Inc.

San Diego, California
March 12, 2020

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FINANCIAL SECTION

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

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

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

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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

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

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

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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.

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	$ 62,081,766	$ 29,754,991	$ 91,836,757

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.

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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.

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 combined fair value of approximately $63,671,408 and a combined 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 a combined amortized book value of $20,699,358, and an equivalent combined 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 AAAf/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.

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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	$ 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

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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	51,689,180
Measure E	
Pinole Valley High School	1,543,960
Subtotal - Measure E	1,543,960
Total	$ 53,233,140

NOTE 6 – RECONCILATION 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	(55,449,778)	1,529,576	(53,920,202)
Beginning Fund Balance	135,454,036	2,482,385	137,936,421
Ending Fund Balance	$ 80,004,258	$ 4,011,961	$ 84,016,219

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SUPPLEMENTARY INFORMATION SECTION

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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

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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 March 12, 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.

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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.

Christy White, Inc.

San Diego, California
March 12, 2020

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AUDIT FINDINGS AND MANAGEMENT'S RESPONSES SECTION

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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.

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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.

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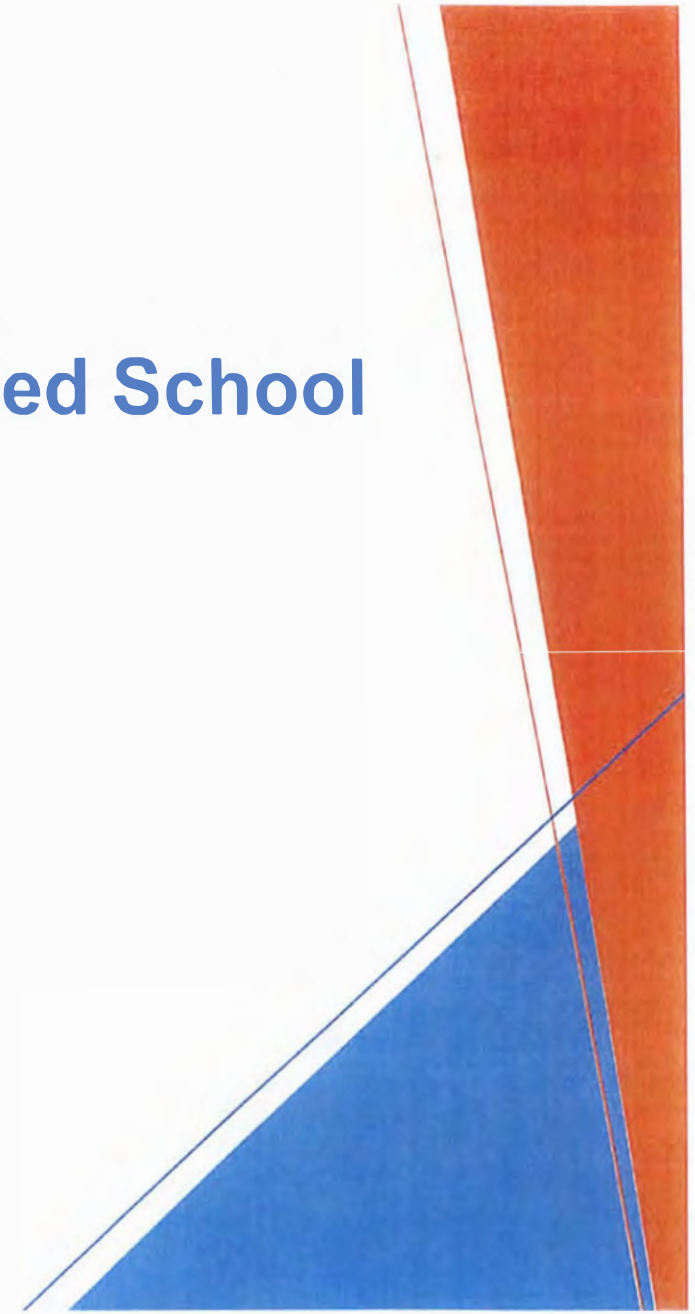
West Contra Costa Unified School District

Financial Audit:

2010 Measure D

2012 Measure E

Christy White, Inc.



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Audit Objectives

A financial statement audit is the examination of an entity's financial statements and accompanying disclosures by an independent auditor. The result of this examination is a report by the auditor, attesting to the **fairness of presentation of the financial statements and related disclosures.** The auditor's report must accompany the financial statements when they are issued to the intended recipients.

Note: We are only issuing an opinion on the 2010 Measure D and 2012 Measure E Bond Building Funds.

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Opinion – On Financial Statements

Opinion paragraph in the **Independent Auditors' Report.** Opinion is unmodified, which is the best you can have:

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.

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Financial – Substantive Procedures

- *Cash* - Review bank reconciliation with county treasury
- *Accounts receivable*- Review account balances, investigate subsequent collections, mainly relates to interest earned on cash in county treasury (Q4 interest accounted for in 2018-19 fiscal year)
- *Accounts payable* - Review account balances, test year-end cutoff
- *Revenue* - Examine official statements to determine recorded correctly (Interest)
- *Expenses* - Examine documents supporting a selection of expenses and interfund transfers, review subsequent transactions

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Report on Internal Control over Financial Reporting and on Compliance and Other Matters

- Required for Prop 39 Bond financial audits
- Not an Opinion on Internal Controls over Financial Reporting, but auditor is required to report any significant deficiencies or material weaknesses identified
- Not an Opinion on Compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance of which could have a direct and material effect on the determination of financial statement amounts, but auditor is required to report if identified
- Internal Controls over Financial Reporting:
  - Significant Deficiency – None Reported
  - Material Weakness – No
- Compliance and Other Matters:
  - No reportable items noted



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