



West Contra Costa Unified School District
Citizens' Bond Oversight Committee
2018 Annual Report



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West Contra Costa Unified School District Citizens' Bond Oversight Committee

2018 Annual Report

January 2018 through December 2018

WCCUSD Citizens'
Bond Oversight
Committee*

Executive Committee

Don Gosney
Chairperson

Kathy Fleming
Vice Chairperson

Cameron "Mac" Moore
Secretary

Members

Sallie DeWitt

Vanessa Hill

Lorraine Humes

Anton Jungherr

Robson Swift

Gregg Visineau

Annual Report 2018

Subcommittee

Sallie DeWitt
Chairperson

Lorraine Humes

Anton Jungherr

Gregg Visineau

*Membership as of
June 30, 2019

To Promote Bond Fund Economy and Efficiency

The State of California requires Citizens' Bond Oversight Committees to inform the public and taxpayers concerning the Proposition 39 (55% local school bond measures) expenditures and use of bond funds at least once a year

This is the West Contra Costa Unified School District's Citizens' Bond Oversight Committee (CBOC) Annual Report 2018

The CBOC expresses its sincere thanks to

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**West Contra Costa Unified School District
Citizens' Bond Oversight Committee
2018 Annual Report**

EXECUTIVE SUMMARY

The Purpose of this Report

The State of California requires Citizens' Bond Oversight Committees (CBOCs) to inform the public and taxpayers about expenditures and use of bond funds at least once a year¹. This is West Contra Costa Unified School District's (WCCUSD's) CBOC Annual Report 2018. It is meant to inform and be read by the school community, local student families, teachers and other District staff, the Board of Education, local property owners, as well as any other interested parties.

The Focus of this Report

This report covers actions taken and events related to WCCUSD's bond fund which took place primarily in calendar year 2018. Events leading up to 2018, or ones that took place up to about the end of June 2019, before the release date of this report, are included as needed to explain and give context to actions and events pertinent to 2018.



¹ California Education Code Section 15278 (b): "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" and Section 15280 (b): "The citizens' oversight committee shall issue regular reports on the results of its activities. A report shall be issued at least once a year."

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Citizens' Bond Oversight Committee

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The Organization of this Report

Following background information about CBOCs and an introduction to this annual report, the main body of this report is organized into the following sections:

- ❖ The use of bond funds in 2018 and program financial status
- ❖ WCCUSD finance and performance audits for Fiscal Years ending June 30, 2018, and the CBOC's Annual 2018 Compliance Statement, legally required
- ❖ Implementation of the 2016 Forensic Accounting Investigation Recommendations and Implementation Review by the auditing firm Moss Adams LLC.
- ❖ Implementation status of the 2016 Long Range Facility Master Plan
- ❖ Other CBOC actions and district support in 2018



Lake Elementary School Storage Room

This report, as well as a summary slide presentation suitable for public presentations, and a list of frequently asked questions (FAQs) should be available online at <http://www.wccusd-bond-oversight.com>.

Use of Bond Funds in 2018

Since the bond program began in 1998, through December 31, 2018, approximately \$1.5 billion has been spent on WCCUSD school facilities projects. Out of 53 schools in WCCUSD, 16 have been built or rebuilt; 28 schools have been renovated. In total, 44 schools (83%) have been built or rebuilt since 1998.

In 2018, expenditures totaled \$75 million, primarily for ongoing construction of the new Pinole Valley High School (PVHS), and for nine other school projects that were in the design or procurement phase.

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Program Current Financial Status and Challenging Forecast

At the end of 2018, the Bond Fund cash balance was \$114.7 million. Over the next 2 years the program projected revenue is \$132.3 million, primarily from the expected sale of all remaining bond authorizations during FY 2020. Committed or budgeted use of funds total \$146.9 million, primarily for the completion of PVHS, plus other ongoing projects included in the 2016 Long Range Facilities Master Plan (FMP), targeted for completion during the 2019-2020 period².

Looking past 2020, the plan is to utilize remaining funds (\$100.2 million) to implement projects at seven schools included in the FMP over the 2019-2023 period. In the 2016 FMP the estimated cost of these seven projects totals \$104.4 million, but with construction costs escalating at a higher rate than forecast in the FMP³, along with central costs estimated at \$8.1 million for 2022 and 2023, there will likely be a need to prioritize and revise project scopes in order to stay within budget constraints. In 2019, the Board authorized the District to develop a more detailed project scope, design, and up to date cost estimate for the largest project, the new Lake Elementary campus, to assist with this effort.



Pinole Valley High School Little Theater

2018 Bond Fund Financial and Performance Audits

The District is subject to two annual audits of the bond program which require oversight from the CBOC, a financial and a performance audit. Both must be conducted by independent professional auditing firms per published standards

² Figures shown in this section regarding the bond program's current financial status are taken from Appendix I, page 93, "Bond Program Financial Status (Report #13) Effective December 31, 2018.

³ Additional details concerning estimated cost escalation can be found in this report, Section 3, Use of Bond Funds and Bond Program Financial Status.

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and guidelines, and be completed no later than March 31 following the close of the District's fiscal year, which ends on June 30.

A basic performance audit is required by state law to determine whether bond funds meet Proposition 39 requirements, i.e., are used for projects listed in bond ballot measures, and only for construction, furnishings and equipment. In addition, following recommendations made by the CBOC, the Board contracted with Moss Adams LLC to do an expanded scope performance audit, including "effectiveness and results" — an assessment of bond program management and recommendations for improvements — for three years, starting with FY 2017.

The required FY2018 Financial Audit conducted by independent financial auditor Christy White Associates confirmed that the financial statements "... present fairly, in all material respects ... "the financial position as of June 30, 2018.⁴

The required FY2018 Performance Audit conducted by independent performance auditor Moss Adams, LLP confirmed 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, 2018. For District labor charges to the Bond Program the CBOC noted that the District was unable to demonstrate that these charges were accurately and completely identified as Bond Program costs with timekeeping records. Additionally, we noted improvements recommendations"

Moss Adams also reported that no more than 20% of the recommendations in the FY 2017 performance audit were fully implemented by the District in FY 2018. Moreover, additional recommendations in FY 2018 added roughly a third to the total list of outstanding recommendations.⁵

Moss Adams noted in their report to the Board in March 2019, that the majority of the recommendations still open after their FY 2018 performance audit, relate

⁴ 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, 2018, March 11, 2019, Christy White Associates, page 4.

⁵ Final Report West Contra Costa Unified School District Proposition 39 Bond Performance Audit Report for the Fiscal Year Ended June 30, 2018, March 28, 2019, Moss Adams, LLP, page ii

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to formalizing Board-approved policies and procedures. They recommended the District engage a third party to help complete these tasks. Early in 2019, the Board approved a contract with Swinerton Management and Consulting to assist staff in developing a comprehensive set of policies and procedures, known now as the Program Management Plan (PMP). Software by Colbi Technologies Is also being installed to streamline and automate financial reporting and other tasks.

The District received a clean bond fund financial audit (i.e., free of negative findings) in FY 2018. However, in FY 2018, auditors reported a material weakness in the District's accounting for capital assets, including facilities. Although the District's broader financial audit is technically outside the purview of the CBOC,



Electrical Transformers at Lake Elementary School

details about this material weakness are included in this report in the interests of transparency (See Section 4, WCCUSD Audit Report FY 2018).

2018 WCCUSD CBOC Compliance Opinion for General Obligation Bonds Measure D (2010) and Measure E (2012)

California Education Code Section 15278 (b) requires the CBOC to advise the public whether the

District is in compliance with four state accountability requirements.⁶

The CBOC's 2018 compliance opinion is that the District did not meet the requirement to spend on authorized purposes (Requirement A); it "cannot be determined" if specific school facilities projects were funded (Requirement B);

⁶ See Appendix Q, "Prop 39 Bonds in the California State Constitution", State Constitution Article XII A, Section 1(b)(3), for the full text of these Accountability Requirements.

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and the District did meet the California Constitution requirements to perform independent performance and financial audits (requirements C and D).

Compliance with these requirements is also addressed by the District's performance auditor, Moss Adams, albeit using a different set of standards and guidelines than in the case of the CBOC. (See additional details in Section 4 Accountability Requirement B).

Status of Implementation of 2016 Forensic Accounting Recommendations

Near the end of 2016, the Board approved the final report of the “*2016 Forensic Accounting Investigation*” (FAI).⁷ This report included 112 recommendations to reduce risk and improve organizational efficiency. The District and Board originally targeted implementation of all FAI recommendations by October 2018. In October 2017, the Board approved the CBOC's recommendation that the District implementation of FAI recommendations be reviewed by a third party, Moss Adams LLC, the same firm contracted to do WCCUSD's bond fund “effectiveness and results” performance audits. Moss Adams' review is being conducted in two phases, the first as of June 30, 2017, and a final review when all FAI recommendations are deemed fully implemented by the District. The Phase 1 review began in November 2017, continued through 2018, and was released by Moss Adams on March 7, 2019.

In the Phase 1 report, Moss Adams verified that 33 of the 62 recommendations the District reported as implemented as of June 30, 2017, were fully implemented; 17 were partially implemented, three were not implemented, and seven could not be determined.⁸

⁷ Link to the final report of the “*Forensic Accounting Investigation*” by Vicenti, Lloyd & Stutzman, LLP (VLS), approved by the Board of Education in September, 2016: <https://www.wccusd.net/domain/1723>
Summary of events leading up to the “*Forensic Accounting Investigation*” can be found in the “*CBOC Annual Report 2016*” posted on the CBOC's website: www.wccusd-bond-oversight.com

⁸ The documents associated with implementation of these seven recommendations are subject to attorney client privilege, which was not waived by the Board, and therefore the auditor could not verify.

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Notably, of the 21 recommendations related to areas scored as high risk in the FAI, the District reported five as fully implemented; however, Moss Adams determined these five were only partially implemented. This means that, as of the release date of this report, none of the FAI high risk recommendations (which mostly concerned budgeting) and just 31% of the 112 FAI recommendations, have been verified as fully implemented by an independent third party.⁹

Similar to its recommendations in the FY 2018 performance audit, Moss Adams noted that a significant number of FAI recommendations relate to formalizing Board-approved policies and procedures and recommended the District engage third party resources to assist in this effort. In 2019 the Board approved engagement of third-party resources to assist staff in completing these tasks. (See details near the top of Page 5 beginning with "Early in 2019".) The District has pushed out the target date for full implementation of all 2016 Forensic Accounting Investigation recommendations to June 2020.



Pinole Valley High school Building D

Progress on Legacy Projects and Implementing the 2016 Long Range Facility Master Plan

In 2018, construction work continued on one “legacy” project, PVHS (legacy referring to projects begun prior to the approval of the FMP).

The 2016 Long Range Facilities Master Plan (FMP) provided an analysis and cost estimate of all critical needs and replacement projects for schools in the District.

⁹ See Appendix J *Analysis of Implementation of FAI Recommendations and Risk Association*.

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In June 2016 the Board approved an implementation plan for a subset of 21 FMP projects—the “FMP Implementation Plan Projects”—to be implemented near-term, from 2016-2023. These were primarily “critical needs” projects (for seismic and other health and safety needs) as well as two school replacement projects: Wilson and Lake Elementary Schools. The FMP Implementation Plan assumed that only existing or approved bond funds and forecast state school facilities program funding would be utilized and was based on preliminary project concepts and “Rough Order of Magnitude”¹⁰ cost estimates totaling \$181.8 million.

Work on the FMP Implementation Plan in 2018 continued, concentrated in design and procurement activities for the following critical needs projects: Richmond HS, Olinda ES, Chavez ES, Fairmont ES, and Crespi MS. In addition to the critical needs projects, the District initiated the intensive design management for the District’s first design-build campus replacement project for Wilson ES. At the beginning of 2018, the demolition of Valley View ES and the partial demolition of portables located at Lake ES were completed. The summer work included the conversion of the El Cerrito Interim Campus from a middle school campus to an elementary school campus for the Wilson students and the associated move into their temporary location.

Going forward, sharply rising construction costs in the Bay Area (i.e., beyond 5% escalation assumed in the FMP), could negatively impact budgets for FMP Implementation Plan projects that have not yet been contracted, as well as future ones that have not yet been formally budgeted. The District plans to evaluate and prepare an updated cost estimate for the largest project remaining within the group of seven unbudgeted projects, Lake Elementary, and report to the Board in Fall 2019. Scope adjustments or re-prioritizations may be needed to complete Lake and six other as-yet unbudgeted FMP Implementation Plan projects.

Besides the 21 projects in the FMP Implementation Plan, the FMP identified an additional 21 projects listed as “unfunded”, meaning these are not approved for funding using existing bond funds or state resources. One might reasonably assume these will require additional bond measures to implement. The aggregate

¹⁰ Based on general cost per square foot, including 5% annual forecast cost escalation.

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cost estimate for these in the FMP is \$1.1 billion. (See the complete list of the 21 unfunded projects in Section 6, Unfunded Master Plan Projects.)

Other CBOC Action and District Support in 2018

The year 2018, began a period of significant turnover at several senior District management levels affecting bond fund management, budgeting, accounting, reporting and internal auditing. Turnover and staff reductions affected the District's ability to implement the FY 2017 performance recommendations and the FAI recommendations and to produce the standard CBOC financial reports used for oversight purposes on a consistent basis.

The CBOC made five recommendations to the Board in 2018 to improve bond oversight and transparency. The Board rejected four of these recommendations and approved one. The approved recommendation related to standardizing formats for the financial impact statements included in the Board agenda for bond program budget actions. The new formats will make the impact of such budget actions more transparent and easier to understand¹¹. In addition, the CBOC worked with staff to improve standard financial reports provided to the CBOC for oversight purposes. In particular, the Bond Program Financial Status (Report #13), which provides a snapshot of bond program current and projected revenue and expenses, was improved and a corresponding variance report added.¹²



Classroom wheelchair ramp at Lake Elementary School

¹¹ See Appendix K for a list of the CBOC's recommended financial impact statements.

¹² See Appendix I Bond Program Financial Status (Report #13) and Appendix L Report #13 Primer

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**SECTION
1**

**ABOUT THE
WCCUSD's CBOC**



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1. ABOUT THE WCCUSD's CBOC

In the State of California, the mission of a Citizens' Bond Oversight Committee (CBOC) is to oversee the proper expenditure of money for the construction, repair, and modernization of schools in accordance with California State Proposition 39 (Prop 39), passed in the 2000.¹

The West Contra Costa County Unified School District's (WCCUSD) CBOC is authorized by the WCCUSD Board of Education to have a volunteer committee of 17 local citizens. Its purpose is to oversee school construction using funding from the current WCCUSD local school bond measures passed under Proposition 39: D-2002, J-2005, D-2010, and E-2012. On June 30, 2019, there were nine active members and eight vacancies.²



Pinole Valley High School

The Committee meets publicly 11-12 times a year with facilities and bond finance staff. These include two joint meetings with the Board, usually held in the spring

¹ See Appendix Q, "References for Prop 39 Bonds", for details on the legal requirements for a CBOC.

² Vacant positions: Pinole Resident, Richmond Resident (2), San Pablo Resident, Unincorporated Area (2), Building Trades Council, and WCCUSD Employee Unions.

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Citizens' Bond Oversight Committee
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and fall. Other activities include providing an annual report to the public on its oversight of the Prop 39 bond construction program, receiving and reviewing financial and performance audits of the bond program, and touring construction sites.

2018 CBOC Subcommittees

- ❖ Audit Subcommittee - standing subcommittee open to the public. Meets normally once monthly to review audits, financial reports and related bond program oversight issues.
- ❖ Site Tours Subcommittee - ad hoc subcommittee to visit bond program work-in-progress.
- ❖ Annual Report Subcommittee - ad hoc subcommittee to produce the CBOC's annual report.
- ❖ Website Subcommittee - ad hoc subcommittee to make improvements to the WCCUSD CBOC website.
- ❖ Bylaws Subcommittee - ad hoc subcommittee to review and update CBOC bylaws, as needed.
- ❖ Forensic Task Force - A member of the CBOC participates on the District's 2016 Forensic Accounting Investigation Recommendations Implementation Task Force.

Members of WCCUSD CBOC during the period January 2018 through June 2019³

NAME	ROLE/SUBCOMMITTEE
Rhem Bell	Member
Peter Chau	Member
Charles Cowens	Former Chairperson
Sallie DeWitt*	Annual Report, Audit
Kathy Fleming*	Vice Chairperson, Annual Report
Denise Gianni	Site Tours
Don Gosney*	Chairperson
Auna Harris	Audit
Vanessa Hill*	Audit

³ See Appendix M for CBOC member background information.

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Lorraine Humes*	Annual Report
Leisa Johnson	Bylaws
Anton Jungherr*	Annual Report, Audit, Bylaws
Cameron (Mac) Moore*	Secretary, Forensic Task Force
Devin Murphy	Member
Stephen Purser	Former Vice Chairperson
Robson Swift*	Member
Gregg Visineau*	Annual Report, Audit

*Member as of June 30, 2019

2. CBOC ANNUAL REPORT INTRODUCTION

Report Purpose

The State of California requires Citizens' Bond Oversight Committees to inform the public and taxpayers concerning bond fund expenditures and use of bond funds at least once a year.⁴ This is WCCUSD's CBOC Annual Report 2018, meant to inform the school community, local students families, teachers and other District staff, the Board, local property owners, as well as any other interested parties.

This report covers actions taken and events related to WCCUSD's bond fund which took place in calendar year 2018. Historic context leading up to 2017, or significant events which took place after 2018, up to the publication of this report, are included as needed to explain and give context to actions and events in 2018.

Report Organization

1. About WCCUSD's CBOC
2. CBOC Annual Report Introduction
3. Use of Bond Funds and Bond Program Financial Status
4. District Audits and 2018 CBOC Compliance Statement

⁴ California Education Code Section 15278 (b): "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". Also, Section 15280 (b): "The citizens' oversight committee shall issue regular reports on the results of its activities. A report shall be issued at least once a year."

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5. 2016 Forensic Accounting Investigation (FAI) Recommendations Implementation Status
6. 2016 Long Range Facilities Master Plan Implementation Status
7. Other CBOC Actions and District Support in 2018

Glossary of Terms

1. WCCUSD = the West Contra Costa Unified School District
2. Board = WCCUSD Board of Education
3. CBOC = WCCUSD Citizens' Bond Oversight Committee
4. District = WCCUSD (West Contra Costa Unified School District)
5. FY = Fiscal Year. For the District, these run from July 1 to the following June 30
6. FAI = "2016 Forensic Accounting Investigation" (effective as of September 21, 2016)
7. FMP = "2016 Long Range Facilities Master Plan" (effective as of June 15, 2016)
8. ITF = 2016 Forensic Accounting Investigation Recommendations Implementation Task Force



Pinole Valley High School Main Office

Earl Combs

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**SECTION
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**CBOC
ANNUAL REPORT
INTRODUCTION**



West Contra Costa Unified School District Citizens' Bond Oversight Committee 2018 Annual Report

2. CBOC ANNUAL REPORT INTRODUCTION

Report Purpose

The State of California requires Citizens' Bond Oversight Committees to inform the public and taxpayers concerning bond fund expenditures and use of bond funds at least once a year.¹ This is WCCUSD's CBOC Annual Report 2018, meant to inform the school community, local students families, teachers and other District staff, the Board, local property owners, as well as any other interested parties.



Valley View Elementary Aerial

This report covers actions taken and events related to WCCUSD's bond fund which took place in calendar year 2018. Historic context leading up to 2017, or significant events which took place after 2018, up to the publication of this report, are included as needed to explain and give context to actions and events in 2018.



Old Valley View Elementary School Buildings

Report Organization

1. About WCCUSD's CBOC
2. CBOC Annual Report Introduction
3. Use of Bond Funds and Bond Program Financial Status
4. District Audits and 2018 CBOC Compliance Statement
5. 2016 Forensic Accounting Investigation (FAI) Recommendations Implementation Status

¹ California Education Code Section 15278 (b): "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". Also, Section 15280 (b): "The citizens' oversight committee shall issue regular reports on the results of its activities. A report shall be issued at least once a year."

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6. 2016 Long Range Facilities Master Plan Implementation Status
7. Other CBOC Actions and District Support in 2018



Valley View Elementary School Classrooms

Glossary of Terms

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6. FAI = "2016 Forensic Accounting Investigation" [effective as of September 21, 2016]
7. FMP = "2016 Long Range Facilities Master Plan" [effective as of June 15, 2016]
8. ITF = 2016 Forensic Accounting Investigation Recommendations [Implementation Task Force]



The new Valley View Elementary School utilizes 'Portable Style' classrooms

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**SECTION
3**

**USE OF BOND FUNDS
AND BOND PROGRAM
FINANCIAL STATUS**



West Contra Costa Unified School District

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3. USE OF BOND FUNDS AND BOND PROGRAM FINANCIAL STATUS

Bond Fund Background

The table below shows the District's summary of historical WCCUSD Facilities Bonds through December 31, 2018. Please also refer to Appendix A, "WCCUSD Facilities Funding Sources" for additional information.

Table 1 – Bonds Authorized

Bond Measures	Voter Approved		Bonds Issued					Bond Payments		
	Month Year	Amount (\$)	Latest Issue	Total Issued	Tax Rate per \$100k ⁴	Not Yet Issued	Scheduled Issues ⁵	Principal Paid	Finish Date	Interest Paid
¹ Msr 1998-E	Jun 1998	40,000,000	Jan 2001	40,000,000	\$5.30	0	0	25,580,000	Aug 2025	30,127,618
² Msr 2000-M	Nov 2000	150,000,000	Apr 2003	150,000,000	\$18.40	0	0	86,600,000	Aug 2032	87,444,987
³ Msr 2002-D	Mar 2002	300,000,000	Oct 2005	299,997,483	\$60.00	2,517	0	86,259,217	Aug 2034	124,269,008
³ Msr 2005-J	Nov 2005	400,000,000	Jun 2010	322,409,709	\$60.00	77,590,292	0	20,700,336	Aug 2036	137,044,036
³ Msr 2010-D	Jun 2010	380,000,000	May 2018	315,000,000	\$48.00	65,000,000	65,000,000	38,720,000	Aug 2055	45,840,918
³ Msr 2012-E	Nov 2012	360,000,000	May 2018	295,000,000	\$48.00	65,000,000	65,000,000	34,000,000	Aug 2054	34,038,674
Grand Totals		1,630,000,000		1,422,407,191	\$239.70	207,592,809	130,000,000	291,859,553		458,765,240

¹Principal Paid" is total principal paid and includes principal paid on related refunding bonds subsequent to defeasance of any original bonds defeased.

²Interest Paid" is total gross interest paid less, if applicable, bid premium and accrued interest deposited to Debt Service Fund, refunding escrow funding and federal subsidy payments; in other words, actual payments by County from tax revenue.

Table 1 Source: See Appendix C, "Bond Program Key Performance Indicators (KPI) Summary" (Report #1), dated 07/09/2019. The footnotes numbered 1-5 in Table 1 are in the original source document.



Waiting for a ride home at Pinole Valley High School

Bond Projects History

Source of Bond Funds: The WCCUSD bond program began in 1998 with the passage of local school bond Measure E. Since then, a total of six local school bond measures have been passed by West Contra Costa County voters, through 2012's Measure E, totaling \$1.630 billion in bonding authority for the District. As of

December 31, 2018, the District had issued \$1.423 billion of local school bonds under those voter authorizations.

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Additionally, as of December 31, 2018, the District had applied for and had received, grants from the state of California totaling \$188.5 million. These grants are funded from statewide bond measures approved by California's voters.

See Appendix A - "WCCUSD Facilities Funding Sources" and Appendix C - "Bond Program Key Performance Indicators Summary" for more detail on revenue.



Pinole Valley High School from the hills overlooking Pinole

Use of Bond Funds: As of December 31, 2018, approximately \$1.505 billion had been spent on WCCUSD school facilities projects since the bond program began in 1998. Out of 53 schools in the WCCUSD, 16 have been built or rebuilt and 28 have been renovated with these bond funds.



Pinole Valley High School Building C

See Appendix H - "Bond Fund Program Spending by Site" for more details on expenditures

Construction During 2018: In 2018, expenditures totaled \$75 million, primarily for ongoing construction of the new Pinole Valley High School (PVHS) which opened in August 2019,

but also for projects at ten schools that are in the design or procurement phase. These other projects are listed in the table below.

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Bond Funded Projects Underway as of December 31, 2018 (for greater detail see Appendix G - "Project Status Report")

School	Phase	Project	Status*
Lake Elementary ¹	Construction	Portable Demolition	Completed
Pinole Valley High School (PVHS)	Construction	New Campus	Ongoing ²
PVHS, other	Design	Demolished Temp	Planning
PVHS, other	Design	Campus	Planning
PVHS, other	Design	Field Restoration	Construction Documents
PVHS, other	Procurement	Furniture/Eqpt	Awarded
PVHS, other		Technology	
Korematsu MS	Procurement	Fall Protection	On Hold
Crespi MS	Procurement	Gym Seismic Retrofit	Awarded
Wilson Elementary	Design	Replacement (DBE)	DSA Review
Chavez Elementary	Design	Critical Needs	DSA Approved
Fairmont Elementary	Design	Critical Needs	DSA Review
Olinda Elementary	Design	Critical Needs	DSA Review
Richmond HS	Design	Critical Needs	Schematic Design (DBE)
Riverside Elementary	Procurement	Critical Needs	DBE Procurement
Stege Elementary	Design	Critical Needs	Site Assessment

*Acronyms: DSA - Division of State Architect; DBE = Design-Build Entity.

¹ At its meeting on June 26, 2019 (agenda item C.16), the Board approved the "allocation of \$1,000,000 of the existing FMP estimate of \$65.6 million to replace Lake Elementary School for the initial planning and design of the potential replacement project".

² The new PVHS opened in August 2019.

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Summary: 2018 Bond Program Financial Analysis

2018 Bond Fund Revenue and Expenditures Highlights³

- ❖ At the beginning of the year, the Cash Balance was \$51.5 million
- ❖ Project expenditures totaled \$75 million
- ❖ Additional Measures D and E bonds were sold with net proceeds of \$124.7 million
- ❖ Other revenue and adjustments totaled \$13.5 million (mostly state grants received, \$11.3 million, and interest earned, \$1.9 million)
- ❖ Thus, at the end of 2018, the Cash Balance was \$114.7 million
- ❖ The Total Bond Program Current Budget (i.e., spent and unspent) totaled \$1.65 million at year end; the remaining unspent budget balance is \$146.9 million

Bond Fund Revenue and Expenditures Forecast

The Projected Cash Balance in 2021 increased from \$86.9 million to \$100.2 million due to state grants received and interest earned in 2018. Through June 2023, the District plans to complete legacy projects plus 21 other projects in the 2016 FMP Implementation Plan. Budgeted and projected expenses for all of these now roughly totals remaining cash available. However, sharply escalating construction costs in California and possible delays in state grant distribution, could drive expenses significantly above available funds before 2023. The District will need to manage all projects carefully to stay within existing budget constraints. A summary of cash inflows and outflows over this period⁴:

Projected Available Funds, 2021	\$247.1 million	
State Facility Grants Estimated through 2023	\$ 20.6 million	
Estimated Other Revenue through 2023	\$ 0.8 million	
Projected Available Funds, 2023	\$268.5 million	
Budgeted & Projected Expenses	\$146.9 million	projects under way
Future FMP Projects (unbudgeted)	\$104.4 million	projects to-be-started
Central Costs through 2023	\$ 8.1 million	
Projected Use of Funds, 2023	\$259.4 million	

³ Figures shown in this section regarding the bond program's current financial status are taken from Appendix I "Bond Program Financial Status (Report #13) Effective December 31, 2018.

⁴ Ref: Appendix I Report 13 as of 12/31/18

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Valley View Elementary School
Partial Campus Demolition
Contract Value: \$839,000



Major Challenge Going Forward: Construction Cost Escalation in California

The District will need to manage carefully in order to implement its plan through June 2023, to stay within available funds. With one exception, no additional source of funds beyond what is shown above will be available. In June 2019, the PVHS grant amount, included above, was increased from \$16.5 to \$23.4 million. Moreover, it was expected after 2023, but is now

estimated to be received in July 2020.

The FMP cost estimates assumed a 5% annual cost increase. However, construction costs in California have risen sharply, and it is reasonable to expect that actual costs will continue to be higher than the 5% assumed in the FMP estimates.

- a. The California Division of the State Architect (the DSA) has projected construction costs in California to escalate by 7 - 12% per annum over the next several years.⁵
- b. So far, since 2016, WCCUSD's Board of Education has approved budget increases for a number of projects to cover escalation in excess of 5% per annum (currently estimated to be running at about 9%).

Each 1% increase in construction cost escalation--above the current program rate of 9% per annum--adds an estimated \$4 million to bond fund expenditures.

Assuming cost escalation continues in the near term, it is reasonable to expect budget supplements to add as much as \$15 million or more for FMP Implementation Projects (unbudgeted) through 2021. Should this occur, the Bond Program expected revenue will roughly equal expenditures with no alternative source of funds.

⁵ "DSA 20/20 Focus on the Future - Feb. 2018"

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Given these challenges, project scope adjustments and/or re-prioritizations will likely be needed to complete the remaining seven unbudgeted FMP Implementation Plan projects including the replacement of Lake Elementary and the six smaller critical needs projects. The District is aware of these issues and has briefed the Board.⁶ In 2019, the Board approved the District plan to evaluate and prepare an updated scope and cost estimate for Lake Elementary, and report to the Board in Fall 2019. In addition, scope adjustments are being evaluated for the other six projects.

Bond Sales and Local Property Taxes

Previously authorized but unissued 2010 Measure D and 2012 Measure E WCCUSD local school bond capacity totals \$130 million. The District plans to issue these final “new money” bonds (cash received from selling new bonds under existing authorizations) in FY2020.⁷

This will exhaust the District’s current near-term borrowing authority from the voters:

Issued-to-Date	\$1,423 million
Deferred Issues	\$77 million ⁸
To-be-Issued in FY 2020	\$130 million
Total Authorized since 1998	\$ 1,630 million

See Appendix A - “*WCCUSD Facilities Funding Sources*” for more details.

⁶ See Board presentations on the Facilities Master Plan page of the District website, <https://www.wccusd.net/Page/6945>.

⁷ WCCUSD “*Bond Program Financial Status, Cash Projections to June-2021*”, Report 13 (effective Dec 31, 2018), Note 2, page 72, Appendix I.

⁸ 2005 Measure J is “maxed out” for any more near-term bond issues because current debt service is costing taxpayers the full \$60 per \$100,000 rate until Tax Year 2034/35. This is the earliest date currently projected for freeing up taxing capacity to issue part or all of the remaining \$77 million Measure J authorization. See Appendix B, “*West Contra Costa County Tax Rates*”. Measure J Authorization = \$400 million, Issued-to-Date = \$323 million, Remaining-to-Issue = \$77 million.

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**SECTION
4**

**DISTRICT AUDITS AND
2018 CBOC COMPLIANCE
STATEMENT**



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4. DISTRICT AUDITS AND 2018 CBOC COMPLIANCE STATEMENT



When built, the delivery MS did not allow larger delivery trucks to make full use of the ramp. The ramp was revamped so a wider array of delivery trucks could utilize it and service the school.



Overview of Bond Fund District Audits

The required FY2018 Financial Audit conducted by independent financial auditor Christy White Associates confirmed that the financial statements “... present fairly, in all material respects ... “the financial position as of June 30, 2018.¹

The required FY2018 Performance Audit conducted by independent performance auditor Moss Adams, LLP confirmed 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, 2018. 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.

Additionally, we noted improvements recommendations²

¹ 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, 2018, March 11, 2019, Christy White Associates, page 4 [available on the CBOC website at www.wccusd-bond-oversight.com].

² Final Report West Contra Costa Unified School District Proposition 39 Bond Performance Audit Report for the Fiscal Year Ended June 30, 2018, March 28, 2019, Moss Adams, LLP, page ii [available on the CBOC website at www.wccusd-bond-oversight.com].

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The District is subject to both a financial and performance audit of the bond program, required by Prop 39, and thus subject to oversight from the CBOC. The audits are performed by independent professional auditing firms contracted by the District according to published standards and guidelines. The audits are completed no later than March 31 following the close of the District's fiscal year, which ends on the previous June 30. The FY2018 financial audit was performed by Christy White Associates and the FY2018 performance audit was performed by Moss Adams LLP.

Lake Elementary School
Portable Demolition
Contract Value: \$136,311



The rankings included in the 2016 Facilities Master Plan place Lake Elementary at #2 to be rebuilt or repaired

For the performance audit, Prop 39 establishes minimum requirements to determine whether:

1. Use of bond funds is restricted to construction, furnishings and equipment and not for teacher and administrator salaries and other school operating expenses, and
2. Bond funds are spent only on listed projects from their ballot measures.

In addition to these basic requirements, and following recommendations made by the CBOC, the Board contracted with Moss Adams to do an expanded scope performance audit, including “effectiveness and results” -- an assessment of bond program management and recommendations for improvements -- for three years, starting with FY2017.

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**General Obligation Bonds Measure D (2010)
and Measure E (2012)**

California Education Code Section 15278 (b) requires that: “The citizens oversight committee shall advise the public as to whether the [District] is in compliance with the [accountability] requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution”.³

This is the Citizens' Bond Oversight Committee (CBOC) 2018 Compliance Opinion:

State Constitution [Art XIII A, Sec 1(b)(3)]	Local Bond Fund Accountability Requirements	In Compliance? (CBOC)
A	<p>Bond funds are <u>Used Only For</u>: “The construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities”.</p> <p><u>And Not For</u>: “Any other purpose, including teacher and administrator salaries and other school operating expenses”.</p>	No (See Below)
B	“A list of the specific school facilities projects to be funded”	Cannot be determined (See Below)
C	“Conduct an annual, independent performance audit”.	Yes
D	“Conduct an annual, independent financial audit”.	Yes

Accountability Requirement A

District performance auditor, Moss Adams, and the CBOC both agree that the District could not demonstrate compliance with the requirement that bond funds are used only for school facilities construction and not for other purposes. The reason is that operations staff work both on bond fund projects and other non-bond fund related activities. District management allocates staff time between activities, but there is no formal timecard or other system that would allow a third party auditor to confirm the allocations. Staff salaries and benefits totaling \$2

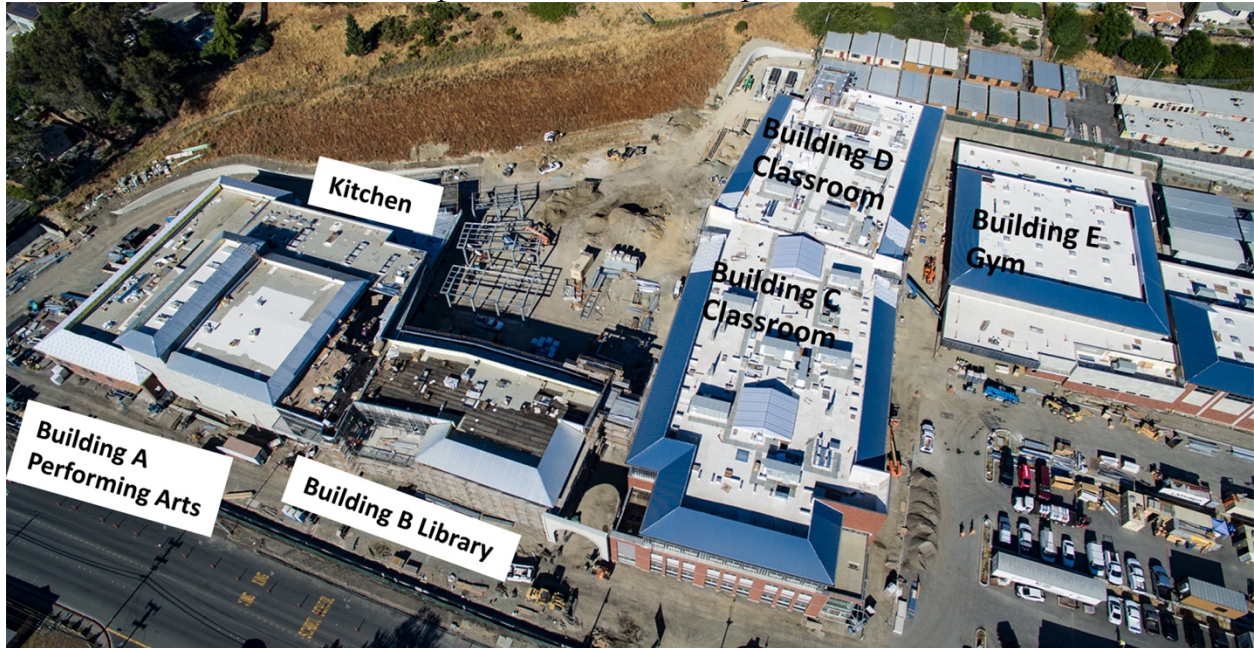
³ See Appendix P, *Overview of “Prop 39 Bonds”*, State Constitution Article XII A, Section 1(b)(3), for the full text of these Accountability Requirements.

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million were charged to the bond program in FY 2018, and an estimated \$1.6 million is forecast to be charged in FY 2019.

Accountability Requirement B

With respect to compliance with the requirement that bond funds be used only for projects listed in the bond measures, Moss Adams and the CBOC--each guided by a different set of standards and guidelines--differ in their conclusions. The language in Measures D and E was general in nature--for example, "School Renovation, Repair and Upgrade Projects". Moss Adams determined that bond funds were spent largely for stated purposes in general in FY 2017 and concluded that the District was in compliance with this requirement in FY 2018.



Pinole Valley High School with buildings tagged for identification

The CBOC's opinion is that, because Measures D and E both passed without a list of "specific school facilities projects to be funded", compliance with Requirement B cannot be determined.

The CBOC's opinion is supported by guidelines and best practices for strong bond oversight promoted by, among others, the Little Hoover Commission, a bipartisan state board which works to foster economy, efficiency and improved services in the use of public funds. This board calls for specific project lists in

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bond measure language, even recommending a change in the education code to require this:

“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, to ‘[r]equire bond measures proposed to voters under the reduced threshold to include specific project lists.’”

The Little Hoover Commission’s best practice guidance is also reflected in one of VLS’ recommendations in the 2016 Forensic Accounting Investigation (FAI) Phase II Final Report which calls for greater specificity in bond measure language:

"When the District seeks the passage of a future bond measure(s), include language in the bond measure that specifically refers to the Board approved Long-Range Facilities Master Plan. Adding this language to the bond measure will afford the District increased transparency, allow the voters to better understand the projects and timeline of the projects that will be undertaken with the bond proceeds, and will hold the District and Board members accountable to the public...."



The 'face' of Pinole Valley High School--the arch--being erected

And finally, in June 2019, the CBOC approved **Facilities Roadmap 2023 Excellence Every Day** included the following provisions under Features of a Transparent Bond Measure:

- ❖ Specified prioritized Project List with estimated cost of each project and a commitment to build the projects in the priority order promised.

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- ❖ A statement in the ballot language that includes the total amount of bonds to be issued, the duration of the bonds debt service, an estimate of average annual tax rate provided by an official source.

Measures D (2010) and E (2012) were both passed years before the Board approved the District's comprehensive Long Range Facility Master Plan in 2016. The FAI and other best practice recommendations calling for greater specificity in bond measure language can only be addressed when future bond measures are put before district voters.



The entrance to Fairmont Elementary School

In summary, Moss Adams' opinion is based on performance audit standards and guidelines, and states that expenditures in FY 2017 and FY 2018 were spent, in general, on school facility construction projects. The CBOC, on the other hand, per Proposition 39 amendments to the California Constitution, has a duty to inform the public on expenditures by "a list of specific school facilities projects to be funded". Under the circumstances--i.e., without specific school projects listed in the original bond measures--the CBOC cannot determine the amount of bond funds spent for specific projects. The CBOC's opinion is supported by other third parties, including the Little Hoover Commission and recommendations in the 2016 Forensic Accounting Investigation, both of which promote greater specificity in bond measure language as a basis for bond oversight best practices.

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Accountability Requirements C and D

Both Moss Adams and the CBOC opine that the WCCUSD is in compliance with the accountability measures of obtaining an independently conducted annual performance audit and financial audit.



Lake Elementary

Summary of Bond Fund Financial Audit FY 2018

The bond fund received a clean opinion from the independent financial auditor, Christy White Associates (CWA), as it has in previous years. Here is their opinion:

“In our [CWA’s] opinion, the financial statements referred to [in this Financial Audit] 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, 2018, 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.”⁴

WCCUSD Audit Report FY 2018

In addition to the bond fund financial audit, WCCUSD is subject to an annual financial audit covering all aspects of

District activities. In the FY 2018 Audit, the District’s auditors (Christy White Associates) found material weaknesses in how the District accounts for capital

⁴ Christy White Associates, Financial Audit Report, For the Year Ended June 30, 2018, page 4.

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assets, including completed capital assets that had been funded by bonds. The bond fund includes the accounting for funds available to fund projects and projects under construction. Once completed, the assets are recorded in the District financial statements. While the WCCUSD audit results are not strictly within the purview of the CBOC, we believe that (a) good governance and management requires the WCCUSD to accurately account for assets that were funded by bond measures; and (b) the CBOC appropriately highlights the material weakness in the interest of transparency. The auditor's statement from the FY 2018 Audit:



Lake Elementary School urinals in need of an upgrade

“The balances within the capital asset summary, specifically buildings, improvements, and accumulated depreciation, are not properly supported by an accurate listing and may be materially misstated with respect to the balances presented as capital and accumulated depreciation in the government-wide financial statements. The auditor's opinion was qualified because it cannot determine whether the capital assets and the related accumulated depreciation balances are fairly stated.”



Summary of FY 2018 Bond Fund Performance Audit Results

A basic performance audit is required by state law to determine whether bond funds meet Proposition 39 requirements, i.e., are used for projects listed in bond ballot measures, and only for construction, furnishings and equipment. In addition to this basic requirement, and following

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recommendations made by the CBOC, the Board contracted with Moss Adams to do an expanded scope performance audit, including “effectiveness and results” -- an assessment of bond program management and recommendations for improvements -- for three years, starting with FY2017.

Historically, the District has always supplemented the basic bond performance audit with some form of additional review, either an Agreed Upon Procedures Report or the more comprehensive effectiveness and results audit. For more detail on performance auditing standards see Appendix E - “2003 - 2018 WCCUSD Bond Program Audit History”.

In March 2018, following receipt of Moss Adams’ FY 2017 effectiveness and results performance audit management improvement recommendations, the District targeted resolving all recommendations by October 2018. However, in their FY 2018 performance audit, Moss Adams noted limited progress by the District towards implementing the FY 2017 recommendations; they found no more than 20% were fully resolved. Moreover, additional recommendations made in Moss Adams’ FY 2018 performance audit increased the overall total by a third. See Appendix D for a summary of recommendations made in Moss Adams’ FY 2018 performance audit.



The District has indicated that implementation progress on the FY 2017 performance audit recommendations and the FAI recommendations (see section

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5 of this report) was hampered in 2018 by: (1) staff shortages in the Operations and Business Services Departments including due to elimination of positions, medical leave, and unfilled positions, (2) prioritization of day-to-day work over implementation of audit recommendations, and (3) the staff time required supporting and responding to the auditor in relation to the performance audit and the FAI implementation review.



Moss Adams noted that the majority of open recommendations, both with respect to the performance audits and the FAI recommendations, relate to formalizing Board-approved policies and procedures and recommended the District engage third party resources to supplement internal staff to complete these tasks.

In 2019, the Board approved contracts with Swinerton Management and Consulting to assist staff in developing a comprehensive set of policies and procedures (the Program Management Plan) and with Colbi Technologies to utilize its software package to streamline and automate financial reporting and other tasks.

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See Appendix E for a detailed listing of the performance audits and agreed-upon procedure reports for the fiscal years 2003 to 2019 including auditor's name, type of report, cost and number of pages.



Typical Woodrow Wilson 'portable' classroom

SUMMARY DISTRICT AUDITS AND CBOC 2018 COMPLIANCE STATEMENT

- ❖ FY 2018 Bond Fund Financial Audit by Christy White Associates (CWA) was free of negative findings
- ❖ FY 2018 Bond Fund Performance Audit by Moss Adams LLP: The number of recommendations increased by a third from the FY 2017 audit. Approximately 20% of the recommendations made in FY 2017 were fully implemented by the District in FY 2018.
- ❖ The CBOC's 2018 compliance opinion concerning four state accountability requirements in the California Constitution is that the District did not meet the requirement to spend on authorized purposes (Requirement A); it "cannot be determined" if specific school facilities projects were funded (Requirement B); and the District did meet the California Constitution requirements to perform annual independent performance and financial audits (Requirements C and D).



Pinole Valley High School

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**SECTION
5**

**2016 FORENSIC
ACCOUNTING
INVESTIGATION (FAI)
RECOMMENDATIONS
IMPLEMENTATION
STATUS**



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**5. 2016 FORENSIC ACCOUNTING
INVESTIGATION (FAI)
RECOMMENDATIONS IMPLEMENTATION
STATUS**

Background

In 2015, the Board directed the forensic accounting firm Vincenti, Lloyd & Stutzman, LLP (VLS) to assess the risk of fraud, corruption and waste in the bond program as a result of allegations made by a District employee. In its 2016 report,¹ VLS made 112 recommendations to reduce risk and improve organizational efficiency. In September 2016 the Board established that the District would



implement these recommendations and the District originally targeted completing implementation over a two-year period, by October 2018.

The Board established a FAI Recommendations Implementation Task Force (ITF) to track the District's progress and periodically report status to the Board and public. The task force consists of the Superintendent, the Associate Superintendent in charge of Operations and the Bond Program, the Internal Auditor, the Director of Contracts Administration, a member of the CBOC, and a member of the Solutions Team (employee union representative).

In October 2017, the Board accepted the CBOC's recommendation to engage an auditing firm (Moss Adams LLP) to review and verify the District's implementation of the FAI recommendations. This independent

¹ The report can be viewed on the District website, <https://www.wccusd.net/domain/1723>. A matrix detailing the status of each recommendation as well as reports from the ITF to the Board and Facilities Committee can be viewed on the District website, <https://www.wccusd.net/Page/8139>.

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review is being performed in two phases. In Phase 1, Moss Adams reviewed recommendations implemented up to June 30, 2017. This review report was delivered March 7, 2019. The remainder of the recommendations implemented will be reported in Phase 2.²



Typical classroom building at Lake Elementary School

2018 District FAI Implementation Activities



Lake Elementary School classroom interior

The District indicated that implementation progress in 2018 was hampered by: (1) staff shortages in the Operations and Business Services Department including due to elimination of positions, medical leave, and unfilled positions, (2) prioritization of day-to-day work over implementation of audit recommendations, and (3) staff time

required to support and respond to the auditor in relation to the Performance Audit and the FAI Implementation Review.

The ITF met three times and provided two written updates to the Board during 2018. As of December 2018, two of the six ITF positions were vacant: the Internal Auditor and the Solutions Team members³. On December 18, 2018, the CBOC approved a recommendation to the Board and District that the Associate Superintendent for Business Services be added to the ITF since a number of the FAI recommendations relate to

² See timeline details in Appendix J *Analysis of Implementation of FAI Recommendations and Risk Association*.

³ The Internal Auditor position has subsequently been filled, as of July 17, 2019.

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Business Services activities, but the Board decided not to implement this recommendation.

Moss Adams Phase 1 Review

Moss Adams' Phase 1 review to verify implementation of recommendations as of June 30, 2017 was issued on March 7, 2019.

In its Phase 1 review report, Moss Adams determined that of the 62 recommendations the District reported as implemented as of June 30, 2017, 33 were verified as fully implemented, 19 as partially implemented, three as not implemented, and seven as undetermined⁴.



Pinole Valley High School

Notably, of the 21 recommendations related to areas scored as high risk in the FAI, the District reported five as fully implemented as of June 30, 2017. However, Moss Adams determined these five were only partially implemented. Thus, as of the release date of this annual report, none of the FAI high risk recommendations, which mostly concerned budgeting, and just 31% of all the FAI recommendations have been verified as fully implemented by an independent third party⁵.

Similar to its recommendations in the FY2018 performance audit, Moss Adams noted that a significant number of FAI recommendations related to formalizing Board-approved policies and procedures and recommended the District engage third party resources to supplement internal staff and in 2019

⁴ The documents associated with implementation of these recommendations are subject to attorney client privilege, which was not waived by the Board, and therefore the auditor could not verify.

⁵ See Appendix J *Analysis of Implementation of FAI Recommendations and Risk Association*.

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Pinole Valley High School along Pinole Valley Road

the Board approved engagement of third party resources to supplement staff as noted in the Summary of the FY 2018 Performance Audit above. In 2019, the Board approved engagement of third-party resources to supplement staff to complete these tasks.

The District has pushed out the target date for full implementation of all FAI recommendations to June 2020, 20 months after the original target date of October 2018, and almost four years after the release of the 2016 Forensic Accounting Investigation. Moss Adams is now under contract to verify the implementation of the 50 recommendations that were not reviewed in the Phase 1 report. The Board has not decided if and when to review the 29

recommendations not verified as fully implemented in Phase I.



Pinole Valley High School Building A

SUMMARY

In 2018 progress slowed on implementation of the FAI recommendations. The District pushed out its target date to complete full implementation from October 2018 to

June 2020. At the release date of this annual report, almost three years after VLS's final FAI report in 2016, 33 recommendations (29%) have been verified as fully implemented by an independent third party. None of the 21 recommendations associated with items scored as high risk by VLS, most of which have to do with budgeting practices, have been verified as fully implemented. In 2018, Moss Adams LLC reviewed the District's implementation of the FAI recommendations, and issued their Phase 1 report in March 2019. Following this report, and in accordance with Moss Adams' recommendation, the Board approved the District's plan to engage third party resources to supplement staff resources to complete implementation of the remaining FAI recommendations.

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**SECTION
6**

**2016 LONG RANGE
FACILITIES MASTER
PLAN IMPLEMENTATION
STATUS**



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6. 2016 LONG RANGE FACILITIES MASTER PLAN IMPLEMENTATION STATUS

Background

The Facilities Master Plan (FMP) represents the District's main statement of strategy for school facility upgrades and replacements over the next five years and beyond. It is comprised of the following:

- The “*Long Range Facilities Master Plan*” (July 2016) - this document describes the master planning process: assessing existing facilities, estimating future needs, setting priorities, developing options, and establishing an implementation plan.
- The “*Educational Specifications*” and “*Materials and Product Standards*” (2016-2017) - these documents establish District wide standards for school designs and the materials used in school construction.

The Facilities Master Plan was prepared by external architects and consultants (Darden Architects and Integrated Educational Planning & Programming) after extensive input from school site and the general communities¹. In June 2016 the Board approved an implementation plan for 21 projects - the “FMP Implementation Plan Projects” - to be implemented from 2016-2023 and that focused primarily on “critical needs” projects (for seismic and other health and safety needs) as well as two school replacement projects: Wilson and Lake Elementary Schools. These projects and their status and schedules are summarized in the tables below. The approved implementation plan assumed that only existing or approved bond funds and forecast state school facilities program funding would be utilized and was based on preliminary project concepts and “Rough Order of Magnitude”² cost estimates totaling \$181.8 million.

¹ These documents and others related to the Facilities Master Plan can be viewed on the District website, <https://www.wccusd.net/Page/6945>.

² Based on general cost per square foot, including 5% annual forecast cost escalation.

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The Facilities Master Plan also identifies an additional 21 projects with aggregate Rough Order of Magnitude cost estimate of \$1,119.9 million that are likely to require additional bond measures to implement. These projects are referred to as “Unfunded Master Plan Projects”, and are summarized in a table below.

It should be noted that the largest bond funded projects underway in 2018, Pinole Valley High School and Nystrom Elementary replacement projects, were approved prior to the establishment of the FMP. These projects are referred to as “Legacy Projects.”

FMP Implementation Plan Projects: Status, Master Plan Estimates, and Approved Budgets³						
School (1)	Project Type (2)	R.O.M. Cost Estimate * (\$ millions) (3)	Board- approved Adjustments ⁴ (4)	Revised R.O.M. Cost Estimate ** (5) = (3) + (4)	Board- approved Budget (6)	Status (7)
Ed Specs & School Sizing		\$ 0.2		\$ 0.2	\$ 0.2	Completed
Grant ES	Critical Needs	0.9	\$-0.7	0.2	0.2	Completed
Harmon Knolls ES	Soils Testing	0.1	-0.1	0.0	0.0	Completed
Harmon Knolls ES	Critical Needs	0.2	0.2	0.4	0.4	Completed
Lake ES	Critical Needs	n.a.	0.1	0.1	0.1	Completed
Ohlone ES	Critical Needs	0.8	-0.2	0.6	0.6	Completed
Valley View Elementary	Critical Needs	1.0	0.1	1.1	1.1	Completed
Highland ES	Critical Needs	0.8		0.8	0.8	Closing
Chavez ES	Critical Needs	0.6		0.6	0.6	Design/Plan

³ Data is from a presentation entitled “Bond, Facility Planning & Construction Department May 2019” available on the District website <https://www.wccusd.net/Page/6945>.

⁴ Subsequent to December 31, 2018 the Board has approved two additional budget increases: for Crespi MS (\$2.2 million, March 20, 2019) and Wilson ES (\$2.6 million, June 26, 2019), so budget adjustments now aggregate \$7.7 million. See “2018 Activities” below for further details.

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Crespi MS	Critical Needs	3.1		3.1	3.1	Design/Plan
Fairmont ES	Critical Needs	3.0		3.0	3.0	Design/Plan
Olinda ES	Critical Needs	1.0		1.0	1.0	Design/Plan
Richmond HS	Critical Needs	15.1	3.9	19.0	19.0	Design/Plan
Riverside ES	Critical Needs	6.9		6.9	6.9	Design/Plan
Stege ES	Critical Needs	2.9		2.9	2.9	Design/Plan
Wilson ES	Replacement	40.3		40.3	40.3	Design/Plan
Cameron	Critical Needs	1.3		1.3	--	Future Project
Collins ES	Critical Needs	3.5		3.5	--	Future Project
Hercules MS	Critical Needs	7.5		7.5	--	Future Project
Hercules HS	Critical Needs	7.2		7.2	--	Future Project
Kennedy HS	Critical Needs	12.2		12.2	--	Future Project
Lake ES	Replacement	66.1	-0.5	65.6	--	Future Project
Shannon ES	Critical Needs	7.1		7.1	--	Future Project
Total		\$ 181.8	\$2.8	\$ 184.7	\$ 80.3	Board-approved Budget
Remainder = \$104.4 Unbudgeted (Future) Projects						

ES = Elementary MS = Middle School HS = High School

** Rough Order of Magnitude (R.O.M.) Cost Estimates: As clarified between the District and the CBOC [subsequent to the approval of the Facilities Master Plan], R.O.M.'s are defined as follows:

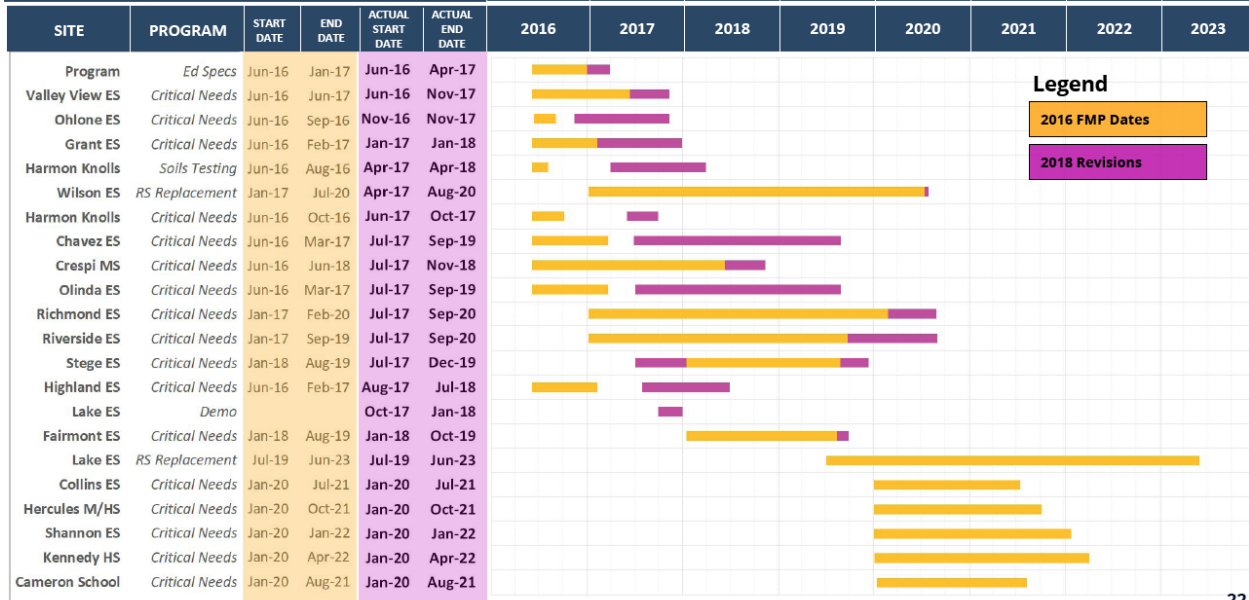
“Five percent inflation has been applied from mid-2016 to the scheduled midpoint of construction, compounded yearly, to account for inflation. These “Rough Order of Magnitude” (R.O.M.) cost estimates, which are based on general cost per square foot, do not include market-based contract escalation (if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

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

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

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FMP Implementation Plan 2018 Update



Note: Time bars represent design, agency approval, construction, and closeout.

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The chart above is from a presentation entitled "Facilities, Planning & Construction Department Implementation Update 5.30.19" available on the District website <https://www.wccusd.net/Page/6945>.

Unfunded Master Plan Projects		
School Site	Project Type	R.O.M Cost Estimate
Alvarado Adult	Critical Needs	\$ 4.2 million
Sierra Adult	Critical Needs	3.4
Stege Elementary	Replacement	86.4
Highland Elementary	Replacement	121.9
Valley View Elementary	Replacement	108.5
Grant Elementary	Modernization/Partial Replacement	46.6
Richmond High	Modernization/Partial Replacement	119.2
Shannon Elementary	Modernization/Partial Replacement	28.1
Olinda Elementary	Replacement	89.6
Fairmont Elementary	Replacement	102.4
Crespi Middle	Modernization/Partial Replacement	65.5
Collins Elementary	Modernization/Partial Replacement	37.2
Kennedy High	Modernization/Partial Replacement	110.4
Riverside Elementary	Modernization/Partial Replacement	58.1
Chavez Elementary	Modernization/Partial Replacement	24.6
Hercules Middle	Modernization/Partial Replacement	7.2
Hercules High	Modernization/Partial Replacement	15.9
Ohlone Elementary	Modernization/Partial Replacement	10.2
Cameron School	Modernization/Partial Replacement	37.4

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Alvarado Adult	Modernization/Partial Replacement	25.7
Sierra Adult	Modernization/Partial Replacement	17.4
Unfunded Master Plan Projects		\$ 1,119.9 million

"Unfunded Projects" are listed above in their order of prioritization and timeline scheduling, within the *Long Range Facility Master Plan*.

2018 FMP Activities

During 2018, no major construction commenced on FMP projects. Several critical needs projects were completed, and other projects progressed through the pre-design, design, and procurement phases.

The Wilson Elementary School replacement is the next major construction project. Its budget and design-build construction contract were approved by the Board in 2017. Designs were submitted to the Division of the State Architect (a state agency that reviews and approves school construction designs) for approval. The school was moved to a temporary campus for the 2018-20 school years. Demolition of the existing campus occurred during the summer of 2019, and construction will commence in 2019 with target occupancy by August 2020.

Richmond High School has a significant budget for a series of critical needs projects at the campus including demolition of several old buildings, seismic improvements for the Science building, and a replacement gym. In November 2018 the Board approved a \$19.0 million project budget, which was \$3.9 million over the estimate from the FMP in 2016.

As noted in other sections of this report, rising construction costs in California continue to present a challenge to the program. Through December 31, 2018 the Board has approved several budget increases totaling \$4.3 million, offset by \$1.5 million savings on other projects for a net increase of \$2.8 million. Subsequent to December 31, 2018, the Board approved two additional budget increases for Crespi MS (\$2.2 million, March 20, 2019) and Wilson ES (\$2.6 million, June 26, 2019) so the aggregate increase is now \$7.7 million. These budget adjustments represent only 4%

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of the total FMP Implementation Plan cost estimate from 2016, and current major projects are not affected since they are for the most part already under contract. Nevertheless, rising construction costs are a concern for the remaining “Future Projects” (i.e. the seven listed in the FMP Implementation Projects table above), for which formal Board approved budgets have not yet been established.

The Future Projects consist of one campus replacement project for Lake Elementary (FMP estimate of \$66.1 million) and six critical needs projects (FMP estimate of \$38.8 million). The District intends to begin evaluation and updated cost estimate for Lake Elementary during the summer of 2019, and report to the Board in the fall of 2019 to consider what adjustments, if any, are required to complete the final group of FMP Implementation Plan projects during the 2021-2023 time frame.

SUMMARY

There were no major changes to the Facilities Master Plan in 2018, and no major construction commenced as most active FMP Implementation Plan projects remain in the planning or design phases. Rising construction costs in the Bay Area are a concern that could affect budgets for the last group of seven FMP Implementation Plan projects that are scheduled to be completed from 2021-2023. The District plans to evaluate and prepare an updated cost estimate for the largest project within the last group, Lake Elementary, and report to the Board in Fall 2019 to determine what adjustments or re-prioritizations, if any, need to be made to complete these projects

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**SECTION
7**

**OTHER CBOC ACTIONS
and
DISTRICT SUPPORT
in
2018**



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7. OTHER CBOC ACTIONS AND DISTRICT SUPPORT IN 2018

1. District Staff Changes and Reductions

2018 (and into 2019) was a period of turnover at several senior management levels affecting bond fund management, budgeting, accounting, reporting and internal auditing:

- ❖ The *Senior Bond Accountant* position was eliminated in February 2018.
- ❖ The *Executive Director, Bond Finance* position was eliminated in June 2018.
- ❖ A long-serving *Associate Superintendent for Business Services* retired in June 2017. Two subsequent hires for this position have left; the third new hire started in August 2019.
- ❖ The position, *Director, Internal Audit*, (a position strongly recommended by the District's 2016 *Financial Accounting Investigation*) was first filled in January 2017, however, this person left in June 2018. The position remained open for about a year, until being filled again in July 2019.

Turnover and other staff reductions affected the District's ability to implement performance audit and 2016 FAI recommendations. Also affected was the District's ability to consistently produce or make requested changes to standard CBOC financial reports used for oversight purposes.

2. 2018 CBOC Recommendations to the Board and Other Actions Taken by the CBOC

The CBOC made five recommendations to the Board in 2018 to improve bond oversight and transparency. The Board rejected four of these recommendations and approved one. The CBOC's approved

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recommendation was to standardize formats for financial impact statements included in Board agendas for bond program budget actions. The new, standardized formats are designed to make the impact of budget decisions by the Board related to the bond fund more transparent and easy to understand for the general public¹.

In addition, the CBOC worked with District staff to streamline and improve standard financial reports provided to the CBOC for oversight purposes. In particular, the Bond Program Financial Status (Report #13), which provides a snapshot of bond program current and projected revenue and expenses, was improved and a monthly variance report added².

¹ See Appendix K for a list of the CBOC's recommended financial impact statements.

² See Appendix I Bond Program Financial Status (Report #13) and Appendix L Report #13 Primer

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APPENDICES



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APPENDIX

1

USE OF BOND FUNDS/PROGRAM FINANCIAL STATUS



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APPENDIX A: WCCUSD Facilities Funding Sources

Source: WCCUSD/CBOC "Bond Program KPI (Key Performance Indicator) Summary", Report 1, Table 1 – Bonds Authorized, shown in Appendix C. "Tax Rates" are for County tax year 2017/2018, from Appendix B.					
Bond Measure	Month, Year	Authorized Amt	Issued-to-Date	Remaining Amt	Tax Rate ^{Note 1}
1998 – E	June 1998	\$40 million	\$40 million	--	\$5.30 / year
2000 – M	November 2000	\$150 million	\$150 million	--	\$18.40 / year
2002 – D *	March 2002	\$300 million	\$300 million	\$0.002 million	\$60 / year
2005 – J *	November 2005	\$400 million	\$323 million	\$77 million ^{Note 4}	\$60 / year
2010 – D *	June 2010	\$380 million	\$315 million	\$65 million	\$48 / year
2012 - E *	November 2012	\$360 million	\$295 million	\$65 million	\$48 / year
Current Local Bond Fund Totals		\$1,630 million	\$1,423 million	\$130 million**	\$239.70 / year
<i>Pending:</i> California State School Facility Fund		\$21 million (See Note 2 below)	--	\$21 million	Grants from State Bonds
<i>Received:</i> California State School Facility Fund		\$188 million received-to-date	\$188 million (See Note 3 below)	--	Grants from State Bonds
Total Local + State Bond Funding		\$1,839 million	\$1,611 million	\$151 million**	N/A

* WCCUSD local school bond measures passed under California Proposition 39 requirements.

**Excludes \$77 million in outstanding 2005-J authorization; see Note 4.

Projected Issue Dates for "Remaining Amount" (shown above)

Source: WCCUSD "Bond Program Financial Status, Cash Projections to June-2021", Report 13, Note 2, shown in Appendix I.			
Bond Measure	2020 Issue	Future Issue (See Note 4 below)	Total
2010 – D	\$65 million	--	\$65 million
2012 - E	\$65 million	--	65 million
Sub-Totals	\$130 million	--	\$130 million**
2005 – J	--	\$77 million	\$77 million
Totals	\$130 million	\$77 million	\$207 million

**Excludes \$77 million in outstanding 2005-J authorization; see Note 4.

Note 1 Tax Rate:

The "Tax Rate" is the annual property tax amount paid by County taxpayers, per each \$100,000 of their property's assessed value, to pay off each WCCUSD bond. For any given property, the assessed value (which is set by the County Assessor) is not necessarily the same as the original purchase price or the current market value.

Note 2 State Grants Pending: Source:

WCCUSD/CBOC "Bond Program Financial Status, Cash Projections to June-2021", Report #13, Note 4, shown in Appendix I. These pending grants are forecast to be received by the District within the FMP planning period.

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Of the \$21 million figure shown, there is a \$16.5 million state grant for Pinole Valley High School forecast to be received in February 2023, which is after the time that budget and contracts would need to be established for the final seven FMP projects in the current schedule. However, in June 2019, the PVHS grant amount was increased from \$16.5 to a total of \$23.4 million (which increase is not included above) and is now estimated to be received in July 2020.

Note 3 State Grants Received:

The District has successfully leveraged its bond funds with a significant amount of matching state grants.

Source: WCCUSD/CBOC “Bond Program KPI (Key Performance Indicator) Summary”, Report #1, shown in Appendix C. See especially note 13. “Total Other Revenue by bond or funding source”, particularly the line item titled “School Facility” = \$188,452,875.

For further details behind that data, please also see from the same resource: Table 2 – Funds from Other Sources, with particular reference to Note 6. “*School Facilities*”, Note 8. “*Interest Earnings*” and note 9. “*Net Transfers*”.

Note 4 2005 Measure J:

“On issuing bonds, the District must certify that the tax rate for the bonds will not exceed \$60 per \$100 thousand of property value. In addition, the District has a publicly stated goal for the 2010 – D and 2012 – E bonds of maintaining the tax rate at \$48 per \$100 thousand”. [Source: WCCUSD/CBOC “*Bond Program KPI (Key Performance Indicator) Summary*”, Report #1, Table 1, Note 4].

As a result, the remaining \$77 million from the 2005 Measure J bond authorization cannot currently be issued: It is already maxed out at the tax rate cap of \$60 per \$100 thousand of assessed value to pay off the \$323 million in 2005 Measure J bonds which has been issued-to-date.

According to the most recent forecast of property tax rates required to service the \$323 million of Measure J bonds currently outstanding, the earliest that the tax rate will drop below \$60 per \$100 thousand of assessed value is Tax Year

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2034/2035. Please refer to Appendix B - “West Contra Costa County Property Tax Rates”.

APPENDIX B: West Contra Costa County Property Tax Rates

Property Tax Rates: The “Tax Rate” is the annual property tax amount paid by County taxpayers, per each \$100,000 of their property’s assessed value, to pay off each local bond measure. For any given property, the assessed value (which is set by the County Assessor) is not necessarily the same as the original purchase price or the current market value.

The historical property taxes paid-to-date by West County taxpayers to service WCCUSD bonds are as follows:

Election Measure	1998 E	2000 M	2002 D	2005 J	2010 D	2012 E	Total Annual Property Tax Rate, by Tax Year¹
Authorized	\$40	\$150	\$300	\$400	\$380	\$360	
Issued-to-Date	\$40 million	\$150 million	\$300 million	\$323 million	\$250 million	\$235 million	
Target Rates	\$24.60	\$55.60	\$60.00	\$60.00	\$48.00	\$48.00	
1998/99	\$6.10						\$6.10
1999/00	\$12.50						\$12.50
2000/01	\$20.40	\$6.90					\$27.30
2001/02	\$18.00	\$6.90					\$24.90
2002/03	\$16.10	\$25.00					\$41.10
2003/04	\$12.30	\$45.40					\$57.30
2004/05	\$16.10	\$46.90	\$7.83				\$70.83
2005/06	\$11.50	\$43.70	\$9.75				\$64.95
2006/07	\$10.50	\$38.60	\$14.85	\$16.50			\$79.85
2007/08	\$9.00	\$34.20	\$14.82	\$16.10			\$74.12
2008/09	\$9.30	\$36.50	\$16.57	\$28.80			\$91.17
2009/10	\$10.50	\$55.20	\$21.33	\$59.00			\$146.03
2010/11	\$11.30	\$55.60	\$25.69	\$60.00			\$152.59
2011/12	\$8.60	\$55.60	\$46.96	\$60.00	\$48.00		\$219.16
2012/13	\$8.70	\$55.60	\$60.00	\$60.00	\$31.40		\$215.70
2013/14	\$10.20	\$55.60	\$60.00	\$60.00	\$48.00	\$48.00	\$281.80
2014/15	\$8.70	\$55.60	\$60.00	\$60.00	\$48.00	\$48.00	\$280.30
2015/16	\$6.50	\$55.60	\$60.00	\$60.00	\$48.00	\$48.00	\$278.10
2016/17	\$5.80	\$38.60	\$60.00	\$60.00	\$48.00	\$48.00	\$260.40
2017/18	\$5.30	\$18.40	\$60.00	\$60.00	\$48.00	\$48.00	\$239.70
Cumulative - to-Date	\$217.40	\$728.90	\$517.80	\$600.40	\$319.40	\$240.00	\$2,623.90

¹ Data from the County Tax Assessor, as provided by the District on July 24, 2019. See also County of Contra Costa, Detail of Tax rates 2017-2018, Robert Campbell, County Auditor-Controller, Martinez, California, September 2017.

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Projected Tax Rates:

To date, the authorized amounts for 1998 Measure E, 2000 Measure M and 2002 Measure D have been 100% issued and are reflected in these projected tax rates. Although not yet fully issued, the projected tax rates shown below for 2010 Measure D and 2012 Measure E are based on 100% issuance, as planned by the District (\$130 million in FY 2020). Projected tax rates for 2005 Measure J do not include the final \$77 million still available to issue, as no schedule has been set to issue it.

Note that these projections may well change from Annual Report to Annual Report due to refundings during the year (if any) and/or due to changes in projected assessed values (if any).

Election Measure	1998 E	2000 M	2002 D	2005 J	2010 D	2012 E	Total Annual Property Tax Rate, by Tax Year
Authorized	\$40	\$150	\$300	\$400	\$380	\$360	
Issued-to-Date	\$40 million	\$150 million	\$300 million	\$323 million	\$250 million	\$235 million	
Target Rates	\$24.60	\$55.60	\$60.00	\$60.00	\$48.00	\$48.00	
2018/19	\$9.24	\$18.48	\$60.00	\$60.00	\$48.00	\$48.00	\$243.72
2019/20	\$8.85	\$18.25	\$60.00	\$60.00	\$48.00	\$35.20	\$230.30
2020/21	\$8.50	\$17.41	\$60.00	\$60.00	\$31.58	\$42.23	\$219.72
2021/22	\$8.19	\$16.68	<i>\$61.29</i>	<i>\$73.73</i>	\$46.85	\$40.42	\$247.16
2022/23	\$7.86	\$15.97	<i>\$64.05</i>	<i>\$74.64</i>	\$44.51	\$42.94	\$249.97
2023/24	\$3.74	\$14.61	<i>\$64.30</i>	<i>\$73.59</i>	\$43.11	\$41.32	\$240.67
2024/25	\$1.74	\$14.28	<i>\$64.28</i>	<i>\$75.79</i>	\$41.72	\$39.96	\$237.77
2025/26	Paid off	\$13.45	<i>\$65.04</i>	<i>\$76.90</i>	\$41.46	\$38.65	\$235.50
2026/27	in 2025	\$12.93	<i>\$65.42</i>	<i>\$77.36</i>	\$40.15	\$37.37	\$233.23
2027/28		\$12.41	<i>\$65.86</i>	<i>\$77.82</i>	\$38.96	\$36.15	\$231.20
2028/29		\$11.90	<i>\$66.31</i>	<i>\$78.33</i>	\$40.37	\$37.72	\$234.63
2029/30		\$11.43	<i>\$66.79</i>	<i>\$78.79</i>	\$44.17	\$41.12	\$242.30
2030/31		\$11.98	<i>\$67.28</i>	<i>\$79.28</i>	\$42.24	\$39.43	\$240.21
2031/32		\$10.53	<i>\$66.60</i>	<i>\$79.87</i>	\$47.09	\$41.77	\$245.86
2032/33		Paid off	<i>\$64.02</i>	<i>\$79.33</i>	\$45.36	\$40.22	\$228.93
2033/34		in 2032	<i>\$64.91</i>	<i>\$79.60</i>	\$44.00	\$38.92	\$227.43
2034/35			Paid off	<i>\$44.73</i>	\$42.60	\$37.61	\$124.94
2035/36			in 2034	<i>\$48.06</i>	\$41.29	\$36.36	\$125.71
2036/37					\$40.03	\$35.18	\$75.21

Italics: Tax Rates > \$60 will be collected to service projected debt payments.

Shaded: Tax rate falls below \$60, freeing up capacity for remaining \$77 million of 2005-J funds.

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Election Measure	1998 E	2000 M	2002 D	2005 J	2010 D	2012 E	Total Annual Property Tax Rate, by Tax Year
Authorized	\$40	\$150	\$300	\$400	\$380	\$360	
Issued-to-Date	\$40 million	\$150 million	\$300 million	\$323 million	\$250 million	\$235 million	
Target Rates	\$24.60	\$55.60	\$60.00	\$60.00	\$48.00	\$48.00	
2037/38					\$38.83	\$34.04	\$72.87
2038/39					\$37.64	\$32.91	\$70.55
2039/40					\$36.24	\$31.80	\$68.04
2040/41					\$35.14	\$30.75	\$65.89
2041/42					\$25.90	\$29.75	\$55.65
2042/43					\$25.43	\$28.75	\$54.18
2043/44					\$25.21	\$27.81	\$53.02
2044/45					\$24.34	\$26.90	\$51.24
2045/46					\$17.21	\$18.12	\$35.33
2046/47					\$16.89	\$17.85	\$34.74
2047/48					\$11.01	\$12.23	\$23.34
2048/49					\$5.35	\$7.88	\$13.23
2049/50					\$5.42	\$7.78	\$13.20
2050/51					\$5.19	\$7.47	\$12.66
2051/52					\$5.00	\$7.18	\$12.18
2052/53					\$4.81	\$6.91	\$11.72
2053/54					\$4.62	\$6.64	\$11.26
2054/55					\$3.08	Paid off	\$3.08
2055/56					Paid off	in 2054	
2056/57					in 2055		
Projected to Maturity	\$48.12	\$200.31	\$1,026.15	\$1,277.82	\$1,138.80	\$1,085.44	\$4,776.64

- ❖ These projections assume 4% annual compounded growth in the total of assessed property valuations, across all properties included in the District's tax base.
- ❖ Measure 2005-J is forecast to have the tax rate for its future debt service fall below the \$60 per \$100,000 threshold beginning about Tax Year 2034/35 (see shaded entry in table above). According to the projection, this is the earliest that the District could legally contemplate issuing any of its remaining \$77 million authorization from the electorate's original passage of its \$400 authorization in 2005.
- ❖ The tax rates shown in italics above, forecast to exceed the statutory maximum allowable value of \$60 per \$100,000 of assessed property value, will be collected by the County Tax authorities at those higher tax rates. This is the property tax revenue necessary to service the annual debt payments for each of Measures 2002-D and 2005-J in those future tax years.

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APPENDIX C: Bond Program Key Performance Indicators Summary (Report #1)

BOND PROGRAM KPI SUMMARY

Bond Information (Key Performance Indicators) for WCCUSD Bond Program
as of December 31, 2018

Table 1 – Bonds Authorized

Bond Measures	Voter Approved		Bonds Issued					Bond Payments		
	Month Year	Amount (\$)	Latest Issue	Total Issued	Tax Rate per \$100k ⁴	Not Yet Issued	Scheduled Issues ⁵	Principal Paid	Finish Date	Interest Paid
¹ Msr 1998-E	Jun 1998	40,000,000	Jan 2001	40,000,000	\$4.70	0	0	25,580,000	Aug 2025	30,127,618
² Msr 2000-M	Nov 2000	150,000,000	Apr 2003	150,000,000	\$18.30	0	0	86,600,000	Aug 2032	87,444,987
³ Msr 2002-D	Mar 2002	300,000,000	Oct 2005	299,997,483	\$60.00	2,517	0	86,259,217	Aug 2034	124,269,008
³ Msr 2005-J	Nov 2005	400,000,000	Jun 2010	322,409,709	\$60.00	77,590,292	0	20,700,336	Aug 2036	137,044,036
³ Msr 2010-D	Jun 2010	380,000,000	May 2018	315,000,000	\$48.00	65,000,000	65,000,000	38,720,000	Aug 2055	45,840,918
³ Msr 2012-E	Nov 2012	360,000,000	May 2018	295,000,000	\$48.00	65,000,000	65,000,000	34,000,000	Aug 2054	34,038,674
Grand Totals		1,630,000,000		1,422,407,191	\$239.00	207,592,809	130,000,000	291,859,553		458,765,240

"Principal Paid" is total principal paid and includes principal paid on related refunding bonds subsequent to defeasance of any original bonds defeased.

"Interest Paid" is total gross interest paid less, if applicable, bid premium and accrued interest deposited to Debt Service Fund, refunding escrow funding and federal subsidy payments; in other words, actual payments by County from tax revenue.

Table 2 – Funds From Other Sources

Source	Prior	FY 2019	Total
⁶ School Facilities	158,556,753	1,411,452	159,968,205
⁷ Developer Fees	24,900,038		24,900,038
⁸ Interest Earnings	41,990,721	801,227	42,791,948
⁹ Net Transfers	(3,920,753)		(3,920,753)
¹⁰ Other Revenue	12,909,269	25,227	12,934,496
¹¹ Fund Adjustments	948,394		948,394
Total Other Revenue	235,384,423	2,237,906	237,622,328

Table 3 – Program Summary

Revenues	Actuals to Date
¹² Bonds Issued	1,422,407,191
¹ less: Msr 1998E	(40,000,000)
¹³ Other Revenue	237,622,328
Program Revenue	1,620,029,520
¹⁴ School KPI Actuals	(1,505,282,634)
Accounts Receivable	0
Accounts Payable	160
¹⁵ Net Retentions	112,674
Cash on Hand¹⁶	114,859,720

Table 4 – Average Monthly Spending

3 Months	6 Months	12 Months
4,092,612	4,237,907	6,250,563

BOND PROGRAM KPI SUMMARY

Bond Information (Key Performance Indicators) for WCCUSD Bond Program
as of December 31, 2018

Notes:

1. Measure 1998-E is not covered under Proposition 39 regulations for school bonds, and is not ordinarily reported in the Bond Program expenditure reports. The following schedule shows Measure 1998-E expenditures by site with state funded DeJean expenditures shown in a separate column.

School	1998E	State	Total
DeJean MS	23,994,285	12,841,930	36,836,215
Pinole Valley HS	190,571		190,571
Central	16,276,518		16,276,518
Grand Total	40,461,374	12,841,930	53,303,304

2. Measure 2000-M is not a Proposition 39 bond, but is included in Bond Program reporting because the original bond language required a "Citizens' Oversight Committee".

3. Measures 2002-D, 2005-J, 2010-D, and 2012-E are all authorized under Proposition 39, requiring public oversight through the Citizen's Bond Oversight Committee.

4. On issuing bonds the District must certify that the tax rate for the bonds will not exceed \$60 per \$100 thousand of property value. In addition, the District has a publicly stated goal for the 2010-D and 2012-E bonds of maintaining the tax rate at \$48 per \$100 thousand.

As a result, the remaining \$77 million from the 2005 Measure J bond authorization cannot currently be issued. The property tax rate for it is already maxed out at \$60 per \$100 thousand of assessed value to pay off the \$322 million in 2005 Measure J bonds which has been issued-to-date. Current estimate is that these bonds cannot be sold until on or about 2034 because of tax rate limitations.

5. The expected issuance schedule below is from the KNN Public Finance presentation to the Facilities Sub-Committee on March 15, 2016.

Year	2010-D	2012-E	Total
2020-21	65,000,000	65,000,000	130,000,000
Grand Total	65,000,000	65,000,000	130,000,000

6. School Facility revenues by school are:

School	Amount	School	Amount
Bayview	2,535,074	Ohlone	2,403,971
Coronado	1,348,331	Peres	2,569,652
Dover	7,286,188	Riverside	1,191,472
Downer	4,834,933	Sheldon	331,311
Ellerhorst	1,352,870	Stewart	1,147,062
El Sobrante	369,339	Tara Hills	1,501,831
Fairmont	571,594	Valley View	290,214
Ford	7,245,372	Verde	1,180,094
Grant	369,288	Washington	2,162,982
Lupine Hills	1,147,097	Wilson	323,957
Harding	1,948,349	Helms Middle	9,122,092
Kensington	1,274,843	Pinole Jr High	5,190,574
King	4,637,680	Korematsu MS	20,383,150
Lake	309,937	De Anza High	14,588,681
Lincoln	984,983	El Cerrito High	14,247,249
Madera	1,216,917	Kennedy High	7,779,203
Mira Vista	1,528,265	Richmond High	11,599,844
Montalvin	313,287	Greenwood/LPS	18,706,460
Murphy	1,595,572	Pinole Valley HS	2,740,128
Nystrom	1,638,359		
		Grand Total	159,968,205

7. In June 2007 \$24,900,038 of expenditures were transferred to the Capital Facilities Fund (Developer Fees). The District has reported this in project reporting as an increase to Program revenues. These transfers were limited to schools with assessed needs based on population growth.

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BOND PROGRAM KPI SUMMARY

Bond Information (Key Performance Indicators) for WCCUSD Bond Program as of December 31, 2018

Notes:

8. Interest earnings by Bond Measure or other funding source:

Source	Prior	FY 2019	Total
2000 Measure M	4,967,794		4,967,794
2002 Measure D	14,785,928		14,785,928
2005 Measure J	1,373,462		1,373,462
2010 Measure D	1,075,623		1,075,623
2012 Measure E	743,842		743,842
Building Fund - Other	17,187,309	788,416	17,975,725
School Facility Fund	1,856,762	12,811	1,869,574
Grand Total	41,990,721	801,227	42,791,948

Unallocated interest derived from bond proceeds was posted to the undistributed resource (0000), and is shown in Building Fund - Other.

9. Net Transfers by Bond Measure or Funding source are shown below. Approximately 90% of all transferred amounts were from the Building Fund to the School Facility Fund to match State revenues.

Source	Amount
2000 Measure M	(11,939,439)
2002 Measure D	(11,099,851)
2005 Measure J	(12,625,650)
Building Fund - Other	1,934,111
School Facility Fund	29,810,076
Grand Total	(3,920,763)

Net transfers were to, or from, the following offsetting non-program resources or funds:

Transferred From (To)	Amount
1998 Measure E	6,077,014
General Fund (Resc 8150 - RRM)	(2,700,000)
Deferred Maintenance Fund	(5,158,224)
Building Fund (other revenues)	990,573
Capital Outlay Fund	750,138
Bond Interest & Redemption Fund	(3,042,495)
Debt Service Fund	(837,758)
Grand Total	(3,920,763)

10. Other Revenue by source:

Revenue Source	Amount
Vendors	
Alterra	108,000
Misc Vendors	678,172
Pacific Gas & Electric	136,099
SBC (E-Rate)	2,597,426
WLC Architects	100,000
Other	
2000M Bond Refinance	550,000
2005J Bond Premium	5,357,323
Bond Sales journaled at net	(964,575)
Cost of Issuance rebates	120,417
El Portal Land Sale	836,291
FEMA - Riverside ES	906,437
Other	909
Pinole MS joint use	2,000,000
Retention corrections	138,295
Rosie the Riveter	169,440
San Pablo Economic Develop Corp	200,262
Grand Total	12,934,496

SBC (now AT&T) payments were primarily for "E-Rate" school subsidies. The remaining vendor payments are for cost reimbursements, contract or dispute settlements, or fee rebates.

In order to show Bond Sales correctly at the stated face value, a negative \$964,576 line item is included. The amount is from the District booking bond sales at net of costs of issuance for fiscal years 2013-14 and 2014-15.

The El Portal Land Sale was originally posted to the Building Fund, but was later transferred. It is listed in the prior note as the transfer to the Debt Service Fund.

The Pinole MS joint use revenue was from an expired agreement with the City of Pinole for the school gym and sports fields.

BOND PROGRAM KPI SUMMARY

Bond Information (Key Performance Indicators) for WCCUSD Bond Program as of December 31, 2018

Notes:

11. Fund Adjustments by Bond Measure and other funding source:

Adjustment	Amount
2000 Measure M	907,243
2002 Measure D	(99,877)
2005 Measure J	(58,278)
Building Fund - Other	199,306
Grand Total	948,394

Fund Adjustments by category:

Adjustment	Amount
Beginning Balances	218,257
Close Non-Bond Resources	(58,278)
FEMA Adjustment	805,260
FY 2006 Beginning Balance	0
Prior Year Correction	(16,845)
Grand Total	948,394

12. Bonds issued by fiscal year:
in thousands

Fiscal Year	1998E	2000M	2002D	2005J	2010D	2012E	Grand Total
1999	20,000						20,000
2000	10,000						10,000
2001	10,000	15,000					25,000
2002		40,000	30,000				70,000
2003		95,000					95,000
2004			100,000				100,000
2005			69,999				69,999
2006			99,998	70,000			169,998
2009				120,000			120,000
2010				132,410			132,410
2012					100,000		100,000
2014					40,000	85,000	125,000
2015					50,000	85,000	135,000
2016					60,000	65,000	125,000
2018					65,000	60,000	125,000
Total	40,000	150,000	299,997	322,410	315,000	295,000	1,422,407

13. Total Other Revenue by bond or funding source:

Source	Prior	FY 2019	Total
2000 Measure M	(3,938,956)		(3,938,956)
2002 Measure D	5,957,893		5,957,893
2005 Measure J	(5,732,025)		(5,732,025)
2010 Measure D	5,643,663		5,643,663
2012 Measure E	332,665	25,227	357,891
Building Fund - Other	18,452,405	788,416	19,240,821
Capital Facilities	27,640,166		27,640,166
School Facility	187,028,611	1,424,263	188,452,875
Grand Total	235,384,423	2,237,906	237,622,329

14. Expenditures by bond or funding source are as follows:

Source	Prior	FY 2019	Total
2000 Measure M	146,061,044	0	146,061,044
2002 Measure D	304,455,376	0	304,455,376
2005 Measure J	318,177,684	0	318,177,684
2010 Measure D	232,673,492	6,446,532	239,120,024
2012 Measure E	247,894,877	18,966,294	266,861,171
Building Fund - Other	32,809,988	0	32,809,988
Capital Facilities	24,900,038	0	24,900,038
School Facility	172,882,693	14,615	172,897,308
Grand Total	1,479,855,193	25,427,441	1,505,282,634

15. The District retains up to 5 percent of payments on construction contracts, and frequently makes payments to vendor trust accounts for the retained amounts. The trust accounts are reported as cash on the District's financial records. Net retainage liability, less cash in trust accounts, is as follows:

Account	Prior	FY 2019	Total
Retentions	5,775,397	1,036,156	6,811,553
Trust Accounts	(5,466,250)	(1,232,629)	(6,698,879)
Net Retentions	309,147	(196,473)	112,674

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BOND KPI SUMMARY

Bond Information (Key Performance Indicators) for WCCUSD Bond Program (as of 12/31/2018)

Notes:

16. Ending Cash on Hand by funding source is as follows:

Source	Beg Bal	FY 2019	Total
2010 Measure D	93,423,480	(7,922,495)	85,500,986
2012 Measure E	49,777,155	(25,098,870)	24,678,284
Building Fund - Other	2,475,131	781,056	3,256,186
School Facilities	0	1,424,263	1,424,263
Grand Total	145,675,766	(30,816,046)	114,859,720

Ending Cash on Hand by cash type:

Source	Beg Bal	FY 2019	Total
Cash	125,435,533	(31,022,582)	94,412,951
LAIF (Cash Equivalent)	20,240,233	206,536	20,446,769
Grand Total	145,675,766	(30,816,046)	114,859,720

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APPENDIX

2

AUDITS & COMPLIANCE



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2. Audits & Compliance

**APPENDIX D: Fiscal Year 2018 Performance Audit
Audit Scope and Summary of Improvement Recommendations**

The FY2018 performance audit of the District’s bond program conducted by Moss Adams LLP was the second of three consecutive ones whose objectives include both compliance and effectiveness and results in accordance with government auditing standards.¹² The Table below shows the recommendations associated with the audit objectives in FY 2018.³ Four of the effectiveness and results audit objectives had “No Exception Taken”, meaning that there were no improvement recommendations made by the auditor.

Performance Audit Objective	AUDIT SCOPE ^{Note 1} IMPROVEMENT RECOMMENDATIONS ^{Note 2}
Prop 39 Compliance Audit	<u>Conduct a basic Prop 39 Compliance Performance Audit</u> (1) “The District should implement processes and controls needed to provide supporting documentation to validate the applicability and accuracy of labor charged to the Bond Program.” * ⁴
Effectiveness and Results Audit No. 1	<u>District and Professional Services Staffing Plan for the Bond Program</u> (2) “As a best practice, appropriate WCCUSD management should approve an annual staff plan, including key metrics such as positions staffed, number of personnel, number of planned projects, and dollar value of planned projects to help determine organizational structure alignment with the Bond Program needs.” * ⁴
No. 2	<u>Design and Construction Schedules Cash Flow Analysis</u> No exception taken. ** ⁵

¹ Government Auditing Standards, Comptroller General of the United States, United States Government Accountability Office, 2011 Revision. Note 2018 Revision is effective for performance audits beginning on or after July 1, 2019.

² See Appendix E, 2003-2018 WCCUSD Bond Program Audit History for a listing of previous WCCUSD performance audits.

³ WCCUSD Prop 39 Bond Performance Audit Report for FY 2018, Section III. Audit Results pg 10-31.

⁴ *Indicates that this recommendation was made by Moss Adams LLP in their FY2017 Audit Report and was not implemented by the District as of June 30, 2018.

⁵ ** Indicates a FY2017 recommendation was closed in FY2018 as implemented.

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Performance Audit Objective	<u>AUDIT SCOPE</u> ^{Note 1} <u>IMPROVEMENT RECOMMENDATIONS</u> ^{Note 2}
No. 3	<u>Design and Construction Budget Management</u> (3) "The District should develop and implement policies and procedures for budget establishment and management activities for the Bond Program." *
No. 4	<u>Bidding and Procurement Procedures</u> (4) "Detailed processes and procedures should be added to the comprehensive Bond Program policies and procedures manual for transparency and accountability and should be approved by the Board. * (Fairmont and Korematsu)
No. 4b	<u>Bidding and Procurement Procedures</u> (5) "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." *
No. 4c	<u>Bidding and Procurement Procedures</u> (6) "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." * (CUPCCAA contracts)
No. 4d	<u>Bidding and Procurement Procedures</u> (7) "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." (EBMUD, Oracle)
No. 5	<u>Procurement Fraud Prevention and Detection Controls</u> (8) "...WCCUSD should implement policies and procedures regarding procurement fraud to assist in identifying, preventing, and detecting procurement fraud." *
No. 6	<u>Bond Program Master Planning and Reporting</u> "The District should ensure that adequate controls and budget management practices are applied to manage to the estimated project budgets identified within the master plan." [FY2017 recommendation closed in FY2018 as implemented] **

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Performance Audit Objective	<u>AUDIT SCOPE</u> ^{Note 1} <u>IMPROVEMENT RECOMMENDATIONS</u> ^{Note 2}
No. 6a	<u>Bond Program Master Planning and Reporting</u> (9) “As a best practice, WCCUSD should take action to ensure defined and documented processes are in place for master planning efforts, including when to utilize these procedures... .”
No. 6b	<u>Bond Program Master Planning and Reporting</u> (10) “Both the SDCTA and GFOA recommend the budget-to-actual comparison of revenues, expenditures, cash flow, and fund balance be periodically reported.”
No. 7	See Objectives 3, 6 and 10.
No. 8	<u>Claim Avoidance and Control Procedures</u> (11) “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.” *
No. 9	<u>Materials Specifications</u> (12) “As a best practice, WCCUSD should define how to make updates to the Standards Specifications document and update Bond Program policies and procedures accordingly.”
No. 10	<u>Cost Benefit and Value Engineering Analyses</u> (13) “As a best practice, the District should ensure defined and documented policies and procedures and 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.” *
No. 11	<u>Maintenance of District Assets Funded by Local Bond and Warranty Conditions Compliance</u> (14) “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.” *
No. 12	<u>Implementation of Schedule Quality, Scope, and Performance Management Controls</u> See Objectives 2, 5, 10, 15 and 22.
No. 13a	<u>Change Order Management and Controls Application</u> (15) “Formal written policies and procedures, including defined approval authority for change orders, should be created... .”

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Performance Audit Objective	<u>AUDIT SCOPE</u> ^{Note 1} <u>IMPROVEMENT RECOMMENDATIONS</u> ^{Note 2}
No. 13b	<u>Bond Program Master Planning and Reporting</u> (16) “As best practice, District change order reporting should include accurate information,”
No. 13c	<u>Bond Program Master Planning and Reporting</u> (17) “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”
No. 14	<u>Contractor Billing Compliance Controls</u> (18) “Formal written policies and procedures including defined approval authority for vendor payments processing should be created”
No. 15	<u>Project Close-Out Controls</u> (19) “The District should compile a consolidated project close-out checklist to ensure turnover of documentation by contractors and completion of all critical tasks prior to release of final payment.” *
No.16	<u>Post-Financing Review</u> (20) “As a best practice, the District should have established pricing goals and requirements included within their policies and procedures.” *
No. 17	<u>Refunding of Outstanding Bonds</u> No Exception Taken
No. 18	<u>Arbitrage and Investments</u> No Exception Taken
No. 19	<u>Timeliness of Payments</u> (21) “The District’s Facility Planning and Construction Department should ensure that each invoice, whether obtained in hard or electronic copy, is signed/stamped as received to indicate the initialization of the payment process.” *
No. 20	<u>Local Participation Requirements</u> (22) “The District should define its position and role in achieving local participation goals” *
No. 21	<u>CBOC Compliance</u> No Exception Taken

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Performance Audit Objective	<u>AUDIT SCOPE</u> ^{Note 1} <u>IMPROVEMENT RECOMMENDATIONS</u> ^{Note 2}
No. 22	<u>Transparency of Bond Program</u> (23) "As a best practice, the District should consolidate all policies, procedures, and resolutions into one document to ensure effective controls and communication of policies and procedures." *
No. 22	<u>Bond Program Master Planning and Reporting</u> (24) "As a best practice, the District should consolidate all policies, procedures, and resolutions into one document to ensure effective controls and communication of policies and procedures." *

Note 1: Audit Scope

The Audit Scope descriptions shown above for each Performance Audit Objective are verbatim from the "Bond Program Performance Audit" for FY 2018.

Note 2: Improvement Recommendations

The Improvement Recommendations shown above for each Performance Audit Objective are verbatim from the "Bond Program Performance Audit" for FY 2018. For brevity, only the opening sentence is shown in the Table; see the full audit report for the entirety of each Improvement Recommendation.

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APPENDIX E: 2003 - 2018 WCCUSD Bond Program Audit History

On November 7, 2000, California voters approved Proposition 39 (School Bonds 55%) that amended the California Constitution to lower the approval threshold for school district general obligation bonds from two-thirds (2/3) voter approval to 55% voter approval. Proposition 39 required school districts, that had bonds approved by this new 55% provision to, “,, conduct an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed.”⁶

Proposition 39 Performance Audits California Legislative History

June 27, 2000: Governor approved an amendment to Education Code Section 15278 that provides, among other things, for the establishment of CBOCs and that CBOC may engage in “receiving and reviewing” the annual independent performance audit. This legislation was approved prior to the approval Proposition 39 “in an effort to increase voter acceptance for Proposition 39”⁷

September 23, 2010: For the first time Government Auditing Standards were required for the conduct of performance audits.

September 6, 2011: Performance audits for the preceding fiscal year shall be submitted to the CBOC by March 31 of each year.

August 12, 2013: Performance audits must be submitted to CBOC at the same time they are submitted to school district.

⁶ California Constitution, Article XIII (b) (3) (C).

⁷ *Citizens Oversight Committees Requirements and Guidelines*, Bowie, Arneson, Wiles & Giannone, September 24, 2001.

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April 12, 2013: District must response to CBOC, within three months of receiving the audit, on auditor's recommendations

August 27, 2013: Requires State Controller to provide "Standards and Procedures" for annual audit guide starting for the Fiscal Year 2016.

Government Auditing Standards (2011 Revision) Also known as "Yellow Book"⁸

"Performance audits are defined as audits that provide findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria."⁹

Government Auditing Standards prescribe four categories of performance audit objectives:

- Compliance audit objectives relating to criteria established by law. For Proposition 39 bonds the California Constitution requires the performance audit to determine that bond funds were spent on voter approved projects and that no bond funds were used for any teacher or administrative salaries, except bond program employees, or other school operating expenses.
- Program effectiveness and results audit objectives typically measure the extent to which a program is achieving its goals and objectives. Audit objectives that focus on economy and efficiency address the costs and resources used to achieve program results. This is the most comprehensive audit and is the type of audit that would provide the

⁸ Government Auditing Standards, 2011 Revision, By the Comptroller General of the United States, December 2011, United States Government Accountability Office.

⁹ Ibid., page 17.

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public with the best information to oversee school bond construction programs.

- Internal controls objectives relate to an assessment of an organization's system of internal controls. This category is generally not used for Proposition 39 school construction performance audits.
- Prospective analysis audit objectives provide analysis or conclusions about information that is based on assumptions about events that may occur in the future. This category is not used for Proposition 39 school construction performance audits.

Types of WCCUSD Performance Audits and Reports, 2003 - 2018

The table below displays the performance audits and agreed-upon-procedures reports performed on the District's bond construction program for the eighteen (18) Fiscal Year 2003 to 2018 (July 1, 2002 to June 30, 2018):

“Type of Report”, as used in the table below, are defined as follows:

- **Performance Audit:** Compliance audit objectives relating to criteria established by law. For Proposition 39 bonds the California Constitution requires the performance auditor to determine that bond funds were spent on voter approved projects and that no bond funds were used for any teacher or administrative salaries, except bond program employees, or other school operating expenses.

In addition, for the table below, it includes program effectiveness and results audit objectives that typically measure the extent to which a

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program is achieving its goals and objectives. Audit objectives that focus on economy and efficiency address the costs and resources used to achieve program results. (See Appendix D, “Fiscal Year 2018 Performance Audit”)

- **Performance Audit, Compliance Only:** Same as above, not including program effectiveness and results audit objectives.
- **Agreed-Upon Procedures Report:** The School District assumes responsibility for the sufficiency of the procedures. “... the auditor does not express an opinion or conclusion, but only reports on agreed-upon procedures in the form of procedures and findings related to the specific procedures applied.”¹⁰
-

Fiscal Year	Auditor	Type of Report	Cost	No. Pages
FY2003	Total School Solutions	Performance Audit	\$187,800	117
FY2004	Total School Solutions	Agreed-Upon Procedures Report	\$277,800	105
FY2005	Total School Solutions	Agreed-Upon Procedures Report	\$277,800	149
FY2006	Total School Solutions	Agreed-Upon Procedures Report	\$283,434	212
FY2007	Total School Solutions	Agreed-Upon Procedures Report	\$321,937	160
FY2008	Total School Solutions	Agreed-Upon Procedures Report	\$306,852	152
FY2009	Total School Solutions	Agreed-Upon Procedures Report	\$325,539	195
FY2010	Total School Solutions	Agreed-Upon Procedures Report	\$342,364	169

¹⁰ Ibid. page 17.

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FY2011	Total School Solutions	Performance Audit	\$87,000	204
FY2012	Total School Solutions	Performance Audit	\$101,850	200
FY2013	Total School Solutions	Performance Audit	\$106,943	186
FY2014	Vavrinek, Trine, Day & Company, LLP	Performance Audit, Compliance Only	\$142,000	7
FY2014	Vavrinek, Trine, Day & Company, LLP	Agreed-Upon Procedures Report	Included above	119
FY2015	Vavrinek, Trine, Day & Company, LLP	Performance Audit, Compliance Only	\$146,000	7
FY2015	Vavrinek, Trine, Day & Company, LLP	Agreed-Upon Procedures Report ¹¹	Included above	32
FY2016	Vavrinek, Trine, Day & Company, LLP	Performance Audit, Compliance Only	\$36,000	8
FY2017	Moss Adams LLP	Performance Audit	\$77,000	30
FY2018	Moss Adams LLP	Performance Audit	\$75,000	45
FY2019	Moss Adams LLP	Performance Audit	\$ 5,000	n/a

¹¹ This report was combined with the performance audit, compliance only, in one document, *General Obligation Bonds Measure D (2010) and Measure E (2012) June 30, 2015*.

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APPENDIX F: CBOC Recommendations

NOTE: 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 Appendix is to document recommendations made by the CBOC to the Board of Education for the period January 1, 2016 through June 30, 2019 and to display their current status.

The following 14 recommendations made by the CBOC were accepted by the Board of Education as of June 30, 2019:

1. Support the Clay Subcommittee recommendation for Phase II of Bond Construction Program Forensic Investigation. (CBOC minutes January 27, 2016)
2. Provide the amount of unobligated funds available through December 31, 2021 to finance the New Master Facilities Plan. (CBOC Minutes January 27, 2016)
3. Agreeing with District on monthly reports to be provided to the CBOC (CBOC Minutes February 24, 2016)
4. Approve legal services agreement for Law Offices of Adam S. Ferber. (CBOC Minutes February 24, 2016)
5. Request that performance audit scope include compliance and program effectiveness and results. (CBOC Minutes February 24, 2016)
6. District prepare a long range facilities master plan. (CBOC Minutes March 23, 2016)
7. That the scope of the performance audit include 18 program effectiveness and results objectives. (CBOC Minutes March 23, 2016)
8. Provide copy of legal opinion on the use of bond funds to pay for forensic review. (CBOC Minutes April 20, 2016)
9. That the original budget and current budget numbers be included on financial reports. (CBOC Minutes May 18, 2016)

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10. That the FY2015 compliance audit report and agreed upon procedures audit report be presented as two separate audit reports. (CBOC Minutes May 18, 2016)
11. That Bond Funds Remaining Through 2021 (CBOC Report # 13) be approved as to format and as a monthly report. (CBOC Minutes, December 21, 2016)
12. That a member of the CBOC be part of the District's Forensic Implementation Task Force. CBOC Minutes December 21, 2016)
13. That Moss Adams, LLP review the implementation of the 112 forensic accounting investigation review recommendations. (CBOC Minutes, June 21, 2017)
14. That the District adopt eight Financial Impact Statement formats for bond budgets and expenditures. (CBOC Minutes July 30, 2018)

Seventeen recommendations made by the CBOC were rejected or are waiting for a response as of June 30, 2019:

Item No.	Recommendation	Date CBOC Approved	District's Response ¹²
	BOARD POLICIES AND PROCEDURES		
1	Proposed Board Policy 7161.1 Lesson Learned Process	12.21.16	“...not needed at this time”

¹² Based on Lisa LeBlanc May 7, 2019 email responses reviewed by CBOC Audit Subcommittee at its May 9, 2019 meeting. See the minutes of that meeting for her complete email responses.

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Item No.	Recommendation	Date CBOC Approved	District's Response ¹³
2	Eight standard Financial Impact Statement formats for Board of Education agenda precis on bond Program budget approval and expenditure authorizations.	7.30.18 9.12.18 discussed joint CBOC/Board meeting	Not currently preparing the Report 13A Variance Report in the requested CBOC format. Reject doing financial impact statement for completed projects.
3	Amendments to Board Policy BP 7214.2 Citizens' Bond Oversight Committee	3.14 & 27.19 discussed joint CBOC/Board meeting 5.15.19 Governance Committee	Currently under review by Board Governance Committee
4	Facilities Road Map 2023 be approved by the Board of Education and further that this matter be on the Joint Board/CBOC September 11, 2019 agenda.	6.20.19	Need 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.	6.20.19	Need response

¹³ Based on Lisa LeBlanc May 7, 2019 email responses reviewed by CBOC Audit Subcommittee at its May 9, 2019 meeting. See the minutes of that meeting for her complete email responses.

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Item No.	Recommendation	Date CBOC Approved	District's Response ¹⁴
6	That the Board of Education ensure that only legally appropriate amount of FY2020 salaries & benefits are charged to Fund 21 Building Fund.	6.20.19	Need response

DISTRICT POLICIES & PROCEDURES - GENERAL			
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.	7.30.18	reject
8	Amend Director Internal Audit job description to report functionally to the Board of Education and administratively to the Superintendent.	12.19.18	reject
9	That the District prepare a plan to update 2016 Master Plan cost estimates.	3.14.19	“... near future... .”
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.	4.18.19	Need response

¹⁴ Based on Lisa LeBlanc May 7, 2019 email responses reviewed by CBOC Audit Subcommittee at its May 9, 2019 meeting. See the minutes of that meeting for her complete email responses.

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Item No.	Recommendation	Date CBOC Approved	District's Response ¹⁵
	DISTRICT POLICIES & PROCEDURES - 2016 FORENSIC ACCOUNTING INVESTIGATION RECOMMENDATIONS		
11	Appoint an appropriate Business Services member to the 2016 FAI Recommendation Implementation Task Force.	12.19.18	reject
12	Have Moss Adams, LLP forensic accounting review cycle align with their bond program performance audit cycle.	12.18.18	reject
13	Have Moss Adams, LLP review forensic accounting investigation implementation status as of June 30, 2019 and June 30, 2020.	3.14.19	reject
14	Have Director Internal Audit dedicate full time on the implementation of the forensic investigation recommendations.	3.14.19	“... will assess... .
15	Amend Director Internal Audit job description to include responsibility for auditing the implementation of the forensic review and performance audit recommendations.	4.18.19	Need response

¹⁵ Based on Lisa LeBlanc May 7, 2019 email responses reviewed by CBOC Audit Subcommittee at its May 9, 2019 meeting. See the minutes of that meeting for her complete email responses.

**West Contra Costa Unified School District
Citizens' Bond Oversight Committee
2018 Annual Report**

Item No.	Recommendation	Date CBOC Approved	District's Response ¹⁶
16	Fill the position of Director Internal Audit as soon as possible.	4.18.19	Done June 17, 2019
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.	5.16.19	Need response

¹⁶ Based on Lisa LeBlanc May 7, 2019 email responses reviewed by CBOC Audit Subcommittee at its May 9, 2019 meeting. See the minutes of that meeting for her complete email responses.

West Contra Costa Unified School District

Citizens' Bond Oversight Committee

2018 Annual Report

APPENDIX G: Bond Program Status Report eff. Dec 31, 2018

Bond Project Status December 2018

	SITE	PROJECT	MASTER PLAN	ORIGINAL CONTRACT AMOUNT	STATUS
CONSTRUCTION	Pinole Valley HS	Replacement Campus		\$ 129,894,002	Change Orders # 1 - 63 Board Approved
	SITE	PROJECT		BUDGET	STATUS
PROCUREMENT	Crespi MS	Gym Seismic Retrofit	X	\$ 3,100,000	Bid Due 12/19/18
	Riverside ES	Critical Needs	X	\$ 6,900,000	Design Build procurement
	Pinole Valley HS	Technology			Bid Due 12/20/18
	Korematsu MS	Fall Protection		\$ 400,000	Hold
	SITE	PROJECT		BUDGET	STATUS
DESIGN	Chavez ES	Critical Needs	X	\$ 600,000	DSA Approved
	Fairmont ES	Critical Needs	X	\$ 3,000,000	DSA Review
	Olinda ES	Critical Needs	X	\$ 1,000,000	DSA Review
	Wilson ES	Campus Replacement	X	\$ 40,300,000	DSA Review (DBE)
	Richmond HS	Critical Needs	X	\$ 19,000,000	Schematic Design (DBE)
	Stege ES	Critical Needs	X	\$ 2,900,000	Site Assessment
	Pinole Valley HS	Demobilization of Temporary Campus			Planning
	Pinole Valley HS	Fields Restoration & Site Work			Planning
	Pinole Valley HS	Furniture & Equipment			Construction Documents
	SITE	PROJECT		BUDGET	STATUS
FUTURE FACILITIES MASTER PLAN PROJECTS	Cameron School	Critical Needs	X	\$ 1,300,000	Future Year Not Funded
	Collins ES	Critical Needs	X	\$ 3,500,000	Future Year Not Funded
	Hercules HS	Critical Needs	X	\$ 7,200,000	Future Year Not Funded
	Hercules MS	Critical Needs	X	\$ 7,500,000	Future Year Not Funded
	Kennedy HS	Critical Needs	X	\$ 12,200,000	Future Year Not Funded
	Lake ES	Replacement	X	\$ 65,600,000	Future Year Not Funded
	Shannon ES	Critical Needs	X	\$ 7,100,000	Future Year Not Funded

West Contra Costa Unified School District

Citizens' Bond Oversight Committee

2018 Annual Report

APPENDIX H: WCCUSD Bond Program Spending by Site (Report #2)

Report#2



WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
Bond Program Spending to Date by Site
Data as of December 2018

Updated 01/14/2019

Site Name	Original Budget *	Board Approved Budget 11/14/18	Expended FY 99-01 thru FY 17-18	Expended FY 18-19 Jul-Dec	Expended Total thru 12/31/18	Committed as of 12/31/18	Balance as of 12/31/18	Notes
BAYVIEW	17,732,392	19,850,802	19,850,802	-	19,850,802	-	0	Footnote 1
CHAVEZ	1,339,784	1,585,387	1,012,062	46,422	1,058,484	41,500	485,403	Footnote 3
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	-	0	Footnote 1
DOVER	13,070,243	35,095,267	35,095,267	-	35,095,267	-	0	Footnote 1
DOWNER	28,819,079	33,415,902	33,415,902	-	33,415,902	-	0	Footnote 1
ELLERHORST	11,238,341	13,931,806	13,931,806	-	13,931,806	-	0	Footnote 1
FAIRMONT	10,971,356	6,864,259	3,882,062	116,519	3,998,582	291,129	2,574,547	Footnote 3
FORD	11,839,322	30,817,526	30,817,526	-	30,817,526	-	0	Footnote 1
GRANT	1,409,600	2,155,565	2,155,565	-	2,155,565	-	0	Footnote 1
HANNA RANCH	680,923	783,349	783,349	-	783,349	-	0	Footnote 1
HARDING	15,574,211	22,632,446	22,632,446	-	22,632,446	-	0	Footnote 1
HARMON KNOLLS	-	448,435	448,435	-	448,435	-	0	Footnote 1
HIGHLAND	13,504,714	2,679,839	1,885,989	46,725	1,932,714	-	747,125	Footnote 1
KENSINGTON	16,397,920	19,343,892	19,343,892	-	19,343,892	-	0	Footnote 1
KING	16,688,732	25,342,166	25,342,166	-	25,342,166	-	0	Footnote 1
LAKE	822,657	1,647,823	1,647,823	-	1,647,823	-	-	Footnote 4
LINCOLN	15,225,821	17,676,561	17,676,561	-	17,676,561	-	0	Footnote 1
LUPINE HILLS	16,111,242	15,395,678	15,395,678	-	15,395,678	-	0	Footnote 1
MADERA	11,088,764	12,233,801	12,233,801	-	12,233,801	-	0	Footnote 1
MIRA VISTA	13,928,364	16,651,130	16,651,130	-	16,651,130	-	0	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	-	0	Footnote 1
NYSTROM	20,999,690	51,486,844	45,461,314	-	45,461,314	351,095	5,674,436	Footnote 2
OHLONE	14,174,928	34,492,752	34,492,752	-	34,492,752	-	0	Footnote 1
OLINDA	1,170,596	2,286,942	1,315,329	50,963	1,366,293	62,695	857,954	Footnote 3
PERES	19,752,789	21,424,293	21,424,293	-	21,424,293	-	0	Footnote 1
RIVERSIDE	13,439,831	21,511,005	14,662,633	1,121	14,663,754	122,841	6,724,410	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	-	0	Footnote 1
STEGE	13,000,749	6,345,886	3,445,886	-	3,445,886	27,800	2,872,200	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	-	0	Footnote 1
VERDE	15,709,690	16,065,870	16,065,870	-	16,065,870	-	0	Footnote 1
WASHINGTON	14,051,720	15,322,847	15,322,847	-	15,322,847	-	-	Footnote 1
WILSON	13,673,885	44,129,324	6,411,681	2,049,572	8,461,252	33,355,063	2,313,009	Footnote 3
Elementary Total	438,263,142	627,282,043	568,469,510	2,311,322	570,780,832	34,252,124	22,249,087	

West Contra Costa Unified School District

Citizens' Bond Oversight Committee

2018 Annual Report

Report#2



WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
Bond Program Spending to Date by Site
Data as of December 2018

Updated 01/14/2019

Site Name	Original Budget *	Board Approved Budget 11/14/18	Expended FY 99-01 thru FY 17-18	Expended FY 18-19 Jul-Dec	Expended Total thru 12/31/18	Committed as of 12/31/18	Balance as of 12/31/18	Notes
CRESPI MS	1,205,711	4,345,896	1,584,502	53,358	1,637,860	92,668	2,615,368	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	-	(0)	Footnote 1
HERCULES MS	602,982	699,000	699,000	-	699,000	-	-	Footnote 1
KOREMATSU MS	37,937,901	73,382,179	72,583,694	63,418	72,647,112	162,475	572,593	Footnote 2
PINOLE MS	38,828,979	56,689,430	56,689,430	-	56,689,430	-	-	Footnote 1
Middle Sch Total	139,928,488	218,930,602	215,370,723	116,776	215,487,499	255,143	3,187,960	
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	146,850,104	-	146,850,104	-	0	Footnote 1
GREENWOOD	35,315,772	79,583,607	79,583,607	-	79,583,607	-	0	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	139,600,918	20,776,423	160,377,341	25,395,449	30,776,791	Footnote 2
RICHMOND HS	94,720,910	40,622,087	21,633,856	2,742	21,636,598	18,083,903	901,586	Footnote 3
VISTA HS	3,566,208	7,236,543	7,236,543	-	7,236,543	-	-	Footnote 1
High Sch Total	559,145,352	660,228,170	564,291,277	20,779,165	585,070,442	43,479,352	31,678,377	
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	102,831,633	91,994,698	1,153,336	93,148,034	2,013,564	7,670,035	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	31,851,850	1,065,631	32,917,481	2,734,124	(651,605)	Footnote 2
Admin/Other Total	110,861,862	142,246,837	128,261,752	2,218,967	130,480,719	4,747,688	7,018,430	
GRAND TOTAL	1,262,354,248	1,652,149,583	1,479,855,193	25,426,229	1,505,281,422	82,734,307	64,133,854	

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

Footnote 1: Site projects are completed.

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

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

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

Note: Does not include 1998 Measure E projects (DeJean Middle School)

**West Contra Costa Unified School District
Citizens' Bond Oversight Committee
2018 Annual Report**

**APPENDIX I:
Bond Program Financial Status
(Report #13)
Bond Program Financial Status at the START of 2018**



West Contra Costa Unified School District
December-2017 to June-2021 Cash
Projection
December 31, 2017

Report #13

		<u>Notes</u>
<u>Adjusted Cash Balance</u>	51,478,952	1
Projected Revenues		
Bond Sales 2010 Measure D	130,000,000	2
Bond Sales 2012 Measure E	125,000,000	2
Less: Cost of Issuance	(1,000,000)	2
Other Revenues	<u>3,024,000</u>	2
	257,024,000	
Projected Available Funds	<u>308,502,952</u>	
<u>Budgeted and Projected Expenses</u>		
Non-Central Program Costs		
Committed Costs	89,640,798	
Budget Balance	131,947,424	
	221,588,222	
Projected Cash Balance June 2021	\$86,914,730	
<u>Items Pending State Approval</u>		
State Facility Grants Estimated Funding	\$ 26,818,966	4
<u>Items Pending Board Approval</u>		
2016 Master Plan Projects Estimates	\$104,600,000	5
2022-2023 Estimated Central Cost	\$ 8,070,000	6
2022-2023 Estimated Other Revenue	\$ 1,008,000	2

West Contra Costa Unified School District Citizens' Bond Oversight Committee 2018 Annual Report



West Contra Costa Unified School District
2016 Master Plan
December 31, 2017

Report #13

Note 1 Adjusted Cash Balance

Description	Amount
Cash & Equivalents Building Fund 21	\$47,723,732
Cash & Equivalents County School Facilities Fund 35	4,120,732
Cash with Fiscal Agent (contract retentions)	5,448,243
Accounts Receivable	(2,537)
Accounts Payable	0
Contract Retention	<u>(5,811,218)</u>
Adjusted Cash Balance	\$51,478,952

Comments

A. This cash balance is reflective of financial data from MUNIS and should agree with Report 1, Note 16 less cash in Fund 35.

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

C. The new liability for vendor contract retentions billed, not paid, is the net of the Contract Retentions and Cash with Fiscal Agent. The amounts are reflective of financial data from MUNIS and are displayed on Report #1, Bond Program Key Performance Indicators (page 1) and on Note 15 of this same Report #1.

D. Accounts payable is reflective of financial data from MUNIS and are adjusted at June 30 fiscal year end.

West Contra Costa Unified School District

Citizens' Bond Oversight Committee

2018 Annual Report



West Contra Costa Unified School District
2016 Master Plan
December 31, 2017

Report #13

Note 2 Projected Revenues

Fiscal Year	Bond Sales 2010 Measure D	Bond Sales 2012 Measure E	Less: Cost of Bond Issuance	Interest Earnings	Total
FY2018	65,000,000	60,000,000	(500,000)	336,000	124,836,000
FY2019				1,008,000	1,008,000
FY2020	65,000,000	65,000,000	(500,000)	672,000	130,172,000
FY2021				1,008,000	1,008,000
Sub-Totals	130,000,000	125,000,000	(1,000,000)	3,024,000	257,024,000
FY2022				672,000	672,000
FY2023				336,000	336,000
Sub-Total	-	-	-	1,008,000	1,008,000
Grand Total	130,000,000	125,000,000	(1,000,000)	4,032,000	258,032,000

The average issuance cost for the last two issues is \$451,646.

Note 3 Budgeted and Projected (approved by Board)

Description	Note
Committed Expenses	This number comes from Report # 2, Bond Program Spending by Site. This represents the amount of contracts and purchase orders that have been issued but not yet paid.
Estimated Expenses	This number comes from Report # 2, Bond Program Spending by Site. This represents the amount of project budgets that have not been committed or paid. It assumes that the balance of each project budget will be spent.

West Contra Costa Unified School District

Citizens' Bond Oversight Committee

2018 Annual Report



West Contra Costa Unified School District
2016 Master Plan
December 31, 2017

Report #13

Note 4 California State Facilities 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.

Pending California State Facility Grants						
1/25/2018						
School	Funding	OPSC status	Project Number	SAB Approval	Fund Release	Est Amount
Helms Junior High	Seismic	Pending	58/61796-00-008	1/25/2018	1/25/2018	5,341,020.00
King	Seismic	Unfunded Approval (PIF Sub)	58/61796-00-009	Est: 01/18-06/18	Est: 07/18	2,106,032.00
El Cerrito	Seismic	Unfunded Approval (PIF Sub)	58/61796-00-010	Est: 01/18-06/18	Est: 07/18	2,276,568.00
El Cerrito-Bldg E	Seismic	Under Review	58/61796-00-010	Est: 07/18-12/18	Est: 02/19	204,936.00
Helms	MOD	On Workload List	57/61796-00-048	Est: 07/18-12/18	Est: 02/19	81,498.00
Kennedy	MOD	On Workload List	57/61796-00-049	Est: 07/18-12/18	Est: 02/19	1,005,433.00
PVHS	MOD	On Workload List	57/61796-00-051	Est: 07/20-12/20	Est: 02/21	15,803,479.00
Total						26,818,966.00

Report #13



West Contra Costa Unified School District
Bond Program Financial Status
As of December 31, 2018

Note 6 Unbudgeted Central Services Expenses FY2022-2023

<u>Description</u>	<u>Amount</u>
Salaries & Benefits	\$5,200,000
Services & Other Cost	<u>2,870,000</u>
	\$8,070,000

West Contra Costa Unified School District

Citizens' Bond Oversight Committee

2018 Annual Report



West Contra Costa Unified School District
2016 Master Plan
December 31, 2017

Report #13

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 includes the following projects with the project cost, including inflation:

School	Project Type	R.O.M.
Ed Specs & School Size		200,000
Harmon Knolls	Soils Testing	100,000
Valley View ES	Critical Needs	1,150,00
Crespi MS	Critical Needs	3,100,000
Riverside ES	Critical Needs	6,900,000
Richmond HS	Critical Needs	15,100,00
Highland ES	Critical Needs	800,000
Grant ES	Critical Needs	900,000
Olinda ES	Critical Needs	1,000,00
Chavez ES	Critical Needs	600,000
Ohlone ES	Critical Needs	800,000
Harmon Knolls	Critical Needs	450,000
Fairmont ES	Critical Needs	3,000,000
Stege ES	Critical Needs	2,900,00
Wilson ES	RS Replacement	40,300,000
Lake ES	RS Replacement	500,000
Sub Total		77,800,000

Note 5: FUTURE FACILITIES MASTER PLAN PROJECTS

Cameron School	Critical Needs	1,300,000
Collins ES	Critical Needs	3,500,000
Hercules MS	Critical Needs	7,500,000
Hercules HS	Critical Needs	7,200,000
Kennedy HS	Critical Needs	12,200,000
Lake ES	RS Replacement	65,600,000
Shannon ES	Critical Needs	7,100,000
Sub Total		104,400,000

TOTAL IMPLEMENTATION PLAN MODEL 1

182,200,000*

Definition of ROM¹

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

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

Note that further Architectural and Engineering studies are required, including scoping and budgeting, for all Critical Needs. *In June 2016 the Board has approved \$181,800,000 FMP since then they added \$400,000 for Valley View (150,000) and Harmon Knolls

West Contra Costa Unified School District

Citizens' Bond Oversight Committee

2018 Annual Report

Report #13



West Contra Costa Unified School District Bond Program Financial Status As of December 31, 2018

Cash Projection to June-2021

		<u>Notes</u>
<u>Adjusted Cash Balance</u>	\$114,748,098	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
Other Revenues	<u>2,820,000</u>	2
	132,310,000	
Projected Available Funds	<u>\$247,058,098</u>	
 <u>Budgeted and Projected Expenses</u>		
Committed Costs as of 12/31/18	82,734,307	3
Budget Balance as of 12/31/18	<u>64,133,854</u>	3
	<u>146,868,161</u>	
Projected Cash Balance June 2021	<u>\$100,189,937</u>	

Items Pending State Approval

State Facility Grants Estimated Funding	\$ 20,636,299	4
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Items Pending Board Approval

Future Facilities Master Plan Projects	\$104,400,000	5
2022-2023 Estimated Central Cost	\$ 8,070,000	6
2022-2023 Estimated Other Revenue	\$ 840,000	2

West Contra Costa Unified School District

Citizens' Bond Oversight Committee

2018 Annual Report

Report #13



West Contra Costa Unified School District Bond Program Financial Status As of December 31, 2018

Note 2 Projected Revenues

Fiscal Year	Bond Sales 2010 Measure D	Bond Sales 2012 Measure E	Less: Cost of Bond Issuance	Interest Earnings	Total
FY2018					
FY2019				850,000	850,000
FY2020	65,000,000	65,000,000	(510,000)	1,050,000	130,540,000
FY2021				920,000	920,000
Sub-Totals	65,000,000	65,000,000	(510,000)	2,820,000	132,310,000
FY2022				610,000	610,000
FY2023				230,000	230,000
Sub-Total	-	-	-	840,000	840,000
Grand Total	65,000,000	65,000,000	(510,000)	3,660,000	133,150,000

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

Note 3 Budgeted and Projected Expenses

Description	Note
Committed Expenses	This number comes from Report # 2, Bond Program Spending by Site. This represents the amount of contracts and purchase orders that have been issued but not yet paid.
Estimated Expenses (Budget Balance)	This number comes from Report # 2, Bond Program Spending by Site. This represents the amount of project budgets that have not been committed or paid. It assumes that the balance of each project budget will be spent.

West Contra Costa Unified School District

Citizens' Bond Oversight Committee

2018 Annual Report

Report #13



West Contra Costa Unified School District Bond Program Financial Status As of December 31, 2018

Note 1 Adjusted Cash Balance

Description	Amount	Comment
Cash & Equivalents Building Fund 21	113,436,669	A
Cash & Equivalents County School Facilities Fund 35	1,424,263	B
Cash with Fiscal Agent (contract retentions)	6,698,879	C
Accounts Receivable	0	
Accounts Payable	(160)	D
Contract Retention	<u>(6,811,553)</u>	C
Adjusted Cash Balance	\$114,748,098	

Comments

A. This cash balance is reflective of financial data from MUNIS and should agree with Report 1, Note 16 less cash in Fund 35.

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

C. The new liability for vendor contract retentions billed, not paid, is the net of the Contract Retentions and Cash with Fiscal Agent. The amounts are reflective of financial data from MUNIS and are displayed on Report #1, Bond Program Key Performance Indicators (page 1) and on Note 15 of this same Report #1.

D. Accounts payable is reflective of financial data from MUNIS and are adjusted at June 30 fiscal year end.

West Contra Costa Unified School District Citizens' Bond Oversight Committee 2018 Annual Report

Report #13



West Contra Costa Unified School District
Bond Program Financial Status
As of December 31, 2018

Note 4 California State Facilities 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	SAB ** Funded	Amount
Pinole Valley HS	Modernization	On Work List	07/22-12/22	Est: Feb-23	16,502,885
Helms	Modernization	On Work List	07/28-12/28	Est: Feb-29	4,133,414
				Total	20,636,299

*Office of Public School Construction – OPSC

**State Allocation Board - SAB

West Contra Costa Unified School District Citizens' Bond Oversight Committee 2018 Annual Report

Report #13



West Contra Costa Unified School District Bond Program Financial Status As of December 31, 2018

Note 1 Adjusted Cash Balance

Description	Amount	Comment
Cash & Equivalents Building Fund 21	113,436,669	A
Cash & Equivalents County School Facilities Fund 35	1,424,263	B
Cash with Fiscal Agent (contract retentions)	6,698,879	C
Accounts Receivable	0	
Accounts Payable	(160)	D
Contract Retention	<u>(6,811,553)</u>	C
Adjusted Cash Balance	\$114,748,098	

Comments

A. This cash balance is reflective of financial data from MUNIS and should agree with Report 1, Note 16 less cash in Fund 35.

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

C. The new liability for vendor contract retentions billed, not paid, is the net of the Contract Retentions and Cash with Fiscal Agent. The amounts are reflective of financial data from MUNIS and are displayed on Report #1, Bond Program Key Performance Indicators (page 1) and on Note 15 of this same Report #1.

D. Accounts payable is reflective of financial data from MUNIS and are adjusted at June 30 fiscal year end.

Report #13



West Contra Costa Unified School District Bond Program Financial Status As of December 31, 2018

Note 4 California State Facilities 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	SAB ** Funded	Amount
Pinole Valley HS	Modernization	On Work List	07/22-12/22	Est: Feb-23	16,502,885
Helms	Modernization	On Work List	07/28-12/28	Est: Feb-29	4,133,414
				Total	20,636,299

*Office of Public School Construction – OPSC

**State Allocation Board - SAB

West Contra Costa Unified School District Citizens' Bond Oversight Committee 2018 Annual Report

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West Contra Costa Unified School District Bond Program Financial Status As of December 31, 2018

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 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
Harmon Knolls	Soils Testing	100,000	41,489
Valley View ES	Critical Needs	1,000,000	1,091,447
Crespi MS	Critical Needs	3,100,000	3,100,000
Riverside ES	Critical Needs	6,900,000	6,900,000
Richmond HS	Critical Needs	15,100,000	19,000,000
Highland ES	Critical Needs	800,000	800,000
Grant ES	Critical Needs	900,000	211,467
Olinda ES	Critical Needs	1,000,000	1,000,000
Chavez ES	Critical Needs	600,000	600,000
Ohlone ES	Critical Needs	800,000	623,885
Harmon Knolls	Critical Needs	200,000	406,946
Fairmont ES	Critical Needs	3,000,000	3,000,000
Stege ES	Critical Needs	2,900,000	2,900,000
Wilson ES	RS Replacement	40,300,000	40,300,000
Lake ES	Critical Needs	0	147,501
Sub Total		76,900,000	80,322,735

Note 5: FUTURE FACILITIES MASTER PLAN PROJECTS

Cameron School	Critical Needs	1,300,000	1,300,000
Collins ES	Critical Needs	3,500,000	3,500,000
Hercules MS	Critical Needs	7,500,000	7,500,000
Hercules HS	Critical Needs	7,200,000	7,200,000
Kennedy HS	Critical Needs	12,200,000	12,200,000
Lake ES	RS Replacement	66,100,000	65,600,000
Shannon ES	Critical Needs	7,100,000	7,100,000
Sub Total		104,900,000	104,400,000

TOTAL IMPLEMENTATION PLAN MODEL 1 **\$181,800,000*** **\$184,722,735**

Definition of ROM¹

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

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

Note that further Architectural and Engineering studies are required, including scoping and budgeting, for all Critical Needs. *In June 2016 the Board approved \$181,800,000 FMP since then following budget revisions have been approved by the board:

- Harmon Knolls <\$250,000 & 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, and Richmond \$3,900,000 on 11/14/18.

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WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

Report 13 variance

From 12/31/2017 to 12/31/2018

	Beg 12/31/17	End 12/31/18	Variance	Notes
Adjusted Cash Balance	51,478,952	114,746,886	63,267,934	<\$75,005,548> Expended in Calendar year 2018
				\$125,000,000 Bond Sale
				\$5,341,020 State funding Helms Seismic
				\$2,106,032 State funding King Seismic
				\$2,472,732 State funding ECHS Seismic
				\$218,382 State funding ECHS Bldg E Seismic
				\$1,193,070 State funding KHS Mod
				\$25,227 Msr 2012E COI refund
				\$1,917,019 LAIF & Poole Earning Interests and Misc
Projected Revenue				
Bond Sales 2010 Measure D	130,000,000	65,000,000	(65,000,000)	Bond Sold
Bond Sales 2010 Measure E	125,000,000	65,000,000	(60,000,000)	Bond Sold
Less: Cost of Issuance	(1,000,000)	(510,000)	490,000	Issuance cost reduced due to bond sale
Other Revenues estimated to 2021	3,024,000	2,820,000	(204,000)	Other Revenue Estimated (see Note 2, Report 13) FY 2018 \$336,000 removed FY 2019 Revised from \$1,008,000 to \$850,000 FY 2020 Revised from \$672,000 to \$1,050,000 FY 2021 Revised from \$1,008,000 to \$920,000
Projected Revenue Total	257,024,000	132,310,000	(124,714,000)	
Projected Available Funds	308,502,952	247,056,886	(61,446,066)	
Budgeted and Projected Expenses				
Committed Costs	89,931,158	82,734,307	(7,196,851)	
Budget Balance	131,653,809	64,133,854	(67,519,955)	
Budgeted & Projected Expenses Total	221,584,967	146,868,161	(74,716,806)	<\$75,005,548> Expended in Calendar year 2018 07/25/18 BOE Budget reduction <\$3,611,258> 11/14/18 BOE budget increase \$3,900,000
Projected Cash Balance June 2021	86,917,985	100,188,725	13,270,740	Total State funding received \$11,331,236 COI refund \$25,227 LAIF/Pooled Earning/Mis Rev \$1,917,019 Issuance Cost removed \$490,000 Other Rev estimated to 2021 removed <\$204,000> BOE budget adjustment <\$288,742>
State Facility Grants	26,818,966	20,636,299	(6,182,667)	Removed estimated state funding <\$11,015,487> (actual received \$11,331,258) PVHS Mod revised from \$15,803,479 to \$16,502,885 Helm Mod added \$4,133,414
Future Facilities Master Plan Projects	104,400,000	104,400,000	-	
2022-2023 Estimated Central Cost	8,070,000	8,070,000	-	
2022-2023 Estimated Other Revenue	1,008,000	840,000	(168,000)	FY 2022 Revised from \$672,000 to \$610,000 FY 2023 Revised from \$336,000 to \$230,000
Future Projects Total	113,478,000	113,310,000	(168,000)	

**West Contra Costa Unified School District
Citizens' Bond Oversight Committee
2018 Annual Report**

APPENDIX

3

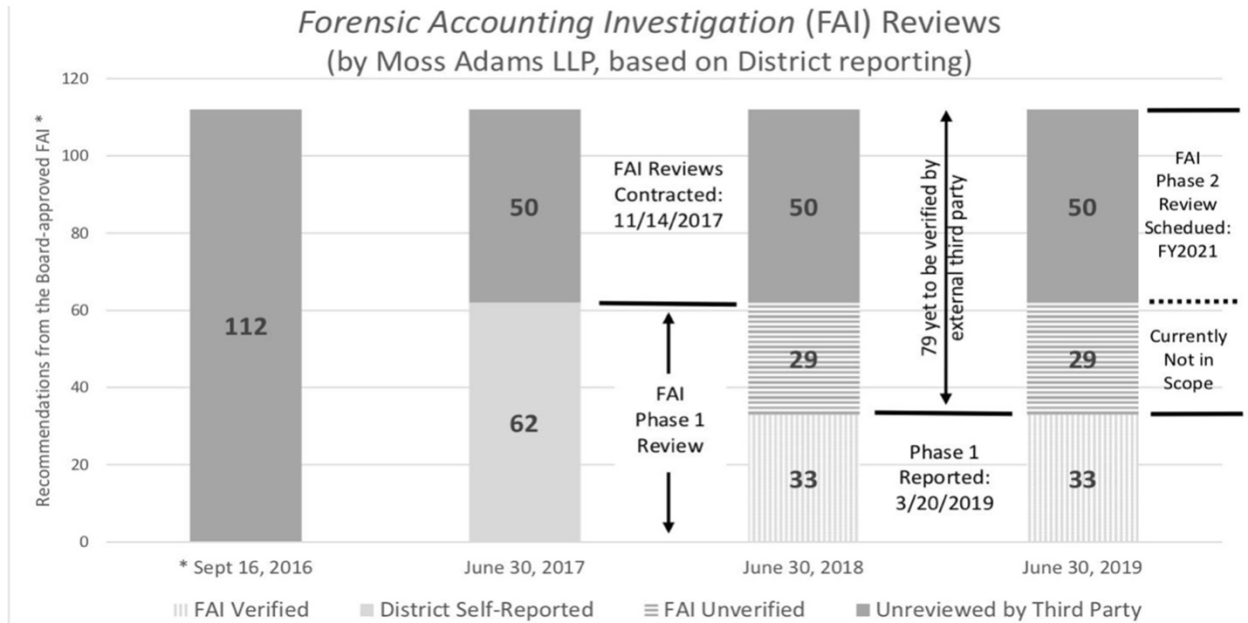
**2016
FORENSIC ACCOUNTING
INVESTIGATION
(FAI)**



West Contra Costa Unified School District Citizens' Bond Oversight Committee 2018 Annual Report

3. 2016 Forensic Accounting Investigation (FAI)

APPENDIX J: FAI Recommendation Implementation Status and Risk Association



The District's Implementation Task Force (the ITF), charged with managing its implementation of the 112 recommendations from the September 16, 2016 *Forensic Accounting Investigation* (the FAI), began its work in October 2016. On November 14, 2017, the Board approved a contract with Moss Adams LLP to provide external, third party, independent review of the effectiveness of the District's FAI implementation work.

The Moss Adams Phase 1 Review report, delivered on March 20, 2019, covered the District's self-reported implementation of 62 recommendations through the end of FY2017. This chart is meant to provide a quick overview of key milestones during the full Moss Adams review process, covering November 2017 through the completion of its Phase 2 Review.

As of August 2019, the final Phase 2 Review by Moss Adams is expected to be conducted and reported out some time during FY2021 (after the ITF reports that

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the FAI recommendations have been fully implemented and have been internally reviewed for effectiveness by the end of FY2020)¹.

Status of Implementation and Risk Association of 2016 FAI Recommendations - Feb 2019

		Total	FAI Allegation Risk Score			No Score
			High	Medium	Low	
Forensic Accounting Investigation (FAI) Recommendations (Oct 2016)		112	21	55	2	34
Recommendations District reported as "Implemented" by 6/30/17 and Moss Adams (MA) Reviewed by Feb 2019		62	5	32	2	23
% of recommendations District reported as "Implemented" by 6/30/17		100%	8%	52%	3%	37%
Per MA Review in Feb 2019	Implemented	35	0	17	1	17
	Partially Implemented	17	5	11	1	0
	Not Implemented	3	0	3	0	0
	Undetermined	7	0	1	0	6
Total Partially or Not Implemented, or Undetermined		27	5	15	1	6
Not Yet Reviewed by MA		50	16	23	0	11
% of total 112 FAI recommendations MA deemed "Implemented" by Feb 2019		31%	0%	31%	50%	50%
% of total 112 FAI Recommendations MA deemed Partially or Not Implemented, or not yet reviewed by MA by Feb 2019		69%	100%	69%	50%	50%

This means that just 31% of the FAI recommendations have been verified as fully implemented by an independent third party as of February, 2019, almost three years after completion of the forensic accounting investigation

None of the 21 "high-risk" recommendations have been verified as fully implemented by an independent third party.

Final VLS Report, Phase II (Sept 2016):

- For example, if a New Risk Score is identified as a High risk, this indicates that the internal control(s) in place to minimize fraud, waste, or abuse for that particular allegation or concern are either not implemented or the internal control(s) has been implemented, but testing revealed that the internal control(s) is not functioning adequately. Therefore, a High likelihood exists that 1) the District may be at risk for waste, improper expenditure, or fraud (financial irregularity) related to the Bond Program expenditures, 2) the dollar impact would be significant, and 3) the impact on public perception/trust would be significant. Section III, Test of Controls, specifically addresses the internal control areas that have not been implemented or are not functioning adequately. [Methodology for Completing the Final Risk Assessment Matrix Phase II and Assigning the New Risk Score](#) (page 17).
- The level of risk is defined as follows [Methodology for Completing the Final Risk Assessment Matrix Phase II and Assigning the New Risk Score](#) (page 16):
 - Low** - There is a low likelihood that the District may be at risk for waste, improper expenditure or fraud (financial irregularity) related to the Bond Program expenditures, the dollar impact would be low, and the impact on public perception/trust would be low.
 - Medium** - It is possible that the District may be at risk for waste, improper expenditure or fraud (financial irregularity) related to the Bond Program expenditures, the dollar impact may be large, and there may be an impact on public perception/trust.
 - High** - There is a high likelihood that the District may be at risk for waste, improper expenditure or fraud (financial irregularity) related to the Bond Program expenditures, the dollar impact would be significant, and the impact on public perception/trust would be significant.

¹ From "Implementation of Recommendations", presented to the Board's Facilities Committee in August 2019, on behalf of the Director of Internal Audit and the ITF.

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APPENDIX

4

**OTHER CBOC
ACTIONS and DISTRICT
SUPPORT in 2018**



West Contra Costa Unified School District
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4. Other CBOC Actions and District Support in 2018

APPENDIX K: CBOC Recommendation - Financial Impact Statements

BOND PROGRAM FINANCIAL IMPACT STATEMENT

8 EXAMPLES

VERSION 2

May 3, 2018

Short version without annotations or attachments

Prepared by Gregg Visineau on May 19th, 2018

WCCCSO CBOC
Audit Subcommittee
Bond Program Financial Impact Statement
Examples

FINANCIAL IMPACT STATEMENT EXAMPLES

Example 1: Initial budget authorization for a new project

The proposed project budget of \$40,300,000 for Wilson Elementary School replacement. detailed by major object on the attached Project Budget form, is within the scope of the 1016 Facilities Master Plan.

- **Projected Cash Balance at June 2021** is reduced from \$87.3 million to \$46.9 million. assuming no increases in program revenues
- **Total Bond Program Current Budget** is increased from \$1.611 billion to \$1.651 billion
- **2016 Facilities Master Plan Projects** increased from \$37.3 million to \$77.6 million

Attachments:

- Project Budget Form Wilson: Elementary School

West Contra Costa Unified School District

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- Financial Impact Statement Wilson Elementary School Replacement Project
- 2016 Facilities Master Plan (FMP) Project Initial Budget (B)

Example 2: Project Budget Increase

The current project budget of \$40,300,000 for Wilson Elementary School replacement increased by \$3 million for a total of \$43.3 million (detailed in the attached Capital Outlay Fund 21 Budget Summary Report) is within the scope of the 2016 Facilities Master Plan program.

- **Projected Cash Balance at June 2021** is reduced from \$46.9 million to \$43.9 million (assuming no increases in program revenue)
- **Total Bond Program Current Budget** is increased from \$1.611 billion to \$1.614 billion
- **2016 Facilities Master Plan Projects** is increased from \$77.6 million to \$80.6 million.

Attachments:

- Capital Outlay Fund 21 Budget Summary Report Wilson Elementary School
- Financial Impact Statement Wilson Elementary School Replacement Project 2016 Facilities Master Plan (FMP) Project Increase Budget (1)

Example 3: Budget Transfers Within a Project Between Major Objects (See Example 7, Final Budget Adjustments Example)

The proposed budget transfer of \$30,000 for the Wilson Elementary School replacement project between major objects (detailed in the attached Resolution) will have no impact on either **Projected Cash Balance at June 2021** or **Total Bond Program Current Budget**.

Attachments:

- Resolution

West Contra Costa Unified School District
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- Attachment to Resolution 2016-17 Bond fund Capital Outlay fund 21 Budget Summary Wilson School Replacement Project

Example 4: Budget Transfers Between Projects

The proposed budget transfer of \$3,000.000 from the Wilson Elementary School replacement project to Richmond High School project. detailed in the attached Resolution will have no impact on either **Projected Cash Balance at June 2021** or **Total Bond Program Current Budget**.

Attachments:

- Resolution
- Attachment to Resolution 2016-17 Bond Fund Capital Outlay fund 21 Budget Summary Wilson School Replacement Project
- Attachment to Resolution 2016-17 Bond Fund Capital Outlay Fund 21 Budget Summary Richmond High School Project

Example 5: Expenditure Authorization for Agreements, Change Orders and Purchase Orders

The proposed expenditure of \$35,113,345 for the Wilson Elementary School replacement project. is within the budget account 21-9745-6211-165-0000-8500- 400130-0-0000 for this project.

Example 6: Acceptance for Project Work and Approval of Notice of Completion for Lake EX Portable Demolition Project

The Lake Elementary School Portable Demolition Project No. 1000002521 was completed on April 11, 2018. at an actual cost of \$200,245. The original budget for this project was \$180,000. The current budget was \$205,000. This action returns \$4,755 of unspent budget to the unappropriated Building Fund 21 balance (it will increase **Projected Cash Balance at June 2021** and decrease **Total Bond Program Current Budget** by \$4,755).

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Attachments:

- Notice of Completion

Example 7: Final Budget Adjustments El Cerrito High School

El Cerrito High School final budget transfers between major objects, detailed in the attached Resolution will result in a final budget less than the current budget by \$136,394 and will increase Fund 21 Building fund balance by the same amount.

Project cash balance at June 2021 would be increased by \$136,394.

Total bond program current budget would be decreased by \$136,394.

Attachments:

- Resolution
- Attachment to Resolution 2016-17 Bond Fund Capital Outlay Fund 21 Budget Summary Wilson School Replacement Project
- Attachment to Resolution Financial Impact Statement El Cerrito High School Project 2016 Facilities Master Plan (FMP)

Example 8: Pinole Valley High School Budget Transfers Between Fiscal Years with No Total Project Budget Increase

The proposed Pinole Valley High School \$3,000,000 budget transfers between major objects from Fiscal Year 2019 to Fiscal Year 2018, detailed in the attached Resolution, will have no impact on the total budget for this project.

Projected cash balance in 2021 would be unchanged.

Total bond program current budget would be unchanged.

Attachments:

- Resolution
- Attachment In Resolution Pinole Valley High School Project Budget Form Current Version

**West Contra Costa Unified School District
Citizens' Bond Oversight Committee
2018 Annual Report**

- Attachment to Resolution Pinole Valley High School Project Budget Form Revised Version

BOND PROGRAM FINANCIAL IMPACT STATEMENT

8 EXAMPLES

VERSION 2

May 3, 2018

Short version without annotations or attachments

Prepared by Gregg Visineau on May 19th, 2018

**West Contra Costa Unified School District
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EXAMPLE

**Financial Impact Statement
Wilson Elementary School Replacement Project
2016 Facilities Master Plan (FMP)
Project Initial Budget**

Proposed Action: Approve \$40.3 million budget for Wilson ES Replacement (FMP project)

Financial Impact:

1. Projected Cash Balance in June 2021 is reduced from \$87.3 million to \$46.9 million (assuming no increase in program revenues)
2. Total Bond Program Current Budget is increased from \$1.611 billion to \$1.651 billion
3. 2016 Master Plan Projects is increased from \$37.3 million to \$77.6 million

Financial Impact Analysis: Cash Projection

\$ millions	January 2018	Pro Forma FIS	Pro forma Over (Under) 01/18	Analysis
Adjusted Cash Balance	\$46.3	\$46.3		No change in projected available funds assumes no new revenue from state grants or bond sales
Projected Revenues				
Bond Sales 2010 Measure D	\$130.0	\$130.0		
Bond Sales 2010 Measure E	\$125.0	\$125.0		
Less Cost of Issuance	\$(1.0)	\$(1.0)		
Other Revenues	\$3.0	\$3.0		
	\$257.0	\$257.0		

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\$ millions	January 2018	Pro Forma FIS	Pro forma Over (Under) 01/18	Analysis
Projected Available Funds	\$303.3	\$303.3		
Budgeted and Projected Expenses				
Committed Cost	\$65.4	\$86.4		
Budget Balance	\$129.6	\$170.0	\$40.4	Approval of Wilson ES replacement budget, \$40.3 million
	\$216.0	\$256.4	\$40.4	
Projected Cash Balance: 06/21				
	\$87.3	\$48.9	\$(40.4)	Reduction in Projected Cash Balance through June 2021, to \$46.8 million
State Facility Grants	\$26.8	\$26.8		
Future Facilities Master Plan Projects	\$104.4	\$64.1	\$(40.3)	Listed FMP Projects reduced to \$64.1 million
2022-23 Estimated Central Costs	\$8.1	\$8.1		
2023-23 Estimated Other Revenue	\$1.0	\$1.0		

BOND PROGRAM FINANCIAL IMPACT STATEMENT
8 EXAMPLES
VERSION 2
 May 3, 2018

Short version without annotations or attachments
 Prepared by Gregg Visineau on May 19th, 2018

**West Contra Costa Unified School District
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2018 Annual Report**

EXAMPLE

**Financial Impact Statement
Wilson Elementary School Replacement Project
2016 Facilities Master Plan (FMP)
Increase Budget**

Proposed Action: Approve \$3 million budget increase for Wilson ES Replacement (FMP project)

Financial Impact:

1. Projected Cash Balance in June 2021 is reduced from \$46.9 million to \$43.9 million (assuming no increase in program revenues)
2. Total Bond Program Current Budget is increased from \$1.611 billion to \$1.614 billion
3. 2016 Master Plan Projects is increased from \$77.6 million to \$60.6 million

Financial Impact Analysis: Cash Projection

\$ millions	January 2018	Pro Forma FIS	Pro forma Over (Under) 01/18	Analysis
Adjusted Cash Balance	\$46.3	\$46.3		No change in projected available funds assumes no new revenue from state grants or bond sales
Projected Revenues				
Bond Sales 2010 Measure D	\$130.0	\$130.0		
Bond Sales 2010 Measure E	\$125.0	\$125.0		
Less Cost of Issuance	\$(1.0)	\$(1.0)		
Other Revenues	\$3.0	\$3.0		
	\$257.0	\$257.0		

West Contra Costa Unified School District
Citizens' Bond Oversight Committee
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\$ millions	January 2018	Pro Forma FIS	Pro forma Over (Under) 01/18	Analysis
Projected Available Funds	\$303.3	\$303.3		
Budgeted and Projected Expenses				
Committed Cost	\$86.4	\$86.4		
Budget Balance	\$170.0	\$173.0	\$3.0	Approval of \$3 million increase to Wilson ES replacement budget, \$40.3 million to \$43.3 million
	\$256.4	\$259.4	\$3.0	
Projected Cash Balance: 06/21	\$46.9	\$43.9	\$(40.4)	Reduction in Projected Cash Balance through June 2021, to \$46.8 million
State Facility Grants	\$26.8	\$26.8		
Future Facilities Master Plan Projects	\$64.1	\$61.1	\$(3.0)	Listed FMP Projects reduced to \$61.1 million
2022-23 Estimated Central Costs	\$8.1	\$8.1		
2023-23 Estimated Other Revenue	\$1.0	\$1.0		

BOND PROGRAM FINANCIAL IMPACT STATEMENT
8 EXAMPLES
VERSION 2
 May 3, 2018

Short version without annotations or attachments
 Prepared by Gregg Visineau on May 19th, 2018

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EXAMPLE

Proposed Action: Adopt Resolution No.86-XXXX Budget Revision El Cerrito High School, Resulting Decreases in Appropriations for the 2017-18 Budget Year

Financial Impact:

- Projected Cash Balance at June 2021 is increased by \$0.1 million
- Total Bond Program Current Budget is decreased by \$0.1 million

Financial Impact Analysis: Cash Projection

\$ millions	January 2018	Pro Forma FIS	Pro forma Over (Under) 01/18	Analysis
Adjusted Cash Balance	\$46.3	\$46.3		No change in projected available funds assumes no new revenue from state grants or bond sales
Projected Revenues				
Bond Sales 2010 Measure D	\$130.0	\$130.0		
Bond Sales 2010 Measure E	\$125.0	\$125.0		
Less Cost of Issuance	\$(1.0)	\$(1.0)		
Other Revenues	\$3.0	\$3.0		
	\$257.0	\$257.0		
Projected Available Funds	\$303.3	\$303.3		
Budgeted and Projected Expenses				
Committed Cost	\$86.4	\$86.4		
Budget Balance	\$129.6	\$129.5	\$(0.1)	Project close-out below budget (EHS \$0.1 million)
	\$216.0	\$215.9	\$(0.1)	
Projected Cash Balance: 06/21	\$8.5	\$87.4	\$0.1	Increase in Projected Cash Balance through June 2021, to \$87.4 million

**West Contra Costa Unified School District
Citizens' Bond Oversight Committee
2018 Annual Report**

\$ millions	January 2018	Pro Forma FIS	Pro forma Over (Under) 01/18	Analysis
State Facility Grants	\$26.8	\$26.8		
Future Facilities Master Plan Projects	\$104.4	\$104.4		
2022-23 Estimated Central Costs	\$8.1	\$8.1		
2023-23 Estimated Other Revenue	\$1.0	\$1.0		

**BOND PROGRAM FINANCIAL IMPACT STATEMENT
8 EXAMPLES
VERSION 2**

May 3, 2018

Short version without annotations or attachments

Prepared by Gregg Visineau on May 19th, 2018

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APPENDIX L: Bond Program Financial Status and Variance Report Primer

Primer: Bond Program Financial Status and Variance Report

Described here are 1) the **WCCUSD Bond Program Financial Status (BPFS) Report** (aka “Report 13”), and 2) corresponding variance reports. The BPFS Report is meant to be a quick and easy to understand “snapshot” showing the bond program’s current financial status at a high-level. BPFS variance reports summarize changes in high-level totals—in particular Projected Cash Balance in 2021—from one time period to the next, given expenses paid, revenue received and action taken by the Board of Education. A pro-forma BPFS Variance Report is based on certain assumptions about the future, and shows the impact of action to be taken by the Board on the bond program’s Projected Cash Balance in 2021.

- **The BPFS is self-contained, reported on one page, plus brief notes and related comments to document and explain data sources.** Data sources are all publicly available, primarily reports routinely released at regularly scheduled meetings of the Board of Education.
- **Report users are members of the General Public,** including the CBOC, who are not expected to have access to nor in-depth knowledge about District reporting systems.

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Citizens' Bond Oversight Committee

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WCCUSD Bond Program Financial Status Report

Report Purpose: The primary purpose of the **Bond Program Financial Status Report** is to show WCCUSD's current projected cash balance through June 2021, given the following:

1. Current adjusted cash balance to date
2. Projected revenue from bond sales and related interest income through June 2021
3. Board-approved program budgeted and projected expenses through June 2021

Below Projected Cash Balance are items pending Board approval which, when approved by the Board, will impact the District's cash balance.

Data sources are based on publicly available District reports, as described in detail in Notes 1 through 6, and related comments.

West Contra Costa Unified School District Bond Program Financial Status As of February 28, 2018		Report #13
Cash Projection to June-2021		
Adjusted Cash Balance	\$43,873,070	Notes 1
Projected Revenues		
Bond Sales 2010 Measure D	130,000,000	2
Bond Sales 2012 Measure E	125,000,000	2
Less: Cost of Issuance	(1,000,000)	2
Other Revenues	<u>3,024,000</u>	2
Projected Available Funds	\$300,897,070	
Budgeted and Projected Expenses		
Committed Costs	119,354,479	3
Budget Balance	<u>88,900,926</u>	3
Projected Cash Balance June 2021	\$92,641,665	
Items Pending State Approval		
State Facility Grants Estimated Funding	\$ 21,477,946	4
Items Pending Board Approval		
Future Facilities Master Plan Projects	\$104,400,000	5
2022-2023 Estimated Central Cost	\$ 8,070,000	6
2022-2023 Estimated Other Revenue	\$ 1,008,000	2

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WCCUSD Bond Program Financial Status Variance Report

- The purpose of the Bond Program Financial Status Variance Report is to show and explain changes in the BPFS Report from one period to the next (e.g., Examples 1 and 2, below.)
- The purpose of a Pro Forma Bond Program Financial Status Variance Report is to show and explain future changes in the BPFS Report, given proposed action is taken by the Board of Education (e.g., Example 3, below.) It is based on a given set of assumptions about revenue received and expense budget variances.
- BPFS Variance Reports include three or four summary statements which summarize and highlight major changes which took place during the period reported, or will take place given Board action and other assumptions about the future.

Example #1: Bond Program Financial Status Month-over-Month Variance Report showing and explaining changes in the BPFS Report from January 31, 2018, through February 28, 2018:

Bond Program Financial Status - Feb vs Jan 2018 Variance Report

\$ millions	Note	Jan 2018	Feb 2018	Feb Over (Under) Jan	Analysis
Adjusted Cash Balance	1	\$ 46.3	\$ 43.9	\$ (2.4)	\$7.8 million expenditures in Feb. offset by \$5.3 million state grant received
Projected Revenues	2				
Bond Sales 2010 Measure D		\$ 130.0	\$ 130.0		
Bond Sales 2010 Measure E		\$ 125.0	\$ 125.0		
Less: Cost of Issuance		\$ (1.0)	\$ (1.0)		
Other Revenues		\$ 3.0	\$ 3.0		
		\$ 257.0	\$ 257.0		
Projected Available Funds		\$ 303.3	\$ 300.9	\$ (2.4)	
Budgeted and Projected Expenses	3				
Committed Cost		\$ 86.4	\$ 119.4	\$ 33.0	- \$35.1 million approved for Wilson ES Overaa contract (no other budget changes.)
Budget Balance		\$ 129.6	\$ 88.9	\$ (40.7)	
		\$ 216.0	\$ 208.3	\$ (7.8)	- \$7.8 million spent, mostly on PVHS
Projected Cash Balance, June 2021		\$ 87.3	\$ 92.6	\$ 5.4	Primarily \$5.3 million state grant received
State Facility Grants	4	\$ 26.8	\$ 21.5	\$ (5.3)	Helms Seismic Grant, \$5.3 million
Future Facilities Master Plan Projects	5	\$ 104.4	\$ 104.4		
2022-23 Estimated Central Costs	6	\$ 8.1	\$ 8.1		
2022-23 Estimated Other Revenue	2	\$ 1.0	\$ 1.0		

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Summary: February 2018, Bond Program Financial Analysis

- \$5.3 million Helms Seismic Grant Received
- \$7.8 million spent, mostly on Pinole Valley High School
- \$35.1 million approved for Wilson Elementary School Overaa contract (no budget increase)

Example #2: Bond Program Financial Status Year-over-Year Variance Report showing and explaining changes in the BPFS Report in 2017:

Financial Impact Analysis: Cash Projection

\$ millions	Beg 2017 (Jan 1)	End 2017 (Dec 31)	End Over (Under) Beg 2017	Analysis
Adjusted Cash Balance	\$ 100.4	\$ 51.5	\$ (48.9)	
Projected Revenues				
Bond Sales 2010 Measure D	\$ 130.0	\$ 130.0		
Bond Sales 2010 Measure E	\$ 125.0	\$ 125.0		
Less: Cost of Issuance	\$ (1.0)	\$ (1.0)		
Other Revenues estimated to 2021	\$ 3.0	\$ 3.0		Ref: Note 2 on final Rpt 13, Jan 2018 (estimated revenue 2022-23 shown separately, below)
	\$ 257.0	\$ 257.0	\$ 0.0	
Projected Available Funds	\$ 357.4	\$ 308.5	\$ (48.9)	\$56.4 million expenditures offset by \$6.9 million state grants received and \$.7 million interest income in 2017
Budgeted and Projected Expenses				
Committed Cost	\$ 134.1	\$ 89.6		
Budget Balance	\$ 144.9	\$ 131.9		\$56.4 million expenditures + \$.9 million projects closed out below budget
	\$ 279.0	\$ 221.6	\$ (57.4)	
Projected Cash Balance, June 2021	\$ 78.4	\$ 86.9	\$ 8.5	Increase in Projected Cash Balance through June 2021, due to \$6.9 million state grants, plus \$.9 million projects closed out below budget before year-end and \$.7 million interest received in 2017
State Facility Grants	\$ 33.7	\$ 26.8	\$ (6.9)	
Future Facilities Master Plan Projects	\$ 104.4	\$ 104.4		
2022-23 Estimated Central Costs	\$ 8.1	\$ 8.1		
2022-23 Estimated Other Revenue	\$ 1.0	\$ 1.0		

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Summary: 2017 Bond Program Financial Analysis

- Project expenditures in 2017, totaled \$56.4 million; adjusted Cash Balance totaled \$51.5 million at yearend.
- State grants received in 2017, totaled \$6.9 million; grants pending approval totaled \$26.8 million at yearend.
- Projected Cash Balance increased \$8.5 million to \$86.9 million due to state grants received, projects closed out below budget and interest earned in 2017.
- Bond Program Current Budget totaled \$77.8 million at year-end.

Example #3: Bond Program Financial Status Pro-forma Variance Report showing and explaining anticipated changes in the BPFS Report, given action taken by the Board of Education to approve \$65.6 million for Lake ES replacement and other key assumptions:

Pro-forma Financial Impact Analysis

\$ millions	March 2018	Pro forma FIS	Pro forma Over (Under) March 2018	Analysis
Adjusted Cash Balance	\$ 36.8	\$ 36.8		
Projected Revenues				
Bond Sales 2010 Measure D	\$ 130.0	\$ 130.0		Assume no additional state grants and no new bond measures
Bond Sales 2010 Measure E	\$ 125.0	\$ 125.0		
Less: Cost of Issuance	\$ (1.0)	\$ (1.0)		
Other Revenues	\$ 3.0	\$ 3.0		
	\$ 257.0	\$ 257.0		
Projected Available Funds	\$ 293.8	\$ 293.8		
Budgeted and Projected Expenses				
Committed Cost	\$ 113.8	\$ 113.8		
Budget Balance	\$ 87.3	\$ 152.9	\$ 65.6	Approval of Lake ES replacement budget, \$65.6 million
	\$ 201.2	\$ 266.8	\$ 65.6	
Projected Cash Balance, June 2021	\$ 92.6	\$ 27.0	\$ (65.6)	Reduction in Projected Cash Balance through June 2021, to \$27 million
State Facility Grants	\$ 26.8	\$ 26.8		
Future Facilities Master Plan Projects	\$ 104.4	\$ 38.8	\$ (65.6)	Listed FMP Projects reduced to \$38.8 million
2022-23 Estimated Central Costs	\$ 8.1	\$ 8.1		
2022-23 Estimated Other Revenue	\$ 1.0	\$ 1.0		

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Summary: Pro-forma Bond Program Financial Analysis

Assuming no new bond program revenue and no other significant budget or financial variances, Board action to approve \$65.6 million for Lake ES replacement will have the following anticipated result:

- Projected Cash Balance in 2021, reduces to \$27 million.
- Total Bond Program Current Budget increases from \$1.651 billion to \$1.717 billion.
- 2016 Master Plan Projects budgeted total increases from \$77.8 million to \$143.4; un-budgeted total decreases to \$38.8 million.

Additional data not shown on the Bond Program Financial Status Report may be required to complete the variance report. This data is publicly available either upon request or in reports routinely released at Board of Education meetings.

For example:

1. **Total project-related expenditures** (I.e., decreases both cash balance and projected expenses)
2. **Interest earned in the period** (reported annually; increases adjusted cash balance)
3. **Total projects closed out below budget in the period** (reported annually; decreases projected expenses)
4. **Contracts approved by the Board** (shifts funds from budget balance to committed costs; no impact on projected expenses)

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APPENDIX

5

**OTHER
GENERAL
REFERENCES**



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5. Other General References

APPENDIX M: CBOC Member Roster and Bios
CBOC Members who Served from January 2018 to June 2019

Rhem Bell ~ Employee Unions Representative ~ 2016-2018

Peter Chau ~ Richmond Resident ~ 2014-2018

Subcommittees: Bylaws, Pinole Valley High School

CBOC Secretary 2015

Former Subcommittees: Bylaws (Chairperson), Clay Investigation

Peter was first appointed in April 2014. He is a 12-year volunteer for public schools. Peter's interest in the CBOC is in holding the District accountable to promises made to voters

Charles Cowens ~ Unincorporated Area Resident ~ 2016-2018

CBOC Chairperson (2017)

Charley works as a technical writer for a software company. He graduated from UC Berkeley with a BA in Legal Studies. Both of his children attended WCCUSD schools through graduation. Charley is returning to CBOC after previously serving on CBOC for two terms, including holding the office of Secretary. His past school district involvement includes serving for 5 years as chair of the WCCUSD Community Budget Advisory Committee; working as an officer on PTA executive boards at the site, district, and county levels; and volunteering for school district parcel tax campaigns and a bond campaign. Charley is a member of the El Cerrito Democratic Club and the Contra Costa Taxpayers Association. He wants the CBOC to be a better watchdog and a better source of useful information for the public.

***Sallie DeWitt ~ Business Organizations ~ 2017-2019**

Subcommittees: Annual Report (2016 and 2018 Chairperson), Audit

Sallie attended public schools in the Bay Area and then received two degrees from UC Berkeley, a BA in History (Phi Beta Kappa) and an MBA. She and her husband, Jim DeWitt, have lived in Richmond since 1975. Their children and grandchildren attended WCCUSD schools, and, now, two great grandchildren are at Washington School. Sallie is an ardent supporter of public education. In the 1990s, she founded the Many Hands Project at Washington School and served on the Board of the West Contra Costa Ed Fund. Starting in 1995, she worked at Chevron as an Education Outreach Coordinator and budget analyst, until she

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retired in 2015. She is motivated to ensure all public-school students have an opportunity to achieve their full potential. Sallie joined the CBOC in January 2017, wanting to put her experience in business planning, budgeting and variance analysis to work overseeing WCCUSD's bond program.

***Kathy Fleming ~ El Cerrito Resident ~ 2017-2021**

Subcommittee: Vice Chair (2018 and 2019) and Annual Report (2017 Chairperson)

Kathy was appointed to the CBOC in June of 2017. She is a resident of El Cerrito and a parent of two children, the oldest of which is a student in WCCUSD. Kathy brings 30 years of public education experience as a teacher and administrator, currently in San Francisco Unified School District (SFUSD) and previously in the Philadelphia Public Schools. Kathy is currently a Program Administrator for the SFUSD Visual and Performing Arts Department. Prior to this position, Kathy served for nine years as the Director of the SFUSD Public Education Enrichment Fund. In her administrative roles, Kathy is responsible for planning, budgeting and accountability activities to ensure funds are expended per legislation and school board approved annual budgets and plans as well as leading community and stakeholder engagement activities. Kathy welcomes her opportunity to serve on the CBOC and works to ensure transparency and accountability in the expenditure of voter approved bond funds.

Denise Gianni ~ Taxpayers' Organization ~ 2017-2019

Subcommittee: Site Tours

My husband, son and I have been Richmond residents since 1985. Our son attended Valley View Elementary, for two years, then Carquinez Middle School, and his Freshman year at John Swett high school. Dissatisfied with the education there, he/we used the Independent Study Program, through the WCCUSD, and a local homeschool group for his sophomore, junior and senior years. He had two graduations, in 2001, and had a most memorable high school experience! I was involved with the PTA's in Richmond and Crockett, and of course with the homeschool group. I KNOW what a good education is, and it stems from the basics: reading, writing (spelling and punctuation included!) and arithmetic! No social engineering or politics. As our property tax bill increased, significantly, over the years, I became involved in local citizens groups, and joined CoCoTax in 2016. I was appointed to the CBOC, this year, to fill the position of Taxpayer Organization, and I take the job VERY seriously!! The taxpayers, in WCCUSD have paid enough taxes. Let us work with the district to spend those millions of

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dollars wisely and efficiently! Our school are tied to our property and its value, and I want the most for us, and the taxpayers in this district.

***Don Gosney ~ Richmond Resident ~ 2008-2012 and 2015-2019**

dongosney@comcast.net (510) 233-2060

Chair 2018 and 2019

Subcommittees: Bylaws (Chairperson), Site Visit (Chairperson), Website (Chairperson)

Former Subcommittees: Bylaws (Chairperson), Audit (Co-Chairperson), Website (Chairperson), Nystrom Subcommittee, Site Visit

Don was first appointed to the CBOC in 2008, and he served two terms before terming out. He was reappointed in 2015 and since 2016 represents Richmond. Don attended high school in West County and graduated from JFK in 1972. He later studied theoretical physics at UC Berkeley and then worked for 49 years building petro-chemical complexes and serving the ranks of Organized Labor. Don is interested in serving on the CBOC because he says that every project needs another set of eyes looking at it to make sure it's done right, done economically, and done serving the best interests of the owner (in this case, the people). Don has worked with the Bond Program since before it first went to the voters in 1998.

Auna Harris ~ San Pablo Resident ~ 2016-2018

Subcommittees: WCCUSD Forensic Investigation Implementation Task Force

Former Subcommittee: Audit (Chairperson)

An accomplished finance and administration executive successful at leveraging career experience to enhance organizational effectiveness overseeing administration specializing in accounting and finance operations, payroll and human resources administration, IT processes and facilities management. An internal consultant to executive and management teams in decision analysis, financial analysis, business process analytics, organizational process improvement and change management. Talented in creating strategic alliances and building effective coalitions to support key organizational initiatives. With more than 15 years of professional finance administration revenue allocation and cost recovery experience working both for Marin County as Chief of Sheriff's Fiscal Services and Director of Finance and Facilities with the Superior Court of California, Alameda County, and as Director of Human Resources for the California HealthCare Foundation, HR Senior Manager with the San Francisco Chronicle and Payroll Personnel Manager with UC Berkeley, Ms. Harris brings a broad and diverse range of skills to the CBOC and previous advisory experience serving on

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appointments with West Contra Costa Economic Opportunity Council and previously with the City of San Pablo Community Foundation and currently serving on Board of Directors for Girls Inc. of West Contra Costa County. Auna is the proud mom of 17-old son Joshua a West Contra Costa Unified Hercules High School Student

***Vanessa Hill ~ Parent Representative ~ 2018 – 2019**

Subcommittees: Audit Subcommittee 2018

Vanessa attended public schools in Oregon and California before attending Pepperdine University for her undergraduate degree in accounting and University of San Francisco for her MBA with emphasis in finance. She has lived in El Cerrito with her husband since 1999 and her two sons attend WCCUSD schools. Vanessa is a co-founder and partner of Evidentia Consulting, LLP, a forensic accounting and consulting firm with offices in Berkeley and Redwood City. Her work includes serving as an expert witness on accounting and economic damage issues for business disputes as well as providing economic loss analysis for individuals in wrongful termination, personal injury, and wrongful death litigation. A strong supporter of public education, Vanessa joined the CBOC in July 2018 to support the continued upgrading of our school facilities.

***Lorraine Humes ~ West Contra Costa County Taxpayers' Association Representative ~ 2019-2021**

I have been a resident of San Pablo for approximately 40 years. I retired after working 29 years as a food microbiologist from the U.S. Department of Food and Drug. I have no children but know the value to society in having every child get a good education. I am also a taxpayer and want to provide our children with a safe and interesting learning environment at a reasonable price to me. I got interested in the CBOC when our last school construction bond was trying to be passed and when I heard that there was a committee vacancy, I asked to be our taxpayer's association representative on the committee.

Leisa Johnson ~ Richmond Resident ~ 2016-2018

Subcommittee: Bylaws (Chairperson)

***Anton Jungherr ~ City of Hercules Representative January 2004 ~ July 2006**

Board of Trustee Representative May 2009 – April 2010

Senior Citizen Representative May 2010 – April 2011

Board of Trustee Representative February 2015 – November 2015

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Contra Costa Taxpayers' Association Representative December 2015 – February 2017

City of Hercules Representative March 2017 – February 2021.

ajungherr@aol.com (510) 697-7212

Subcommittees: Audit, Bylaws, Annual Report, Website

Anton was first appointed to the CBOC in 2004 and served as Secretary and the Executive Director (volunteer) and Audit Subcommittee (co-chair). Anton is a Co-Founder of the California League of Bond Oversight Committees and has served as Board Director, and Executive Director. Anton served as Associate Superintendent Berkeley Unified School District, CA; Deputy Superintendent for San Francisco Unified School District, CA; Deputy Superintendent of Yonkers School District, NY, Director of Finance, Newark, NJ, Controller City of Anchorage, AK, Controller of Anchorage School District, AK, Assistant City Manager Lake Forest, Il, Founding Business Manager Making Waves Academy (public charter school). Anton is the coauthor of Operational PPBS (Planning - Programming-Budgeting-Systems for Education.) He earned his Master of Education degree in Educational Administration from Columbia University, received a Master of Public Administration degree from Syracuse University and a B.S. in Business Administration from the University of Connecticut.

***Cameron “Mac” Moore ~ Parent and PTA ~ 2016-2019**

CBOC Secretary 2017 and 2018

Mac has lived in West County for 15 years and has two kids in WCCUSD schools. He has a B.A. in Mathematics and Anthropology from Middlebury College in Vermont, and an M.B.A. in Finance from New York University. After a career in finance in New York City, Mac has worked in the solar energy industry for over 20 years, most recently for a company that develops and operates large solar power projects. He joined the CBOC because he believes that all children should be able to attend safe and attractive public schools.

Devin Murphy ~ Pinole Resident ~ 2016-2018

Subcommittee: Pinole Valley High School, Website (Chairperson)

Devin was first appointed to the CBOC in November 2016. He serves as the representative for the City of Pinole. His interest in serving the CBOC stems from his clear investment in educational equity and access and his passion to serve the greater Contra Costa community. He received his BA from the University of California, Los Angeles (UCLA) and is a business and community leader.

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Stephen Purser ~ Unincorporated Area Resident ~ 2014-2018

CBOC Vice Chairperson 2017

Liaison to WCCUSD Facilities Subcommittee

Subcommittees: Pinole Valley High School (Chairperson) Subcommittee:
Website (Chairperson), Site Tours

Stephen is currently serving his second two-year term as a representative from unincorporated Richmond. After receiving his public education in local public schools, he attended Contra Costa College and then transferred to San Jose State where he received his BA in health science and later a Masters' degree in Public Health and School Health. Stephen worked in the field of community health administration for 30 years and recently retired from the California Department of Public Health. Stephen is married and enjoys traveling and working in his garden.

***Robson Swift ~ Student Representative ~ 2018**

***Gregg Visineau ~ Senior Citizen Organization ~ 2017-2019**

gvisineau@gmail.com (510) 236-0761

Subcommittees: Annual Report, Audit

I have been a member of the CBOC since April 2017. I have been involved in District affairs much longer. My family and I are 37-year residents of El Cerrito, with two grown sons who attended Castro Elementary, Portola Middle and El Cerrito High Schools beginning in 1993. We have been active PTA members, Site Council members and school parents throughout that time. We have witnessed firsthand an activist Superintendent (with a quiescent Board) lead the District to bankruptcy in the late 1980's. Recently we have witnessed activist Board members (with a laissez faire Superintendent) lead the District into Grand Jury, Securities & Exchange Commission and Forensic Accounting investigations. I have regularly attended Board of Education, CBOC, Audit, Facilities Subcommittee and Governance Subcommittee meetings. I have presented written and oral Public Comments to all of them on topics as diverse as bond funding for technology purchases; conflicts of interest for Board members; and learning from past school design and construction errors to improve on future projects. My education includes degrees in mechanical engineering, naval architecture and business. My professional skills reflect time spent in mergers and acquisitions; economic and project analysis; strategic planning; emergency response; project finance; supply chain management; logistics and trading; and asset management.

***Current members as of June 30, 2019.**

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APPENDIX N: CBOC Annual Report Chronology
1998 - 2018

The WCCUSD has received voter approval for 6 local school bond measures since 1998 (see Appendix A for details), the last four of which have been approved under the conditions of California State Proposition 39 (see Appendix A for more information). These are 2002's Measure D (2002 - D), 2005 - J, 2010 - D and 2012 - E. Under the requirements of Proposition 39 (enshrined in the California Education Code), the District commissioned its CBOC in 2002; it began operations in early 2003. With respect to CBOC annual reports, the Education Code Section 15820(b) says:

“The Citizens Bond Oversight Committee shall issue regular reports on the results of its activities. A report shall be issued at least once a year”.

Here is the chronology of those annual reports from the WCCUSD CBOC since its inception.

Annual Report	Delivered	Chairperson	Type of Report
AR2003	12/08	Richard King	A 3-page letter from the CBOC to the WCCUSD.
AR2004	NO ANNUAL REPORT		
AR2005	NO ANNUAL REPORT		
AR2006	01/08	Bill Savidge	A 5-page letter from the CBOC Audit Subcommittee to the WCCUSD.
AR2007	12/08	None Shown	3-page “Executive Summary”-style.
AR2008	03/10	Sue Pricco	1st real “Annual Report”-type format. 15-pages.
AR2009	NO ANNUAL REPORT		
AR2010	02/12	None Shown	The first of 5 consecutive “glossy brochure”-style AR’s with content, verbiage, photo’s, formatting and production by the WCCUSD. 3-pages.
AR2011	11/12	None Shown	The second of 5, same District sourcing and production as AR2010. 2-page glossy brochure.

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Annual Report	Delivered	Chairperson	Type of Report
AR2012	12/13	None Shown	The third of 5, same District sourcing and production as AR2010 and AR2011. 2-page glossy brochure.
AR2013	01/15	None Shown	The fourth of 5, same District sourcing and production as AR2010, AR2011 and AR2012. 3-page glossy brochure.
AR2014	04/15	None Shown	The fifth of 5, same District sourcing and production as AR2010, AR2011, AR2012 and AR2013. 3-page glossy brochure.
AR2015	06/16	Anton Jungherr	Composed and produced by the CBOC's ad hoc Annual Report Subcommittee for AR2015. 188-pages, including appendices.
AR2016	08/17	Sallie DeWitt	Composed and produced by the CBOC's ad hoc Annual Report Subcommittee for AR2016. 48-pages, including appendices.
AR2017	08/18	Kathy Fleming	Composed and produced by the CBOC's ad hoc Annual Report Subcommittee for AR2017. 91-pages, including appendices.
AR2018	08/19	Sallie DeWitt	Composed and produced by the CBOC's ad hoc Annual Report Subcommittee for AR2018. XX-pages, including appendices.

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APPENDIX O: Other References & Links

Purpose: To provide references and online links to documents that support the work of the West Contra Costa Unified School District (WCCUSD) Citizens' Bond Oversight Committee (CBOC).

- The purpose, role and responsibilities of the Citizens' Bond Oversight Committee is governed by California Constitutional Amendment Proposition 39 (2000)¹, California Education Code², WCCUSD Board of Education Policy³(BP 7214.2 Facilities) and the CBOC's Bylaws⁴.
- Various bond resolutions approved by the Board of Education and various ballot measures approved by the voters authorized \$1,630,000,000 of general obligations bonds the principal and interest to be paid by the taxpayers of the WCCUSD (ref: WCCUSD Bond Measure Information⁵.)
- The Board of Education, on June 15, 2016, approved a Five Year 2016-2021 Master Facilities Plan⁶ for twenty-one (21) projects in an amount of \$181,800,000 based on the available bond monies that had been previously approved by the voters.
- The actual and planned construction for each school site is displayed on the District's website. Project Status Reports are posted on the District's website under Staff Reports⁷.
- A forensic accounting investigation⁸ of the school construction program was performed by an independent auditor in 2015-16. The District has established

¹ www.calboc.com/proposition-39.html or www.wccusd.net/cms/lib/CA01001466/Centricity/domain/1873/Regulatory%20Documents/Prop39.pdf

² www.calboc.com/education-code.html

³ www.wccusd.net/cms/lib/CA01001466/Centricity/domain/1873/Regulatory%20Documents/Board%20Policy%207214.2.pdf

⁴ www.wccusd.net/cms/lib03/CA01001466/Centricity/Domain/1873/Regulatory%20Documents/CBOC%20By-Laws%20Rev%202014.pdf

⁵ www.wccusd.net/domain/1873

⁶ www.wccusd.net - Main Menu / About WCCUSD / Facilities Master Plan.

⁷ www.wccusd.net/domain/1837 or call WCCUSD Facilities Planning, 510-307-4542.

⁸ www.wccusd.net/domain/1723

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a Task Force to implement the 112 recommendations made by the forensic auditor.

- CBOC activities including agenda packets, minutes and voice records are available on the [CBOC website](#)⁹. Subcommittee agenda, minutes, voice recordings and reports are also available on the Subcommittee website. Information on how to join the CBOC is also available.
- WCCUSD Financial and Performance Audits can be viewed on the CBOC website: www.wccusd-bond-oversight.com
- The [California League of Bond Oversight Committees \(CalBOC\)](#)¹⁰ has an excellent website with training resources for CBOC members. They also publish a free newsletter on CBOC activities throughout California.
- The [California Little Hoover Commission](#)¹¹, a State Agency to promote economy and efficiency in State and local governments, issued a [report in February 2018](#)¹² with recommendations to improve the effectiveness of CBOCs. The [California's Coalition for Adequate School Housing](#)¹³ issued in 2014 an important report on school construction costs in California.
- [A Moss Adams LLC webcast](#)¹⁴, presented by Mark Steranka, Partner, Advisory Services, on May 21, 2019. Effective risk mitigation, strong internal controls, and efficient operations are the cornerstones of successful organizations. Join us for part one of our internal audit webinar series in which we'll address ***how a comprehensive internal audit program can help your organization enhance efficiency, effectiveness, transparency, and safety, while better meeting regulatory requirements.*** Moss Adams LLC is currently under contract with WCCUSD for performance audits through FY2020, and a final review of recommendations that came out of the 2016 Forensic Accounting Recommendation.

⁹ www.wccusd-bond-oversight.com

¹⁰ www.calboc.com

¹¹ www.lhc.ca.gov

¹² www.lhc.ca.gov/studies/236/report236.html

¹³ www.cashnet.org/

¹⁴ www.youtube.com/watch?v=Y9wcd7-yHZc

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APPENDIX P: Measure D & Measure E

Listed Projects and Ballot Wording

Source: California League of Women Voters of California Education Fund via "smartvoter.org"

June 8, 2010 Election Measure D: \$380,000,000	November 6, 2012 Election Measure E, \$360,000,000
"PRIORITY SCHOOL PROJECTS LIST"	"PROJECT LIST"
"School Renovation, Repair and Upgrade Projects"	
Repair, upgrade and replace worn-out leaking roofs.	← Same as Measure D (indicated at left)
Replace existing wiring systems to meet current electrical and accessibility codes.	← Same as Measure D (indicated at left)
Additional electrical service capacity to relieve currently overloaded electrical systems.	← Same as Measure D (indicated at left)
Replace existing water, sewer, plumbing and storm drain systems to meet current codes, including the elimination of lead-containing fixtures.	← Same as Measure D (indicated at left)
Upgrade aging and deteriorating school restrooms.	← Same as Measure D (indicated at left)
Replace older ceilings, heating, ventilation, air conditioning and lighting systems with building code compliant, energy efficient systems.	← Same as Measure D (indicated at left)
Install code-compliant ventilating systems in restrooms.	Not Listed in Measure E
Provide improved, upgraded computer labs.	← Same as Measure D (indicated at left)
(1) Upgrade and equip classrooms, science labs, multipurpose rooms, physical education facilities, kitchens, auditoriums, libraries, arts and music rooms, childcare, preschool, adult education and educational support spaces.	Upgrade and equip classrooms, science labs and multipurpose rooms and facilities. See also (1) below
Classroom interiors will receive new paint, carpet/vinyl tile/asbestos abatement, white marker boards, tackable surfaces, storage for instructional materials and equipment.	Not Listed in Measure E
(2) Federal and State-mandated Americans with Disabilities Act (ADA) accessibility upgrades including site access, parking, staff and student restrooms, relocation of some existing electrical devices, drinking fountains, playground equipment, etc.	Not Listed here; see (2) below for Measure E
Replace old, portable classrooms.	← Same as Measure D (indicated at left)
Repair aging schools.	← Same as Measure D (indicated at left)

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June 8, 2010 Election Measure D: \$380,000,000	November 6, 2012 Election Measure E, \$360,000,000
“PRIORITY SCHOOL PROJECTS LIST”	“PROJECT LIST”
“School Health, Safety and Security, Earthquake Safety and Energy Efficiency School Projects”	
Install new security systems, such as security (surveillance) cameras, outdoor lighting, fencing, gates and classroom door locks.	← Same as Measure D (indicated at left)
Remove or abate asbestos, lead paint, mold and hazardous materials.	← Same as Measure D (indicated at left)
Upgrade emergency communication systems.	← Same as Measure D (indicated at left)
Fire alarm systems upgraded to automatic systems, repair fire safety equipment, add sprinklers and fire safety doors.	← Same as Measure D (indicated at left)
Upgrades to schools to meet handicap accessibility requirements.	← Same as Measure D (indicated at left)
Acquire and install a card access system.	Not Listed in Measure E
Inspect for/repair gas pipe leaks.	Not Listed in Measure E
Replace/upgrade existing signage, bells and clocks.	← Same as Measure D (indicated at left)
Install/replace/upgrade security fencing, cameras and exterior lighting, and establish a standard of complete fencing in good repair at all schools.	Not Listed in Measure E
Replace/upgrade existing security and irrigation systems.	Not Listed in Measure E
Install energy efficient systems, including solar panels, energy efficient heating, ventilation, and cooling systems for cost savings and energy efficiency.	← Same as Measure D (indicated at left)
Replace existing window systems with energy efficient systems.	← Same as Measure D (indicated at left)
Upgrade site playground equipment replacement to meet current safety standards.	← Same as Measure D (indicated at left)
(3) Relocate or improve student drop-off areas for safety, including a separate area for buses.	Not Listed here; see (3) below for Measure E.
Inspect and improve play area fields for safety and drainage.	Not Listed in Measure E
Replace existing doors, door frames and ceilings.	Not Listed in Measure E
Add emergency exits for faster evacuation in an emergency.	Not Listed in Measure E
Upgrade school site parking, utilities and grounds.	Not Listed in Measure E
Repair termite damage to structures and doors/door frames.	Not Listed in Measure E
Strengthen and repair schools and classrooms vulnerable to serious damage in a major earthquake, as required by State law.	Not Listed in Measure E

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June 8, 2010 Election Measure D: \$380,000,000	November 6, 2012 Election Measure E, \$360,000,000
“PRIORITY SCHOOL PROJECTS LIST”	“PROJECT LIST”
“District-Wide Wiring and Instructional Technology for Effective Learning Environment and Job Training Projects”	
Update computer labs.	Not Listed in Measure E
Provide and maintain upgraded technology, data and communication equipment.	← Same as Measure D (indicated at left)
Upgrade and expand wireless systems, telecommunications, Internet access.	← Same as Measure D (indicated at left)
Upgrade and replace computers, hardware and software systems.	← Same as Measure D (indicated at left)
Upgrade and replace classroom furniture, equipment and instructional aids.	← Same as Measure D (indicated at left)
Upgrade media and audio/visual equipment.	← Same as Measure D (indicated at left)
Expand bandwidth to allow student greater access to the Internet.	← Same as Measure D (indicated at left)
Install up-to-date learning technology and equipment used in job training programs.	← Same as Measure D (indicated at left)
No Further Projects (or Project Categories) Listed in Measure D	“New Construction Education Enhancement/ Class Size Reduction Projects at School Sites”
Similar to (1) above for Measure D →	(1) Multi-purpose rooms, including the cafeteria, serving kitchen, staff and student bathrooms, storage, educational support spaces, and classrooms.
Not Listed in Measure D	New classrooms/classroom buildings, which will reduce dependency on portable classrooms.
Not Listed in Measure D	Lunch shelters, playground equipment and playground storage for outdoor activities.
Similar to (2) above for Measure D →	(2) ADA accessibility upgrades as mandated by the Division of the State Architect (DSA).
Not Listed in Measure D	Additional electrical service capacity.
Not Listed in Measure D	Additional staff and student restrooms.
Similar to (3) above for Measure D →	(3) Additional staff, visitor and student parking/drop-off areas.

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Ballot Wording¹⁵

Measure D: "To make schools safe, complete essential health/safety repairs, qualify for State matching grants, shall West Contra Costa Unified School District upgrade schools for earthquake safety/handicap accessibility, remove asbestos, upgrade restrooms, vocational classrooms/technology/energy systems to reduce costs, install lighting and security systems, acquire, repair, construct, equipment/sites/facilities, by issuing \$380,000,000 in bonds within legal rates and bonding capacity limits with independent audits, citizen oversight, and no money for administrators' salaries?"

Measure E: "To make schools safe, complete essential health/safety repairs, qualify for State matching grants, shall West Contra Costa Unified School District upgrade schools for earthquake safety and handicap accessibility, remove asbestos, upgrade science labs, restrooms, vocational classrooms, technology and energy systems to reduce costs, install lighting and security systems, and acquire, repair, construct, equipment, sites and facilities, by issuing \$360,000,000 in bonds within legal rates and bonding capacity limits with independent audits, citizen oversight, and no money for administrators' salaries?"

¹⁵ Ballot wording and election results are readily available from the *Ballotpedia* website. The full text of the ballot measure – not just what appears on the sample & actual election day ballots (directly above) – is archived by the *California League of Women Voters of California Education Fund* and is the basis for transcribing the WCCUSD Measure D and Measure E "Listed Projects" quoted in the table above (from the "smartvoter.org" website).

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APPENDIX Q: Overview of “Prop 39 Bonds”

The interplay between Proposition 39, the California Education Code and the California State Constitution (facilitated by California Assembly Bill 1908), is important for understanding the auditing and other requirements which make a local school bond measure – and the management of the subsequent bond program by the school district – “Prop 39 compliant” in the eyes of the law.

Proposition 39, AB1908 and the California Education Code

Proposition 39, the “*Smaller Classes, Safer Schools and Financial Accountability Act* (School Facilities; 55% Local Vote; Bonds, Taxes; Accountability Requirements)” was passed by the voters of California in November 2000. A major element of interest to both school districts and the voters was the ability to reduce the threshold for passing a new local school bond measure from two-thirds to 55% if certain conditions were met.

Assembly Bill (AB) 1908 was passed by the California State Assembly in June 2000, to enhance the favorability of Proposition 39 with the voters and to enable its implementation (should it pass, which it did in November 2000).

Proposition 39 and AB1908 amended the **California State Constitution** (see verbatim text later in this appendix) and the California Education Code (see key elements immediately below).

The California Education Code, Sections 15278, 15280 and 15282, deal with the requirement for; the scope of; school district support for; and the membership of a “*Citizens' [Bond] Oversight Committee*” (a CBOC), as a result of the passage of Proposition 39.

Sections 15264 – 15276 deal with the “*General Provisions*” of “*Strict Accountability in Local School Construction Bonds*”, but with particular reference to the above-cited provisions in the California State Constitution, as a result of the passage of Proposition 39.

From Moss Adams LLP “*Bond Program Performance Audit*” for FY 2018

“A Construction Bond Program performance audit is required for WCCUSD Measure D (2010) and Measure E (2012) Construction Bonds by Proposition 39,

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State Constitution Article XII 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. Listed Projects are defined as follows:

“School district boards are required to evaluate safety, class size reduction, and information technology needs in developing a list of specific projects to present to the voters” and “Before they vote, voters will be given a list of specific projects their bond money will be used for.”

See Appendix O for the WCCUSD’s Measure D & Measure E Listed Projects.

The California State Constitution re “Prop 39 Bonds”

Article XIII: Taxation

Article XIII A: Tax Limitation

Section 1: Ad Valorem Tax on Real Property

Subdivision (a): [Maximum 1% Ad Valorem Tax on Real Property]

Subdivision (b): “The limitation provided for in Subdivision (a) shall not apply to ad valorem taxes or special assessments to pay the interest and redemption charges on any of the following:”

Part (3): “Bonded indebtedness incurred by a school district, community college district, or county office of education for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, approved by 55 percent of the voters of the district or county, as appropriate, voting on the proposition on or after the effective date of the measure adding this paragraph. This paragraph shall apply only if the proposition approved by the voters and resulting in the bonded indebtedness includes all of the following accountability requirements [(A) – (D), below]:”

“(A): A requirement that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1 (b) (3) [above], and not for any other purpose, including teacher and administrator salaries and other school operating expenses.”

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“(B): A list of the specific school facilities projects to be funded and certification that the school district board, community college board, or county office of education has evaluated safety, class size reduction, and information technology needs in developing that list.”

“(C): A requirement that the school district board, community college board, or county office of education conduct an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed.”

“(D): A requirement that the school district board, community college board, or county office of education conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of those proceeds have been expended for the school facilities projects.”