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VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants



November 4, 2015

West Contra Costa Unified School District
Board of Trustees
1108 Bissell Avenue
Richmond, CA 94801

We are pleased to confirm our understanding of the services we are to provide West Contra Costa Unified School District. We will perform the required performance audit to ensure that the funds have been expended only on the specific projects listed for the period beginning July 1, 2012 and ending June 30, 2015, with options to extend to June 30, 2016 in accordance with the compliance requirements of Section 1 of Article XIII A of the California Constitution.

Performance Audit

We will prepare a performance audit of the Measure D (2010) and Measure E (2012) Bond proceeds of West Contra Costa Unified School District for the years ended June 30, 2015 and 2016.

Objectives

The purpose of the Performance Audit is to meet the Proposition 39 requirements for the Measures D 2010 and E 2012 Bond proceeds to ensure compliance with Section 1 of Article XIII A, Section 1(b)(3)(C) of the California Constitution. This includes that the Proposition 39 Bond proceeds are expended only on the specific projects listed in the bond language approved by the voters and no Bond proceeds are being spent on administrative salaries or any other expenses that would otherwise be the obligation of the District's General Fund. The Performance Audit will be conducted in accordance with Government Auditing Standards.

Scope and Methodology

Our procedures for the Performance Audit will be as follows:

- Procure a detail of the accounting for the expenditures of the Measures D 2010 and E 2012 bonds.
- Review the detailed accounting of expenditures to determine if proceeds are being spent on administrative salaries or any other school operating expenses.
- From a sample of construction expenditures from the detailed accounting of expenditures, review expenditures to determine if proceeds expended are for specific projects as listed in the voter approved bond language.
- Additional Agreed Upon Procedures will be performed as noted in the attached Appendix 1.

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FRESNO • LAGUNA HILLS • PALO ALTO • PLEASANTON • RANCHO CUCAMONGA • RIVERSIDE •
SACRAMENTO

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the fair presentation in the financial statements and reports of the West Contra Costa Unified School District, in conformity with U.S. generally accepted accounting principles. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is also responsible for making all financial records and related information available to us and for ensuring that management and financial information is reliable and properly recorded. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the report, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the report. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information. With regard to the electronic dissemination of audit reports, including reports published electronically on your website, management understands that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures of the bond program; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the transactions are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the program reports. However, we will inform the appropriate level of management of any material errors or any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures - Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the report and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the report and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of West Contra Costa Unified School District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Engagement Administration, Fees, and Other

The audit documentation for this engagement is the property of Vavrinek, Trine, Day & Co., LLP and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to third parties for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Vavrinek, Trine, Day & Co., LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the

aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the California Department of Education, the California State Controller, or during any pending board investigation, disciplinary action, or legal action involving the licensee or the licensee's firm.

Terri Montgomery and Xlupin Guillaume are the engagement partners and are responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for the Performance Audit and Agreed Procedures services will be \$157,000 and \$162,000 for the periods ending June 30, 2015 and 2016, respectively. In addition to such payments for personal services, auditors may be reimbursed for such travel as may be necessary, with mileage computed at the approved Internal Revenue Service rate per mile. However no additional expenses are anticipated at this time. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. This agreement may be cancelled by either party with 90 days notice. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

If a dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Rules before resorting to litigation. The costs of any mediation proceedings shall be shared equally by all parties. The District and Auditors both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the rules of the American Arbitration Association. Such arbitration will be binding and final. **IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT, IN THE EVENT OF DISPUTE OVER FEES, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.**

Vavrinek, Trine, Day & Co., LLP has owners that are not licensed as certified public accountants as permitted under Section 5079 of the California Business and Professions Code. It is not anticipated that any of the non-licensee owners will be performing audit services for the agency.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2015 peer review report accompanies this letter.

We appreciate the opportunity to be of service to West Contra Costa Unified School District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy, and return it to us.

Very truly yours,



Xiupin Guillaume
of Vavrinek, Trine, Day & Co., LLP

RESPONSE:

This letter correctly sets forth the understanding of West Contra Costa Unified School District

By: *Shelli Gorman*

Title: *ASSOCIATE SUPERINTENDENT BUSINESS SERVICES*

Date: *11/15*

YANARI WATSON MCGAUGHEY P.C.

DARRYL YANARI (owner) • RANDY E. WATSON • G. LOUISE MCGAUGHEY
FINANCIAL CONSULTANTS/CERTIFIED PUBLIC ACCOUNTANTS

System Review Report

May 25, 2012

To the Partners of
Vavrinek, Trine, Day & Co., LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Vavrinek, Trine, Day & Co., LLP (the firm) applicable to non-SEC issuers in effect for the year ended December 31, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under Government Auditing Standards and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Vavrinek, Trine, Day & Co., LLP applicable to non-SEC issuers in effect for the year ended December 31, 2011, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiencies or fail. Vavrinek, Trine, Day & Co., LLP has received a peer review rating of pass.

Yanari Watson McGaughey P.C.
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November 4, 2015

We will apply the agreed-upon procedures which West Contra Costa Unified School District and the Citizen's Bond Oversight Committee have specified, as listed below to the Proposition 39 Bond Measures D 2010 and E 2012 of West Contra Costa Unified School District for the periods ended, June 30, 2015 and 2016. This engagement is solely to assist West Contra Costa Unified School District and the Citizen's Bond Oversight Committee in reviewing the bond program operations. Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described in the attached schedule either for the purpose for which this report has been requested or for any other purpose. If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our report, or will not issue a report as a result of this engagement.

Because the agreed-upon procedures listed in the attached schedule do not constitute an examination, we will not express an opinion on this portion of the Proposition 39 Bond Measures D 2010 and E 2012 procedures. In addition, we have no obligation to perform any procedures beyond those listed in the attached schedule, or those considered necessary for the appropriate level of procedures for the Performance Audit referred to on pages 1 through 5 of this document.

We will submit a report listing the procedures performed and our findings. This report is intended solely for the use of West Contra Costa Unified School District and the Citizen's Bond Oversight Committee, and should not be used by anyone other than these specified parties. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

You are responsible for the presentation of Proposition 39 Bond Measures D 2010 and E 2012 in accordance with required laws, regulations, and best practices; and for selecting the criteria and determining that such criteria are appropriate for your purposes. You are responsible for assuming all management responsibilities and for overseeing the any non-attest services we provide by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience. In addition, you are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results of such services.

Performance audit and additional Agreed Upon procedures to be performed as specified at the September 30, 2015 Joint Board of Education and CBOC meeting are as follows:

- 1) Use of Funds
- 2) Post Financing Review
- 3) Refunding of Outstanding Bonds
- 4) Arbitrage and Investments
- 5) State Laws and Regulations and District Policies and Regulations
- 6) District and Professional Services Staffing Plans
- 7) Program Management Effectiveness
- 8) Design and Construction Schedules Cash Flow Analysis
- 9) Design and Construction Costs and Budgets
- 10) Bidding and Procurement Procedures
- 11) Change Order Procedures
- 12) Claim Avoidance Procedures
- 13) Expenditure and Payment Procedures
- 14) Delivered Quality Analysis

**West Contra Costa Unified School District
Appendix I - Additional Agreed Upon Procedures (Continued)
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- 15) Local Participation Requirements**
- 16) Effectiveness of Bond Communication Program**
- 17) CBOC Compliance**
- 18) Transparency of Bond Program**