#### **Colton Joint Unified School District**

Commitment to Equal Opportunity



#### Minutes March 29, 2022

The Measure G Citizens' Bond Oversight Committee met on Tuesday, March 29, 2022 at 5:30 p.m. at Colton High School, 777 West Valley Boulevard, Colton, CA 92324.

#### **CALL TO ORDER**

#### I. Members Present (\*absent)

Mr. Richard Banasiak Ms. Angela McClain Mr. Larry Burgos\* Ms. Regina Neri

Mrs. Patricia Chavez, Vice Chair Mr. Henry Michael Razo Mr. Gary Grossich, Chair Ms. Amanda Salazar\*

#### **Staff Members Present**

Mr. Owen Chang, Director of Facilities & Energy Management Ms. Kasey Kubota, Executive Assistant, Business Services

#### Present (Virtual)

Vanessa Pineda, Christy White

#### II. APPROVAL OF MINUTES

December 15, 2021 meeting minutes were reviewed and approved, motion by Mr. Banasiak and seconded by Mr. Razo, and carried on a 6-0 vote. A roll call vote was conducted. No opposition.

#### III. PUBLIC COMMENT

None.

#### IV. OLD BUSINESS

Mr. Razo requested a review of the consolidated budget status report. Director Chang explained the project name, budget, commitments, expenditures and Measure G expenditures on the report.

#### V. <u>NEW BUSINESS</u>

**CBOC** Membership

Mr. Grossich's term will expire in March and Mrs. Chavez's term will expire in April. Mr. Grossich and Mrs. Chavez agreed to serve a third consecutive term on the Measure G Citizens' Bond Oversight Committee.

#### Measure B & G Annual Audit Report by Christy White

Ms. Vanessa Pineda from Christy White presented the 2020-21 audit report. The financial and performance audits have unmodified opinions, which are the best opinions the district can receive.

Mr. Banasiak asked Ms. Pineda to explain what an unmodified opinion means. Ms. Pineda said no deficiencies or material weaknesses were found during the audit. Mr. Banasiak asked Ms. Pineda to explain the interest earned. Ms Pineda stated that the auditors confirmed that interest was recorded properly by the district. Mr. Banasiak asked for an explanation of escrow accounts. Director Chang said currently the district has one contractor with an escrow account. A portion of the progress payment is deposited into an escrow account where the money will earn interest.

Mr. Grossich requested that the annual audit report be distributed to the CBOC members prior to the quarterly meeting so members have adequate time to review the report in advance of the meeting.

#### Project Updates

- Crestmore Elementary Curb Appeal and Playground Structure
  The Crestmore Elementary School curb appeal and playground structure project is
  a board priority project. The district conducted a job walk and is currently
  bidding the project. The bid opening is scheduled for the middle of April, and
  construction will commence in June. The playground structure will be purchased
  from the general fund, not the bond fund.
- Professional Learning Center(PLC)/Board Room at 900 East Washington The 850 and 900 East Washington buildings were purchased with the long term goal of consolidating the district's administrative support services. The plan for the PLC/board room at 900 East Washington is currently in plan check with the City of Colton and the Division of the State Architect (DSA) for review and approval. Currently, approximately 60% of the space at 900 East Washington is occupied by private tenants. The district's Language Support Services and COVID-19 team are occupying a portion of the second floor of the 900 building.
- Bloomington High School Parking Lot Expansion Project
  The Bloomington High School parking lot expansion project is coming to a close
  with miscellaneous items left to complete.
- Bloomington High School AV/Lighting/Rigging Project During the construction of the Bloomington High School AV/lighting/rigging project, a time capsule was found hidden in the wall. The capsule will be opened

in 2 years to commemorate its 50 year anniversary. The project is 40% complete. The contractor is continuing to work on electrical conduit pathways. Rigging is expected to arrive next week. With the microchip shortage, there will be a delay in receiving the electrical equipment.

#### • Colton High School CTE Building

With bond funds, CTE grant funds and possibly seismic grant funds, a portion of the old Colton High School cafeteria building will be repurposed for a culinary arts program where students will learn culinary and hospitality skills. Plans are currently with DSA for review. Once construction begins, it will take 12 to 14 months to complete. There are discussions about providing high school students from the other high schools in the district the opportunity to participate in the culinary arts program.

- Colton High School Auditorium Rigging/Seating Replacement
  The district is currently bidding the Colton High School auditorium rigging and
  seating replacement project. Construction will commence in the summer and will
  take approximately 6 months to complete. Rigging is a specialized trade, and the
  district did not receive good participation from contractors, so staff will do more
  outreach to get more participation from contractors when rebidding the project.
- Terrace Hills Middle School New Classroom and Admin Building Proposed new residential communities by Lewis Homes will add student capacity to Terrace Hills Middle School. Staff is working with an architect and school administration on the Terrace Hills Middle School new classroom and administration building concept design in preparation to house incoming students from the new residential developments.
- Wilson Elementary School New Classroom and Parking Proposed new residential communities, Roquet Ranch, will add student capacity to Wilson Elementary School. Staff is working with an architect and school administration on the concept design for new classrooms and parking in preparation for additional students. The plan is to add new kindergarten and TK classrooms and a parking area off 8th Street.
- Grand Terrace Elementary School New Classroom and Parking Proposed new residential communities will add student capacity to Grand Terrace Elementary School. The Lions Club building will be knocked down and replaced with a parking lot and classroom buildings.
- Project Tour Colton High School MPR Tour The Committee will tour the Colton High School MPR after the meeting is adjourned.

#### VI. FINANCIAL REPORT

The budgets for Colton High School MPR, Colton Middle School MPR Modernization and Bloomington High School Auditorium A/V projects have increased.

#### VII. MEMBER COMMENTS

Ms. Neri said the audit presentation was informative, and she is impressed with the unmodified opinions of the audit.

Mr. Grossich said Bloomington MAC will re-establish the bridge committee with the district. There might be huge construction projects happening in Bloomington which will generate funds for the district. He wished to adjourn the meeting in honor of Dr. Tom Rivera.

#### VIII. <u>NEXT MEETING</u>

Ms. Kubota will contact the committee to schedule a meeting.

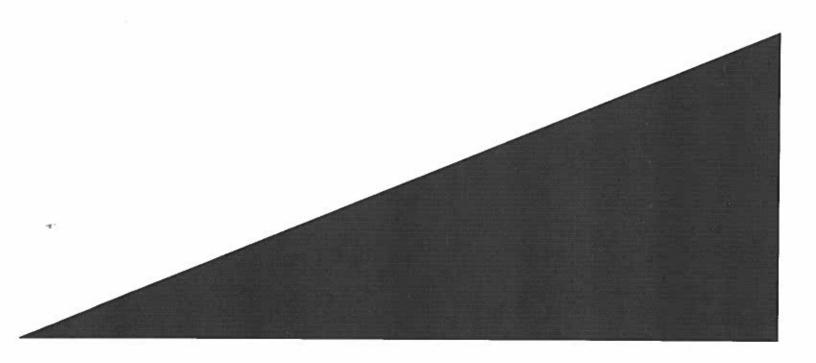
#### IX. <u>ADJOURNMENT</u>

There being no further business, the Measure G Citizens' Bond Oversight Committee meeting was adjourned at 6:37 p.m.

# COLTON JOINT UNIFIED SCHOOL DISTRICT MEASURE G AND B BOND BUILDING FUND

**AUDIT REPORT** 

FOR THE YEAR ENDED
JUNE 30, 2021



#### COLTON JOINT UNIFIED SCHOOL DISTRICT MEASURE G AND B BOND BUILDING FUND TABLE OF CONTENTS JUNE 30, 2021

<u>Page</u>
Introduction and Citizens' Bond Oversight Committee Member Listing1
Independent Auditors' Report
FINANCIAL SECTION
Balance Sheet4
Statement of Revenues, Expenditures and Changes in Fund Balance
Notes to Financial Statements6
OTHER INDEPENDENT AUDITORS' REPORTS
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
Independent Auditors' Report on Performance
AUDIT PROCEDURES AND RESULTS SECTION
Audit Procedures and Results
FINDINGS AND RECOMMENDATIONS SECTION
Schedule of Findings and Recommendations

# COLTON JOINT UNIFIED SCHOOL DISTRICT MEASURE G AND B BOND BUILDING FUND INTRODUCTION AND CITIZENS' BOND OVERSIGHT COMMITTEE MEMBER LISTING JUNE 30, 2021

Colton Joint Unified School District (the "District") consists of five high schools, four middle schools, eighteen elementary schools, and one preschool supported by a District Office and an operations center.

On September 21, 2001, the voters of the Colton Joint Unified School District approved by more than two-thirds Measure B, authorizing the issuance and sale of \$102 million of general obligation bonds of the District. Measure B is not part of the Proposition 39 bond program and does follow required procedures. The bonds were issued to raise money to be used to acquire school sites, construct and repair school facilities and redeem a portion of the District's Series 2001 Certificates of Participation.

On November 4, 2008, the voters of the Colton Joint Unified School District approved by more than 55% Measure G, authorizing the issuance and sale of \$225 million of general obligation bonds for the modernization and construction of school facilities within the District.

The passage of Proposition 39 in November 2000 amended the California Constitution to include accountability provisions. Specifically, the District must conduct an annual independent performance audit to ensure that funds have been expended only on the specific projects listed as well as an annual, independent financial and performance audit of the proceeds from the sale of the bonds until all of the proceeds have been expended for facilities projects.

Upon passage of Proposition 39, an accompanying piece of legislation, AB1908 (Chapter 44, Statutes of 2000), was also enacted, which amended the Education Code to establish additional procedures which must be followed if a District seeks approval of a bond Proposition pursuant to the 55% majority authorized in Proposition 39 including formation, composition and purpose of the Citizens' Bond Oversight Committee, and authorization for injunctive relief against the improper expenditure of bond revenues.

The Citizens' Bond Oversight Committee had the following members as of June 30, 2021:

Member	Title	Representation
Gary Grossich	Chair	Business Representative
Patricia Chavez	Vice Chair	Member At-Large
Richard Banasiak	Member	Member At-Large
Regina Neri	Member	Member At-Large
Henry Michael Razo	Member	Member At-Large
Amanda Salazar	Member	Parent or Guardian of Child in District
Jimmy Villegas	Member	Business Representative
Vacant*	Member	Parent or Guardian of Child in District & active in PTO
Vacant*	Member	Senior Citizens' Group Representative
Vacant*	Member	Member of Taxpayers' Organization

<sup>\*</sup>District is actively seeking to fill vacant positions.



#### INDEPENDENT AUDITORS' REPORT

Measure G and B Citizens' Bond Oversight Committee and Governing Board Members of the Colton Joint Unified School District Colton, California

#### Report on the Financial Statements

We have audited the accompanying financial statements of the Measure G and B Bond Building Fund of Colton Joint Unified School District (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, as listed in the table of contents.

#### Management's Responsibility for the Financial Statements

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

#### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure G and B Bond Building Fund of Colton Joint Unified School District, as of June 30, 2021, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

> 348 Olive Street San Diego, CA 92103

0:619-270-8222 F: 619-260-9085 christywhite.com

#### **Emphasis of Matter**

As discussed in Note 1A, the financial statements present only the Measure G and B Bond Building Fund and do not purport to, and do not present fairly the financial position of the Colton Joint Unified School District, as of June 30, 2021, the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

#### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 3, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters specific to the Measure G and B Bond Building Fund. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Measure G and B Bond Building Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

#### Report of Other Legal and Regulatory Requirements

Minty Whete, Inc

In accordance with the requirements of Proposition 39, as incorporated in California Constitution Article 13A, we have issued our performance audit dated March 3, 2022, on our consideration of the District's compliance with the requirements of Proposition 39 as it directly relates to the Measure G and B Bond Building Fund. That report is an integral part of our audit of the Measure G and B Bond Building Fund of Colton Joint Unified School District, as of and for the year ended June 30, 2021, and should be considered in assessing the results of our financial audit.

San Diego, California

March 3, 2022

## **FINANCIAL SECTION**

#### COLTON JOINT UNIFIED SCHOOL DISTRICT MEASURE G AND B BOND BUILDING FUND BALANCE SHEET JUNE 30, 2021

ASSETS		Measure G	Mc	easure B	Building Fund Total	
Cash and investments	\$	22,031,203	\$	_	\$	22,031,203
Accounts receivable				99,493		99,493
Total Assets	\$	22,031,203	\$	99,493	\$	22,130,696
LIABILITIES						
Deficit cash	\$	-	\$	47,270	\$	47,270
Accrued liabilities		20,702		-		20,702
Due to other funds		-		1,082		1,082
Total Liabilities		20,702		48,352		69,054
FUND BALANCE						
Restricted		22,010,501		51,141		22,061,642
Total Fund Balance		22,010,501		51,141		22,061,642
<b>Total Liabilities and Fund Balance</b>	\$	22,031,203	\$	99,493	\$	22,130,696

# COLTON JOINT UNIFIED SCHOOL DISTRICT MEASURE G AND B BOND BUILDING FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 2021

REVENUES	M	easure G	Me	asure B	Building Fund Total		
Other local sources	\$	299,356	\$	50,000	\$	349,356	
Total Revenues		299,356		50,000		349,356	
EXPENDITURES							
Plant service							
Salaries and benefits		293,642		-		293,642	
Services and other operating expenditures		33,810		-		33,810	
Facilities acquisition and maintenance		26,465		-		26,465	
Total Expenditures		353,917		-		353,917	
3							
Excess (deficiency) of Revenues							
over (under) Expenditures		(54,561)		50,000		(4,561)	
OTHER FINANCING SOURCES (USES)							
Proceeds from long-term debt		14,792,686		-		14,792,686	
Total other financing sources and uses		14,792,686		•		14,792,686	
NET CHANGE IN FUND BALANCE		14,738,125		50,000		14,788,125	
Beginning Fund Balance		7,272,376		1,141		7,273,517	
Ending Fund Balance	\$	22,010,501	\$	51,141	\$	22,061,642	

#### COLTON JOINT UNIFIED SCHOOL DISTRICT MEASURE G AND B BOND BUILDING FUND NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Financial Reporting Entity

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

#### Measure G

The District authorized bonds at a regularly scheduled election of the registered voters of the District held on November 4, 2008, at which more than 55% of the voters authorized the issuance and sale of \$225 million of general obligation bonds for the modernization and construction of school facilities within the District. In response, an advisory committee to the District's Governing Board and Superintendent, the Citizens' Bond Oversight Committee was established. The Committee's oversight goals include: informing the public on the expenditures of Bond proceeds and reviewing expenditure reports to ensure than Bond proceeds are expended only for purposes set forth in Measures G and B.

#### Measure B

The District authorized bonds at a regularly scheduled election of the registered voters of the District held on September 21, 2001, at which more than two-thirds of the persons voted to authorize the issuance and sale of \$102 million of general obligation bonds of the District. The bonds were issued to raise money to be used to acquire school sites, construct and repair school facilities and redeem a portion of the District's Series 2001 Certificates of Participation.

The statements presented are for the individual Measure G and B Bond Building Fund of the District, consisting of the net construction proceeds of various elections, as issued by the District, through the County of San Bernardino, and are not intended to be a complete presentation of the District's financial position or results of operations. There are no related parties or component units included in this financial statement presentation.

#### B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

#### C. Cash and Cash Equivalents

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

#### COLTON JOINT UNIFIED SCHOOL DISTRICT MEASURE G AND B BOND BUILDING FUND NOTES TO FINANCIAL STATEMENTS, continued JUNE 30, 2021

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### D. Interfund Balances

Receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds."

#### E. Accrued\_Liabilities

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the fund.

#### F. Fund Balance

Under GASB Statement No. 54, fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The fund balance in Measure G and B is considered restricted.

The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

#### G. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements.

#### H. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

#### 1. Budgetary Data

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

#### **NOTE 2 - CASH AND INVESTMENTS**

Cash and investments as of June 30, 2021 consisted of \$22,031,203 deposited in the San Bernardino County Treasury Investment Pool, not including deficit cash of \$47,270.

#### NOTE 2 - CASH AND INVESTMENTS (continued)

#### A. Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the state; U.S. Treasury instruments; registered state warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; collateralized mortgage obligations; and the County Investment Pool.

Investment in County Treasury – The District maintains substantially all of its cash in the County Treasury in accordance with *Education Code Section* 41001. The San Bernardino County Treasurer's pooled investments are managed by the County Treasurer who reports on a monthly basis to the board of supervisors. In addition, the function of the County Treasury Oversight Committee is to review and monitor the County's investment policy. The committee membership includes the Treasurer and Tax Collector, the Auditor-Controller, Chief Administrative Officer, Superintendent of Schools Representative, and a public member. The fair value of the District's investment in the pool is based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

#### **B.** General Authorizations

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies the investment types permitted by California Government Code.

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

#### COLTON JOINT UNIFIED SCHOOL DISTRICT MEASURE G AND B BOND BUILDING FUND NOTES TO FINANCIAL STATEMENTS, continued JUNE 30, 2021

#### NOTE 2 - CASH AND INVESTMENTS (continued)

#### C. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a fair value of approximately \$22,183,165 and an amortized book value of \$22,031,203. The average weighted maturity for this pool is 461 days.

#### D. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investments in the County Treasury are not required to be rated. As of June 30, 2021, the pooled investments in the County Treasury were not rated.

#### E. Fair Value

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

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

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

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

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

The District's fair value measurements at June 30, 2021 were as follows:

Investment in county treasury

Second 1. Investment in county treasury

Total 1. 22,183,165

\$ 22,183,165

#### **NOTE 3 - ACCOUNTS RECEIVABLE**

Accounts receivable as of June 30, 2021 consists of interest earned on the District's investment in the county treasury for \$99,493.

#### COLTON JOINT UNIFIED SCHOOL DISTRICT MEASURE G AND B BOND BUILDING FUND NOTES TO FINANCIAL STATEMENTS, continued JUNE 30, 2021

#### **NOTE 4 - ACCRUED LIABILITIES**

Accrued liabilities at June 30, 2021 consists of construction related costs in the amount of \$20,702.

#### **NOTE 5 - INTERFUND TRANSACTIONS**

Individual interfund payable balances for the year ended June 30, 2021 consisted of \$1,082 due from the Measure B Bond Building Fund to the General Fund for payroll benefits paid out from the General Fund for Measure B bond salaries.

#### **NOTE 6 – COMMITMENTS AND CONTINGENCIES**

#### A. Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2021.

#### B. Construction Commitments

As of June 30, 2021, the District had no commitments with respect to unfinished capital projects.

## OTHER INDEPENDENT AUDITORS' REPORTS



Schools throughout California

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

#### Independent Auditors' Report

Measure G and B Citizens' Bond Oversight Committee and Governing Board Members of the Colton Joint Unified School District Colton, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Measure G and B Bond Building Fund of Colton Joint Unified School District (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Colton Joint Unified School District's basic financial statements of the Measure G and B Bond Building Fund, and have issued our report thereon dated March 3, 2022.

#### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Colton Joint Unified School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements of the Measure G and B Bond Building Fund, but not for the purpose of expressing an opinion on the effectiveness of Colton Joint Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Colton Joint Unified School District's internal control.

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

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

#### **Compliance and Other Matters**

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

> 348 Olive Street San Diego, CA 92103

0:619-270-8222 F: 619-260-9085 christywhite.com

#### **Purpose of this Report**

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

San Diego, California

Chisty White, Inc

March 3, 2022



Schools throughout California

#### REPORT ON PERFORMANCE

Independent Auditors' Report

Measure G and B Citizens' Bond Oversight Committee and Governing Board Members of the Colton Joint Unified School District Colton, California

#### Report on Performance

We have audited Colton Joint Unified School District's compliance with the performance audit procedures described in the 2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. prescribed in Title 5, California Code of Regulations, section 19810, that could have a direct and material effect on Colton Joint Unified School District's Measure G and B Bond Building Fund for the year ended June 30, 2021, as identified below.

#### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to local school construction bonds.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance of Colton Joint Unified School District's Measure G and B Bond Building Fund based on our performance audit of the types of compliance requirements referred to above. We conducted our performance audit in accordance with generally accepted government auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the 2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, prescribed in Title 5, California Code of Regulations, section 19810. Those standards require that we plan and perform the performance audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. An audit includes examining, on a test basis, evidence about Colton Joint Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that the evidence obtained in our performance audit provides a reasonable basis for our findings and conclusions based on our audit objectives. However, our audit does not provide a legal determination of Colton Joint Unified School District's compliance with those requirements.

#### **Opinion on Performance**

In our opinion, Colton Joint Unified School District complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the Measure G and B Bond Building Fund noted below for the year ended June 30, 2021.

> 348 Olive Street San Diego, CA 92103

0:619-270-8222 F: 619-260-9085 christywhite.com

#### **Procedures Performed**

In connection with the performance audit referred to above, we selected and tested transactions and records to determine Colton Joint Unified School District's compliance with the state laws and regulations applicable to the Financial Audit Procedures and Performance Audit Procedures over the Measure G and B Bond Building Fund. Additional agreed upon procedures relating the Measure G and B Bond Building Fund may also be included.

The results of the procedures performed and the related results are further described in the accompanying audit procedures and results section following this Report on Performance.

San Diego, California

Chinty White, Inc

March 3, 2022

## **AUDIT PROCEDURES AND RESULTS SECTION**

#### COLTON JOINT UNIFIED SCHOOL DISTRICT MEASURE G AND B BOND BUILDING FUND AUDIT PROCEDURES AND RESULTS FOR THE YEAR ENDED JUNE 30, 2021

#### SECTION I - FINANCIAL AUDIT PROCEDURES AND RESULTS

#### **Financial Statements**

As mentioned in the Report on Financial Statements, we have issued an unmodified opinion over the financial statements of the Measure G and B Bond Building Fund as of and for the year ended June 30, 2021.

#### Internal Control Evaluation

We tested internal controls over financial reporting and compliance with laws, regulations, or provisions of contracts or agreements and have determined through our inquiry of management and our evaluation of District processes that no significant deficiencies were noted.

#### SECTION II - PERFORMANCE AUDIT PROCEDURES AND RESULTS

#### **Facility Project Expenditures**

We selected a representative sample of expenditures charged to the Measure G Bond Building Fund and reviewed supporting documentation to ensure funds were properly expended on specific project(s) listed in the text of the Measure G ballot.

We tested approximately \$18 thousand of non-personnel expenditures or 31% of 2020-21 Measure G Bond Building Fund non-personnel expenditures for validity, allowability and accuracy and concluded that the sampled expenditures were in compliance with the terms of Measure G ballot language, the District approved facilities plan, and applicable state laws and regulations.

We did not sample Measure B expenditures due to no expenditures being noted for the year ended June 30, 2021.

#### **Personnel Expenditures**

We reviewed salaries and benefits charged to the Measure G Bond Building Fund to verify that the personnel expenditures were allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General, which concluded that "a school district may use Proposition 39 school bond proceeds to pay the salaries of district employees to the extent they perform administrative oversight work on construction projects authorized by a voter approved bond measure."

We reviewed a listing of all employees charged to the Measure G Bond Building Fund and found that all employees held positions applicable to the local school construction bond. Further, we selected a sample of two (2) employees charged to review personnel files and personnel action reports for proper allocation of salaries and benefits. Based on our testing, salary transactions were not used for general administration operations. Personnel costs charged to the Measure G Bond Building Fund appeared allowable.

#### COLTON JOINT UNIFIED SCHOOL DISTRICT MEASURE G AND B BOND BUILDING FUND AUDIT PROCEDURES AND RESULTS, continued FOR THE YEAR ENDED JUNE 30, 2021

#### SECTION II - PERFORMANCE AUDIT PROCEDURES AND RESULTS (continued)

#### **Contract and Bid Procedures**

We reviewed a listing of contracts awarded during the fiscal year ended June 30, 2021 and selected a sample to ensure that contracts for public projects followed appropriate bidding procedures per applicable Public Contract Code. Additionally, we reviewed overall expenditures by vendor in order to determine if multiple projects under the applicable bidding threshold were identified to suggest any possible bid-splitting.

We noted that there was only one contract awarded during the year where applicable bidding procedures were followed and the contract was appropriately awarded to the lowest bidder for the BHS Parking Lot Expansion Project.

Based on our review of overall expenditures and projects by vendor, no instances or possible indications of bidsplitting were identified. The District appears to be properly reviewing projects and applying appropriate procedures over contract and bidding procedures.

#### **Contracts and Change Orders**

For the year ended June 30, 2021, we inquired with the bond program staff and determined that there were no change orders related to Measure G or B for the current fiscal year. Additionally, we reviewed the governing board meeting minutes in order to verify this information. Audit procedures over change orders were not applicable

## FINDINGS AND RECOMMENDATIONS SECTION

#### COLTON JOINT UNIFIED SCHOOL DISTRICT MEASURE G AND B BOND BUILDING FUND SCHEDULE OF FINDINGS AND RECOMMENDATIONS FOR THE YEAR ENDED JUNE 30, 2021

#### PART I - SUMMARY OF AUDITORS' RESULTS

**FINANCIAL STATEMENTS** 

#### Type of auditors' report issued Unmodified Internal control over financial reporting: Material weakness(es) identified? No Significant deficiency(ies) identified? None Reported Non-compliance material to the financial statements? No **PERFORMANCE AUDIT** Internal control over financial reporting: Material weakness(es) identified? No Significant deficiency(ies) identified? None Reported Type of auditor's report issued on performance for local school construction bonds: Unmodified

#### PART II - FINANCIAL STATEMENT FINDINGS

There were no findings related to the financial statements for the year ended June 30, 2021.

#### **PART III - PERFORMANCE AUDIT FINDINGS**

There were no findings or recommendations related to Measure G and B bond building fund for the year ended June 30, 2021.

#### **PART IV - PRIOR AUDIT FINDINGS**

There were no findings and recommendations during the year ended June 30, 2020.

## Consolidated Budget Status Report Budgets versus Commitments and Expenditures for multiple Projects





#### **Budget vs. Commitments and Expenditures**

		Budget		Commitments		Expenditures		Measure G Expenditures
	Project Name	Total Budget		Total Commitments	Remaining Against Budget	Total Expenditures	Remaining Against Budget	Measure G Expenditures
Admin G	Administrative Control - Program Costs for Measure G , ACTIVE PROJECTS	8,000,000		5,904,911	2,095,089	5,881,854	2,118,146	5,852,359
AB300	AB300 - AB300	100.000						
1F	Colton High School - CHS New Math & Science Bldg.	100,000 17,871,431		86,238	13,762	86,238	13,762	45,896
1R	Colton High School - CHS Kitchen & Multipurpose Renvoation			17,637,279	234,153	17,637,279	234,153	3,468,189
16-01	Terrace Hills Middle School - Terrace Hills MS Shelter, Parking, DSA Cert	13,569,440	4	13,532,004	37,436	13,219,030	350,410	857,742
63	Colton Middle School - CMS MPR Modernization 2	1,650,000		1,604,191	45,809	1,508,392	141,608	447,617
18-01	Bloomington High School - BHS Parking lot Expansion	2,558,414		2,538,847	19,567	2,484,960	73,454	76,196
20-02		1,100,000	4	977,330	122,671	741,176	358,824	256,398
	Bloomington High School - BHS Auditorium Audio-Visual & Lighting	2,333,500	4	2,245,458	88,042	608,390	1,725,110	181,532
20-03 20-04	Colton High School - CHS - CTE Culinary Arts	5,870,000		475,598	5,394,402	330,106	5,539,894	312,806
20-04	Colton High School - CHS Auditorium Rigging/AV	1,250,000		65,725	1,184,275	55,455	1,194,545	25,455
20-05	Crestmore ES - Crestmore ES ADA Upgrades	250,000		45,014	204,986	37,694	212,306	37,694
21-17	900 Washington Plaza Board room <sub>3</sub>	750,000		-	750,000	•	750,000	
<del>21-17</del>	Colton Middle School - MPR HVAC	300,000	-	<del></del>	-300,000	<del></del> .	300,000	
61	PLANNED PROJECTS Birney, Grand Terrace Elem, McKinley, Grimes, Sycamore Hills, CMS,					11	•	
0.	THMS - Fire Alarm/Intercom Upgrades	3,415,000		31,870	3,383,130	31,870	3,383,130	04.070
21-04	Terrace Hills Middl School - New Classrooms/Admin Modernization			0.1020	, ,	31,670	3,363,130	31,870
21-05	Colton Middle School - New Classrooms/Admin Modernization	12,500,000		-	12,500,000	-	12,500,000	-
21-12	Wilson Elementary - Classroom and Visitor Parking Addition	12,500,000		•	12,500,000	-	12,500,000	-
21-13	Grand Terrace Elementary - Classroom and Parking Addition	7,000,000 6,000,000		-	7,000,000	-	7,000,000	
21-14	Lewis Elementary - Classroom and Staff Workroom Addition	3,000,000		-	6,000,000	-	6,000,000	-
21-15	Grand Terrace ES, Lewis ES, Ruth Grimes ES - Restroom Bldg Addition	2,400,000		•	3,000,000	-	3,000,000	-
	COMPLETED PROJECTS	2,400,000		-	2,400,000	-	2,400,000	<u>,</u>
1E	Bloomington High School - New Math & Science Bldg.	13,451,813		13,077,930	373,883	13,077,930	272 800	0.400.000
1E	Bloomington High School - Interim Housing	1,569,837		1,472,859	96,978	1,472,859	373,883 96,978	6,120,232
1F	Colton High School - Interim Housing	767,228		585,793	181,435	585,793	181,435	1,468,159
1M	Colton High School - CHS Stadium Renovation & Expansion	15,193,218		13,590,895	1,602,323	13,590,895	1,602,323	585,793 7,190,618
1N/62	Bloomington High School - BHS Stadium Renovation & Expansion	13,917,646		13,238,522	679,124	13,238,522	679,123	6,847,019
1Q	Bloomington High School - Multipurpose Renovation	9,490,005		9,490,005	•	9,490,005	075,120	9,379,355
2A 2B	Crestmore Elementary - Crestmore Modernization	8,606,980		8,464,190	142,790	8,454,720	152,260	8,208,240
2B 2C	D'Arcy Elementary - D'Arcy Modernization	2,120,711		1,365,971	754,740	1,365,971	754,740	1,265
2D	Jurupa Vista Elementary - JV Modernization Lewis Elementary - Lewis Modernization	2,033,599		1,379,587	654,012	1,379,587	654,011	606
2E	Cooley Ranch Elementary - Cooley Ranch Modernization	5,017,223		4,555,276	461,947	4,547,289	469,935	4,384,966
	Cooley Hanch Modernization	3,308,182		2,254,960	1,053,222	2,254,960	1,053,222	4,661
						1	,	.,

#### **Consolidated Budget Status Report**



Budgets versus Commitments and Expenditures for multiple Projects

#### **Budget vs. Commitments and Expenditures**

		Budget	Commitments		Expenditures		Measure G Expenditures
	Project Name	Total Budget	Total Commitments	Remaining Against Budget	Total Expenditures	Remaining Against Budget	Measure G Expenditures
2F	Grant Elementary - Grant Modernization	6,596,044	6,422,134	173,910	6,414,367	181,677	6,252,824
2G	Lincoln Elementary - Lincoln Modernization	5,788,679	5,909,694	(121,015)	5,904,915	(116,236)	5,703,337
2H	Reche Canyon Elementary - Reche Canyon Modenziation	1,245,925	752,070	493,855	752,070	493,855	31,900
21	San Salvador - San Salvador Modernization	6,079,687	5,212,588	867,099	5,212,588	867,099	1,329,309
2J	Ruth Harris Middle School - RHMS Modernization	3,058,826	2,148,243	910,583	2,148,243	910,583	8,240
11	Grand Terrace High School - New High School #3	143,988,142	143,732,392	255,750	143,732,392	255,750	17,628,075
27	Joe Baca Middle School - New Middle School #5	49,162,432	43,616,464	5,545,968	43,616,464	5,545,968	24,719,185
35	Jurupa Vista, Reche Canyon, Wilson, BMS - Fire Alarm & Low Voltage Upgrades	2,167,851	1,914,072	253,779	1,914,072	253,779	1,796,037
37	Colton High School - CHS Pedestrian Bridge Repair	75,062	37,800	37,262	37,800	37,262	37,800
38	Bloomington Middle School - BMS Bldg N Exit Addition	66,152	41,235	24,917	41,235	24,917	41,235
39	D'Arcy Elementary - D'Arcy Fence/Door Improve	59,402	42,813	16,589	42,813	16,589	42,816
40	Jurupa Vista Elementary - Jurupa Drainage Remediation	65,342	19,759	45,583	19,759	45,583	19,759
41	Lewis Elementary - Lewis Basketball Courts/Fence	56,702	37,030	19,672	37,030	19,672	37,030
42	Terrace View Elementary - Terrace View Fire Alarm & Intercom	2,220,500	2,218,099	2,401	2,218,099	2,401	1,913,431
44	Zimmerman Elementary - Zimmerman Fire Alarm & Intercom	5,605,793	4,697,239	908,554	4,694,739	911,054	3,991,780
47	Birney Elementary - Birney Bus Drop/Parking	337,365	312,285	25,080	312,285	25,080	290,692
50	Terrace View Elementary - Terrace View Parking/Shade Shelter	1,311,696	844,731	466,965	844,731	466,965	844,537
53	Bloomington High School - BHS Painting	744,372	743,865	507	743,865	507	175,000
54	Colton High School - CHS Painting	907,584	907,458	126	907,458	126	313,300
64	Washington Alernative High School - Washington Fire Alarm/Intercom & CRs Add	1,726,300	1,653,661	72,639	1,653,661	72,639	342,707
67	Jurupa Vista Elementary School - Shade Shelter	90,000	12,169	77,831	12,169	77,831	12,374
68	Lewis Elementary School - Shade Shelter	90,000	12,374	77,626	12,374	77,626	12,169
69	Colton High School - Flag Pole at CHS	60,000	31,825	28,175	31,825	28,175	31,825
16-05	Colton Middle School - CMS Parking Lot/former PLC	680,000	649,406	30,594	649,406	30,594	215,633
17-05	Colton High School - CHS PA System	558,440	506,804	51,636	506,804	51,636	277,584
18-04	Colton High School - CHS Portable Relocation/Replacement	2,000,000	1,979,250	20,750	1,979,250	20,750	838,272
19-02	Colton High School - CHS Baseball/Softball Field Renovation	3,679,000	3,587,114	91,886	3,574,438	104,562	109,604
19-03	Bloomington High School - BHS Portable Addition	675,000	646,875	28,125	629,036	45,964	204,297
19-04	Ruth Grimes Elementary School - Grimes Portable Addition	825,000	815,141	9,859	811,868	13,132	49,551
	Totals	417,815,521	344,125,041	73,690,480	341,536,730	76,278,791	123,054,972

#### **Consolidated Budget Status Report**

**Budgets versus Commitments and Expenditures for multiple Projects** 



#### **Budget vs. Commitments and Expenditures**

Budget

**Total Budget** 

Total

Commitments

Remaining Against **Budget** 

Measure G Expenditures Expenditures Remaining Total Measure G Against **Expenditures Expenditures Budget** 

#### Bond Cash Balance 03/15/2022 Measure B \$ 7,364 Measure G \$ Series A \$ 117,687 Series B \$ 161.831 Series C Series D \$ 5,791,832 Series E \$ 14,905,329 Total \$ 20,984,043

**Project Name** 

#### **FOOTNOTES**

' Program Costs for Measure G Includes the following items:

Misc. small project - \$99,316 (as of 06/18/2020)

LPA Inc. - Facility Master Plan Update - \$298,665 (one time contract)

AP-Mt. Vernon LLC (rent for Suite 7A) - \$122,220 (thru Sept. 2013)

Colbi Technologies - \$374,625 (Increased by \$35,000 @ Feb. 6th Board Meeting)

CJUSD Bond Admin Salaries - \$260,000 per year approx. (Annual salaries @ 20% - 50%)

Davis Demographics - \$172,085

Annual Bond audit - \$73,394 (\$8,000 per yr @ 3 yrs)

NTD Architects (District wide master plan) - \$317,213 (one time contract)

School Facility Consultants - \$156,080 (\$240,000 total contract, balance divided with project costs above), one time fee

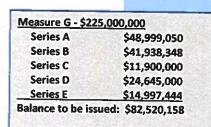
Spectrum Communication (data cables/phones @ Ste 7A) - \$14,902 (one time fee)

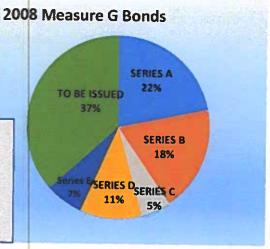
Seville Construction Services (program management) - \$3,206,766.96 Expended Fees (does not include \$2,194,803.55 project management cost, which is included in above budgets)

>>Seville Construction: re-negotiated contract as of 09/2011 not to exceed \$3,557,342

- '\$150,000 being contributed by Nutritions Services
- ' Amount reflects commitment from Measure G and not the actual project cost
- \*Budget increase from non-Measure G sources

Highlights represent changes to Project Phase/Budget from the previous CBOC meeting









# MEASURE G CBOC UPDATE

March 29th, 2022





- □ Colton High School Auditorium Rigging Replacement
  - Currently bidding
- □ Crestmore Elementary Playground and Surfa **Gurrently bidding** Installation April-May 2022 Crestmore Elementary Path of Travel



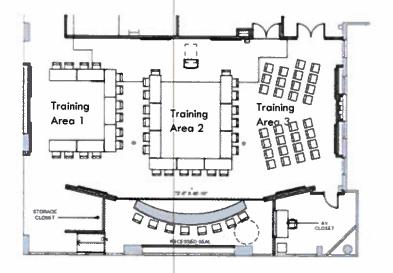




## □ 900 Washington Staff Development Center/Board Room

- Plan check with City of Colton
- Plan check with Division of State Architect











## □ Bloomington High School Auditorium Equipment Replacement Project

- 35% Completed
- Electrical conduits/pathways in progress
- Rigging installation to commence in April



Time Capsule - Class of 74

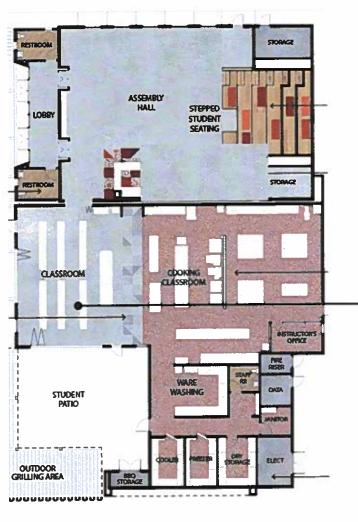


Ceiling openings for LED theatrical lighting





## Colton HS CTE Culinary Arts Building



- Project Currently in Division of State Architect for review
- Applying for additional seismic mitigation funding from the State Facilities Program



Classroom



Measures B & G



- □ Terrace Hills Middle School Admin and Classroom Building Addition
  - Concept design phase
  - Site leadership/staff meeting
  - Community meeting
- Wilson Elementary Classroom and Parking Addition
  - Concept design phase
  - Site leadership/staff meeting



