

MEASURE K CITIZENS' BOND OVERSIGHT COMMITTEE

Ontario-Montclair School District

**March 1, 2021
5:00 PM
Via Zoom**

AGENDA

- I. Opening:**
 - A. Roll Call
- II. Welcome*
- III. Election of Officers and Terms:*
 - A. Chair
 - B. Vice Chair
- IV. March 4, 2020 Meeting Minutes**
- IV. Presentations and Reports:**
 - A. 2020-2021 Measure "K" Citizens' Bond Oversight Committee Project Update-Craig Misso
 - B. June 30, 2020 Financial and Performance Audits – Building Fund (Measure K); Prepared by EideBailly, CPAs & Business Advisors - Vanessa Eastland
 - C. Measure K Project Expenditure and Encumbrance Report - Vanessa Eastland
- V. Citizens' Bond Oversight Committee Annual Report: Approval**
 - A. 2020-21 Measure K Citizens' Bond Oversight Committee Annual Report
- VI. Public Participation:**
- VII. Member Comments:**
- VIII. Next Meeting:**
- IX. Adjournment**

MEASURE "K"
CITIZENS' BOND OVERSIGHT COMMITTEE (CBOC)
Ontario-Montclair School District

March 4, 2020 Meeting Minutes

MEASURE "K"

CITIZENS' BOND OVERSIGHT COMMITTEE (CBOC)

Ontario-Montclair School District

	Term Expiration:	
	<u>Current</u>	<u>Third Term</u>
<u>Members</u>		
Bertha Diaz (Parent Member)	Apr 2021	Apr 2023
Judith Jasper (Senior Citizen's Organization Member)	Apr 2020	Apr 2024
Crisol Mena (Parent Active in a PTA Member)	Apr 2021	Apr 2023
Michael Milhiser (At-Large Member)	Apr 2021	Apr 2023
Christine Pangelinan (At-Large Member)	Apr 2020	Apr 2024
Sergio Sahagun (Community Business Owner Member)	Apr 2020	Apr 2022
Cindi Aguirre (Taxpayers Associate Member)	Apr 2021	Apr 2023

MEETING MINUTES

INITIAL MEETING

March 4, 2020

Central Language Academy

I. Introductions/Welcome: At 5:00 PM the meeting was called to order.

Members present: Bertha Diaz, Christine Pangelinan, Cindi Aguirre, Crisol Mena, Judy Jasper

Members absent: Michael Milhiser, Sergio Sahagun

OMSD staff present: Craig Misso, Justin Spencer, Mirna Lodge, Olivia Ramos (interpreter), Twila Van Ramshorst, Vanessa Eastland.

Others present: None.

II. Election of Officers and Terms: Nominations were opened for Chair and Vice Chair. Crisol Mena nominated Cindi Aguirre as Chair, Judy Jasper seconded. Bertha Diaz nominated herself as Vice Chair and seconded by Christine Pangelinan. The motions passed 5-0.

III. Approval of Meeting Minutes: Meeting minutes for the February 20, 2019 CBOC meeting were reviewed by the members present. Crisol Mena made a motion to approve the minutes and Bertha Diaz seconded. The motion passed 5-0.

IV. Presentation:

- A. Measure K General Obligation Bond Citizens' Bond Oversight Committee Report. Craig Misso presented on the status of Measure K projects completed, in progress and planned under the Measure K bond issue. Projects noted were, perimeter fencing, drinking fountain replacement or upgrade, bottle fillers, security system/CCTV camera upgrades, completion of two Wellness, Arts & Technology Centers and seismic retrofitting of four schools, new paint and carpet in every classroom at Central Language Academy and Euclid Elementary School, upgraded lighting district-wide and at no cost to the district thanks to a program from

Southern California Edison, planned seismic project at Vina Danks and Wellness, Arts & Technology Centers at two middle schools and parking lot expansion at Central Language Academy. Bertha Diaz inquired about the timeline for Vina Danks' Wellness, Arts & Technology Center and whether the district can request additional funds. Craig explained that the district is currently in-line to receive some funding from the State, which is released at specific timelines. Christine Pangelinan asked what happens to money left over, and whether it can go back to taxpayers. Craig Misso responded that State reimbursements are able to be returned to the program to fund additional eligible Measure K projects.

B. Building Fund (Measure K) Financial & Performance Audit. Prepared by EideBailly, CPAs & Business Advisors). Vanessa Eastland presented on the financial and performance audit report.

C. 2019-20 Measure K Project Expenditure & Encumbrance Report. Vanessa Eastland presented on the expenditures and encumbrances made from inception to June 30, 2019.

D. 2019-20 CBOC Annual Report. Craig Misso presented the 2019-20 CBOC Annual Report.

V. **Public Participation:** No community members other than Citizens' Bond Oversight Committee (CBOC) members were present.

VI. **Approval of Annual Report:** CBOC members present reviewed the 2019-20 CBOC Annual Report. Cindi Aguirre made a motion to approve the annual report and Christine Pangelinan seconded. The motion passed 5-0.

VII. **Members Comments:** Criso Mena also inquired whether the dais in Central's auditorium was permanent, Craig Misso explained that it is. Christine Pangelinan commented on her amazement of the projects that have been completed under the Measure K Bond and the management of the projects and funds, she liked the pie chart portion of the fiscal presentation because it shows where the money is going. Cindi Aguirre also commented on how well managed the project expenditures are. She further commented on the emphasis on safety during the various projects, such as plumbing, fencing and seismic retrofits; she congratulated Craig Misso, Justin Spencer and Vanessa Eastland on their work.

VIII. **Future Meetings:** To be Determined.

IX. **Adjournment:** Bertha Diaz motioned to adjourn the meeting and Judy Jasper seconded. The motion passed 5-0. The meeting adjourned at 5:51 PM.

MEASURE "K"
CITIZENS' BOND OVERSIGHT COMMITTEE (CBOC)
Ontario-Montclair School District

Measure K General Obligation Bond Citizens'
Bond Oversight Committee Report



2020-2021 Measure K General Obligation Bond Citizens' Bond Oversight Committee Report

March 1, 2021

Committee Members

Cindi Aguirre ~ Bertha Diaz ~ Judith Jasper ~ Crisol Mena ~ Michael Milhiser ~ Christine Pangelinan ~ Sergio Sahagun

Measure K – Background

On November 8, 2016, the voters of the Ontario-Montclair School District (“District”) authorized a \$150 million general Obligation Bond (Measure K Bond) under the Proposition 39 statutes. The first issuance of the Bond proceeds (“Series A”) were sold in March 2017 in the amount of \$35 million. On February 7, 2019, the second issuance (“Series B”) was authorized in the amount of \$45 million. Projects planned with these proceeds include:

- *Aging Facilities, Infrastructure, and Code Compliance*
- *School Safety and Security*
- *Physical Fitness*
- *Technology*
- *Other Improvements*



Examples of projects being considered under the Measure K Bond proceeds include the renovation/repair of aging classrooms, plumbing, gas lines, asbestos/lead paint abatement, code compliance, school security, fire safety, increase water conservation/energy efficiency, improve technology/computer/science labs, construct, acquire/retrofit school facilities, sites/equipment, including physical education facilities, gyms, lockers, bleachers, multipurpose rooms used for after-school programs, assemblies, sports, performing arts and serving meals, construct, upgrade, reconfigure parking lots and drop off/pick up zones, and temporary housing of displaced District activities caused by bond projects. This report provides a status on projects completed, under construction, and under design.

Measure K – Background

► Background – Measure K (cont.)

❑ Measure K General Obligation Bond approved by voters November 8, 2016

- Passed at 78% approval level
- Highest approval rating of any school bond in San Bernardino County
- Maximum \$150 million bond authorization

❑ Issuances

- March 2017 – Issued Series A in the amount of \$35 million
- March 2019 – Issued Series B in the amount of \$45 million
- Future issuance dates to be determined
 - Cost of construction
 - Cash flow timing
 - Assessed valuation

Measure K – Accountability

► Measure K – Accountability Measures

□ Independent Audits

- Two separate independent audits – Financial and Performance – are required
- Completed audits posted to OMSD website for years ending June 30, 2018, 2019 & 2020

Citizens Bond Oversight Committee (CBOC)

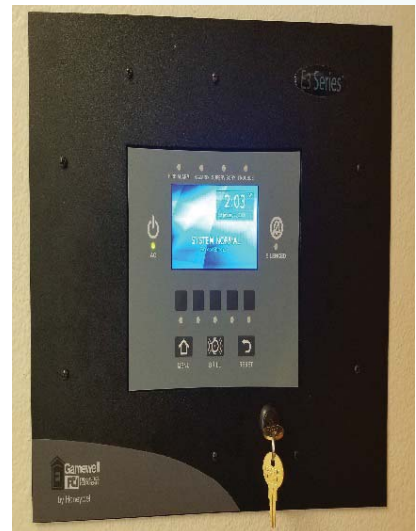
- Created with the authority to review expenditures of bond proceeds to determine they were spent for authorized purposes
- Consists of seven members representing different segments of the community and cannot include District employees
- Since first issuance of bonds (March 2017), three meetings have been conducted and agendas/minutes/attachments are on the OMSD web site

Completed Projects

► Fire Alarm Upgrades

❑ Bon View Elementary School

Replacement of the fire alarm system became necessary to ensure a safe environment remained for students and staff. To meet code compliance requirements a complete system, including replacement cabling, devices and communication panel was required. The project commenced and was completed during the summer of 2017.



Bon View Elementary School

Completed Projects

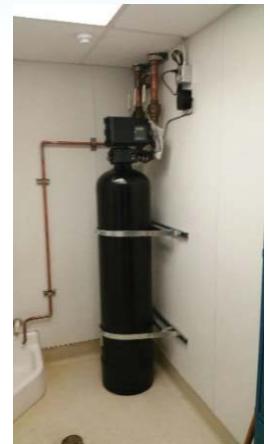
► Water/Gas Line Replacement Projects

- ❑ Haynes Elementary School (Phases I & II) water line replacement
- ❑ Howard Elementary School water & gas line replacement

These infrastructure replacement projects involved the replacement of the water lines serving the administration, and classroom buildings and Multipurpose (MPR) at Haynes ES and water and gas lines at Howard ES. Work commenced and was completed over the summer of 2017.



Howard ES



Haynes ES

Completed Projects

► Office Entrance Modifications

▣ Mission Elementary School

For improved site security, the school's office entrance was relocated to provide access directly from the parking lot, rather than through the school's breezeway. Additional security fencing was added to ensure visitors enter the office before gaining entry into the school. The project was completed in Summer of 2018.



Mission Elementary School

Completed Projects

Office Entrance Modifications

□ Central Language Academy

For improved site security, the school's office entrance was modified to provide a interior access doors. The project was completed in summer of 2019.



Completed Projects

Office Entrance Modifications

■ Euclid Elementary School

For improved site security, the school's office entrance was modified to provide a interior access doors. The project was completed in 2019.



Completed Projects

► Drinking Fountain Upgrades

- This project involves the upgrade/replacement of existing drinking fountains Districtwide. Completed in fall of 2018.



Euclid Elementary School



El Camino Elementary School

Completed Projects

► Perimeter Fencing Upgrades at 33 Sites

This project involves the replacement of existing perimeter fencing at all schools and Linda Vista with 8' high fencing with tighter chain link fabric to make climbing more difficult. Black vinyl versus galvanized materials have been used for longer life and improved esthetics.

Vista Grande Elementary School



Monte Vista Elementary School



Euclid Elementary School



Del Norte Elementary School

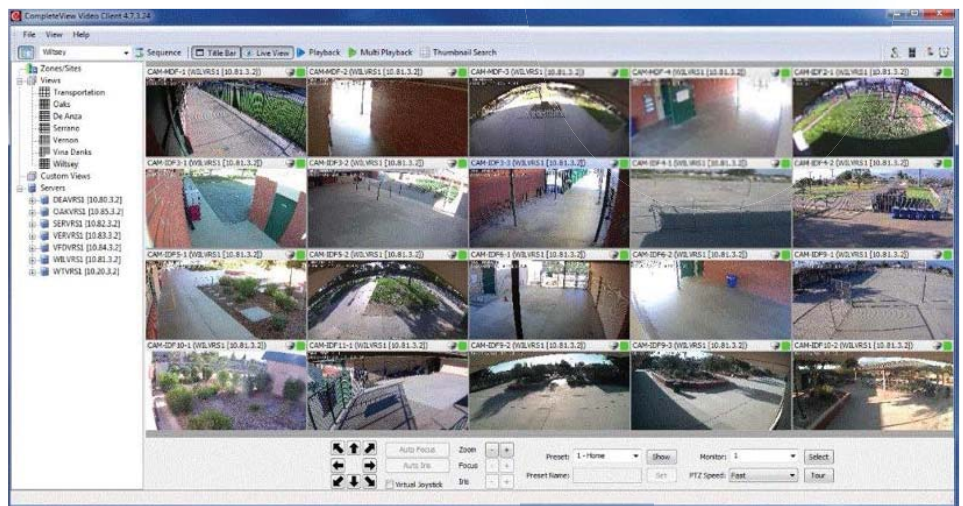


Completed Projects

► Security Camera Upgrades at Middle Schools

This project involved upgrading the closed circuit television (CCTV) security systems at the District's six middle schools. Improved campus monitoring and visibility was achieved by increasing the number of cameras locations and utilizing state-of-the-art camera technology. Project was completed in October 2018.

- ❑ De Anza
- ❑ Oaks
- ❑ Serrano
- ❑ Vernon
- ❑ Vina Danks
- ❑ Wiltsey



Security Camera Dashboard

Completed Projects

► Wellness, Arts & Technology Centers

- ❑ De Anza Middle School (October 2019)
- ❑ 21st Century Learning Environment
 - Regulation-size basketball & volleyball courts
 - Practice courts
 - Performing Arts Stage
 - Maker Space
 - Multimedia Lab



Completed Projects

► Wellness, Arts & Technology Centers

- ❑ Vernon Middle School (August 2019)
- ❑ 21 Century Learning Environment
 - Regulation-size basketball & volleyball courts
 - Practice courts
 - Performing Arts Stage
 - Maker Space
 - Multimedia Lab

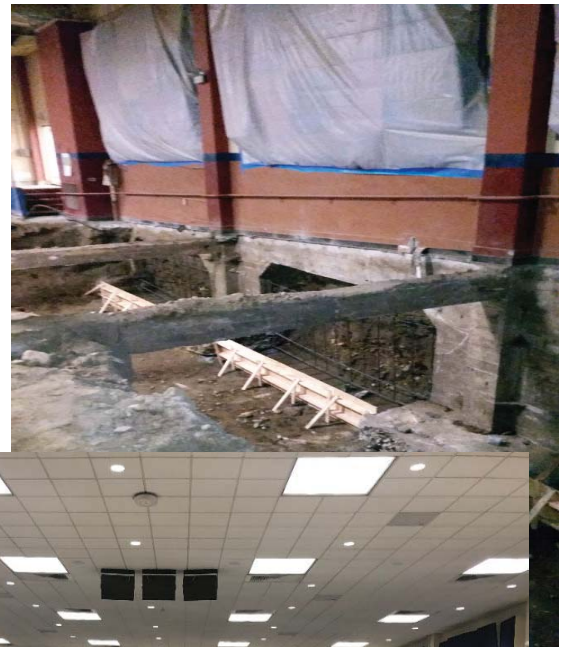


Completed Projects

► Modernization/Seismic Upgrade

▣ Central

- Seismic Retrofitting
- Roof Replacement
- Carpet Replacement
- Ceiling replacement
- HVAC Upgrades
- Interior & Exterior Painting
- Tackwall Upgrade
- Office Workstation Upgrades
- Water and Gas Lines
- Security Entrance Modifications



Completed Projects

► Modernization/Seismic Upgrade

□ Euclid

- Seismic Retrofitting
- Roof Replacement
- Carpet Replacement
- Ceiling replacement
- HVAC Upgrades
- Interior Painting and Tackwall Upgrade
- Office Workstation Upgrades
- Water and Gas Lines
- Security Entrance Modifications
- ADA Accessibility Upgrades



Completed Projects

► Modernization/Seismic Upgrade Projects (continued)

□ Serrano (MPR & Bldg. C)

- ADA Accessibility Upgrades
- Seismic Retrofitting
- Roof Replacement

□ Wiltsey (MPR & Bldg. G)

- ADA Accessibility Upgrades
- Seismic Retrofitting
- Roof Replacement



Completed Projects

► Parking Lot Expansion/Site Restoration Projects



Central Language Academy
Parking Lot Expansion



Euclid Elementary School
Playground Restoration



Projects Under Construction

► Wellness, Arts & Technology Centers

Construction of five middle school Wellness, Arts & Technology Centers is planned in support of the District's goal to ensure our students have equal access to competitive 21st Century learning. Two of these facilities are under construction using Series A Bond proceeds and scheduled for completion August 2019. The facilities will include physical education, gyms, bleachers, multipurpose areas used for after-school programs, assemblies, sports, and performing arts.



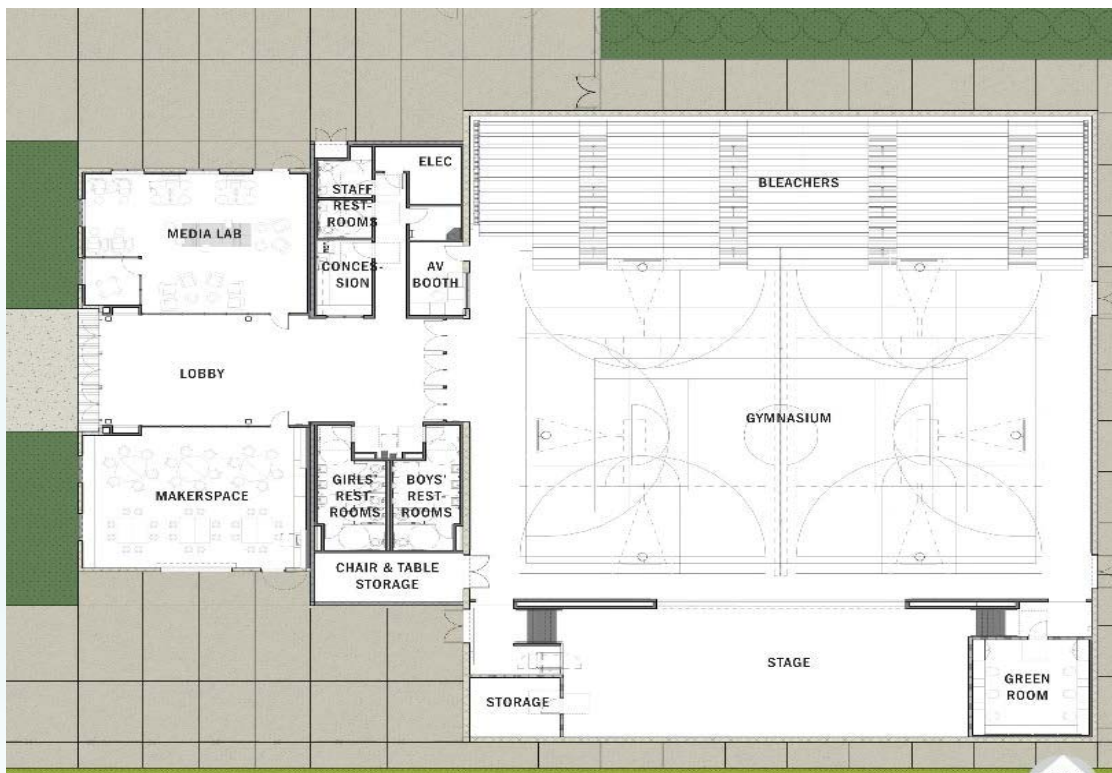
Serrano MS



Wiltsey MS

Projects Under Construction

► Wellness, Arts & Technology Centers



Projects Under Construction

21

► Wellness, Arts & Technology Center

□ Serrano

○ Construction

▪ January 2021 – December 2021



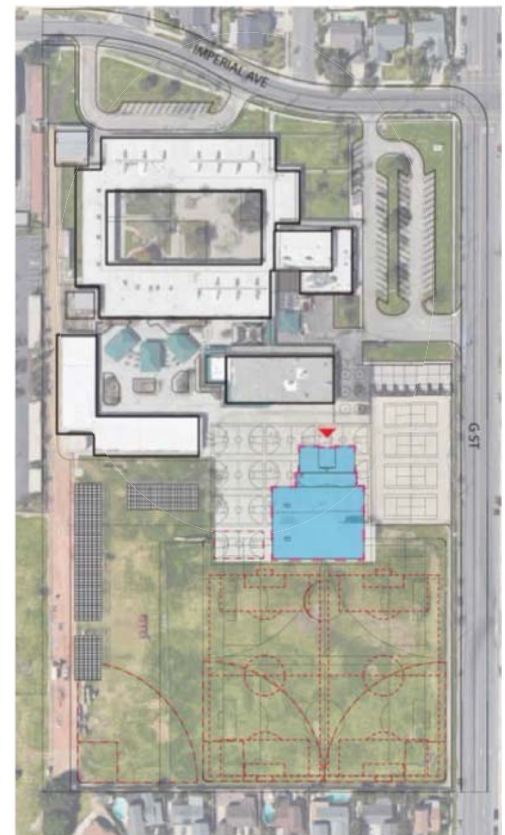
Projects Under Construction

► Wellness, Arts & Technology Center

□ Wiltsey

○ Construction

▪ January 1 2021 – December 2021



Projects Under Design

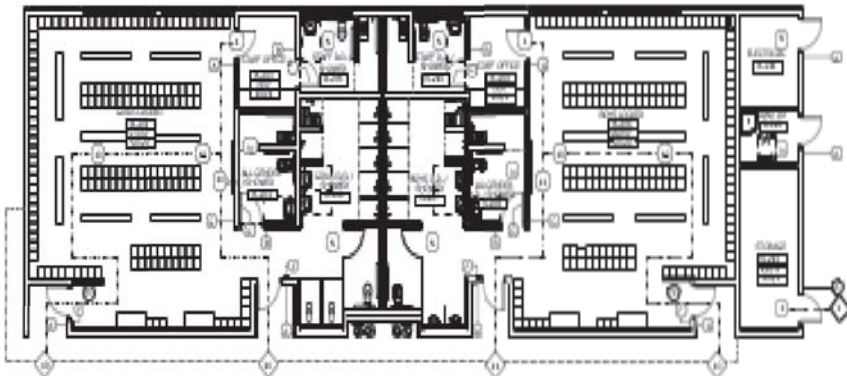
- ▶ Vina Danks Modernization & Building Expansion
 - Vina Danks Bldg. 'B' replacement



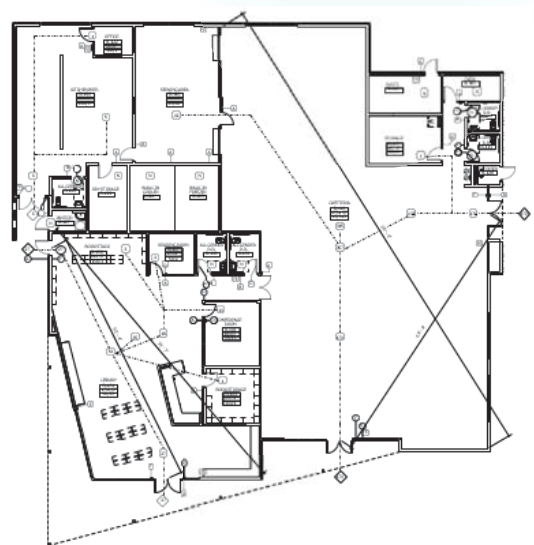
Projects Under Design

- ▶ Vina Danks Modernization & Building Expansion
 - Vina Danks Bldg. 'B' replacement

Vina Danks M.S.
Locker Room Building



Vina Danks M.S.
Library Building



Projects Under Design

► Vina Danks Modernization & Building Expansion

□ Building 'B' Replacement Under State's Seismic Upgrade Program

○ Projected Phasing Timeline

- Design documents & funding (Spring 2022)
- Interim housing placements & interior modifications (Summer 2022)
- Building 'B' replacement (Fall 2022)
- Interim housing restoration (Summer 2023)
- HVAC & electrical upgrade (Fall 2023)

□ Vina Danks Wellness, Arts & Technology Center

○ Projected Phasing Timeline

- Design documents & funding (Spring 2024)
- Construction (Summer 2024)

Additional Projects Under Design

▶ HVAC Upgrades

- ❑ Berlyn Bldg. B
- ❑ Lehigh

▶ Security

- ❑ Security Cameras at Elementary Schools
- ❑ Electronic Door Locks at School Admin Bldgs.

▶ Water & Gas Line Replacement

- ❑ Elderberry
- ❑ Kingsley
- ❑ Lehigh

MEASURE "K"
CITIZENS' BOND OVERSIGHT COMMITTEE (CBOC)
Ontario-Montclair School District

Building Fund (Measure K)
Financial & Performance Audit.
Prepared by,
EideBailly CPAs & Business
Advisors



January 15, 2021

To the Governing Board
and Citizens' Oversight Committee
Ontario-Montclair School District
Ontario, California

We have audited the financial statements of Ontario-Montclair School District's (the District) Building Fund (Measure K) as of and for the year ended June 30, 2020 *and* have issued our report thereon dated January 15, 2021. We have also performed the performance audit of the Ontario-Montclair School District's Building Fund (Measure K). Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated March 31, 2020, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Additionally, our responsibility, as described by professional standards, is to conduct a performance audit in accordance with Government Auditing Standards. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted the District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the the year ended June 30, 2020. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. No such significant accounting estimates were identified.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's Building Fund (Measure K) financial statements relate to:

The Summary of significant accounting policies in Note 1.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no corrected misstatements of the financial statements.

The following summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole:

- To adjust cash in county value to fair market value

Fair value adjustment to cash in county treasury \$541,691

Net increase in the fair value of investments \$541,691

The effect of these uncorrected misstatements, including the effect of the reversal of prior year uncorrected misstatements as of and for the year ended June 30, 2020, is an understatement net income and fund balance by \$541,691.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's Building Fund (Measure C and Measure S) financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated January 15, 2021.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

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

Handwritten signature of Erik Bailly in black ink.

Rancho Cucamonga, California



Financial and Performance Audits
Building Fund (Measure K)
June 30, 2020

Ontario-Montclair School District

FINANCIAL AUDIT

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Financial Audit
Building Fund (Measure K)
June 30, 2020

Ontario-Montclair School District



Independent Auditor's Report

Governing Board and
Citizens Oversight Committee
Ontario-Montclair School District
Ontario, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Ontario-Montclair School District's (the District), Building Fund (Measure K), as of and for the year ended June 30, 2020, 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 statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express 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*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 financial statements, whether due to error or fraud. 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 principles 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 Building Fund (Measure K) of Ontario-Montclair School District as of June 30, 2020, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Building Fund specific to Measure K are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of Ontario-Montclair School District as of June 30, 2020, and the results of its operations for the year then ended in conformity 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 January 15, 2021, on our consideration of Ontario-Montclair School 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. 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 Ontario-Montclair School District'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 Ontario-Montclair School District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Sallly LLP".

Rancho Cucamonga, California
January 15, 2021

Ontario-Montclair School District
Building Fund (Measure K)
Balance Sheet
June 30, 2020

Assets	
Investments	\$ 31,578,848
Receivables	<u>165,683</u>
Total assets	<u>\$ 31,744,531</u>
Liabilities and Fund Balance	
Liabilities	
Accounts payable	<u>\$ 945,214</u>
Fund balance	
Restricted for capital projects	<u>30,799,317</u>
Total liabilities and fund balance	<u>\$ 31,744,531</u>

Ontario-Montclair School District
Building Fund (Measure K)
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2020

Revenues	
Other local revenue	<u>\$ 837,128</u>
Expenditures	
Current	
Supplies	31,698
Services and other operating expenditures	1,984,501
Capital outlay	<u>10,621,018</u>
Total expenditures	<u>12,637,217</u>
Net Change in Fund Balance	(11,800,089)
Fund Balance - Beginning	<u>42,599,406</u>
Fund Balance - Ending	<u><u>\$ 30,799,317</u></u>

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Ontario-Montclair School District's (the District) Building Fund (Measure K) conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). The Ontario-Montclair School District Building Fund accounts for financial transactions in accordance with the policies and procedures of the California School Accounting Manual.

Financial Reporting Entity

The financial statements include only the Building Fund of the Ontario-Montclair School District used to account for Measure K projects. This Fund was established to account for the expenditures of general obligation bonds issued under Measure K. These financial statements are not intended to present fairly the financial position and results of operations of the Ontario-Montclair School District in compliance with accounting principles generally accepted in the United States of America.

Fund Accounting

The operations of the Building Fund are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Basis of Accounting

The Building Fund (Measure K) is accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. The District's governing board adopts an operating budget no later than July 1 in accordance with State law. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. The Board revises this budget during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

Encumbrances

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated when the commitments are paid, and all outstanding encumbrances lapse at June 30.

Fund Balance - Building Fund (Measure K)

As of June 30, 2020, the fund balance is classified as follows:

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Spending Order Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

Use of Estimates

The preparation of 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Investments

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 instrument; 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 agreement; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security, and collateralized mortgage obligations.

Investment in County Treasury

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statement at amounts based upon the District's pro-rata share of the fairly 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.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the San Bernardino County Investment Pool. The District maintains a Building Fund (Measure K) investment of \$31,578,848 with the San Bernardino County Treasury Investment Pool, with an average maturity of 553 days.

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 District's investment in the San Bernardino County Treasury Investment Pool has been rated AAf/S1 by Fitch Ratings as of June 30, 2020.

Note 3 - Accounts Receivable

Accounts receivable at June 30, 2020, consisted of the following:

Interest	\$ 165,683
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Note 4 - Accounts Payable

Accounts payable at June 30, 2020, consisted of the following:

Services and other operating expenditures	\$ 133,868
Capital outlay	811,346
	<u>\$ 945,214</u>

Note 5 - Commitments and Contingencies

As of June 30, 2020, the Building Fund (Measure K) had the following commitments with respect to unfinished projects:

Measure K Projects	Remaining Construction Commitment*	Expected Date of Completion
Central Seismic Retrofit - AE96	\$ 929,876	08/31/2020
Euclid Seismic Retrofit - AE96	209,777	08/31/2020
Wiltsey Seismic Retrofit - AE96	4,240	08/31/2020
Serrano Seismic Retrofit - AE96	9,736	08/31/2020
De Anza Locker Room Upgrades - K009	780,945	08/31/2020
Berlyn Modernization - K004	160,971	12/31/2020
De Anza MS Modernization - K009	11,220	12/31/2020
Del Norte Modernization - K010	361,863	12/31/2020
Hawthorne Modernization - K015	242,332	12/31/2020
Phase V Perimeter Fencing Upgrades - Linda Vista - K021	104,796	12/31/2020
Mariposa Modernization - K022	317,477	12/31/2020
Mission Modernization - K023	409,545	12/31/2020
Monte Vista Modernization - K024	227,957	12/31/2020
Sultana Modernization - K030	335,788	12/31/2020
Vina Danks MS Modernization - K032	2,507,724	12/31/2020
Serrano MS WATC - K036	12,616,912	12/31/2020
Wiltsey MS WATC - K038	12,614,723	12/31/2020
De Anza WATC - K001	13,663	03/31/2021
Vista Grande Modernization - K034	209,817	03/31/2021
Howard Modernization - K017	544,983	06/30/2021
Lehigh Modernization - K019	1,833,712	10/31/2021
Vina Danks Seismic Retrofit - AE96	8,205,950	12/31/2024
	<u>\$ 42,654,007</u>	

* Portion of certain projects will be funded by the next series of Measure K.

Litigation

The District is not currently a party to any legal proceedings related to the Building Fund (Measure K) as of June 30, 2020.



Independent Auditor's Report
June 30, 2020

Ontario-Montclair School District



**Independent Auditor's Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Governing Board and
Citizens Oversight Committee
Ontario-Montclair School District
Ontario, 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 Ontario-Montclair School District (the District) Building Fund (Measure K) as of and for the year ended June 30, 2020, and the related notes of the financial statements, and have issued our report thereon dated January 15, 2021.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Building Fund specific to Measure K are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of Ontario-Montclair School District as of June 30, 2020, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ontario-Montclair 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, but not for the purpose of expressing an opinion on the effectiveness of Ontario-Montclair School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Ontario-Montclair 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's Building Fund (Measure K) 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 Ontario-Montclair School District's Building Fund (Measure K) financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

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.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California
January 15, 2021

None reported.

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.



Performance Audit
Building Fund (Measure K)
June 30, 2020

Ontario-Montclair School District



Independent Auditor's Report on Performance

Governing Board and
Citizens Oversight Committee
Ontario-Montclair School District
Ontario, California

We were engaged to conduct a performance audit of the Ontario-Montclair School District (the District) Building Fund (Measure K) for the year ended June 30, 2020.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution and Appendix A contained in the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* issued by the California Education Audit Appeals Panel. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

The results of our tests indicated that the District expended Building Fund (Measure K) funds only for the specific projects approved by the voters, in accordance with Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

This report is intended solely for the information and use of the District and is not intended to be and should not be used by anyone other than this specified party.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Rancho Cucamonga, California
January 15, 2021

Authority for Issuance

The general obligation bonds associated with Measure K were issued pursuant to the Constitution and laws of the State of California (the State), including the provisions of Chapters 1 and 1.5 of Part 10 of the California Education Code, and other applicable provisions of law. The bonds are authorized to be issued by a resolution adopted by the Board of Education of the District on July 7, 2016.

The District received authorization from an election held on November 8, 2016, to issue bonds of the District in an aggregate principal amount not to exceed \$150,000,000 to finance specific construction and renovation projects approved by eligible voters within the District. The proposition required approval by at least 55 percent of the votes cast by eligible voters within the District (the 2016 Authorization). The bonds represent the second series of the authorized bonds to be issued under the 2016 Authorization.

Purpose of Issuance

The proceeds of the general obligation bonds of the District would be used to finance the design, acquisition, installation, restoration and construction of public schools and school facilities and providing facilities improvements and upgrades, and the acquisition of one or more school sites, and related facilities costs, including, but not limited to, financing the following: renovation of student restrooms, classrooms, and science labs; repair and replacement of heating, upgrading of electrical systems and wiring to safely accommodate computers, technology and other electrical devices; repair and replacement of plumbing, sewer, and water pipes, fixtures and systems; replacement of emergency communications and security systems; demolition; seismic upgrades; asbestos and mold abatement; and, improved access for disabled persons. Project costs for expansion of existing facilities may include, but is not limited to, some or all of the following: site and/or other real property acquisition, including payments on or for interim financing, preparation, infrastructure, and related expenses; construction or lease of temporary or permanent classrooms, instructional support, *and/or* ancillary facilities. Project costs for furniture and equipment may include but *is* not limited to some or all of the following: desks and tables; window and floor covering; computer, media recording and presentation equipment; cafeteria and food preparation equipment; science laboratory equipment; and/or other electronic equipment.

Authority for the Audit

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools, and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, community college districts, or county offices 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 rental property for school facilities", upon approval by 55 percent of the electorate. In addition to reducing the approval threshold from two-thirds to 55 percent, Proposition 39 and the enacting legislation (AB 1908 and AB 2659) requires the following accountability measures as codified in Education Code sections 15278-15282:

1. Requires that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b)(3)(C) of the California Constitution, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

2. The school district must list the specific school facilities projects to be funded in the ballot measure and must certify that the governing board has evaluated safety, class size reduction and information technology needs in developing the project list.
3. Requires the school district to appoint a citizen's oversight committee.
4. Requires the school district to conduct an annual independent financial audit and performance audit in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States of the bond proceeds until all of the proceeds have been expended.
5. Requires the school district to conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed.

Objectives of the Audit

1. Determine whether expenditures charged to the Building Fund have been made in accordance with the bond project list approved by the voters through the approval of Measure K.
2. Determine whether salary transactions, charged to the Building Fund were in support of Measure K and not for District general administration or operations.

Scope of the Audit

The scope of our performance audit covered the period of July 1, 2019 to June 30, 2020. The population of expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2020, were not reviewed, or included within the scope of our audit or in this report.

Methodology

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2020, for the Building Fund (Measure K). Within the fiscal year audited, we obtained the actual invoices, purchase orders, and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution and Measure K as to the approved bond projects list. We performed the following procedures:

1. We identified expenditures and projects charged to the general obligation bond proceeds by obtaining the general ledger and project listing.
2. We selected a sample of expenditures using the following criteria:
 - a. We considered all expenditures recorded in all object codes, including transfers out.
 - b. We considered all expenditures recorded in all projects that were funded from July 1, 2019 through June 30, 2020 from Measure K bond proceeds.

- c. We selected all expenditures that were individually significant expenditures. Individually significant expenditures were identified as individual transactions (expenditures) that exceeded approximately two percent of the total expenditures incurred.
 - d. For all items below the individually significant threshold identified in item 2c, judgmentally selected expenditures based on risk assessment and consideration of coverage of all object codes, including transfers out, and projects for period starting July 1, 2019 and ending June 30, 2020.
- 3. Our sample included transactions totaling \$3,855,354. This represents 31 percent of the total expenditures of \$12,637,217.
- 4. We reviewed the actual invoices and other supporting documentation to determine that:
 - a. Expenditures were supported by invoices with evidence of proper approval and documentation of receipting goods or services.
 - b. Expenditures were supported by proper bid documentation, as applicable.
 - c. Expenditures were expended in accordance with voter-approved bond project list.
 - d. Bond proceeds were not used for salaries of school administrators or other operating expenses of the District.
- 5. We determined that the District has met the compliance requirement of Measure K if the following conditions were met:
 - a. Supporting documents for expenditures were aligned with the voter-approved bond project list.
 - b. Supporting documents for expenditures were not used for salaries of school administrators or other operating expenses of the Districts.

Conclusion

The results of our tests indicated that, in all significant respects, the Ontario-Montclair School District has properly accounted for the expenditures held in the Building Fund (Measure K) and that such expenditures were made for authorized Bond projects.

None reported.

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

MEASURE "K"
CITIZENS' BOND OVERSIGHT COMMITTEE (CBOC)
Ontario-Montclair School District

Measure K Project
Expenditure and Encumbrance Report

Measure K

Citizen Bond Oversight Committee



Fiscal Presentation
March 1, 2021
Data as of January 31, 2021

Measure K Audit

- Audit as of June 30, 2020
- Audit Purpose:
 - *Form an opinion on financial statements*
 - *Performance audit to verify District complied with rules and regulations*
- Financial Statement:
 - *Unmodified opinion = Best opinion given*
 - *No material weaknesses or significant deficiencies identified*
- Performance Audit:
 - *Auditor's tested 31% of total expenditures*
 - *No expenditures that were tested were found not in compliance with the requirements Article XIII A of the State Constitution or the requirements of the Measure K*
- Fund Balance as of June 30, 2020 was \$30,799,317
- Fund Balance is considered restricted
 - *Amount that can be spent only for specific purpose*
- Findings:
 - *None*

Project Activity

PROJECT	EXPENDITURES-TO-DATE	ENCUMBERED	TOTAL
ARROYO—MODERNIZATION	301,567.74	-	301,567.74
BERLYN—CLEAN ENERGY PROJECT	9,371.26	-	9,371.26
BON VIEW—MODERNIZATION	326,454.73	-	326,454.73
BRERLYN—MODERNIZATION	479,421.73	16,311.62	495,733.35
BUENA VISTA—MODERNIZATION	315,508.52	10,432.11	325,940.63
CENTRAL—CLEAN ENERGY PROJECT	656,792.80	-	656,792.80
CENTRAL—MODERNIZATION	1,228,729.79	29,315.84	1,258,045.63
CENTRAL—SEISMIC RETROFIT	6,096,542.95	12,284.95	6,108,827.90
CORONA—CLEAN ENERGY PROJECT	234.56	-	234.56
CORONA—MODERNIZATION	331,224.66	-	331,224.66
DE ANZA—HEALTH AND LEARNING CENTER	10,533,290.22	8,343.81	10,541,634.03
DE ANZA—MODERNIZATION	413,214.98	-	413,214.98
DEL NORTE—CLEAN ENERGY PROJECT	270.89	-	270.89
DEL NORTE—MODERNIZATION	431,895.39	33,027.24	464,922.63
EDISON—MODERNIZATION	225,681.00	19,602.00	245,283.00
EDISON—SEISMIC RETROFIT	1,600.00	1,600.00	3,200.00

Project Activity

PROJECT	EXPENDITURES-TO-DATE	ENCUMBERED	TOTAL
EL CAMINO—CLEAN ENERGY PROJECT	32,352.79	1,148.00	33,500.79
EL CAMINO—MODERNIZATION	517,689.24	-	517,689.24
ELDERBERRY—CLEAN ENERGY PROJECT	235.78	-	235.78
ELDERBERRY—MODERNIZATION	352,759.99	57,000.00	409,759.99
EUCLID—CLEAN ENERGY PROJECT	639,878.68	-	639,878.68
EUCLID—MODERNIZATION	761,900.91	-	761,900.91
EUCLID—SEISMIC RETROFIT	4,372,044.01	-	4,372,044.01
HAWTHORNE—CLEAN ENERGY PROJECT	1,801.29	-	1,801.29
HAWTHORNE—MODERNIZATION	360,172.73	16,411.73	376,584.46
HAYNES—MODERNIZATION	425,800.81	-	425,800.81
HOWARD—CLEAN ENERGY PROJECT	1,584.28	-	1,584.28
HOWARD—MODERNIZATION	864,406.50	17,176.29	881,582.79
KINGSLEY—CLEAN ENERGY PROJECT	1,594.10	-	1,594.10
KINGSLEY—MODERNIZATION	329,717.89	-	329,717.89
LEHIGH—CLEAN ENERGY PROJECT	1,287.95	-	1,287.95
LEHIGH—MODERNIZATION	513,508.37	-	513,508.37

Project Activity

PROJECT	EXPENDITURES-TO-DATE	ENCUMBERED	TOTAL
LINCOLN—CLEAN ENERGY PROJECT	813.07	-	813.07
LINCOLN—MODERNIZATION	272,629.13	39,816.42	312,445.55
LINCOLN—SEISMIC RETROFIT	1,600.00	1,600.00	3,200.00
LINDA VISTA—CLEAN ENERGY PROJECT	1,187.74	-	1,187.74
LINDA VISTA—MODERNIZATION	183,736.36	25,825.31	209,561.67
MARIPOSA—CLEAN ENERGY PROJECT	2,224.73	-	2,224.73
MARIPOSA—MODERNIZATION	168,303.49	10,902.68	179,206.17
MARIPOSA—SEISMIC RETROFIT	1,600.00	1,600.00	3,200.00
MISSION—CLEAN ENERGY PROJECT	956.76	-	956.76
MISSION—MODERNIZATION	604,842.31	29,775.97	634,618.28
MONTE VISTA—MODERNIZATION	422,451.84	17,449.30	439,901.14
MONTERA—MODERNIZATION	374,160.86	-	374,160.86
MORENO—MODERNIZATION	610,642.87	-	610,642.87
OAKS—CLEAN ENERGY PROJECT	643.94	-	643.94
OAKS—MODERNIZATION	392,033.84	-	392,033.84
RAMONA—CLEAN ENERGY PROJECT	4,599.48	-	4,599.48

Project Activity

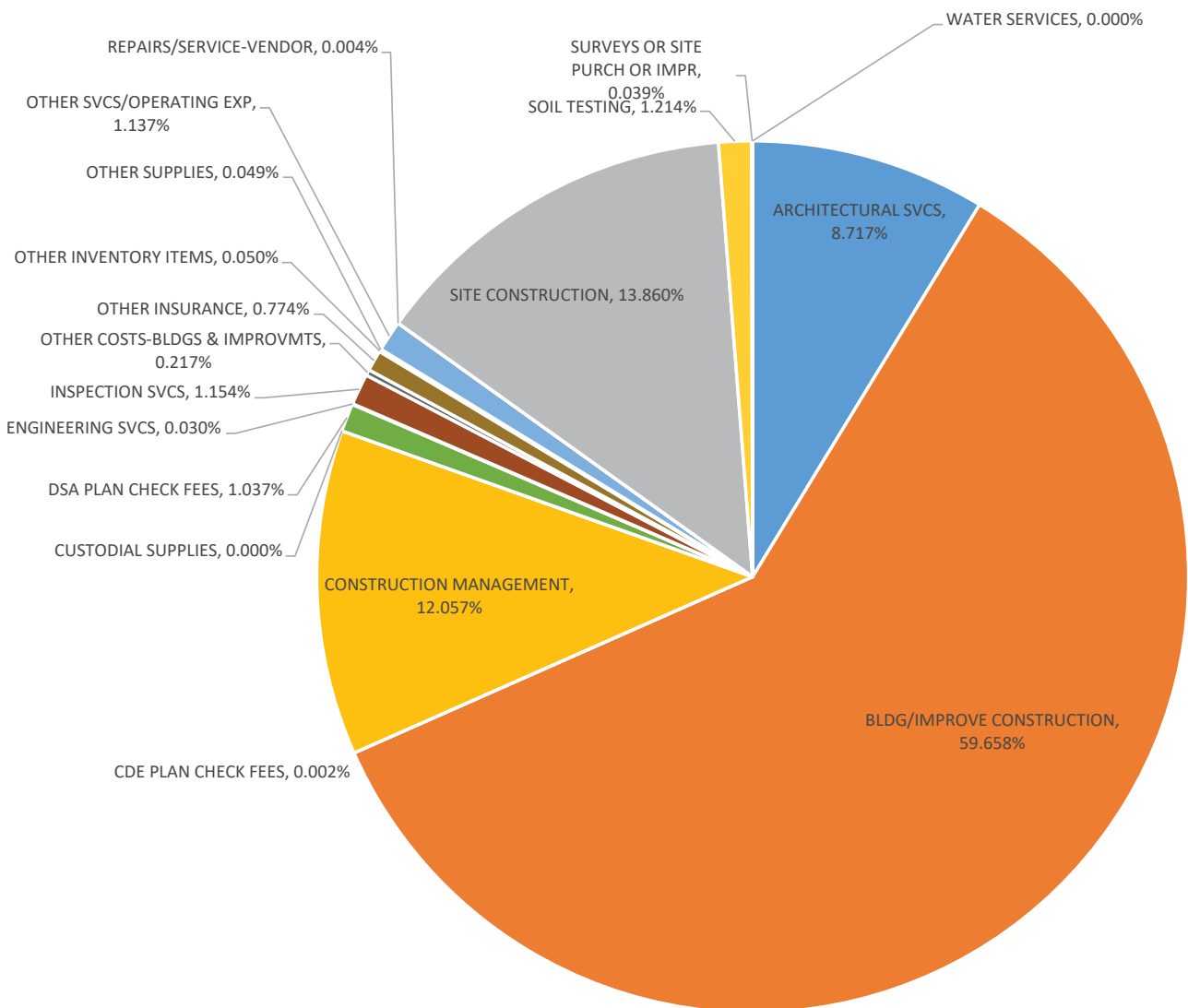
PROJECT	EXPENDITURES-TO-DATE	ENCUMBERED	TOTAL
RAMONA—MODERNIZATION	520,343.15	-	520,343.15
SERRANO—CLEAN ENERGY PROJECT	3,063.65	-	3,063.65
SERRANO—HEALTH AND LEARNING CENTER	945,193.77	6,344,551.87	7,289,745.64
SERRANO—MODERNIZATION	382,442.19	-	382,442.19
SERRANO—SEISMIC RETROFIT	1,949,915.17	-	1,949,915.17
SULTANA—MODERNIZATION	301,664.00	10,453.21	312,117.21
VARIOUS—CLEAN ENERGY PROJECT	23,087.44	-	23,087.44
VARIOUS—SEISMIC RETROFIT	640,584.75	-	640,584.75
VERNON—CLEAN ENERGY PROJECT	2,632.68	-	2,632.68
VERNON—HEALTH AND LEARNING CENTER	11,548,141.47	-	11,548,141.47
VERNON—MODERNIZATION	379,729.11	-	379,729.11
VINA DANKS—CLEAN ENERGY PROJECT	152.93	-	152.93
VINA DANKS—MODERNIZATION	548,993.91	273,755.00	822,748.91
VINA DANKS—SEISMIC RETROFIT	456,986.14	408,895.35	865,881.49
VINEYARD—CLEAN ENERGY PROJECT	1,446.93	-	1,446.93
VINEYARD—MODERNIZATION	258,386.22	-	258,386.22

Project Activity

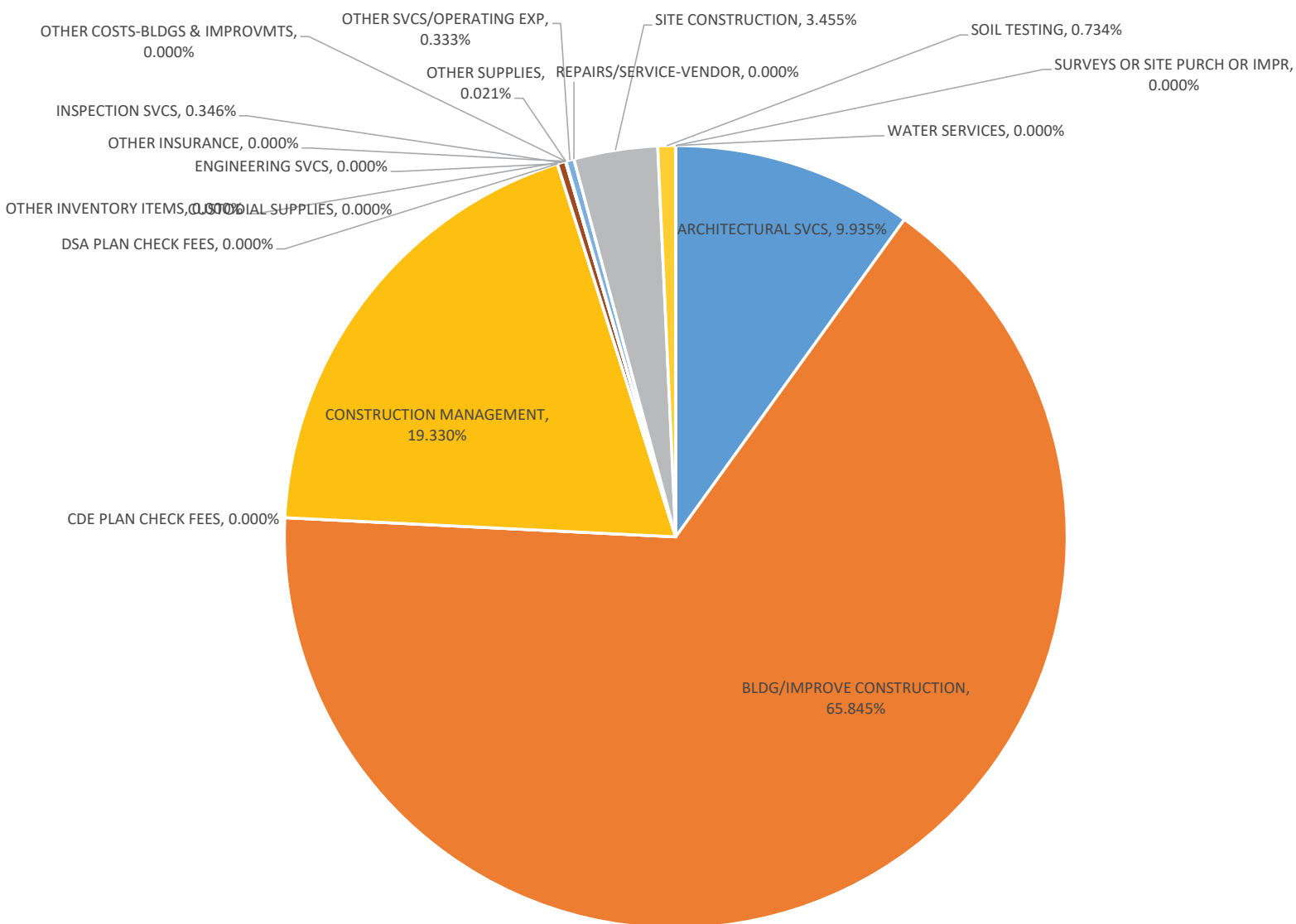
PROJECT	EXPENDITURES-TO-DATE	ENCUMBERED	TOTAL
VISTA GRANDE—CLEAN ENERGY PROJECT	703.31	-	703.31
VISTA GRANDE—MODERNIZATION	362,332.02	17,479.27	379,811.29
WILTSEY—CLEAN ENERGY PROJECT	2,337.32	-	2,337.32
WILTSEY—HEALTH AND LEARNING CENTER	524,454.74	752,294.76	1,276,749.50
WILTSEY—MODERNIZATION	203,704.51	-	203,704.51
WILTSEY—SEISMIC RETROFIT	1,763,903.51	192,253.10	1,956,156.61
GRAND TOTAL	54,391,161.88	8,349,305.83	62,740,467.71

Expenditures and Encumbrances by Category

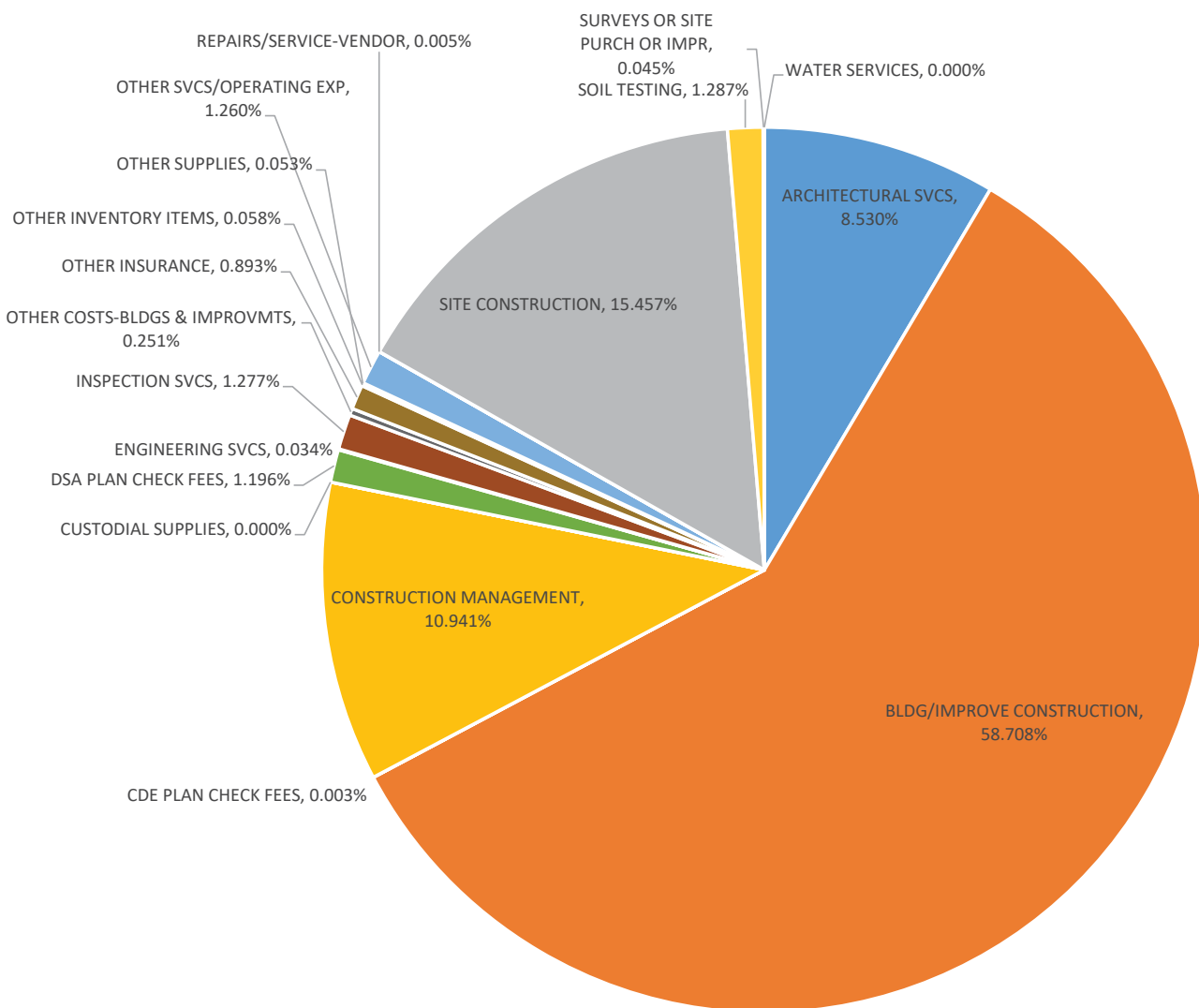
CATEGORY	INCEPTION-TO-DATE		
	EXPENDITURES	ENCUMBERED	TOTAL
ARCHITECTURAL SVCS	4,639,549.20	829,535.85	5,469,085.05
BLDG/IMPROVE CONSTRUCTION	31,932,141.21	5,497,629.10	37,429,770.31
CDE PLAN CHECK FEES	1,380.47	-	1,380.47
CONSTRUCTION MANAGEMENT	5,950,764.40	1,613,936.25	7,564,700.65
CUSTODIAL SUPPLIES	268.88	-	268.88
DSA PLAN CHECK FEES	650,539.99	-	650,539.99
ENGINEERING SVCS	18,603.19	-	18,603.19
INSPECTION SVCS	694,816.18	28,901.00	723,717.18
OTHER COSTS-BLDGS & IMPROVMTS	136,388.82	-	136,388.82
OTHER INSURANCE	485,752.00	-	485,752.00
OTHER INVENTORY ITEMS	31,428.90	-	31,428.90
OTHER SUPPLIES	29,090.00	1,724.38	30,814.38
OTHER SVCS/OPERATING EXP	685,479.64	27,834.96	713,314.60
REPAIRS/SERVICE-VENDOR	2,684.54	-	2,684.54
SITE CONSTRUCTION	8,407,327.23	288,452.28	8,695,779.51
SOIL TESTING	700,112.23	61,292.01	761,404.24
SURVEYS OR SITE PURCH OR IMPR	24,710.00	-	24,710.00
WATER SERVICES	125.00	-	125.00
GRAND TOTAL	54,391,161.88	8,349,305.83	62,740,467.71



EXPENDITURES-TO-DATE

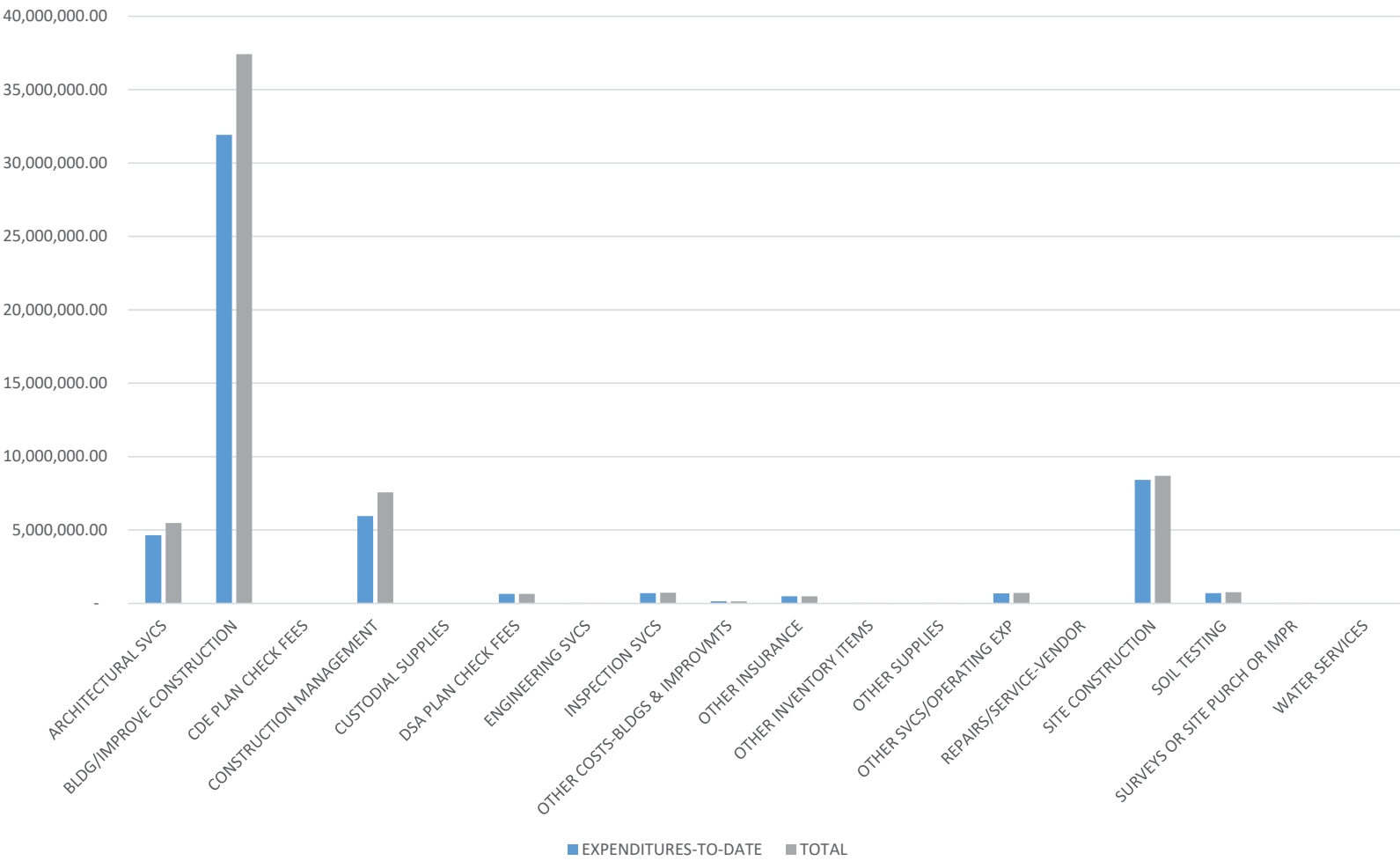


ENCUMBERED



TOTAL ACTIVITY-TO-DATE

EXPENDITURES-TO-DATE VS PROJECTED TOTAL PROJECT COST





MEASURE "K"
CITIZENS' BOND OVERSIGHT COMMITTEE (CBOC)
Ontario-Montclair School District

Citizens' Bond Oversight Committee
Annual Report

Ontario-Montclair School District
Ontario, California
March 1, 2021
MEASURE “K” CITIZENS’ BOND
OVERSIGHT COMMITTEE

<u>Members</u>	Term Expiration:	
	<u>Current</u>	<u>Third Term</u>
Cindi Aguirre (Taxpayers Associate Member)	Apr 2021	Apr 2023
Bertha Diaz (Parent Member)	Apr 2021	Apr 2023
Judith Jasper (Senior Citizen’s Organization Member)	Apr 2020	Apr 2024
Crisol Mena (Parent Active in a PTA Member)	Apr 2021	Apr 2023
Michael Milhiser (At-Large Member)	Apr 2021	Apr 2023
Christine Pangelinan (At-Large Member)	Apr 2020	Apr 2024
Sergio Sahagun (Community Business Owner Member)	Apr 2020	Apr 2022

2020-21 ANNUAL REPORT

Background: Education Code Section 15280 requires that the Committee issue “regular reports on the results of its activities,” and that a report shall be issued at least once per year. There is no established or mandated form, or other required content, for an annual report.

1. **Activities of the Committee.**

On January 19, 2017, the Board approve Adoption of Resolution 2016-17-18, establishing an Independent Citizens' Bond Oversight Committee (“CBOC”) and Approving OMSD Independent Citizens' Bond Oversight Committee Bylaws for Measure K. In accordance with the CBOC Bylaws, the committee is to consist of a minimum of seven (7) members. The applications were received and screened to determine the recommended committee membership.

The CBOC convened on March 1, 2021. No business was conducted without a quorum. Agendas and Meeting Minutes, plus exhibits provided to the members, are posted on the District’s website.

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Findings of the Committee.

Since establishing the CBOC its members have scheduled meetings on a regular basis in compliance with State law and the School District's Board Policy BP 7214 and Administrative Regulation AR 7214.

The CBOC has received reports, updates, and information on the expenditure of the bond funds, and reviewed the expenditures made on projects authorized under the bond measure.

Bond funds have been expended on the identified projects as authorized by the bond measure.

No bond measure funds have been spent on teacher/administrator salaries or other school operating expenses.

The annual financial and performance audits for the year ending June 30, 2020, prepared by the auditing firm of EideBailly, CPAs & Business Advisors, was provided to CBOC members on February 4, 2021 and at the CBOC annual meeting held on March 1, 2021.

The CBOC has received all necessary and requested technical and administrative assistance from the School District.

The CBOC's Internet website is operational and includes all required documentation and information.

The CBOC received information on the District's efforts to maximize the use of Measure 'K' revenues by implementing cost-saving measures, including competitive bidding, negotiating professional services fees for architectural design and construction management services, reuse of plans, incorporating cost efficient/energy conservation measures, and pursuing supplemental funding, including Prop 39 HVAC replacement funding and AB 300 seismic mitigation funding.

The District is compliant with the requirements of Article XIII A 1(b)(3) of the California Constitution and Section 15278 of the Education Code governing the establishment of a CBOC.

2. **Summary of Project Revenues and Expenditures as of June 30, 2018.**

Bond authorization: \$150,000,000. Series A bonds: \$35,000,000. Series B bonds: \$35,000,000. Subsequent bond issues: None.

On March 17, 2017, Series A bonds were issued for the bond authorization totaling \$35,000,000.

On March 20, 2019, Series B bonds were issued for the bond authorization totaling \$45,000,000.

As reported in the Audit Report, project expenditures as of June 30, 2019 were \$12,637,217. The Fund ending balance was \$30,799,317. As of June 30, 2019, the Building Fund ("Measure K") indicates commitments with respect to unfinished projects totaling \$42,654,007.

AB 300 Seismic Mitigation funding received: \$5,426,802.66

Prop 39 Energy savings funding received: \$5,790,255.00

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No Audit Findings or Questioned Costs were reported in the Audit Report.

The Audit Report Conclusion states the District's expenditures were made for authorized Bond projects.

Projects' funds may be augmented by other District budgets, as appropriate. These include Developer Fees, Routine Restricted Maintenance Account funds, Special Reserve for Capital Outlay Projects, Prop 39, and funding from the State's School Facilities Program. There were no adjustments to the District's financial records as a result of the Audit Report.

3. **Recommendations/Commendations.**

The CBOC recommends that the District continue its efforts to maximize the use of Measure 'K' revenues by implementing cost-saving measures and pursuing supplemental funding. It is apparent to the Committee that the staff's advanced planning, solid controls procedures, and the development of a strong project management team has resulted in great progress towards the completion of the Measure 'K' projects.

Measure 'K' was passed in November 2016 to provide \$150,000,000, in whole or in part, funds for the renovation/repair of aging classrooms, plumbing, gas lines, asbestos/lead paint abatement, code compliance, school security, fire safety, increase water conservation/energy efficiency, improve technology/computer/science labs, construct, acquire/retrofit school facilities, sites/equipment, including physical education facilities, gyms, lockers, bleachers, multipurpose rooms used for after-school programs, assemblies, sports, performing arts and serving meals, construct, upgrade, reconfigure parking lots and drop off/pick up zones, and temporary housing of dislocated District activities caused by bond projects.

On behalf of the members of the Measure 'K' Citizens' Oversight Committee (CBOC), I submit this 2020-21 Annual Report to the taxpayers and residents of the Ontario-Montclair School District. The CBOC wishes to thank District staff and the members of the Governing Board who have worked with us to execute our mission of monitoring and overseeing Measure 'K' bond expenditures.

At our March 1, 2021 meeting, the CBOC accepted, reviewed and approved this report.

Respectfully submitted,

Cindi Aguirre
Chair

on behalf of the

Measure 'K' Citizens' Bond Oversight
Committee, Ontario-Montclair School District