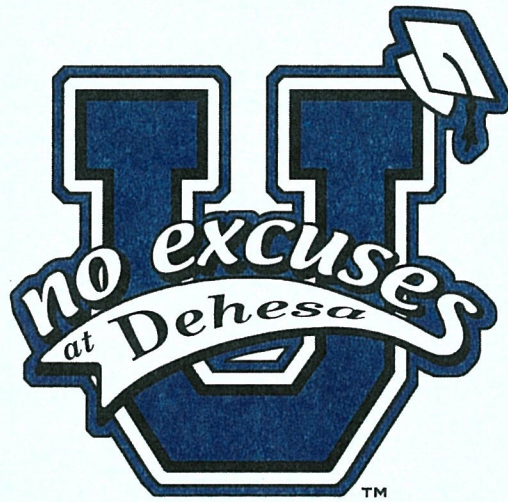


**DEHESA SCHOOL
DISTRICT**



**CITIZENS'
BOND
OVERSIGHT
COMMITTEE**

**DEHESA SCHOOL DISTRICT
CITIZENS BOND OVERSIGHT COMMITTEE
DEHESA SCHOOL OFFICE**

APRIL 10, 2018

5:30 PM

Amended

Meeting Agenda

I. Call to Order

II. Public Meeting

- a) Roll Call and Establish a Quorum
- b) Pledge of Allegiance
- c) Agenda Approval
- d) Approval of Minutes from 9/17/2017
- e) Public Comments
- f) CBOC Communications: discussion of any community comments

III. Information and Proposals

- a) Capital Program Performance and Progress since last CBOC meeting
 - 1. Governing Board Items September 2017 – March 2018
- b) Progress to Date
 - 2. Expenditures to Date
- c) Audit Report
- d) Year End Report

IV. Advance Planning

- a) Date, time, and place for the next meeting – To Be Determined
- b) Comments from Committee Members/ Topics for Next Meeting

V. Adjournment

Accommodations: In compliance with the American with Disabilities Act 1990, if you need special assistance to participate in this meeting, please contact the office of the Superintendent at 619-444-2161. Notification of 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to that meeting.

DEHESA SCHOOL DISTRICT

CITIZENS BOND OVERSIGHT COMMITTEE

MINUTES 9/17/2017

I&II Call To Order/Public Meeting.

- a. Meeting called to order at 5:29 by Wally Riggs. A Quorum was established with members present being: Nathan Voth, Herb Krickhahn, and Wally Riggs. Jerry Hamilton was absent.

- b. Nathan Voth led the pledge of allegiance.

- c. Wally Riggs made a motion to approve the agenda seconded by Herb Krickhahn.
Ayes: Krickhahn, Riggs, Voth
Nays: None
Abstain: None
Absent: Hamilton

- d. Wally Riggs made a motion to approve the minutes seconded by Nathan Voth.
Ayes: Krickhahn, Riggs, Voth
Nays: None
Abstain: None
Absent: Hamilton

- e. Public Comments- None

- f. CBOC Communications: Nancy Hauer mentioned that the July 24th meeting was canceled and rescheduled due to not having a quorum.

III Information and Proposals

a-b. Nancy Hauer spoke about how we are working on trying to get reimbursed for the new building due to a change in the rules. We extended the contract with Wayne Oetken & Associates, they are helping us with Sycuan and litigation with the new hotel. The balance of the Building fund on 8/31/17 was \$240,592. We are trying to spend it down by working on projects. If we are able to spend the money from the Bond we will not have to pay for audits anymore.

Prop. 39 we are installing occupancy sensors, cool roof over MPR, and new air conditioning.

IV Advance Planning

a. Next Meeting: Next meeting date and time is November 27, 2017 at 5:30 pm.

b. Comments: Wally Riggs mentioned that in lieu of taxes ending in about 4 years. Discuss at next meeting.

V **Adjournment:** Meeting was adjourned at 5:50 pm



Deborah Cagney, Secretary

Nathan Voth, Committee Chair

DEHESA SCHOOL DISTRICT

To: Members of the Board and
Supt. Nancy Hauer

From: Anna Buxbaum

Subject: Ratification of Contract
Agreement for the
Campus Exterior Paint
Project

Meeting Date: December 18, 2017

- Action
- First Reading
- Information
- Presentation
- Discussion
- Public Hearing
- Roll Call Vote Required

Background:

Facility improvements necessary at Dehesa School District include painting the exterior of campus buildings. The project does *not* exceed the \$45,000 California Uniform Construction Cost Accounting Commission's (CUCCAC) threshold that requires public bidding.

Report:

The Contract Agreement is attached for your review. Jeff Painting provided the most responsive quote for this project.

Financial Impact:

Cost of \$40,000.00 will be paid from the Building Fund.

Student Impact:

NA

Recommendation:

It is recommended the Board ratify the Contract Agreement between Dehesa School District and Jeff Painting for the Campus Exterior Paint Project.

Agenda Item #: IV.A.2

DEHESA SCHOOL DISTRICT

Campus Exterior Paint Project

Contractor/Vendor	Price
Jeff Painting	\$ 40,000.00
Simmons & Wood Inc.	\$ 36,529.00

CONTRACT AGREEMENT

This CONTRACT made and entered into this 13th day of December, 2017, by and between **DEHESA SCHOOL DISTRICT**, sometimes hereinafter called "District," and **JEFF PAINTING**, hereinafter referred to as "Contractor." District and Contractor are sometimes individually referred to as "Party" and collectively as "Parties" in this Contract.

WITNESSETH: That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other, as follows:

1. Contract Documents. The complete contract includes all the Contract Documents, to wit:
 - A. Contract;
 - B. Bond(s) executed in connection herewith;
 - C. Scope of Work set forth in Exhibit "A" dated 11/01/2017;
 - D. Certificate(s) of Insurance; and
 - E. All official papers and documents relating to the work to be performed hereunder which are not included in Exhibit "A" (i.e., technical drawings, etc.).
2. Scope of Work. Contractor agrees to perform the work and to furnish all tools, equipment, apparatus, facilities, labor and material necessary to perform and complete in a good workmanlike manner, all parts of the work as called for in a manner designated in and in strict conformance with the scope of work set forth in Exhibit "A," attached hereto and incorporated herein ("Scope of Work") and the Contract Documents for the title project **Campus Exterior Paint Project**. It is understood and agreed that said tools, equipment, apparatus, facilities, labor and material shall be furnished and said work performed and completed as required in said Scope of Work under the direction and supervision of, and subject to the approval of the District's authorized representative. Contractor's Work shall also be consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the professional calling necessary to perform the Work. Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Work assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Work, including a Business License, and that such licenses and approvals shall be maintained throughout the term of this Contract. As provided for in the indemnification provisions of this Contract, Contractor shall perform, at its own cost and expense and without reimbursement from the District, any work necessary to correct errors or omissions which are caused by Contractor's failure to comply with the standard of care provided for herein. Any employee who is determined by the District to be uncooperative, incompetent, a threat to the safety of persons or the Work, or any employee who fails or refuses to perform the Work in a manner acceptable to the District, shall be promptly removed from the Project by Contractor and shall not be reemployed on the Work.

3. Compensation. As consideration for performance of the Work required herein, District agrees to pay Contractor on a time and materials basis as set forth herein, a not-to-exceed amount of Forty Thousand Dollars (\$40,000.00) ("Total Contract Price") provided that such amount shall be subject to adjustment pursuant to the applicable terms of this Contract or written change orders approved and signed in advance by the District.
 - A. Subject to paragraph 3(B) below, the District shall pay for such services on a time and materials basis in accordance with the Schedule of Charges set forth in Exhibit "B."
 - B. Periodic payments shall be made by the District to Contractor within thirty (30) days of District's receipt of an application for payment from Contractor for services rendered. Payments to Contractor for work performed will be made on a monthly billing basis. The application shall include all information required by the District and shall be in a format approved by the District. This application shall be supported by evidence which is required by this Contract and such other documentation as the District may require. The Contractor shall certify that the Work for which payment is requested has been done and that any materials listed are stored where indicated. District shall review and pay the payment request in accordance with the provisions set forth in Section 20104.50 of the California Public Contract Code.
 - C. Labor and Material Releases. Contractor shall furnish District with labor and material releases from all subcontractors performing work on, or furnishing materials for, the Work governed by this Contract prior to final payment by District.
4. Retention. For contracts greater than Five Thousand dollars (\$5,000), Public Contract Code section 9203 requires progress payments and retention based on the percentage of actual work completed plus a like percentage of the value of material delivered and unused. Therefore, District will withhold as retention five percent (5%) of all billings and the Total Contract Price until final completion for projects exceeding \$5,000 and acceptance of the project. District, at its sole discretion, shall release retention proceeds withheld from any payment within sixty (60) days after the date of "completion" of the work as defined in the Public Contract Code section 7107. If a dispute arises between the contractor and District, District may withhold an amount from the final payment not to exceed one hundred and fifty percent (150%) of the disputed amount, as well as any other amounts permissible under this Agreement and/or California law.
5. Other Retentions. In addition to Contract retentions, the District may deduct from each progress payment an amount necessary to protect District from loss because of: (1) liquidated damages which have accrued as of the date of the application for payment; (2) any sums expended by the District in performing any of Contractor's obligations under the Contract which Contractor has failed to perform or has performed inadequately; (3) defective Work not remedied; (4) stop notices as allowed by state law; (5) reasonable doubt that the Work can be completed for the unpaid balance of the Total Contract Price or within the scheduled completion date; (6) unsatisfactory prosecution of the Work by Contractor; (7) unauthorized deviations from the Contract; (8) failure of Contractor to maintain or submit on a timely basis proper and sufficient documentation as required by the Contract or by District during the prosecution of the Work; (9) erroneous or false estimates by Contractor of the value of the Work performed; (10) any sums representing expenses, losses, or damages as determined by the District, incurred by the District for which Contractor is liable under the Contract; and (11) any other sums which the District

is entitled to recover from Contractor under the terms of the Contract or pursuant to state law, including Section 1727 of the California Labor Code. The failure by the District to deduct any of these sums from a progress payment shall not constitute a waiver of the District's right to such sums.

6. Substitution of Securities. Pursuant to California Public Contract Code section 22300, Contractor may substitute securities for any money withheld by District to ensure the performance under the Contract. At the request and expense of Contractor, securities equivalent to the amount withheld shall be deposited with the District, with the State or federally chartered bank as the escrow agent, who shall return such securities to the Contractor upon satisfactory completion of the contract. Deposit of securities with an escrow agent shall be subject to a written agreement between the escrow agent and the District, which provides that no portion of the securities shall be paid to the Contractor until the District has certified to the escrow agent, in writing, that the contract has been satisfactorily completed. District shall certify that the contract has been satisfactorily completed within sixty (60) days of work "completion" as defined in Section 7107(c) of the California Public Contract Code. Securities eligible for investment under this section shall be limited to those listed in Section 16430 of the Government Code, bank or savings & loan certificates of deposit, interest-bearing demand deposit accounts, stand-by letters of credit, or any other security mutually agreed to by the Contractor.

7. Time for Completion/Liquidated Damages. Work shall commence on December 18, 2017 and shall be completed by Contractor and usable by the District on or before January 1, 2018. If the Work is not completed and usable by the District, it is understood that the District will suffer damage. In accordance with Government Code section 53069.85, being impractical and infeasible to determine to determine the amount of actual damage, it is agreed that Contractor shall pay to the District as fixed and liquidated damages, and not as a penalty, the sum of One Hundred Dollars (\$100.00) for each and every calendar day of delay beyond the time prescribed in the Agreement for finishing the Work. In the event this is not paid, the Contractor agrees that the District may deduct that amount from any money due or that may become due the Contractor under the Contract.

8. Insurance. Without limiting Contractor's indemnification, it is agreed that Contractor shall secure and maintain in force during the term of this Contract a Commercial General Liability and Property Damage Insurance (including automobile insurance) which provides limits of not less than:
 - 1) Per occurrence (combined single limit) \$1,000,000.00
 - 2) Project Specific Aggregate (for this project only) \$2,000,000.00
 - 3) Products/Completed Operations (included in Comm. Gen. Liability)

The District shall be named as an additional insured on the policies by endorsements. The policy shall provide that it is primary, such that insurance maintained by the District, if any, shall be excess and not coprimary. A copy of the declarations page of Contractor's insurance policies shall be attached to this Contract as proof of insurance. Except for worker's compensation insurance, the policy shall not be amended or modified and the coverage amounts shall not be reduced without the District's prior written consent, and, the District shall be named as an additional insured and be furnished thirty (30) days' written notice prior to cancellation. The Contractor shall not allow any

subcontractor employee or agent to commence work on this Contract, or any subcontract until the insurance required of the Contractor and subcontractor or agent has been obtained.

9. Hold Harmless for Payroll Issues. Contractor hereby agrees to accept exclusive liability for, and shall hold District, District's officers, directors, employees and agents harmless from, all payroll taxes for contributions to unemployment insurance or old age pensions, or annuities, measured by wages, salaries or other remuneration paid to employees of said Contractor or Subcontractors.
10. Subcontractors. Contractor shall use due diligence in the requirement and confirmation of insurance coverage similar to the foregoing on behalf of his subcontractors.
11. Professional Liability Insurance. All architects, engineers, consultants or design professionals retained by Contractor shall also procure and maintain, for a period of five (5) years following completion of the Contract, errors and omissions liability insurance with a limit of not less than \$1,000, per occurrence. This insurance shall name the District, its directors, officials, officers, employees, agents and volunteers as additional and insureds with respect to Work performed, and shall otherwise comply with all requirements of this Section.
12. Pursuant to Section 1861 of the Labor Code, by signing this Contract and initialing hereunder the Contractor certifies that:
 - A. I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.
 - B. Contractor's Initials:
13. Bonds. The Contractor shall be required at the time of the execution of the Contract to furnish Payment and Faithful Performance Bonds in amounts not less than one hundred percent (100%) of the Total Contract Price. These bonds shall be secured from a surety company satisfactory to District, shall be submitted on the District's prescribed bond forms, and the Contractor thereon shall pay the premiums. The bonds must be executed by an admitted Surety approved to conduct business in the State of California, pursuant to California Code of Civil Procedure Section 995.120. In addition, to the extent required by law, the bonds must be accompanied by a certified copy of the certificate of authority of the insurer issued by the Insurance Commissioner of the State of California, a certificate from the Clerk of the County of San Diego that the certificate of authority of the insurer has not been surrendered, revoked, cancelled, annulled, or suspended, or if it has that it has been renewed, and four copies of the insurer's most recent annual statement and quarterly statement filed with the Department of Insurance of the State of California. Failure to submit acceptable bonds will be cause of rejection of the contract. Said bonds shall be furnished within ten (10) days after award of the Contract and before commencement of construction.

14. Assignment of Contract. Contractor shall not assign, transfer, convey, or otherwise dispose of this Contract, or of his/her right, title of interest in or to the same or any part thereof without previous consent in writing from District's authorized representative.
15. Suspension/Termination of Contract.
 - A. District has the right to terminate or abandon any portion or all of the work under this Contract by giving ten (10) calendar days written notice to Contractor. In such event, District shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. District shall pay Contractor the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Work for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by District and Contractor of the portion of such task completed but not paid prior to said termination. District shall not be liable for any costs other than the charges or portions thereof which are specified herein. Contractor shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.
 - B. Contractor may terminate its obligation to provide further services under this Contract upon thirty (30) calendar days' written notice to District only in the event of substantial failure by District to perform in accordance with the terms of this Contract through no fault of Contractor.
16. Subcontracts. Subcontractors employed by Contractor on the execution of the Work covered in this Contract shall be only those given prior written permission from District, and otherwise comply with Sections 4100 to 4113 inclusive of the Public Contract Code of California, as applicable.
17. Control and Payment of Subordinates; Contractual Relationship. District retains Contractor on an independent contractor basis and Contractor is not an employee of District. Any additional personnel performing the work governed by this Contract on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance under this Contract and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, and workers' compensation insurance.
18. Permits and Licenses. Contractor shall comply with all laws, ordinances, rules and regulations relating to the work and to the preservation of public health and safety, obtaining all necessary permits and licenses for the construction of the project, pay all fees and post all deposits or bonds required by law. For the work to be performed hereunder, Contractor shall possess the following classification of State contractor's license throughout the duration of the Contract:1007768. During the performance of the work, Contractor shall take over all the necessary precautions and place proper guards for the prevention of accidents.

19. Trenching Work. If the Total Contract Price exceeds \$25,000 and if the Work governed by this Contract entails excavation of any trench or trenches five (5) feet or more in depth, Contractor shall comply with all applicable provisions of the California Labor Code, including Section 6705. To this end, Contractor shall submit for District's review and approval a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation of such trench or trenches. If such plan varies from the shoring system standards, the plan shall be prepared by a registered civil or structural engineer.
20. Hazardous Materials and Differing Conditions. As required by California Public Contract Code Section 7104, if this Contract involves digging trenches or other excavations that extend deeper than four (4) feet below the surface, Contractor shall promptly, and prior to disturbance of any conditions, notify District of: (1) any material discovered in excavation that Contractor believes to be a hazardous waste that is required to be removed to a Class I, Class II or Class III disposal site; (2) subsurface or latent physical conditions at the site differing from those indicated by District; and (3) unknown physical conditions of an unusual nature at the site, significantly different from those ordinarily encountered in such contract work. Upon notification, District shall promptly investigate the conditions to determine whether a change order is appropriate. In the event of a dispute, Contractor shall not be excused from any scheduled completion date and shall proceed with all Work to be performed under the Contract, but shall retain all rights provided by the Contract or by law for making protests and resolving the dispute
21. Underground Utility Facilities. To the extent required by Section 4215 of the California Government Code, District shall compensate Contractor for the costs of: (1) locating and repairing damage to underground utility facilities not caused by the failure of Contractor to exercise reasonable care; (2) removing or relocating underground utility facilities not indicated in the construction drawings; and (3) equipment necessarily idled during such work. Contractor shall not be assessed liquidated damages for delay caused by failure of District to provide for removal or relocation of such utility facilities.
22. Air Quality. Contractor must fully comply with all applicable laws, rules and regulations in furnishing or using equipment and/or providing services, including, but not limited to, emissions limits and permitting requirements imposed by the South Coast Air Quality Management District (SCAQMD) and/or California Air Resources Board (CARB). Although the SCAQMD and CARB limits and requirements are more broad, Contractor shall specifically be aware of their application to "portable equipment", which definition is considered by SCAQMD and CARB to include any item of equipment with a fuel-powered engine. Contractor shall indemnify District against any fines or penalties imposed by SCAQMD, CARB, or any other governmental or regulatory agency for violations of applicable laws, rules and/or regulations by Contractor, its subcontractors, or others for whom Contractor is responsible under its indemnity obligations provided for in this Agreement.
23. Completion of Work. When Contractor determines that it has completed the Work required herein, Contractor shall so notify District in writing and shall furnish all labor and material releases required by this Contract. District shall thereupon inspect the Work. If the Work is not acceptable to the District, the District shall indicate to Contractor in writing the specific portions or items of Work which are unsatisfactory or incomplete. Once Contractor determines that it has completed the incomplete or

unsatisfactory Work, Contractor may request a reinspection by the District. Once the Work is acceptable to District, District shall pay to Contractor the Total Contract Price remaining to be paid, less any amount which District may be authorized or directed by law to retain. Payment of retention proceeds due to Contractor shall be made in accordance with Section 7107 of the California Public Contract Code

24. Changes in the Scope of Work. In the event District orders changes in the Work, the Total Contract Price and the Contract Time will be adjusted accordingly. If a change is of an item not covered by the Contract, District and Contractor shall mutually agree upon the value of the work based on labor, materials and equipment involved. Regardless of ownership, equipment rates shall not exceed the listed prevailing rates at local equipment rental agencies, or distributors, at the time the work is performed. All changes in work shall be in writing and Contractor shall be responsible for any and all work done without District's prior written approval.
25. Brand Name or Equal. Contractor may, unless otherwise stated, offer any material, process or article which shall be substantially equal or better for any material, process or article is identified by grade, patent or proprietary name or by name of manufacturer. Contractor bears the burden of proof as to the equality of any material, process or article and District may require Contractor to furnish the material, and article or process specified if it decides that Contractor has not met his or her burden.
26. Discrepancies and Omissions. Any discrepancies or omissions found in the Scope of Work shall be reported to District immediately. District will clarify discrepancies or omissions, in writing, within a reasonable time.
27. Labor Code Provisions. It shall be mandatory upon the Contractor herein and upon all subcontractors under Contractor to comply with all provisions of the Labor Code of the State of California relative to contracts for public works.
 - A. Prevailing Wages. District has copies of the general prevailing wage rate per diem wages in the locality in which the work is to be performed for each craft or type of worker needed to execute the Contract which shall be posted at each job site and will be on file at the principal office of the District. Contractor shall, as a penalty to District, forfeit not more than the maximum applicable statutory rate for each calendar day, or portion thereof, for each worker paid less than the specified prevailing rates for such work or craft in which such worker is employed, whether paid by Contractor or by any subcontractors under Contractor. The difference between such stipulated prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the stipulated prevailing wage rate shall be paid to each worker by Contractor.
 - B. Eight Hour Law. Eight hours labor shall constitute a legal day's hours per day, and forty hours during any one week, shall be permitted upon public work upon compensation for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. Contractor shall forfeit as a penalty to District the maximum statutory rate for each calendar day during which such worker is required, or permitted to work more than eight hours in any one day or forty hours in any one calendar week in violation of the provisions of said Labor Code.

- C. Payroll Records. Contractor and each subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journey man, apprentice, worker, or other employee employed by him or her in connection with the public work. The payroll records shall be certified and shall be available for inspection at all reasonable hours at the principal office of Contractor in the manner provided in Labor Code section 1776. In the event of noncompliance with the requirements of this section, Contractor shall have 10 days in which to comply subsequent to receipt of written notice specifying in what respects such Contractor must comply with this section. Should noncompliance still be evident after such 10-day period, the Contractor shall, as a penalty to District, forfeit not more than the maximum statutory rate for each calendar day or portion thereof, for each worker, until strict compliance is effectuated. The amount of the forfeiture is to be determined by the Labor Commissioner. A contractor who is found to have violated the provisions of law regarding wages on Public Works with the intent to defraud shall be ineligible to bid on Public Works contracts for a period of one to three years as determined by the Labor Commissioner.

Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, such penalties shall be withheld from progress payments then due. The responsibility for compliance with this section is on the Contractor. In addition, the Contractor shall also comply with all applicable DIR requirements for submission of certified payroll records for prevailing wage enforcement

- D. Ineligible Contractors/Subcontractors/Debarment. A Contractor or subcontractor may not perform work who is ineligible pursuant to Labor Code Sections 1777.1 and 1777.7.
- E. Apprentice. Attention is called to the provisions in Section 1777.5 and 1777.6 of the Labor Code concerning the employment of apprentices by the Contractor or any subcontractor under Contractor.
- F. Contractor/Subcontractor Registration. Pursuant to Labor Code sections 1725.5 and 1771.1, **if the Project is a public works project in excess of \$25,000 or a maintenance project in excess of \$15,000**, the Contractor and all subcontractors that bid on, are listed in a bid or proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations (“DIR”). No bid/proposal will be accepted nor any contract entered into without proof of the Contractor’s and all subcontractors’ current registration with the DIR to perform public work. The Contractor shall also, at all times, be required to ensure compliance with the DIR by all of its subcontractors of all tiers. Contractor shall keep and maintain records documenting the DIR registration information for all such subcontractors and shall make such information available to the District upon request.
28. Assignment of Anti-Trust Claims. Contractor offers and agrees to assign to the District all rights, title and interest in and to all causes of action as it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2, commencing with Section 16700 of Part 2 of Division 7 of Business and Professions Code), and any other applicable laws, arising from purchase of goods, services, or materials, pursuant to this Contract. This assignment shall become effective at the time

that District tenders final payment to Contractor, without further acknowledgment by the parties.

29. Procedure for Resolving Disputes. The parties to this Contract are subject to the provisions of Article 1.5 (commencing with section 20104) of Chapter 1 of Part 3 of the Public Contract Code, which requires compliance with the procedures set forth therein to resolve any claim by the Contractor of \$375,000 or less regarding an extension of time, a change order, extra work, or any other disputed amount. If after the procedures set forth in Article 1.5 (commencing with section 20104) of Chapter 1 of Part 3 of the Public Contract Code are completed and a civil action is filed, the action shall be subject to the mediation and arbitration provisions required by Section 20104.4 of the Public Contract Code.
30. Notice of Third-Party Claims. Pursuant to Public Contract Code Section 9201, the District shall provide the Contractor with timely notification of the receipt of any third-party claim, relating to the Contract. The District is entitled to recover its reasonable costs incurred in providing such notification.
31. Indemnification. To the fullest extent permitted by law, Contractor shall indemnify, defend and hold harmless District against any and all claims involving any type of property damage or personal injury, including death, that may be asserted by any person or type of entity, arising out of or in connection with the performance of work, both on and off the job site, and will pay all costs and expenses, including attorney fees in connection therewith; provided however, Contractor shall not be liable for the sole established negligence or willful misconduct of the District. Contractor will defend, with counsel of the District's choosing, any action filed in connection with any of said claims, damages, penalties, obligations or liabilities Contractor will promptly pay any judgment rendered against Contractor or District arising out of or in connection with such work, operation or activities of Contractor hereunder and Contractor agrees to save and hold District harmless therefrom. District may retain to the extent it deems necessary, the money due to Contractor under and by virtue of the Contract until disposition has been made of such actions or claims for damages as specified herein above. Contractor shall reimburse District and its officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Contractor's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the District, its directors, officials officers, employees, agents, or volunteers.
32. Warranty. Contractor warrants all Work under the Contract (which for purposes of this Section shall be deemed to include unauthorized work which has not been removed and any nonconforming materials incorporated into the Work) to be of good quality and free from any defective or faulty material and workmanship. Contractor agrees that for a period of one year (or the period of time specified elsewhere in the Contract or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the Work, whichever is later) after the date of final acceptance, Contractor shall within ten (10) days after being notified in writing by the District of any defect in the Work or nonconformance of the Work to the Contract, commence and prosecute with due diligence all Work necessary to fulfill the terms of the warranty at its sole cost and expense. Contractor shall act sooner as requested by the District in response to an emergency. In addition, Contractor shall, at its sole cost and

expense, repair and replace any portions of the Work (or work of other contractors) damaged by its defective Work or which becomes damaged in the course of repairing or replacing defective Work. For any Work so corrected, Contractor's obligation hereunder to correct defective Work shall be reinstated for an additional one year period, commencing with the date of acceptance of such corrected Work. Contractor shall perform such tests as the District may require to verify that any corrective actions, including, without limitation, redesign, repairs, and replacements comply with the requirements of the Contract. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstatement of equipment and materials necessary to gain access, shall be the sole responsibility of Contractor. All warranties and guarantees of subcontractors, suppliers and manufacturers with respect to any portion of the Work, whether express or implied, are deemed to be obtained by Contractor for the benefit of the District, regardless of whether or not such warranties and guarantees have been transferred or assigned to the District by separate agreement and Contractor agrees to enforce such warranties and guarantees, if necessary, on behalf of the District. In the event that Contractor fails to perform its obligations under this Section, or under any other warranty or guaranty under this Contract, to the reasonable satisfaction of the District, the District shall have the right to correct and replace any defective or nonconforming Work and any work damaged by such work or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse the District for any expenses incurred hereunder upon demand.

33. Safety. Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. Contractor shall comply with the requirements of the specifications relating to safety measures applicable in particular operations or kinds of work. In carrying out its Work, Contractor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the Work and the conditions under which the Work is to be performed. Safety precautions as applicable shall include, but shall not be limited to, adequate life protection and life saving equipment; adequate illumination for underground and night operations; instructions in accident prevention for all employees, such as machinery guards, safe walkways, scaffolds, ladders, bridges, gang planks, confined space procedures, trenching and shoring, fall protection and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and adequate facilities for the proper inspection and maintenance of all safety measures. Furthermore, Contractor shall prominently display the names and telephone numbers of at least two medical doctors practicing in the vicinity of the Project, as well as the telephone number of the local ambulance service, adjacent to all telephones at the Project site
34. Applicable Law and Venue. This Contract shall be governed by the laws of the State of California as effective and in force on the date of this Contract. This Contract shall be deemed to have been made in San Diego County, California, regardless of the order of the signatures of the Parties affixed hereto.
35. Modifications. No terms or conditions contained in any writing, purchase order, acknowledgment, or form shall be of any effect unless agreed to in a written amendment or modification to this Contract which has been executed by the designated representative of both parties.

36. Waiver. No claim or right arising out of a breach of this Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless such waiver is in writing.
37. Notice. All notices shall be given to the other party at the address set forth herein. Notice shall be effective upon receipt or five (5) days after being sent by first class mail, whichever is earlier. Notice given by facsimile shall not be effective unless acknowledged by the receiving party. +

Contractor

District

JEFF PAINTING

DEHESA SCHOOL DISTRICT

Attn: **Jeff Azimi**

Attn: **Anna Buxbaum**

38. Drafting of Contract. The Parties agree that this Contract shall not be construed in favor of, or against, any party by reason of the extent to which any party or its counsel participated in the drafting of this Contract. The Parties represent that they have consulted legal counsel prior to the execution of this Contract and have executed this Contract with full knowledge of its meaning and effect.
39. Assignment or Delegation. Consultant may not assign or sub-contract its rights or obligations under this Contract without the consent of District, which may be withheld for any reason.
40. Severability. It is intended that each paragraph of this Contract shall be treated as separate and divisible, and in the event that any paragraphs are deemed unenforceable, the remainder shall continue to be in full force and effect so long as the primary purpose of this Contract is unaffected.
41. Laws and Regulations; Provisions Required by Law Deemed Inserted. Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Contract or the Work, including all Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with Work. If the Contractor observes that the drawings or specifications are at variance with any law, rule or regulation, it shall promptly notify the District in writing. Any necessary changes shall be made by written change order. Each and every provision or clause required by law to be inserted in this Contract shall be deemed to be inserted, and this Contract shall be read and enforced as though it were included. If through mistake or otherwise, any provision is not inserted or is not correctly inserted, then upon application of either party this Contract shall be amended to make the insertion or correction. All references to statutes, rules or regulations shall include all amendments, replacements and enactments on the subject which are in effect as of the date of this Contract, as well as any later changes which do not materially and substantially alter the rights or obligations of the parties.

42. Fingerprinting Requirements. Unless exempted, Contractor shall comply with the requirements of Education Code Section 45125.1 with respect to fingerprinting of employees who may have contact with the District's pupils. The Contractor shall also ensure that its consultants, as well as all subcontractors on the Project, comply with the requirements of Section 45125.1. To this end, the Contractor and its consultants and subcontractors must provide for the completion of the District's standard certification form prior to any of the Contractor's employees, or those of any other consultants, coming into contact with the District's pupils.
43. Drug/Smoke-Free Workplace. The District and all District projects are "drug-free" and "smoke-free" workplaces and, as such, require that the Contractor be subject to the requirements mandated by California Government Code Sections 8350, et seq., when on the Project site. The Drug-Free Workplace Act of 1990 requires that every person or entity awarded a contract or grant for the procurement of any property or service from a State agency certify that it will provide a drug-free workplace and, in that respect, comply with certain obligations set forth in that Act. In addition, the Drug-Free Workplace Act provides that each contract or grant awarded by the State agency may be subject to suspension of payments or termination for failure to comply with such Act. It is the sole responsibility of the Contractor to police and oversee its personnel on the Project. If the Contractor fails to comply with the Drug-Free Workplace Act or the smoke-free workplace policy of the District, the District may enforce its lawful rights to suspend pending or subsequent payments and to terminate this Contract and may pursue all other rights and remedies it may have against the Contractor at law and/or in equity.
44. Compliance With State Storm Water Permit:
- A. Contractor shall be required to comply with all aspects of the State Water Resources Control Board ("State Board") Water Quality Order No. 2009-0009-DWQ, National Pollutant Discharge Elimination System General Permit for Storm Water Discharges Associated with Construction Activity ("Permit"), as may be amended, for all projects that involve construction on or disturbance of one acre or more of land or which are part of a larger common area of development.
- B. Contractor shall be responsible for all costs associated with filing the Notice of Intent ("NOI") and for obtaining coverage under the Permit. This includes preparing and implementing a Storm Water Pollution Prevention Plan ("SWPPP") for the Project site, and coordinating all submittals with the District's Legally Responsible Person as that term is defined in the Permit. Before any NOI, SWPPP, or other Permit related document may be submitted to the State Board or implemented on the Project site, it must first be reviewed and approved by the District. Contractor shall include all costs of compliance with specified requirements in the Contract amount.
- C. The District retains the right to procure and maintain coverage under the Permit for the Project site if the Contractor fails to draft a satisfactory NOI or SWPPP or proceed in a manner that is satisfactory to the District. Any costs incurred by the District in procuring and maintaining coverage under the Permit, or drafting an NOI or SWPPP shall be paid by the Contractor.
- D. Contractor shall be responsible for maintaining compliance with all aspects of the Permit during the course of the Project. Contractor shall provide copies of all reports and

monitoring information to the District Representative. If the Contractor has failed or is unable to maintain compliance with the Permit, the District reserves the right to implement its own SWPPP at the Project site, and hire additional contractors to maintain compliance. Whether Contractor has adequately maintained compliance with the Permit shall be the District's sole determination. Any costs incurred by the District in drafting and implementing a SWPPP, or otherwise maintaining compliance with the Construction General Permit shall be paid by the Contractor.

- E. In bidding on this Contract, it shall be Contractor's responsibility to evaluate and include in the contract amount the cost of procuring coverage under the Permit, preparing a SWPPP that is acceptable to the District, and complying with the SWPPP and any revisions to the SWPPP that become necessary during the course of construction.
 - F. In addition to compliance with the Permit, Contractor shall comply with the lawful requirements of any applicable municipality, the District, drainage district, and other local agencies regarding discharges of storm water to the storm drain system or other watercourses under their jurisdiction, including applicable requirements in municipal storm water management programs.
 - G. Storm, surface, nuisance, or other waters may be encountered at various times during construction of the Work. The Contractor, by submitting a Bid, hereby acknowledges that it has investigated the risk arising from such waters, has prepared its Bid accordingly, and assumes any and all risks and liabilities arising therefrom.
 - H. Failure to comply with the Permit is a violation of federal and state law. Contractor hereby agrees to indemnify and hold harmless District, its officials, officers, agents, employees and authorized volunteers from and against any and all claims, demands, losses or liabilities of any kind or nature which District, its officials, officers, agents, employees and authorized volunteers may sustain or incur for noncompliance with the Permit arising out of or in connection with the Project, except for liability resulting from the sole established negligence, willful misconduct or active negligence of the District, its officials, officers, agents, employees or authorized volunteers. District may seek damages from Contractor for delay in completing the Contract in accordance with the Contract Documents, caused by Contractor's failure to comply with the Permit.
45. Counterparts. This Contract may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one in the same Agreement.
46. Exhibits and Recitals. All Exhibits and Recitals referenced in this Contract and attached hereto are hereby incorporated by this reference into this Contract.
47. Time of Essence. Time is of the essence for each and every provision of this Contract.

[Signatures on Next Page]

IN WITNESS WHEREOF, this Contract is executed by the District's authorized representative.

JEFF PAINTING

DEHESA SCHOOL DISTRICT

By: _____

By: _____

Name: _____

Name: Anna Buxbaum

Title: _____

Title: Business Manager

Date: _____

Date: _____

Fed. Tax I.D. #

EXHIBIT "A"

SCOPE OF WORK

CAMPUS EXTERIOR PAINT PROJECT

Exterior paint and trim to match the new 2 story classroom addition.

Maintenance garage building

Administration Library building

Only South Wall of 2 classroom building 4/5th gr on upper campus

kindergarten classroom building

Multipurpose kitchen building

Container storage west of MP

Large Storage Shed building west of MP and south of relocatables

5 Relocatable classrooms

2 small sheds south of last relocatables

2 Poles for Marquee in parking lot

Exclusions:

Do not paint galvanized fence / post items

Paint around Murals

2 classroom building 4/5th gr on upper campus (only paint South wall)

2 classroom building across from kinder bldg on lower main campus

DEHESA SCHOOL DISTRICT

To: Members of the Board and
Supt. Nancy Hauer

From: **Anna Buxbaum**

Subject: Ratification of Contract
Agreement for Consultant
Services for Security
Fencing Project

Meeting Date: March 8, 2018

- Action
- First Reading
- Information
- Presentation
- Discussion
- Public Hearing
- Roll Call Vote Required

Background:

Facility improvements necessary at Dehesa School District include replacement of fencing and gates, including an automatic gate, to increase campus safety. The project will exceed the \$45,000 California Uniform Construction Cost Accounting Commission's (CUCCAC) threshold, therefore public bidding will be required.

Report:

Due to the complex nature of the public works bidding process, Tom Silva Consulting has agreed to assist Dehesa School District with bid development and project management of the Security Fencing Project. Mr. Silva's Resume and the Contract Agreement is attached for your review.

Financial Impact:

The cost not to exceed \$11,000.00 will be paid from the Building Fund.

Student Impact:

NA

Recommendation:

Administration recommends that the Board ratify the Contract Agreement between Dehesa School District and Tom Silva Consulting for the Security Fencing Project.

Agenda Item #: VII.C.9

Proposal for School Facilities Consulting Services:

To: Dehesa School District Superintendent Nancy Hauer, and Anna Buxbaum, Business Manager

Project: Security Fencing - 2018

Description:

The Security Fencing – 2018 project includes the replacement of over 600 lineal feet of existing chain link fencing in front of the school with a combination of vinyl coated chain link fencing and ornamental iron fencing. It also includes the replacement of gates, and the addition of fencing at the western side of the campus. Tom Silva Consulting is pleased to provide consulting services which include the development of the bid specifications, advertising for bid, and if the bids are found to be acceptable to the District, providing project management services during implementation. The District has adopted the California Uniform Public Construction Cost Accounting Act procedures, it will be used so that the project may be bid and implemented as expeditiously as possible. Should the informal bids exceed the limits of the act, the formal bid process will have to be used if the District decides to continue with the project.

Scope of work:

The proposed approach is to divide the projects into two (2) phases. I propose this so that there are logical break points should the District determine that the cost or time exceeds available resources. It is anticipated that the entire amount not exceed \$11,000 (eleven thousand dollars).

Phase 1 - \$5,000: Phase 1 will be the preparation of up front documents to allow for an informal bid through the California Uniform Public Construction Cost Accounting Act (Cupcakes or CUPCCAA). It will also include the documents necessary for CEQA exemption, and board item write up, coordination with design professionals, if necessary. The cost for design professionals, such as architects or engineers, is not a part of this proposal. Should such design professionals or engineering services be required, the District will be responsible for the cost.

Phase 1A - \$3,000: Phase 1A will be necessary only if the informal bid process exceeds the \$175,000 limit and requires the need for a public bid. This phase will not commence unless directed by the District. If it becomes necessary to enlist an architect for the formal bid process; the District will be responsible for contracting directly with the architect. I will facilitate the selection process, including requests for services if that is necessary.

Phase 2 - \$3,000: Phase 2 will be the project management portion of the project. It will include interacting with the contractor and any other necessary party during the fence installation.

Payment:

The hourly rate for Tom Silva Consulting is \$125 (one hundred twenty five dollars) per hour. The fee for each phase of work will not exceed the amounts identified in the Scope of Work. Tom Silva Consulting will invoice the District for payment; said invoice will show the phase of work and the remaining balance within the phase.

Term:

It is anticipated that this contract will start on the date of the signed agreement and terminate, at the latest, August 31st, 2018. Either the District or Tom Silva Consulting can terminate the agreement at any time, for any reason, upon written notification of termination. If termination occurs prior to the end of the term, the District will be responsible for payment of any uncontested services provided.

Exclusions:

This following are excluded from this scope of work:

- Design Professionals: Architectural, Engineering (Civil, Mechanical, Electrical, etc.)
- DSA Inspection Services
- Soils compaction and testing services
- Special Inspection & Testing Services
- Labor Compliance Record Keeping

Should such services be required, Tom Silva Consulting will assist the District in obtaining proposals.

Additional Projects:

This proposal is for the Security Fencing – 2018 project. If the district desires to add additional scope to the agreement, it can be done either through a new proposal or an addendum to this proposal.

I thank you for the opportunity to work with the District.

Sincerely


Thomas Silva

THOMAS SILVA

RETIRED SCHOOL FACILITIES PLANNER: CONSULTANT
OWNER: TOM SILVA CONSULTING



KEY QUALIFICATIONS:

- Project Manager for over 3 million dollars of maintenance and repair projects including:
 - Roofing Replacement (2005 to 2008)
 - Storm Drain Replacement (2003 to 2010)
 - Handicapped Accessibility & Path of Travel upgrades (1989 thru 2014)
 - Security Fencing and Safe Schools improvements (1998 through 2009)
 - Window upgrades for sound attenuation and energy conservation (2004 through 2008)
 - Fire Alarm System Upgrades (1994 to 2014)
- Project administration for installation of over 250 relocatable classrooms with DSA Class 1 certification
- Project Manager and contract administrator for the Joe Rindone Regional Technology Center: \$2.4 million dollar construction cost (1998)
- Project Manager for \$300,000 technology improvements at Coronado Unified Schools (2010 to 2012)

I have prepared Deferred Maintenance Plans and Major Maintenance Plans for School Districts, and managed the necessary improvements. I am also adept at identifying and securing maintenance funding.

EDUCATION:

Bachelor of Science
Urban & Regional Planning
California Polytechnic University – Pomona, CA

REGISTRATIONS & CERTIFICATIONS:

Certified Chief Business Official
CBO Mentor Program; CCEA; CASBO

Finance Director Certificate
SDCOE Certification Program

CEQA Certified Planner
California Institute of Land Use Planners



PROFESSIONAL EXPERIENCE

School Facilities Consultant	2016 to Present
School Facility Planning Coordinator	2004 - 2016
Interim Assistant, Superintendent of Business	2009 - 2010
Director of Planning & Construction	1986– 2004
Local Government City Planner	1978 - 1986

Served in a district level leadership position for the construction and reconstruction of prekindergarten to twelfth grade educational facilities. Secured funding, conducted programming and planning sessions, coordinated professional consultants, bid and administered construction contracts from start to finish.

As Interim Assistant Superintendent of Business, prepared and monitored the district's \$43 million dollar budget and \$176 million dollar bond program, processed debt financing for facilities, responsible for 8 departments and a staff of over 43 people.

Director of Planning & Construction **2001 - 2004**
GROSSMONT UNION HIGH SCHOOL DISTRICT

Prepared the Long Range Facilities Master Plan, lead the first successful bond measure, a \$274 million dollar general obligation bond, since 1975. Successfully closed out one high school project and 7 portable projects

Director of Planning **1986 - 1997**
SWEETWATER UNION HIGH SCHOOL DISTRICT

Was instrumental in the development of the new planning and construction division of the Sweetwater Union High School District, directed the formation of 8 of the 11 special tax districts used to pay for new facilities as well as the installation of tax revenue financing for new portable classrooms. Was construction administrator for 1 high school, 1 middle school, over 25 high tech labs, 5 adult schools, a \$6 million dollar energy savings program that included lighting, controls and interior energy projects. Construction administrator for installation of over 200 relocatable classrooms.

SAMPLE PROJECT EXPERIENCE

- ✓ Director of Planning and Senior Construction Administrator for K-12 facilities valued at over \$300,000,000. Projects include elementary school and pre-K facilities over a twenty-five (25) year period: 1989 through 2014. \$32,000,000 of value in the past five (5) years.
- ✓ Served on the State of California Task Force evaluating the effect of electromagnetic flux (EMF) on educational facilities and students. 1998 to 2001.
- ✓ Project manager for the San Pasqual School; Willow School reconstruction; Ocean View Hills School, Eastlake High School, San Ysidro Adult School, Imperial Beach Adult School, National City Adult School; Chula Vista High School Joint Use recreational/education center; and Sunset Preschool.
- ✓ Project manager for the installation of artificial turf fields at Grossmont High School, Helix High School, El Capitan High School, Sunset School, Village Elementary School and Coronado Middle School.
- ✓ Project manager for the 1985 Imperial Beach Pier Reconstruction Project, the Pier Plaza, and for the South Seacoast Drive Street Improvement Project.
- ✓ Coordinated the programming and planning for three high schools and two middle schools.
- ✓ Construction Administrator for all new construction and reconstruction projects between 1987 and 1997.
- ✓ Prepared and maintained construction standards for the District and implemented contractor prequalification procedures.
- ✓ Negotiated with the various redevelopment agencies for facilities funding.

**DEHESA SCHOOL DISTRICT
REGULAR GOVERNING BOARD MEETING
MEETING MINUTES**

June 15, 2017

I. Call to order

President Cindy White called the meeting to order at 6:00 pm and the Board convened into Closed session.

II. Closed Session

III. Public Meeting

The Board reconvened at 7:07 pm and President White called the meeting to order and reported no action was taken in closed session. A quorum was established with members being present: Cindy White, Christina Becker, Vincent Blanco, Jr, and Mark Zacovic (Mark was present via teleconference). Nancy Hauer led the Pledge of Allegiance. Mark Zacovic made a motion to approve the agenda, seconded by Christina Becker. Board approved the agenda as follows:

Ayes: Cindy White, Christina Becker, Mark Zacovic, and Vincent Blanco, Jr.

Nays: None

Absent: Karl Becker

Abstain: None

IV. Requests to Address the Board

A. District/Community Organization Reports

1. Parents' Club: Patience Stevens was present from the Parents' Club and spoke about how well the end of year picnic turned out. Everything was well organized and with having it at the school the Parents' Club was able to afford to give every student a gift bag full of goodies to take home on the last day of school. Sycuan donated the food for the event. Parents' Club is very appreciative of Sheila White who worked hard helping to serve all the food to the families at the picnic. Already have the Board in place for the upcoming year. Patience Stevens-President, Jade Clark-Treasurer, and a new parent is going to be Secretary. Still would like to have more parents involved in the Parents' Club. Looking forward to this next year and trying new things while keeping some of the older traditions.

2. Dehesa Teacher's Association: None

3. CSEA: None

4. Method Schools: Jessica Spallino was in attendance along with Mark Holley. They are excited about where they are at and wanted to update the Board about where they are and where they are going. They have made Summer School improvements. With having a new enrollment portal and student information system that they have designed it is eliminating the third party with the SIS. There were 203,801 visitors to Method's website last year. Jessica is out a lot working with other districts to build rapport with the Method Charter School and the different public school districts. They have gained a lot of summer school students due to working with the schools. Did robotics this year and the response was overwhelming so, decided to do over the summer also and the class filled up within an hour. Mindstorm is program used for the robotics.

5-9. Element Education, Diego Hills Charter School, The Heights Charter School, Inspire Charter, and Valiant Charter: Nancy Hauer spoke on behalf of the Charter Schools. All Charter waivers have been granted and most of the schools are out for the summer or close to being out. Graduations have been happening. Inspire had theirs last week and it was really nice. Diego Hills Graduation was wonderful followed by dinner. Element is moving toward going to the El Dorado SELPA.

10. Citizen Input: Matthew Bagdazar was in attendance working on an assignment for school. He attended Dehesa EAK-5th grade. He is now at SDSU.

B. Board Input- Christina Becker spoke about the lead water testing. Levels were non-detect in most faucets and very low in others. All were less than the allowed amount before having to report. Christina mentioned putting a filter or new fixtures on those water fountains that are used often by the children. Such as by the lunch tables and playgrounds. Be pro-active even though we do not have a problem with lead at this time. Mark mentioned how he had been in contact with the YMCA about the swimming lessons and they will be in contact with Nancy. Vincent Blanco talked about how the 8th Grade Graduation was wonderful and that the End of Year Picnic was very well organized.

V. Routine Action Items

Christina made a motion to approve the routine action items, seconded by Vincent Blanco, Jr. Vote as follows:

Ayes: Cindy White, Christina Becker, Mark Zacovic, and Vincent Blanco, Jr.

Nays: None

Absent: Karl Becker

Abstain: None

VI. Information & Proposals

A. Correspondence: Reviewed information

VII. B. Report, Information, and Presentations:

1. Budget Report: Anna talked about us being on track with receivable. Building fund only had 2 items for May. Costs that were payed by general fund for Business Manager's office and should have been from Building Fund so, transferred the amount.

2. State School Building Report: Included Mimidean letter. Nancy spoke to Wayne before leaving for Hawaii and he will have when he gets back. Christina reported the SAB (State Allocation Board) did not go with option 2 for reimbursement but with option 1. Now Dehesa will have to requalify with enrollment to qualify again for state facility funding. Which means we would have to resubmit and appeal. Enrollment is critical. Cindy said we did what we were supposed to do. Christina clarified that there was a Board resolution that had stated the state was out of money to fund the projects. Christina stated Dehesa is 3 Billion down on the list. We have been acknowledged but, it could be 8 years before getting the reimbursement funds. Christina and Cindy want to know why we did not get this information from Mimidean and Wayne.

3. Budget Reserve Balances: Anna spoke about the numbers for the Reserve Balances.

4. Principal's Report: Tamara spoke about how the cameras that were installed are amazing. Really appreciate the donation of the cameras. Talent Show was really great and wonderful to see the kids outside of a classroom setting. Yearbook is in and very thankful for Brandy Kelley for taking on the role of doing the Yearbook. Mrs. Swanson did a 5th grade science fair and was amazing. Graduation went really well. Only had middle school attend rather than whole school and that worked very well. Sycuan police dept. stopped by to visit with us. They toured the campus and we talked about the safety plan. It is nice to have that partnership with them: ELA Pilot and got Quote from Wonders. Only got 8 year quote and asking for 5 year quote. Working on Title VII Grant and got it done yesterday. The all school picnic went very well. Sheila White was amazing and helped out so much with the food due to last minute changes by Sycuan that they could not prepare food here but would bring it precooked. Slide show emailed to Board Members that was made to show before talent show.

5. Enrollment: Nancy Hauer stated that enrollment is at 176.

C. Discussion: Nancy mentioned that Diego Hills is going to do a promotional video for us for free in fall.

VIII. Action Items

A. Public Hearings- None

B. Old Business- None

C. New Business

1. Education Protection Account Resolution 2017-6-1: Christina Becker made a motion to approve the Education Protection Account Resolution 2017-6-1. Seconded by Vincent Blanco, Jr. Vote as follows:

Ayes: Cindy White, Christina Becker, Mark Zacovic, and Vincent Blanco, Jr.

Nays: None

Absent: Karl Becker

Abstain: None

2. Intra Budget Transfer Resolution 2017-6-2: Christina Becker made a motion to approve the Intra Budget Transfer Resolution 2017-6-2. Seconded by Mark Zacovic. Vote as follows:

Ayes: Cindy White, Christina Becker, Mark Zacovic, and Vincent Blanco, Jr.

Nays: None

Absent: Karl Becker

Abstain: None

3. 2017/2018 Proposed Budget: Christina Becker made a motion to approve the 2017/2018 Proposed Budget. Seconded by Vincent Blanco, Jr. Business Manager, Anna Buxbaum discussed the recommended percentages. Explained how the assumptions were determined for the upcoming year. Office of Education recommending that ADA should not include the Charters in case the waivers do not go through. If the 2 Charters leave to go to El Dorado SELPA it will impact the Special Education revenue greatly. LCFF is the bulk of our income and explained the figures in the Budget. LCFF will be based on the prior year numbers. Title 1 next year is likely going to have a decrease in funding. Title 2 may not be implemented next year which will reduce our funding. Charters are willing to work with us and pay for a program or programs that would equal what rent would be.

Ayes: Cindy White, Christina Becker, Mark Zacovic, and Vincent Blanco, Jr.

Nays: None

Absent: Karl Becker

Abstain: None

4. Local Control Action Plan (LCAP): Christina Becker made a motion to approve the Local Control Action Plan (LCAP). Seconded by Mark Zacovic. Discussion and Vote as follows:

Ayes: Cindy White, Christina Becker, Mark Zacovic, and Vincent Blanco, Jr.

Nays: None

Absent: Karl Becker

Abstain: None

5. Program Specialist Services Contract: Christina Becker made a motion to approve the Program Specialist services contract. Seconded by Vincent Blanco, Jr. Vote as follows:

Ayes: Cindy White, Christina Becker, Mark Zacovic, and Vincent Blanco, Jr.

Nays: None

Absent: Karl Becker

Abstain: None

6. Agreement for Legal Services with Opper & Varco LLP: Christina Becker made a motion to approve the agreement for legal services with Opper & Varco LLP. Seconded by Mark Zacovic. Vote as follows:

Ayes: Cindy White, Christina Becker, Mark Zacovic, and Vincent Blanco, Jr.

Nays: None

Absent: Karl Becker

Abstain: None

7. Contract for G. Wayne Oetken & Associates: Motion made by Vincent Blanco, Jr. to approve the contract for G. Wayne Oetken & Associates. Seconded by Mark Zacovic. Vote as follows:

Ayes: Cindy White, Christina Becker, Mark Zacovic, and Vincent Blanco, Jr.

Nays: None

Absent: Karl Becker

Abstain: None

8. Contract for Synergy SMS Database 2017-2020: Motion made by Vincent Blanco, Jr. to approve the contract for Synergy SMS Database 2017-2020. Seconded by Christina Becker. Vote as follows:

Ayes: Cindy White, Christina Becker, Mark Zacovic, and Vincent Blanco, Jr.

Nays: None

Absent: Karl Becker
Abstain: None

IX. Advance Planning

A. Next Meeting: Regular Board Meeting July 20, 2017. Closed Session at 6:00 pm. Open Session at 7:00 pm.

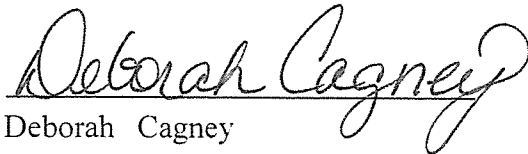
B. Agenda Items: None

C. Future Meeting Dates:

1. Regular Board Meeting August 17, 2017. Closed Session at 6:00 pm. Open Session at 7:00 pm.

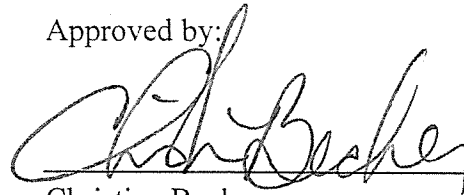
X. Adjournment: President Cindy White adjourned the meeting at 8:55.

Respectfully submitted by:



Deborah Cagney
Administrative Secretary

Approved by:



Christina Becker
Clerk of the Board

**Dehesa School District
Building Fund 21-39**

4/10/2018

Date			Revenue Amount
7/1/2017	Beginning Balance		\$239,752.25
7/25/2017	Interest	2016-17 4th Qtr Interest	\$781.94
8/3/2017	Interest	2016-17 4th Qtr Interest - 2nd Distribution	\$58.36
10/25/2017	Interest	2017-18 1st Qtr Interest	\$522.60
11/15/2017	Interest	2017-18 1st Qtr Interest - 2nd Distribution	\$232.19
1/23/2018	Interest	2017-18 2nd Qtr Interest	\$440.55
3/21/2018	Interest	2017-18 2nd Qtr Interest - 2nd Distribution	\$405.37
TOTAL			\$ 242,193.26
Payment Date	Service Provider	Services Performed	Expenditure Amount
1/8/2018	Jeff Painting	Campus Exterior Paint Project	\$38,850.00
1/17/2018	Office Depot	Business Manager Office Project Final Expenses	\$1,140.31
2/6/2018	Jeff Painting	Campus Exterior Paint: Retention Release - Final Payment	\$2,000.00
2/27/2018	Office Depot	Refund: Returned Item	-\$90.33
4/9/2018	Tom Silva Consulting	Security Fence Project Consultant Fee	\$5,000.00
4/9/2018	BeCause Water Corp.	2 Elkay Bottle Filling Stations	\$2,763.80
TOTAL CURRENT YEAR EXPENSES			\$49,663.78
TOTAL FUNDS AVAILABLE AS OF 04/10/2018			\$ 192,529.48

**Dehesa School District
Building Fund 21-39**

6/31/2017

Date			Revenue Amount
7/1/2016	Beginning Balance		\$547,086.95
10/19/2016	Interest		\$795.20
11/2/2016	Insurance Reimb		\$14,484.65
1/20/2017	Interest		\$740.13
4/24/2017	Interest		\$744.78
5/15/2017	Interest		\$108.91
TOTAL			\$563,960.62
Payment Date	Service Provider	Services Performed	Expenditure Amount
7/27/2016	Office Depot	Conference Room Furniture for new building	\$2,278.35
9/2/2016	West Coast Air	Final Payment to West Coast Air for Change Order	\$10,038.00
10/18/2016	WorldBridge Technologies	Classroom Projector Installation	\$12,400.00
10/18/2016	Dale Scott & Co.	Bond Disclosure Report 2014-15	\$4,900.00
10/28/2016	Union Bank Escrow Acct	Shade Structure Project-FACJPA	\$241,500.00
11/28/2016	Division of State Architect	DSA Close out on Shade Structure	\$389.82
5/5/2017	General Fund	Business Manager Office/Staff Lounge Project Expenses	\$15,033.02
5/15/2017	Dale Scott & Co.	Bond Disclosure Report 2015-16	\$4,920.00
6/7/2017	Division of State Architect	DSA Close out on Shade Structure- Returned Payment	-\$389.82
6/29/2017	Wilkinson, Hadley & King, LLP	Annual Bond Fund Audit Fee	\$3,200.00
6/30/2017	Union Bank Escrow Acct	EJPA Prop 39 Campus Energy Upgrades	\$29,939.00
TOTAL CURRENT YEAR EXPENSES			\$324,208.37
TOTAL FUNDS AVAILABLE AS OF 6/31/17			\$239,752.25

**DEHESA SCHOOL DISTRICT
PROPOSITION M AND D BUILDING FUND (21)
GENERAL OBLIGATION BONDS**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

YEAR ENDED JUNE 30, 2017

DEHESA SCHOOL DISTRICT
PROPOSITION M AND D BUILDING FUND (21)
Financial Statements and Supplemental Information
Year Ended June 30, 2017

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Introduction

DEHESA SCHOOL DISTRICT
PROPOSITION M AND D BUILDING FUND (21)
 Introduction and Citizens' Oversight Committee Member Listing
 June 30, 2017

On November 2, 2010 the Dehesa School District was successful under Proposition M in obtaining District voters to issue up to \$5,500,000 in General Obligation Bonds pursuant to a 55% vote in a bond election. On November 6, 2012 the Dehesa School District was successful under Proposition D in obtaining re-authorization from District voters to issue up to \$3,000,000 in general obligation bonds previously approved in November 2010 pursuant to a 55% vote in a bond election. Based on the re-authorization, ultimately \$3,000,000 will be canceled from corresponding amount from Proposition M as Proposition D bonds are sold. The General Obligation Bonds are considered Proposition 39 bonds. The passage of Proposition 39 in November 2000 amended the California Constitution to include accountability measures. 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 audit of the proceeds from the sale of the bonds until all the proceeds have been expended.

Upon passage of Proposition 39, an accompanying piece of legislation, AB 1908 was also enacted, which amended the Education Code to establish additional procedures which must be followed if a District seeks approval of a bond measure pursuant to the 55% majority authorized in Proposition 39 including formation, composition and purpose of the Citizens' Bond Oversight Committee, and authorization for injunctive relief against improper expenditure of bond revenues.

The Dehesa School District Proposition M and D Citizens' Bond Oversight Committee as of June 30, 2017 was comprised of the following members:

Name	Position
Nathan Voth	Parent Representative Community-at-Large
Wally Riggs	Senior Representative Community-at-Large
Herb Krickhahn	Senior Representative Community-at-Large
Michael Hunsucker	Taxpayer Organization Representative
Chuck Huskey	Senior Representative Community-at-Large
Gerry Hamilton	Parent/PTO Representative
Vincent Blanco	Local Business Representative



P. Robert Wilkinson, CPA
Brian K. Hadley, CPA

Aubrey W. King, CPA
Kevin A. Sproul, CPA

Independent Auditor's Report

**Governing Board Members and
Citizens' Oversight Committee
Dehesa School District
El Cajon, California**

Report on the Financial Statements

We have audited the accompanying financial statements of Proposition M and D Building Fund (21) of Dehesa School District, which comprise the balance sheet as of June 30, 2017, and the related statement of revenue, expenditures, and changes in fund balance for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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 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.

Emphasis of Matter

As discussed in Note B, the financial statements present only the Building Fund (21) which is specific to Proposition M and D and are not intended to present fairly the financial position and results of operations of Dehesa School District in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Proposition M and D Building Fund (21) of Dehesa School District as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiring of management about the methods of preparing the information and comparing the information with consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements. The accompanying supplementary information, as required by the *2016-17 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations, section 19810* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2018, on our consideration of Dehesa 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 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 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 Dehesa School District's internal control over financial reporting and compliance.

Report on Other Legal Regulatory Requirements

In accordance with the requirement of Proposition 39, as incorporated in California Constitution Article 13A, we have also issued our performance audit report dated March 30, 2018 on our consideration of the District's compliance with the requirements of Proposition 39 with regards to the Proposition M and D Building Fund (21). That report is an integral part of our audit of the District's Proposition M and D Building Fund (21) for the fiscal year ended June 30, 2017 and should be considered in assessing the results of our financial audit.

Wilkinson Hadley King & Co., LLP

El Cajon, California
March 30, 2018

**DEHESA SCHOOL DISTRICT
PROPOSITION M AND D BUILDING FUND (21)**

Management Discussion and Analysis
June 30, 2017
(Unaudited)

This section of Dehesa School District’s Proposition M and D Building Fund annual financial and performance report presents our discussion and analysis of the Proposition M and D bond program during the fiscal year that ended on June 30, 2017. Please read it in conjunction with the Proposition M and D General Obligation Bond financial statements and performance audit, which immediately follows this section.

FINANCIAL HIGHLIGHTS

- The fund balance for the Proposition M and D Building Fund amounted to \$240,592.00 as of June 30, 2017.
- Revenues combined with the beginning fund balance were \$550,316.00 during the year ended June 30, 2017, total expenditures and outgo were \$309,724.00.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management discussion and analysis (this section), the Proposition M and D Building Fund financial statements, and the performance audit as required by state law.

The District accounts for Proposition M and D bond activity in the District’s Building Fund, which is a governmental fund type. It is accounted for on a modified accrual basis of accounting that does not include fixed assets or long-term liabilities.

FINANCIAL ANALYSIS OF THE PROPOSITION M AND D BUILDING FUND

Balance Sheet

The District’s Proposition M and D Building Fund balance as of June 30, 2017 was \$240,592. The \$239,752 in the Cash in County Treasury account represents cash held in the San Diego County Treasurer’s Investment Pool for purposes associated only with the bond authorization approved by the voters. It has been determined that Proposition M and D funds cannot be used for Routine Restricted Maintenance expenditures in the General Fund.

DEHESA SCHOOL DISTRICT
PROPOSITION M AND D BUILDING FUND (21)
Management Discussion and Analysis
June 30, 2017
(Unaudited)

	2015-16	2016-17	% Change
Cash In County Treasury	336,020	239,752	(29%)
Accounts Receivable	99,744	840	(99%)
Due From Other Funds	145,900	0	(100%)
Total Assets	581,664	240,592	(59%)
Accounts Payable	20,403	0	(100%)
Due To Other Funds	14,174	0	(100%)
Total Liabilities	34,577	0	(100%)
Total Fund Balance	547,087	240,592	(56%)

Fund Balance (or Changes in Fund Balance)

The interest income reported represents funds earned on the cash held by the San Diego County Treasurer. The total expenditures of \$309,742 represent only Proposition M and D authorized expenditures.

	2015-16	2016-17	% Change
Revenues			
Interest Income	9,141	3,229	(65%)
Total Revenues	9,141	3,229	(65%)
Expenditures			
Services and Other Operating Expenses	28,472	13,020	(54%)
Capital Outlay:			
Building and Building Improvements	2,196,292	281,527	(87%)
Architect Fees	2,567	0	(100%)
Construction Services	77,198	0	(100%)
Soils Testing	41,223	0	(100%)
Bond Administration Fees	0	0	0
Equipment and Furniture	95,989	15,177	(84%)
Total Expenditures	2,441,741	309,742	(87%)
Net Change In Fund Balance	(2,432,600)	(306,495)	(87%)
Fund Balance, Beginning of Year	2,979,687	547,087	(82%)
Fund Balance, End of Year	547,087	240,592	(56%)

DEHESA SCHOOL DISTRICT
PROPOSITION M AND D BUILDING FUND (21)
Management Discussion and Analysis
June 30, 2017
(Unaudited)

LONG-TERM DEBT COMPARISON

At the end of the year, Dehesa School District had \$5,001,627 in long-term debt outstanding related to the Proposition 39 General Obligation Bonds for Proposition M and D.

	2015-16	2016-17	% Change
General Obligation Bonds Payable			
Due within one year	0	17,436	100%
Due in more than one year	4,646,789	4,984,191	7%
Total GO Bonds Payable	4,646,789	5,001,627	7%

FACTORS BEARING ON THE DISTRICTS FUTURE

At the time these financial statements were prepared and audited, the District was aware of the existing circumstances that could affect its financial health in the future.

- Possible increases in building costs during construction

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's Proposition M and D Building Fund Bond finances and to demonstrate the District's accountability for the funds it receives. If you have any questions about this report or need additional financial information, please contact Anna Buxbaum, Business Manager, Dehesa School District.

Financial Statements

**DEHESA SCHOOL DISTRICT
PROPOSITION M AND D BUILDING FUND (21)**

Balance Sheet
June 30, 2017

ASSETS

Current Assets

Cash in county treasury	\$ 239,752
Accounts receivable	<u>840</u>
Total Current Assets	<u>240,592</u>

TOTAL ASSETS 240,592

LIABILITIES AND FUND BALANCE

Total Liabilities -

Fund Balance

Restricted for capital projects	<u>240,592</u>
Total Fund Balance	<u>240,592</u>

TOTAL LIABILITIES AND FUND BALANCE \$ 240,592

The accompanying notes are an integral part of this statement.

DEHESA SCHOOL DISTRICT
PROPOSITION M AND D BUILDING FUND (21)
Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended June 30, 2017

REVENUES	
Interest	<u>\$ 3,229</u>
TOTAL REVENUES	<u>3,229</u>
EXPENDITURES	
Services and other operating expenditures	13,020
Capital outlay:	
Building and building improvements	281,527
Equipment	<u>15,177</u>
TOTAL EXPENDITURES	<u>309,724</u>
NET CHANGE IN FUND BALANCE	(306,495)
FUND BALANCE, BEGINNING OF YEAR	<u>547,087</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 240,592</u></u>

The accompanying notes are an integral part of this statement.

**DEHESA SCHOOL DISTRICT
PROPOSITION M AND D BUILDING FUND (21)**

Notes to the Financial Statements
Year Ended June 30, 2017

A. Definition of the Fund

The Building Fund (21) was formed to account for construction as well as renovation of the current schools for Dehesa School District (District), through expenditures of general obligation bonds issued under Proposition M General Obligation Bonds Election of 2010 and Proposition D re-authorization General Obligation Bonds of 2012.

B. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB) and *Audits of State and Local Governmental Units* issued by the American Institute of Certified Public Accountants (AICPA).

Fund Structure

The accompanying financial statements are used to account for the transactions of the Building Fund specific to Proposition M and D defined in Note A and are not intended to present fairly the financial position and results of operations of Dehesa School District in conformity with accounting principles generally accepted in the United States of America.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses 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 District's Building Fund (21) is maintained on the modified accrual basis of accounting. Its revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received, or services rendered). 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.

DEHESA SCHOOL DISTRICT
PROPOSITION M AND D BUILDING FUND (21)
Notes to the Financial Statements (Continued)
Year Ended June 30, 2017

Budgets and Budgetary Accounting

The Board of Trustees adopts an operating budget no later than July 1 in accordance with state law. This budget is revised by the Board of Trustees 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 at June 30 since they do not constitute expenditures or liabilities.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Cash in County Treasury

In accordance with Education Code §41001, the District maintains a substantial amount of its cash in the San Diego County Treasury. The County pools these funds with those of other districts in the County and invests the cash. These pooled funds are carried at cost, which approximates fair value, in accordance with the requirements of GASB Statement No. 31.

Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The county is authorized to deposit cash and invest excess funds by California Government Code §53648 *et.seq.* The funds maintained by the county are either secured by federal depository insurance or are collateralized.

Information regarding the amount of dollars invested in derivatives with San Diego County Treasury was not available.

Fund Balances – Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

DEHESA SCHOOL DISTRICT
PROPOSITION M AND D BUILDING FUND (21)
Notes to the Financial Statements (Continued)
Year Ended June 30, 2017

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the District’s governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund’s primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose 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.

Deferred Inflows and Deferred Outflows of Resources

Deferred outflows of resources is a consumption of net position that is applicable to a future reporting period. Deferred inflows of resources is an acquisition of net position that is applicable to a future reporting period. Deferred outflows of resources and deferred inflow of resources are recorded in accordance with GASB Statement numbers 63 and 65. At June 30, 2017 the District’s Proposition M and D Building Fund (21) did not have any Deferred Inflows or Deferred Outflows of Resources.

Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles as defined by Governmental Accounting Standards Board (GASB) Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy is detailed as follows:

- Level 1 Inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.
- Level 2 Inputs: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 Inputs: Unobservable inputs for an asset or liability.

For the current fiscal year the District did not have any recurring or nonrecurring fair value measurements.

DEHESA SCHOOL DISTRICT
PROPOSITION M AND D BUILDING FUND (21)

Notes to the Financial Statements (Continued)

Year Ended June 30, 2017

Change in Accounting Policies

The District has adopted accounting principles compliant with new pronouncements issued by the Government Accounting Standards Board (GASB) that are effective for the fiscal year ended June 30, 2017. Those newly implemented pronouncements are as follows:

GASB Statement No. 74 - Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans

The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

Deferred outflows of resources is a consumption of net position that is applicable to a future reporting period. Deferred inflows of resources is an acquisition of net position that is applicable to a future reporting period. Deferred outflows of resources and deferred inflow of resources are recorded in accordance with GASB Statement numbers 63 and 65. At June 30, 2017 the District's Building Fund (21) did not have any Deferred Inflows or Deferred Outflows of Resources.

This Statement replaces Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement 43, and Statement No. 50 Pension Disclosures.

The scope of this Statement includes OPEB plans - defined benefit and defined contribution – administered through trusts that meet the following criteria:

The scope of this Statement includes OPEB plans - defined benefit and defined contribution – administered through trusts that meet the following criteria:

1. Contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
2. OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
3. OPEB plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the OPEB plan administrator. If the plan is a defined benefit OPEB plan, plan assets also are legally protected from creditors of the plan members.

This Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are not administered through trusts that meet the specified criteria.

The Building Fund (21) did not have any OPEB expenses and as a result, the adoption of GASB Statement No. 74 did not result in a change to the financial statements or note disclosures.

DEHESA SCHOOL DISTRICT
PROPOSITION M AND D BUILDING FUND (21)

Notes to the Financial Statements (Continued)

Year Ended June 30, 2017

GASB Statement No. 77 – Tax Abatement Disclosures

The objective of this Statement is to improve usefulness of information about tax abatement agreements entered into by governmental agencies. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.

The Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

1. Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provision for recapturing abated taxes, and the types of commitments made by tax abatement recipients.
2. The gross dollar amount of taxes being abated during the period.
3. Commitments made by a government, other than to abate taxes, as part of the abatement agreement.

The District has not entered into any tax abatement agreements. As a result, the adoption of GASB Statement No. 77 did not result in a change to the financial statements or note disclosures.

GASB Statement No. 80 – Blending Requirements for Certain Component Units

The objective of this statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in Paragraph 53 of Statement No. 14, The Financial Reporting Entity, as amended.

This statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units.

The District did not have any component units which met the definition noted above. As a result, the adoption of GASB Statement No. 80 did not result in a change to the financial statements or note disclosures.

GASB Statement No. 82 - Pension Issues - An Amendment of GASB No. 67, No. 68 and No. 73

The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pension Plans, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

DEHESA SCHOOL DISTRICT
PROPOSITION M AND D BUILDING FUND (21)

Notes to the Financial Statements (Continued)

Year Ended June 30, 2017

Prior to the issuance of this Statement, Statements 67 and 68 required presentation of covered employee payroll, which is the payroll of employees that are provided with pensions through the pension plan, and ratios that use that measure, in schedules of required supplementary information. This Statement amends Statements 67 and 68 to instead require the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure.

This Statement clarifies that a deviation, as the term is used in Actuarial Standards of Practice issued by the Actuarial Standards Board, from the guidance in an Actuarial Standard of Practice is not considered to be in conformity with the requirements of Statement 67, Statement 68, or Statement 73 for the selection of assumptions used in determining the total pension liability and related measures.

This Statement clarifies that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68. It also requires that an employer's expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits).

The Building Fund (21) did not have any salaries and as a result, the adoption of GASB Statement No. 82 did not result in a change to the financial statements or note disclosures.

C. Cash and Investments

Cash in County Treasury

The District maintains significantly all of its cash in the San Diego County Treasury as part of the common investment pool. As of June 30, 2017, the portion of cash in county treasury attributed to Proposition M and D Building Fund (21) was \$239,752. The fair value of Building Fund's portion of this pool as of that date, as provided by the pool sponsor, was \$239,752. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

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 investments in the pool is reported in the accounting financial statements as amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of the 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.

The San Diego County Treasury is not registered with the Securities and Exchange Commission (SEC) as an investment company; however, the County Treasury acts in accordance with investment policies monitored by a Treasury Oversight Committee consisting of members appointed by participants in the investment pool and up to five members of the public having expertise, or an academic background, in public finance. In addition, the County Treasury is audited annually by an independent auditor.

DEHESA SCHOOL DISTRICT
PROPOSITION M AND D BUILDING FUND (21)
Notes to the Financial Statements (Continued)
Year Ended June 30, 2017

Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit Risk is the risk that an issuer or their counterparty to an investment will not fulfill its obligations. The county is restricted by Government Code Section 53635 pursuant to Section 53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District's Building Fund (21) was not exposed to credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. At year end, the District's Building Fund (21) was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District's Building Fund (21) was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in 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 pool.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District's Building Fund (21) was not exposed to foreign currency risk.

f. Investment Accounting Policy

The District is required by GASB statement No. 31 to disclose its policy for determining which investments, if any are reported at amortized cost. The District's general policy is to report money market investments and short-term participating interest-earning investment contracts using a cost-based measure; however, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value.

DEHESA SCHOOL DISTRICT
PROPOSITION M AND D BUILDING FUND (21)
Notes to the Financial Statements (Continued)
Year Ended June 30, 2017

All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term “short-term” refers to investments which have a remaining term of one year or less at time of purchase. The term “nonparticipating” means that the investment’s value does not vary with market interest rate changes. Nonnegotiable certificates of deposits are examples of nonparticipating interest-earning investment contracts.

g. General Authorizations

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

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
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 Funds	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

D. Accounts Receivable

As of June 30, 2017 accounts receivable consisted of:

Interest	\$ 840
Total Accounts Receivable	\$ 840

Accounts receivable are expected to be collected within one year, as a result no allowance for doubtful accounts has been established.

DEHESA SCHOOL DISTRICT
PROPOSITION M AND D BUILDING FUND (21)
Notes to the Financial Statements (Continued)
Year Ended June 30, 2017

E. General Obligation Bonds

In July 2012, The District issued \$2,499,852, Election of 2010, Series A, General Obligation Bonds in order to improve student access to computers and modern technology; replace portable classrooms and construct new classrooms; build a new science lab and library and other educational facilities. The issue consisted of \$190,000 of current interest Serial Bonds, \$2,225,000 of current interest Term Bonds, and \$84,852 of Capital Appreciation Bonds. The bonds have interest rates ranging from 3.00% to 8.41%. Principal payments are made August 1 of each year beginning August 1, 2013 while interest payments are made semi-annually on February 12 and August 1 of each year. The Bonds mature August 1, 2043. The Bonds were sold at a premium. At June 30, 2017 the balance owing on the 2010 Series A General Obligation Bonds was \$2,645,593.

In May 2014, the District issued \$2,170,992, Election of 2012, Series A, General Obligation Bonds (GO Reauthorization Bonds) in order to increase student computer technology access; repair, equip and construct classrooms, build a new science lab and library and other educational facilities; and reduce borrowing costs. The issue consisted of \$1,775,000 of current interest Serial Bonds and \$395,992 of Capital Appreciation Bonds. The bonds have interest rates ranging from 1.46 to 5.50%. Principal payments are made August 1 of each year beginning August 1, 2017 while interest payments are made semi-annually on February 1 and August 1 of each year. The Bonds mature August 1, 2044. The Bonds were sold at a premium. At June 30, 2017 the balance owing on the 2012 Series A General Obligation Bonds was \$2,356,034.

General Obligation (GO) Bonds at June 30, 2017 consisted of the following:

	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>
2010 Election Series A	7/12/2012	3.00-8.41%	8/1/2043	\$ 2,499,852
2012 Election Series A	5/20/2014	1.46-5.50%	8/1/2044	2,170,992
				<u>\$ 4,670,844</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
2010 Election Series A					
Principal balance	\$ 2,419,852	\$ -	\$ -	\$ 2,419,852	\$ -
Accreted interest	28,488	9,735	-	38,223	-
Bond premium	194,730	-	7,212	187,518	7,212
Total 2010-A Bonds	<u>2,643,070</u>	<u>9,735</u>	<u>7,212</u>	<u>2,645,593</u>	<u>7,212</u>
2012 Election Series A					
Principal balance	2,170,992	-	-	2,170,992	4,775
Accreted interest	27,457	17,213	-	44,670	5,224
Bond premium	145,596	-	5,224	140,372	225
Total 2012-A Bonds	<u>2,344,045</u>	<u>17,213</u>	<u>5,224</u>	<u>2,356,034</u>	<u>10,224</u>
Total GO Bonds	<u>\$ 4,987,115</u>	<u>\$ 26,948</u>	<u>\$ 12,436</u>	<u>\$ 5,001,627</u>	<u>\$ 17,436</u>

DEHESA SCHOOL DISTRICT
PROPOSITION M AND D BUILDING FUND (21)
Notes to the Financial Statements (Continued)
Year Ended June 30, 2017

The annual requirements to amortize the general obligation bonds payable outstanding as of June 30, 2017 is as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Accreted Interest</u>	<u>Total</u>
2018	\$ 4,775	\$ 195,362	\$ 225	\$ 200,362
2019	24,263	195,063	737	220,063
2020	23,942	193,963	1,058	218,963
2021	32,848	193,763	2,152	228,763
2022	41,286	192,863	3,714	237,863
2023-2027	357,470	941,338	52,530	1,351,338
2028-2032	579,567	882,450	150,433	1,612,450
2033-2037	673,841	807,538	461,311	1,942,690
2038-2042	1,632,852	564,250	102,148	2,299,250
2043-2047	1,220,000	86,223	-	1,306,223
Total	<u>\$ 4,590,844</u>	<u>\$ 4,252,813</u>	<u>\$ 774,308</u>	<u>\$ 9,617,965</u>

Note: Amounts represented in the repayment schedule of accreted interest are reflective of 100% of amounts to be repaid. Amounts represented as accreted interest in the debt summary are reflective of amounts that have been accrued as of June 30, 2017.

Accreted interest is the process of systematically increasing the carrying amount of capital appreciation bonds to their estimated value at the maturity date of the bond. The district inputs the effective interest rate, using the present value, the face value, and the period of the bond and multiplies the effective interest rate by the book value of the debt at the end of the period.

F. Bond Premium

Bond premium arises when the market rate of interest is lower than the stated interest rate on the bond. Generally accepted Accounting Principles (GAAP) require that the premium increase the face value of the bond and then amortize the premium over the life of the bond. The premiums are amortized over the life of the bond using the effective interest method.

The following bonds were issued at a premium resulting in effective interest as follows:

	2010 Series A Bonds	2012 Series A Bonds
Total Interest	\$ 3,075,100	\$ 2,659,700
Less Bond Premium	(223,578)	(156,719)
Net Interest	<u>\$ 2,851,522</u>	<u>\$ 2,502,981</u>
Par Amounts of Bond	\$ 2,499,582	\$ 2,170,992
Periods	30	30
Effective Interest Rate	3.80%	3.84%

DEHESA SCHOOL DISTRICT
PROPOSITION M AND D BUILDING FUND (21)
Notes to the Financial Statements (Continued)
Year Ended June 30, 2017

G. Subsequent Events

Implementation of New Accounting Guidance

The District has adopted accounting policies compliant with new pronouncements issued by the Government Accounting Standards Board (GASB) that are effective for the fiscal year ended June 30, 2018. Those newly implemented pronouncements are as follows:

GASB Statement No. 75 - Accounting and Financial Reporting for Postemployment Benefits Other than Pensions

The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

This Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements OPEB plans.

The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. This Statement also addresses certain circumstances in which a nonemployer entity provides financial support for OPEB of employees of another entity.

Financial impact of implementing GASB Statement No. 75 has not yet been determined; however, it is expected that the Net OPEB Obligation will significantly increase. The District is currently in contact with an actuary to determine the complete fiscal impact.

DEHESA SCHOOL DISTRICT
PROPOSITION M AND D BUILDING FUND (21)
Notes to the Financial Statements (Continued)
Year Ended June 30, 2017

GASB Statement No. 81 - Irrevocable Split-Interest Agreements

The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

Split-interest agreements are a type of giving agreement used by donors to provide resources to two or more beneficiaries, including governments. Split-interest agreements can be created through trusts --- or other legally enforceable agreements with characteristics that are equivalent to split-interest agreements --- in which a donor transfers resources to an intermediary to hold and administer for the benefit of a government and at least one other beneficiary. Examples of these types of agreements include charitable lead trusts, charitable remainder trusts, and life-interests in real estate.

This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period.

As of the date this audit report is issued, the District does not have any split-interest agreements. Consequently, implementation of GASB No 81 is not expected to have a financial or reporting impact on the District.

GASB Statement No. 85 - Omnibus 2017

The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and OPEB). Specifically, this Statement addresses the following topics:

1. Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation.
2. Reporting amounts previously reported as goodwill and “negative” goodwill.
3. Classifying real estate held by insurance entities.
4. Measuring certain money market investments and participating interest-earning investment contracts at amortized cost.
5. Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus.
6. Recognizing on-behalf payments for pensions or OPEB in employer financial statements.

DEHESA SCHOOL DISTRICT
PROPOSITION M AND D BUILDING FUND (21)
Notes to the Financial Statements (Continued)
Year Ended June 30, 2017

7. Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB.
8. Classifying employer-paid member contributions for OPEB.
9. Simplifying certain aspects of the alternative measurement method for OPEB.
10. Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

Financial impact of implementing GASB Statement No. 85 has not yet been determined.

GASB Statement No. 86 - Certain Debt Extinguishment Issues

The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources other than the proceeds of refunding debt--- are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes financial statements for debt that is defeased in substance.

Statement No. 7, Advance Refundings Resulting in Defeasance of Debt, requires that debt be considered defeased in substance when the debtor irrevocably places cash or other monetary assets acquired with refunding debt proceeds in a trust to be used solely for satisfying scheduled payments of both principal and interest of the defeased debt. The trust also is required to meet certain conditions for the transaction to qualify as an in-substance defeasance. This Statement establishes essentially the same requirements for when a government places cash and other monetary assets acquired with only existing resources in an irrevocable trust to extinguish the debt. However, in financial statements using the economic resources measurement focus, governments should recognize any difference between the reacquisition price (the amount required to be placed in the trust) and the net carrying amount of the debt defeased in substance using only existing resources as a separately identified in the period of the defeasance.

Governments that defease debt using only existing resources should provide a general description of the transaction in the notes to financial statements in the period of the defeasance. In all periods following an in-substance defeasance of debt using only existing resources, the amount of that debt that remains outstanding at period-end should be disclosed.

For governments that extinguish debt, whether through a legal extinguishment or through an in-substance defeasance, this Statement requires that any remaining prepaid insurance related to the extinguished debt be included in the net carrying amount of that debt for the purpose of calculating the difference between the reacquisition price and the net carrying amount of the debt.

One of the criteria for determining an in-substance defeasance is that the trust hold only monetary assets that are essentially risk-free. If the substitution of essentially risk-free monetary assets with monetary assets that are not essentially risk-free is not prohibited, governments should disclose that fact in the period in which the debt is defeased in substance. In subsequent periods, governments should disclose the amount of debt defeased in substance that remains outstanding for which that risk of substitution exists.

As of the date this audit report was issued, the District did not have any defeasance of debt. Consequently, the implementation of GASB Statement No. 86 is not expected to have a fiscal impact on the District.

Supplementary Information

**DEHESA SCHOOL DISTRICT
PROPOSITION M AND D BUILDING FUND (21)**

General Obligation Bonds Issuance
Year Ended June 30, 2017

Authority for Issuance

The Bonds are issued pursuant to the provisions and requirements of Article 2 of Chapter 1.5 of Part 5 of Division 1 of Title I of the California Education Code 15265 et seq., and pursuant to Education Code Section 35160 and other applicable law, and pursuant to a resolution adopted by the board of Trustees of the District on January 22, 2009 (the “District Resolution”) and a resolution adopted by the Board of Supervisors of the County on February 10, 2009 (the “Bond Resolution” and together with the District Resolution, the “Resolution”).

The District received authorization at an election held on November 2, 2010, by an affirmative vote of 58.5 percent of the votes cast by eligible voters within the District (the “Authorization”) under Proposition M to issue and not exceed \$5,500,000 of General Obligation Bonds. 2010 Election Series A (the “Series A Bonds”) were issued pursuant to the resolution in the amount of \$2,499,852 in July 2012. The Bonds represent the first series of Bonds sold under the Authorization.

The District received re-authorization at an election held on November 6, 2012, by an affirmative vote of 55.9 percent of the votes cast by eligible voters within the District (the “Re-Authorization”) under Proposition D to re-authorize and issue and not to exceed \$3,000,000 of General Obligation Reauthorization Bonds. 2012 Election Series A (the “Series A Bonds”) were issued pursuant to the resolution in the amount of \$2,170,992 in May 2014. The bonds represent the first series of bonds sold under the re-authorization.

Purpose of Issue

Pursuant to the Authorization, the proceeds of the Bonds will be used to improve student access to computers and modern technology; replace portable classrooms and construct new classrooms; build a new science lab and library and other educational facilities; increase student computer technology access; repair, equip and construct classrooms; and reduce overall borrowing costs.

Other Independent Auditors' Reports

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 Members and
Citizens' Oversight Committee
Dehesa School District
El Cajon, 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 Proposition M and D Building Fund (21) of Dehesa School District (a nonprofit organization), which comprise the balance sheet as of June 30, 2017, and the related statements of revenues, expenditures, and changes in fund balance, and the related notes to the financial statements, and have issued our report thereon dated March 30, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dehesa School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dehesa School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Dehesa 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 Dehesa School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wilkinson Hadley King & Co., LLP

El Cajon, California
March 30, 2018

Independent Auditor's Report on Performance

Governing Board Members and Citizens' Oversight Committee Dehesa School District El Cajon, California

Report on State Compliance

We were engaged to conduct a performance audit of the Proposition M and D Building Fund (21) of Dehesa School District for the year ended June 30, 2017.

Management's Responsibility for Performance Compliance

Our audit was limited to the objectives listed with the report which includes 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. Management is responsible for the District's compliance with those requirements.

Auditor's Responsibility

We conducted this performance audit in accordance with the standards applicable to performance 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 sufficient, appropriate evidence to provide a reasonable basis for our conclusions based on our audit objectives.

In planning and performing our performance audit, we obtained an understanding of the Fund's internal control in order to determine if the internal controls were adequate to help ensure the Fund'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 on the effectiveness of Dehesa School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

In connection with our performance audit, we performed an audit for compliance as required in the performance requirements for the Proposition M and D General Obligation Bond for the fiscal year ended June 30, 2017. The objective of the audit of compliance applicable to Dehesa School District is to determine with reasonable assurance that:

- The proceeds from the sale of the Proposition M and D Bonds were only used for the purposes set forth in the ballot measure and not for any other purpose, such as teacher and administrative salaries.
- The Governing Board of the District, in establishing the approved projects set forth in the ballot measure to modernize, replace, renovate, construct, acquire, equip, furnish, and otherwise improve facilities of the District as noted in the bond project list.

In performing our audit of compliance, we performed procedures including but not limited to those listed as follows:

Internal Control Evaluation

Procedure Performed

Inquiries were made of management regarding internal controls to:

- Prevent fraud, waste, or abuse regarding Proposition M and D resources.
- Prevent material misstatement in the Proposition M and D Building Fund (21) financial statements.
- Ensure all expenditures are properly allocated.
- Ensure adequate separation of duties exists in the accounting of Proposition M and D funds.

All purchase requisitions and expenditures are reviewed for proper supporting documentation. The Project Manager/Consultant submits supporting documentation to the Superintendent to initiate a contract for services and/or a purchase requisition. Purchase Orders are generated by the Administrative Secretary and routed to the Business Manager for approval. The Business Manager verifies that the requested purchase is within the scope and parameters of the approved budget and that all expenditures are properly recorded by project expense and category. When the invoice is received, the Project Manager/Consultant verifies that the services have been satisfactorily rendered and that charges are consistent with the amounts approved in the contract/purchase order. The invoice is approved by the Project Manager/Consultant and then routed to the Business Manager to process for payment through the District's accounts payable system. The payment request and supporting documentation is provided to the San Diego County Office of Education for audit review and compliance procedures.

Results of Procedures Performed

The results of our audit determined the internal control procedures as implemented are sufficient to meet the financial and compliance objectives required by generally accepted accounting principles and applicable laws and regulations.

Tests of Expenditures

Procedures Performed

We tested expenditures to determine whether Proposition M and D funds were spent solely on voter and Board approved school facilities projects as set forth in the Bond Project Lists and language of the Proposition M and D ballot measures. Our testing included a sample of vendors totaling approximately \$291,336 or approximately 95% of total expenditures for the year.

Results of Procedures Performed

We found no instances where expenditures tested were not in compliance with the terms of the Proposition M and D ballot measure and applicable state laws and regulations.

Tests of Contracts and Bid Procedures

Procedures Performed

We reviewed the District's board minutes for approval of construction contracts and change orders, if any, to determine compliance with the District's policy and Public Contract Code provisions related to biddings and contracting.

Results of Procedures Performed

We noted no instances where the District was out of compliance with respect to contracts and bidding procedures.

Facilities Site Review

Procedures Performed

We reviewed the Independent Citizens' Oversight Committee minutes and agenda and other pertinent information on Proposition M and D designated projects and determined the Proposition M and D funds expended for the year ended June 30, 2017 were for valid facilities acquisition and construction purposes as stated in the Bond Project List. Auditors performed walk through of significant bond projects.

Results of Procedures Performed:

Based on our review of the minutes and agenda of the Independent Citizens' Oversight Committee, the documentation and pertinent information of the Proposition M and D designated projects, and walkthrough of project site, it appears the construction work performed was consistent with the Bond Project List.

Citizens' Oversight Committee

Procedures Performed

We have reviewed the minutes of the Citizens' Oversight Committee meetings to verify compliance with Education Code sections 15278 through 15282.

Results of Procedures Performed

We have determined the Dehesa School District's Proposition M and D Building Fund (21) Citizens' Oversight Committee and its involvement is in compliance with Education Code sections 15278 through 15282.

Our audit of compliance made for the purposes set forth in the second and third paragraphs of this report above would not necessarily disclose all instances of noncompliance.

Opinion on Performance

In our opinion, the District complied, in all material respects, with the compliance requirements of Proposition 39 outlined in Article XIII A, Section 1(b)(3)(c) of the California Constitution, and with Proposition M and D approved by the voters in the Dehesa School District on November 2, 2010 and November 6, 2012.

Purpose of the Report

This report is intended solely for the information and use of the District's Governing Board, the Proposition M and D Citizens' Oversight Committee, management, others within the entity, and the taxpayers of Dehesa School District and is not intended to be and should not be used by anyone other than these specified parties.

Wilkinson Hadley King & Co., LLP

El Cajon, California
March 30, 2018

Auditor's Results, Findings & Recommendations

**DEHESA SCHOOL DISTRICT
PROPOSITION M AND D BUILDING FUND (21)**

Schedule of Findings and Responses
Year Ended June 30, 2017

There were no findings to report.

**ANNUAL REPORT OF THE CITIZENS' OVERSIGHT COMMITTEE OF
THE DEHESA SCHOOL DISTRICT
FOR FISCAL YEAR 2016 - 2017**

RELATING TO MEASURES M and D

Introduction. The Citizens' Oversight Committee of Dehesa School District (the "CBOC") was formed pursuant to Measures M & D for the purpose of actively reviewing and reporting on the expenditure of Measures M & D bond proceeds. The CBOC is required to advise the public, through at least one report per year which shall be made available on the District's web site, as to whether the District is in compliance with Article XIII A of the California Constitution, Measures M & D, and the provisions of Education Code Section 15278 and following.

Public Meetings. The CBOC has met on the following dates and locations:

Meeting Date and Time	Meeting Location
Monday, August 29, 2016 5:00 pm	Superintendent's Office
Monday, November 28, 2016 5:00 pm	Superintendent's Office
Monday, March 20, 2017 5:00 pm	Superintendent's Office
Monday, July 24, 2017 5:00 pm	Superintendent's Office
Monday, November 27, 2017 5:00 pm	Superintendent's Office

Each meeting has been in compliance with the Ralph M. Brown Act (Brown Act), in that the meetings were formally scheduled with agendas duly posted and noticed and open to the public. Minutes were taken and when approved at the subsequent meeting were posted on the District's web page via the tab District and link CBOC.

Citizens' Bond Oversight Committee

- Wally Riggs, Vice-chair, Dehesa Valley Community Council, Founder, Member
- Herb Krickhahn, Retired Community Member and DVCC, Board of Directors
- Michael Hunsaker, San Diego County Taxpayers Association Representative
- Gerry Hamilton, Parent, Business Owner
- Nathan Voth, Chairman, Parent
- Vincent Blanco, Parent, Business Owner
- Chuck Huskey, Retired Community Member

District Support. The District has, without spending bond funds, provided the CBOC with the administrative support it needs to meet and to perform its review and reporting duties.

Activities

Review of Expenditures. The first series of Measure M bonds was issued on July 12, 2012. The CBOC was provided with expenditure reports prepared by the District at each of its meetings. At each meeting, the CBOC reviewed the expenditure reports. Members of the CBOC had the opportunity to ask District personnel questions regarding the projects and expenditures. The reauthorization Measure D bonds were issued on June 4, 2014.

Review of District Bond Audits. In addition, the District provided the CBOC with a copy of the annual bond financial audit and performance audit, which is also available to the public on the District's web site. These audits were provided no later than March 31, 2016 with respect to the audit for the prior fiscal year. No irregularities or concerns were identified in the audits prepared by the auditor.

Tour of Bond Facilities. All CBOC meetings are conducted on the site where bond facilities will be constructed. Members of the CBOC (which did not comprise a quorum) were provided with a tour of bond financed future facilities site. The CBOC had a tour of the site at the March 20, 2015 meeting.

Conclusion. Based on the foregoing review of expenditures and other activities, the CBOC concludes that the District has complied with Article XIII A Section (1)(b)(3), the Measure and Education Code 15278 and following, in that bond proceeds spent to date have only been spent for the construction, reconstruction, rehabilitation, or replacement of school facilities, including furnishing and equipping of school facilities, or acquisition or lease of real property for school facilities, as identified in the project list presented to District voters. No proceeds were spent on teacher salaries, administrative salaries or on operational expenses.

Approved on *by the Citizen's Oversight Committee*

**CITIZENS' BOND OVERSIGHT
COMMITTEE OF THE DEHESA SCHOOL
DISTRICT**

BY: _____
Chairperson

By: _____
Secretary



Construction sheathing July 14, 2015



Roofing installation October 27, 2015



Grand Opening April 16, 2016

