

[Citizens' Bond Oversight Committee for Measure T Minutes

DATE: November 20, 2019, 3 p.m. [Approved]

Location: 411 Central Avenue, Building S, Room 218, Salinas, CA 93901

MEMBERS

Name	Member Category	Present	Absent
1. Gish, Vearl	Senior Citizens' Organization	x	
2. Guss, Deneen	At-Large	x	
3. LeBarre, Mike	At-Large	x	
4. Leonard, Grant	At-Large	x	
5. Miguel, Timothy	At-Large		X
6. Mori, Sam	At-Large	x	
7. Richardson, George (Ted)			

INFORMATION/DISCUSSION/PRESENTATIONS

1. 2018-19 FY Audit Report Ben Leavitt, CWDL

Mr. Leavitt introduced himself and noted that he was an actual auditor performing the work of the reports. Two reports were compiled and at this meeting. The Financial Audit Report and the Performance Audit Report.

a. Financial Audit. Is an audit of the General Obligation Bond only. This report does not report on the financial position of the district. Page 3 and 4 of the report provides the Bond balance sheet for the fiscal year of the report and the statement of revenues, expenditures and changes in fund balance. The audit found that the bond funds are being expended as they should be, being spent on only permissible expenditures. This was a clean audit of the general obligation bond – Measure T.

b. Performance Audit. As it notes in the report, the District provides CWDL with a list of all Measure T General Obligation Bond project expenditures for the year ending June 30, 2019. This list represented expenditures of \$5,818,209.00 (July 1, 2018 through June 30, 2019.)

The audit team interviewed management related to planning, bidding, contracting, expenditures and reporting. Performed tests on those areas, verified mathematical accuracy, reconciled the list to expenditures.

A sample of expenditures totaling \$2,362,315 was selected for review representing 40.6% of the total list. Considered a high sample. Done to develop a confidence in accuracy.

Results were that in all significant respects, funds are being expended for the specific projects approved by the voters. This was a clean audit with no findings and/or exceptions.

Questions: What is "other local revenue?" This is the interest earned on the bond. \$336,000.

What were the samples? As this was CWDL first audit, they were more stringent than a secondary audit trip. They wanted to assure a level of confidence in their data and findings so took a higher sample to be assured of their findings. The samples were making sure that every vendor was included in the sampling and almost all material transactions were represented. In their upcoming audits, they will not duplicate their samples.

If an item that is part of the project but not part of the bond will that show up (e.g. paving of streets in King City) No. Only if the expenditures are coded to the fund will it show up in the financial report. The \$77,794 is for legal services that is contracted.

[Mr. Mori's specific question had to do with paving and striping of angle parking at King City. This shows up as a line item on the budget summary that is produced for the Trustees and shared with this committee. The board requested all costs be shown but since the bond does not pay for it, it is a separate line item. It would not be available for the auditors, as it is not coded to the bond fund, 46.]

2. CBOC Annual Report Grant Leonard

Hartnell College Mission Statement

Hartnell College provides the leadership and resources to ensure that all students shall have equal access to a quality education and the opportunity to pursue and achieve their goals. We are responsive to the learning needs of our community and dedicated to a diverse educational and cultural campus environment that prepares our students for productive participation in a changing world.

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