



California League of Bond Oversight Committees

**State Allocation Board Audit Subcommittee, October 9, 2012,  
Citizen Oversight Committee Perspective, Anton Jungherr, Executive Director**

## **Use of Proposition 39 Audits for School Facility Program Funded Projects Citizen Oversight Committee Perspective**

Bill Savidge invited me to talk to you today about the use of the Proposition 39 Audits for School Facility Program funded projects. Specifically I was asked to address three (3) questions:

1. What are recent legislative requirements for Proposition 39 audits?
2. How does the Proposition 39 audit requirements work from a Citizens' Bond Oversight Committee (CBOC) perspective?
3. What are the issues, from an oversight committee perspective, with including School Facility Program funded projects in the audit scope in school district Proposition 39 audits?

### **Recent Legislation**

See chart on the next page.

# Legislative Program

## CaLBOC Co-Sponsored Legislation

- **Senate Bill No. 1473, Chapter 294, Sept. 23, 2010.** An act to add Section 15286 to the Education Code, relating to school facilities. Wyland. School facilities bond proceeds: performance audits. **This bill would require a financial and performance audit to be conducted in accordance with the Government Auditing Standards issued by the Comptroller General of the United States.**
- **Senate Bill No. 423, Chapter 237, Sept. 6, 2011** An act to amend Section 15286 of the Education Code, relating to school facilities. Wyland. The accountability requirements include a requirement that the governing board of either the school district or community college district or the county office of education conduct annual, independent performance and financial audits. **This bill would require the audits for each preceding fiscal year to be submitted by March 31 of each year to the citizens' oversight committee for its review.**
- **Assembly Bill No. 1199, Chapter 73, July 10, 2012.** An act to amend Section 15282 of the Education Code, relating to school bonds. Brownley. School bonds: citizens' oversight committee. ... Existing law also requires members of a citizens' oversight committee to serve for a term of 2 years without compensation and for no more than 2 consecutive terms. **This bill would instead provide that members of a citizens' oversight committee serve for a minimum term of 2 years without compensation and for no more than 3 consecutive terms.**





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### **Proposition 39 Audit Requirements**

In my judgment the required annual performance is the single most effective tool that the CBOC has to actively review and report on the expenditure of taxpayer's money for school construction.

In fact in most districts, it is the only resource because Proposition 39 prohibits the expenditure of bond fund for providing technical assistance to the CBOC and General Fund monies are generally not available.

In my opinion this tool it not used effective by many CBOC because there is lack of training/understanding by the CBOC. In addition, there is no independent review of performance audits. In fact there is no agency that collects performance audits or even knows if they are actually done.

Prior to January 1, 2011 there was no agreed upon standards for Proposition 39 performance audits. Most of the performance audits done prior to January 1, 2011 were "agreed upon procedures" where the district and the auditor agreed on the audit scope. In my opinion this type of audit did not provide the independent audit scope that the CBOC needed to performs its independent oversight role.

Effective January 1, 2011 Senate Bill No. 1473 (Chapter 294, September 23, 2010, Senator Wyland) became effective. This law for the first time required Proposition 39 financial and performance audits to be conducted in accordance with the Government Auditing Standards issues by the Comptroller General of the United States.

The first audits performed under this new standard were for the fiscal year ended June 30, 2011. These audits were required to submitted to the CBOC by March 31, 2012.



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Recommendations**

1. Have the State Allocation Board undertake the responsibility of providing oversight, guidance and standards in regards to Proposition 39 performance audits
2. Include audit/compliance requirements for School Facility Program funded projects in the annual Proposition 39 performance audits.
3. Have the Annual Audit Guide prepared by the Department of Finance, Department of Education and State Controller's Office include Proposition 39 performance audit guides.
4. Have the Proposition 39 performance audit guides included in the State Controller's Annual Audit Guides for K-12 school districts and community college districts for State Facility Program projects that are not Proposition 39 projects.
5. Require Proposition 39 performance auditors to electronically file copies of performance audits with the State Allocation Board.
6. Require the State Allocation Board to receive, review and accept Proposition 39 performance audit reports and financial audit reports for non Proposition 39 School Facility Program projects..



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7. Require that CBOC have a role in the selection and evaluation of Proposition 39 performance auditor.
8. Require that the CBOC have a role in defining the scope of the performance audit, participation in the entrance conference and in the exit conference.

**Prepared By:** Anton Jungherr, Executive Director, California League of Bond Oversight Committees

### **Attachments**

- A. Anton Jungherr's Background
- B. California League of Bond Oversight Committees (CALBOC)
- C. CALBOC Board of Directors
- D. CALBOC Board of Advisors
- E. CALBOC Review (weekly newsletter)
- F. CALBOC Best Practices Audit Report Review by CBOC



California League of Bond Oversight Committees

Michael Day, President and Co-Founder

David Ginsborg, Co-Founder

Anton Jungherr, Executive Director and Co-Founder

[www.calboc.org](http://www.calboc.org)

**Anton Jungherr contact information:** 121 Ash Court, Hercules, CA 94547

Cell: 510.799.1141, Fax: 510.799.2124, Email: calboc1@aol.com

### **Anton Jungherr**

Executive Director and Co-Founder, California League of Bond Oversight Committee

Prior Member, West Contra Costa Unified School District, Citizens' Bond Oversight Committee

Prior Co-Chair, Audit Subcommittee, West Contra Costa Unified School District, Citizens' Bond Oversight Committee

Was nominated by the Contra Costa County Taxpayers Association, as the Taxpayer Representative, and ejected by the Board of Education

121 Ash Court  
Hercules, CA 94547

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Cell 510.687.7212

## Anton Jungherr

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### Education

Columbia University, New York, NY  
**M. Ed, Educational Administration**  
Syracuse University, Syracuse, NY  
**M.P.A., Public Administration**  
University of Connecticut, Storrs, CT  
**BS, Business Administration**

### Professional experience

2007 to present Making Waves Academy, (charter), Richmond, CA  
**Business Manager**  
2001 – 2006 Making Waves Education Program, Richmond, CA  
**Chief Financial Officer**  
1994-2001 Jungherr Enterprises, Hercules, CA  
**President/Owner**  
1988-1993 Berkeley Unified School District, Berkeley, CA  
**Associate Superintendent (Business)**  
1981-87 Triple Check Income Tax/Accounting Service, San Francisco, CA  
**President/Owner**  
1975-80 San Francisco Unified School District, San Francisco, CA  
**Deputy Superintendent/Business Manager**  
1973-75 Yonkers School District, Yonkers, NY  
**Deputy Superintendent (Business)**  
1971-73 City of Newark, NJ  
**Director of Finance**  
1965-71 Pearl River School District, Pearl River, NY  
**Assistant Superintendent (Business)**  
1961-65 Anchorage Public Schools/City of Anchorage, Anchorage, AK  
**Controller**

### Publications

*Operational PPBS\* for Education: A Practical Approach to Effective Decision Making*, Harper & Row, New York, 1971 (\*Planning, Programming, Budgeting System)

### Credentials

New York State: School Superintendent, School Administrator and Supervisor and Teacher (Accounting and Business Practices)

State of California: Educational Administration

### Recognition and Awards

*Who's Who in the West*, *Who's Who in Finance and Industry*  
Louisville Award, Municipal Finance Officers Association

# CALBOC

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## California League of Bond Oversight Committees

Providing Training and Support for  
School Bond Oversight Committees



Knowledge Equals Effective Oversight  
Benefitting Taxpayers & Our Students

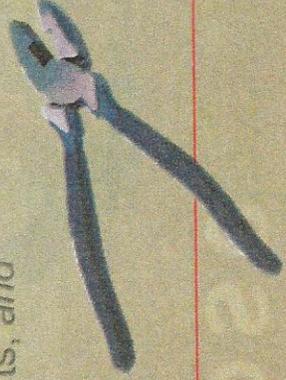
# About CalBOC

- The California League of Bond Oversight Committees (CalBOC). CalBOC is an all volunteer, non-partisan association of Citizen Bond Oversight Committee (CBOC) members, current and past, who are interested in helping other Citizens' Bond Oversight Committee members.
- CalBOC was formed in 2006 by CBOC members trying to find better training to help them perform their duties. Our first training session was held in San Jose in 2007, and we incorporated in the State of California in 2008. In 2009 we were recognized as a 501(c)3 charitable organization by the IRS.



# Our Purpose

1. To provide the general public with informational and educational materials and activities on local School Bond Oversight Committees that will help increase public awareness of the valuable role that CBOC's play in the Prop 39 school bond process, *and*
2. To promote comprehensive training and orientation of all new CBOC members throughout the state, *and*
3. To promote adequate funding, staffing and other support as typically required by CBOCs to be provided in all districts throughout the state with Prop 39 Bonds pursuant to fulfilling their lawful duties, *and*
4. To promote the preservation of all CBOC reports throughout the state in both the county of origin education office and a centralized state archive repository accessible to the public, *and*
5. To advocate public distribution of all CBOC reports, *and*



OUR PURPOSE

# Our Purpose

(continued)



6. To maintain a website to provide current information concerning issues, events and activities of CBOCs, and
7. To sponsor a statewide conference of CBOC Members and interest parties, and
8. To work toward the preservation and enhancement of the CBOC system by sponsoring needed legislation, and
9. To undertake any other efforts consistent with the foregoing that will increase the public knowledge of the CBOC system and the contribution it makes, and continues to make, to California taxpayers and toward good government.

# Training & Support

CaLBOC.org is our new website. It is regularly updated with pertinent information for bond oversight.



- CaLBOC has started a series of online Training videos
  - Free membership
  - A free weekly newsletter with current news and legislative updates
  - CaLBOC receives and responds directly to questions from bond oversight members. Concerns include oversight committee compliance, bond finance, and other related issues.
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# Upcoming

- **CalBOC is soliciting suggestions for their 2013 Legislative Program.** This program will be a topic at the Nov. 9, 2012 CalBOC board meeting. Please email proposals by Oct. 31, 2012 to [calboc1@aol.com](mailto:calboc1@aol.com)
- **Recruiting for the Board of Advisors. Nominate someone or nominate yourself.** The Board of Advisors consists of citizens who are passionate about Citizens' Bond Oversight Committees having independent training and the capacity to provide independent oversight of Proposition 39 bond construction projects. There are no meeting requirements for Board of Advisor members. Members will be requested to provide advice from time to time on various training courses, programs, website, proposed legislation and publications. Communication will be via email and occasional conference calls.

# CalBOC

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●●● Under Construction ●●●



**Michael Day**  
**President & Co- Founder**  
 President of BESTCO Division Beutler Corporation. Mr. Day was a member of the Sacramento City Unified School District BOC for four years, including 18 months as chair. He attended University of Long Beach majoring in mechanical engineering and International relations, and is a graduate of the U.S. Naval Power School.



**Alicia M. Minyen, CPA, CFE, Member of the Board**  
 Former member of the Mt. Diablo Unified School District's Citizen's Bond Oversight Committee. She has extensive work experience as a Staff Accountant with the Federal government and is also a Certified Fraud Examiner. Previously she worked as an Analyst with the Federal Reserve and the FDIC. Ms. Minyen has a BS in Finance from San Jose State and is a Certified Public Accountant.



**Anton Jungherr**  
**Executive Director & Co-Founder**  
 Business Manager for Making Waves Academy (charter) in Richmond. Former member of the Citizens' Bond Oversight Committee, West Contra Costa Unified School District. Mr. Jungherr has a BS in Business Administration/Accounting from University of Connecticut, a MPA in Public Administration from Syracuse University, and a M.Ed in Education Administration from Columbia University.



**George Reppucci**  
**Member of the Board**  
 Member of the Manhattan Beach USD CBOC. He retired in 2009 after a 44 year engineering/consulting career with TRW/Northrop Grumman where he managed major defense, earth observation and communication satellite projects. He has a BS in Electrical Engineering and MS in Systems Management, both from the University of Southern California and completed the UCLA Executive Management Program.



**Michael Turnipseed**  
**Vice President**  
 President of Kern County Taxpayer's Association, which currently has members sitting on 16 BOCs. He has been a member of the Bakersfield City School District Bond Oversight Committee since 2009. He graduated from University of California, Davis, with a Bachelor's Degree in Agricultural Economics, California Agricultural Leadership Program, Anderson Graduate School of Management, University of California, Los Angeles Executive Program in Management.



**John Stump**  
**Member of the Board**  
 Mr. Stump is a California Attorney where he serves the legal profession as a State Bar Commissioner for the Legal Services Trust Fund. He has served as a member of the Independent Bond Oversight Committee for the San Diego Unified School District. Mr. Stump graduated from Western State and Thomas Jefferson School of Law.

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**David Ginsborg,**  
Co-Founder  
Deputy to the Assessor for County Assessor Larry Stone in Santa Clara County. Chair for the San Jose Unified School District Bond Oversight Committee from 2004 to 2008. Mr. Ginsborg has a Master in Management from the Graduate school of Political Management and a BA from University of California, Berkeley. He is licensed as real estate salesperson and State Board of Equalization certified appraiser.



**Jack Weir**  
Member of the Board  
Mr. Weir serves on the Pleasant Hill City Council, and is a delegate to the Central Contra Costa Transit Authority and the Association of Bay Area Governments. He is a board member of the Contra Costa Taxpayers Association, and is the founder of the Pleasant Hill Taxpayers Association, and has served on three Citizen Bond Oversight Committees. He holds a BS in Organizational Behavior from the University of San Francisco, and an MA in Organizational Transformation from JFK University.



**Brian W. Carver**  
Member of the Board  
Mr. Carver is an attorney and Assistant Professor at the UC Berkeley School of Information. He has served as the Chair of the Citizens' Oversight Committee for the Emery Unified School District.



**David Wolfe**  
Member of the Board  
Currently serves as Legislative Director at the Howard Jarvis Taxpayer's Association. Mr. Wolfe graduated cum laude from Sonoma State University, Rohnert Park, CA with a BA in History and a minor in Political Science.

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Board of Directors

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Board of Advisors

The Board of Advisors consists of citizens who are passionate about Citizens' Bond Oversight Committees having independent training and the capacity to provide independent oversight of Proposition 39 bond construction projects. Many Board of Advisors members have served on or are now serving on Citizens' Bond Oversight Committees and/or have expertise in training, school governance, school construction or auditing. Members of the Board of Advisors are appointed by the CaLBOC Board of Directors. There are no meeting requirements for Board of Advisor members. Members will be requested to provide advice from time to time on various training courses, programs, web site, proposed legislation and publications. Communication will be via email and occasional conference calls. Members will be invited to the annual planning retreat held each May in Sacramento. If you are interested in serving as a member of the CaLBOC Board of Advisors please contact Anton Jungherr, CaLBOC Executive Director, at [caiboc1@aol.com](mailto:caiboc1@aol.com)

Leon Brauning,

Former Vice President of CaLBOC

Leon Brauning is a current member and past Vice Chairman of the Napa Valley Unified School District Measures M & G Bond Oversight Committee. Founder and Past President, and currently the Director Emeritus of the Napa County Taxpayers Association. He holds a BA degree in Economics. He is a longtime Community anti-tax activist and an active member of the Howard Jarvis Taxpayers Association. He is a longtime Rotarian and a former President of the St. Helena Rotary Club



Bob Blymyer

Executive Director for the Sacramento County Taxpayers' League. Mr. Blymyer serves as chair for two different Bond Oversight committees, Los Rios Community College from 2006 to the present and Sacramento City Unified School District from 2008 to the present. Mr. Blymyer has three years toward a BA in business and a certificate in PR and marketing from

University of California, Davis.

Janet C. Campbell

Janet Campbell is an Architect in private practice in San Francisco. She earned a Bachelor's and Master of Architecture degree from Georgia Tech, and an MS in Real Estate in the two-year MBA college at Georgia State. She owned her own architecture and real estate development companies in Atlanta. As Senior Architect at the University of California, San Francisco and due to her training in two Atlanta firms, she stumbled upon an international scam and has become known as the "Erin Brockovich" of the roofing industry. Her reports to the FBI and the California State Auditor's Offices (BSA) have garnered "Strong recommendations for prosecutions" from the San Francisco office of the FBI and a blistering Investigative Report by the BSA. Her story has been featured in newspapers in other parts of the country and in trade magazines, and she has been asked to assist other states, investigators and those attempting to open the specs in other parts of the US and Canada. She has also been instrumental in obtaining California Legislative hearings and one law passed to assist in stopping the scams. The methodologies she uncovered targeting School and other Bond funds have helped to uncover more such scams, primarily targeting school facilities.



Greg Coladonato

Greg Coladonato is a member of the Mountain View Whisman School District Measure C Parcel Tax Citizens' Oversight Advisory Committee. He has one child in the MVWSD public school system, with two more on the way. Mr. Coladonato is also on the Board of Directors of the Silicon Valley Taxpayers Association



Charles Cowens

Member of West Contra Costa Unified School District CBOC. Charles lives in Kensington (Contra Costa County) and works for a computer software company. Both of his children attended and graduated from WCCUSD schools. Over the years, he has held many volunteer positions in the school district including President of the Bayside



Lance Izumi, JD

Mr. Izumi is Koret Senior Fellow and Senior Director of Education Studies at the Pacific Research Institute for Public Policy. He is a member of the Board of Governors of the California Community Colleges and served two terms as President from 2008 to 2009. He is the co-executive producer of a highly praised film documentary, author and co-author of critically acclaimed books, and the author of several major Pacific Research Institute studies. In 2008, he served as an online contributor for the New York Times on the presidential race and education issues. Mr. Izumi has also served as a member of the professional development working group of the California Legislature's Joint Committee to develop a master plan for education and as chief speech writer for Governor George Deukmejian. He is a president of the advisory board for the U.S. Army's Sacramento Recruiting Battalion and serves on the executive committee of the advisory board for the U.S. Army's Los Angeles Recruiting Battalion. He holds a juris doctorate from the University of Southern California School of Law, a Master of Arts degree from the University of California, Davis and a Bachelor of Arts degree from the University of California, Los Angeles.



Wendy McKeever Lack

Ms. Lack has worked in city government human resources management for over 25 years. She runs a small business and volunteers extensively in her community. Serves on the Board of the Contra Costa Taxpayers Association and is an active blogger on issues of interest to taxpayers. She blogs regularly on Halfway to Concord and her articles have been published at American Thinker, Fox and Hounds Daily and other blogs focused on local politics and government. Wendy has a B.S. in Public Affairs from the University of Southern California and an M.B.A. from Golden Gate University, San Francisco. She and her husband have been married for over 30 years, have two adult children and live in Contra Costa County, California.



Timothy Leong

Director of Communications and Community Relations at the Contra Costa Community College District. Tim joined the District in 2008 and has over 28 years of communications, community and governmental relations experience. He attended San Jose State University and graduated from San Francisco State University with a Liberal Studies undergraduate degree, and later completed his MBA at Golden Gate University. Tim's communications experience includes producing and reporting at KRON-TV in San Francisco and KCRA-TV in Sacramento before becoming Pacific Gas and Electric Company's (PG&E) first Asian American company spokesperson. His community and governmental relations experience includes grassroots advocacy, stakeholder relations on a state and national level, and charitable contributions.

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Council of PTAs (2 years) and chair of the WCCUSD Community Budget Advisory Committee (5 years)



**Kevin Dayton**  
Kevin Dayton is the President and CEO of Labor Issues Solutions, LLC, based in the Sacramento suburb of Roseville, California. Web site is: [www.laborissuesolutions.com](http://www.laborissuesolutions.com) His firm performs public policy contract work: issue research and analysis, strategic planning and management of policy initiatives, political campaign strategy, and writing services. Areas of specialty include labor issues, environmental issues, and budget and tax policy. After graduating from

Yale University in 1992 with a B.A. in History, Dayton spent a few years in legislative branch public service analyzing federal public policies as an aide to U.S. Representative Gary A. Franks (R-Connecticut) in Washington, D.C. He then held various government affairs management positions for more than 17 years for Associated Builders and Contractors (ABC) at the federal level and then at the state and local levels in California.



**Kris Hunt**  
Member of West Contra Costa Unified School District CBOC. Ms. Hunt became the Executive Director of the Contra Costa Taxpayers Association (CoCoTax) in April of 2003, having previously served on their Board of Directors. Founded in 1937, CoCoTax is an independent, non-partisan, non-profit organization comprised of taxpayers who live or do business in Contra Costa County. Kris has a strong financial background in both the governmental and private sectors. In addition to her job as

Executive Director, she co-authored a bi-weekly column on tax-related issues in the Contra Costa Times called "Tax Mechanics". She has been involved in a number of civic and volunteer pursuits including Rotary International, and California Women Lead (where she currently serves as the Treasurer of the East Bay Chapter.) She is also on the Advisory Board of the California Foundation for Fiscal Responsibility. Kris is a graduate of the Leadership Contra Costa program. Kris earned her BA in Political Science from UCLA and an MBA from CSULA. Kris has been married to Jim, a professor at UC Berkeley since 1972. Their daughter, Dana, recently joined the faculty of Duke University.



**Michele A. Huntoon**  
Associate Vice President of School Services of California, has more than 17 years of experience with and knowledge of the demands with which school district administrators contend on a daily basis. Her roles have provided a unique perspective from the outside looking in and the inside looking out in her capacity as an employee of the Fiscal Crisis and Management Assistance Team (FCMAT), an independent

consultant, a county office of education employee, and an independent auditor for school districts and county offices of education. Her experience is both wide and deep and includes the areas of finance, budgeting, categorical reporting, charter schools, payroll and MIS issues, revenue limits, and policies and procedures. She serves SSC clients by conducting fiscal health analyses and budget reviews for school districts and charter schools, functioning as fiscal advisor, performing multiyear financial projections, evaluating school district reorganizations and unifications, preparing enrollment projections, performing school district efficiency studies, and addressing accounting standards and compliance issues.

After leaving PG&E, Tim became the first President and Executive Director of the Asian and Pacific Islander American Scholarship Fund, provided external relations consulting to non-profits and Fortune 500 companies, and recently was the Vice President, Corporate Communications, for GreenPoint Mortgage, a subsidiary of Capital One.



**Linda Ruiz-Lozico**  
Formerly served as the Taxpayer representative on the CBOC, Citizens' Bond Oversight Committee, for WCCUSD. She served for two terms as Board Chair of a charter middle school during major transitions including moving to new facility, Operational and Special Education MOU negotiations and the successful renewal of the charter. Linda's longtime and current profession is as a

graphic artist and a fine artist, owner of Wildcat Graphics and [WildcatGraphics.com](http://WildcatGraphics.com).



**Durania Riddle**  
Vice President of the Solano County Taxpayers Association. Served on the Solano County Grand Jury two terms. Served on the Board of Directors of the California Grand Jurors Association and a trainer for California's grand Juries. Ms. Riddle has been an investigating reporter for Dixon's Independent Voice and a member of Californian's Aware (CalAware). Born and educated in Athens

Greece, her family immigrated to the United States in 1967 and made San Francisco their home. When Ms. Riddle took her oath of citizenship she took her duties seriously and has worked hard to be an informed and involved citizen.

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Emails : Manage Archive

Exit

# CalBOC CALIFORNIA LEAGUE OF BOND OVERSIGHT COMMITTEES REVIEW

HELPING SCHOOL BOND OVERSIGHT COMMITTEES SERVE THEIR COMMUNITIES

August 7, 2012



### In This Issue

Capital Appreciation Bonds

Teacher Layoffs, New Buildings

Archived CalBOC Newsletters

The Next CalBOC Board Meeting is November 9, 2012

10 am - 3 pm  
Sacramento

Conference call service will be available.

Join Our Mailing List!

### Mission Statement

What is Our Mission

To promote school district accountability by improving the training and resources available to California's Proposition 39 School Bond Oversight Committees and educating the state legislature, local school boards and the public about the oversight and reporting powers these Citizens' Bond Oversight Committees (CBOCs) have, and to advocate on a state level, where appropriate, on issues of common concern to all CBOCs.

### Upcoming Articles

What to do when a CBOC is out of compliance

How to report mis-spent Bond funds

Support for CBOC Members: Questions and Answers

## Capital Appreciation Bonds Where Borrowing \$105 Million Will Cost \$1 Billion: Poway Schools

August 6, 2012 | by Will Carless | [www.voiceofsandiego.org](http://www.voiceofsandiego.org)

**EXCERPT:** ... With advice from an Orange County financial consultant, the district borrowed the money over 40 years in a controversial loan called a capital appreciation bond. The key point for the district: It won't make any payments on the debt for 20 years.

And that means the district's debt will keep getting bigger and bigger as interest on the loan piles up.

The bottom line: For borrowing \$105 million in 2011, taxpayers will end up paying investors more than \$981 million by 2051, or almost 10 times what the district borrowed. That's wildly more expensive than a typical school bond, in which a district pays back two or maybe three times what it borrowed.

As well as being expensive, capital appreciation bonds work by tapping future growth in property values to pay today's debts, a concept considered by many in the school bond business to be both risky and inequitable. In 1994, the state of Michigan banned school districts from issuing bonds like this, deeming them too toxic to taxpayers.

Nevertheless, California's ever-strapped districts have increasingly looked to capital appreciation bonds to raise money for improvements without increasing taxes on current residents. Across the state, districts have borrowed billions this way, using exotic financing to shift the burden for paying for today's school construction to future generations of Californians.

... "This is way worse than loan sharking," said Michael Turnipseed, executive director of the Kern County Taxpayers Association in central California, which has lobbied the state Legislature to tighten laws on school district borrowing. "And Poway is the poster child. What they have done is absolutely insane." ...

... But last year's bond doesn't just affect the taxpayers who voted on it. It also saddles their children and grandchildren with hundreds of millions of dollars in debt, and raises the risk that property taxes could spike once the district finally starts making payments on its loan.

In short: In order to keep its promises to current residents, the district entered into a deal that places a billion-dollar burden on future residents. Last year's deal, in the words of County Treasurer and Tax Collector Dan McAllister, "is a perfect example of how something that's done today can adversely affect the next generation and the generation after that." ...

... But a voter reading the ballot statement for Proposition C in 2008 would have learned nothing about the overall cost of the deal the district was setting itself up for. ...

To read the complete article, please visit:  
[http://www.voiceofsandiego.org/education/article\\_c83343e8-ddd5-11e1-](http://www.voiceofsandiego.org/education/article_c83343e8-ddd5-11e1-)

# Teacher Layoffs, New Buildings Despite tough times for education, construction and renovation projects continue

August 2, 2012 | by Resa Varbrugh | [www.corsacostatimes.com](http://www.corsacostatimes.com)

**Editorial:** ... POMONA - Even as public school districts find their budgets shrinking, necessitating painful cuts to programs and staff, construction is under way at many school sites.

"We've lost about 20 percent (of revenue), like most districts," said Leslie Barnes, assistant superintendent of business services for Pomona Unified School District.

For Pomona Unified, it was a double-whammy of the state's financial crisis and declining enrollment: Nearly all of a public school district's revenue comes in money from the state, based on how many students attend class on an average day.

As a result, the district gave pink slips to 90 teachers this spring and 125 non-teacher staffers later in the year, although some of those employees ended up not losing their jobs, thanks to other employees retiring and other ways of saving money.

But work continues at more than 10 renovation and new construction projects around the district, thanks to a \$235 million bond, Measure PS, that voters approved in 2008, before the extent of California's looming economic crisis became clear. Unfortunately, the district is restricted in what it can use the bond money for - school districts deal with a wide variety of "categorical funds" that can only be spent on specific expenses decided upon by officials in Sacramento and Washington. ...

... "What the public doesn't understand is the different pots of money," said June Lindsey, a facilities consultant for the Banning Unified School District.

Banning Unified has laid off employees this year, after last year opening a new athletic center at Banning High School. ...

... It's not the same as getting more revenue that they could use to pay teacher and staff salaries - and save programs that are nice to have, but too expensive for the current economic climate - but district officials hope that the ongoing construction and renovations will still benefit students. "You want to be in an environment where you can learn," Pomona Superintendent Richard Martinez said, "so we believe this will impact academics."

<http://www.corsacostatimes.com/csn/08/02/12/223986/teacher-layoffs-education-construction-and-renovation-continue>

[www.CalBOC.org](http://www.CalBOC.org)

We encourage you to post and comment on our CalBOC Blog  
California League of Bond Oversight Committees, 510-790-1141, [calbec1@aol.com](mailto:calbec1@aol.com)

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## California League of Bond Oversight Committees – Best Practices - Audit Reports

### Audit Reports

In order to effectively receive and review by March 31 of each year the preceding fiscal year annual performance and annual financial audit the CBOC shall:

- (a) Review and comment on the Request for Proposal for auditing services, including the require for the audits to be conducted in accordance with Government Auditing Standards, published by the Comptroller General of the United States.<sup>1</sup>
- (b) Participate in the selection process for the auditor.
- (c) Participate in the entrance conference with the auditor and District.
- (d) Participate in the preparation of the scope of the performance audit including Government Auditing Standards Chapter 7, Field Work Standards for Performance Audits.<sup>2</sup>
- (e) Receive directly from the auditor draft copy and final copy of each audit report at the same time as delivered to the District. All subsequent draft reports will track changes.
- (f) Receive directly from the auditor progress reports at the same time as delivered to the District.
- (g) Participate in the exit conference with the auditor and District.
- (h) Have the auditor presented the audit to the Oversight Committee for acceptance prior to presenting to the Board of Education for acceptance.
- (i) Mutually agree with the District in March of each year on the time line for preparation of that fiscal year's audit reports.
- (j) Participate with the District in a yearly review of the auditor's performance.

Prepared By: Anton Jungherr, Executive Director, October 7, 2012

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<sup>1</sup> This is a requirement of Education Code Section 15286.

<sup>2</sup> Government Auditing Standards, July 2007 Revision, published by the Comptroller General of the United States, Chapter 7, Field Work Standards for Performance Audits, pages 122 through 159.