

May 3, 2019

Measure G Citizens' Oversight Committee
Novato Unified School District
Novato, CA

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As requested by members of the Measure G Citizens' Oversight Committee, we have prepared this letter in order to provide additional information regarding the Novato Unified School District's Measure G Bond Building Fund audit for the year ended June 30, 2018. This additional information relates to the Performance Audit. The procedures enumerated in this letter are included in the Audit Procedures and Result beginning on page 17 of the Audit Report.

Facility Project Expenditures

We tested 15 vendor payments, totaling \$3,404,115 or 56% of the total Measure G expenditures. Vendor payments include all non-personnel project expenditures.

Personnel Expenditures

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

We reviewed a listing of all employees charged to the Measure G Bond Building Fund and selected a sample of employees. We selected a sample of two employees charged to the Measure G Bond Building Fund to review personnel files and personnel action reports for proper allocation of salaries and benefits. The employees tested were the Bond Project Coordinator and Executive Director of Facilities and Operations. We tested \$201,930 of expenditures or 3% of total Measure G expenditures.

Facilities Site Walk

Site for facility site walks are selected by viewing a listing of expenditures by site. The sites selected for the site walk typically consist of the sites with large amounts of project expenditures for the year under audit as well as sites that have varying projects. For the 2017-18 year, San Marin High School (Synthetic Turf Field Project and Track Project) and San Ramon Elementary School (Roofing Project) were the two sites selected for the site walk, a sample of 2 out to 6 sites where viewable project expenditures took place.

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Contract and Bidding Procedures

We reviewed a listing of contracts awarded during the fiscal year ended June 30, 2018 and selected a sample to ensure that contracts for public projects followed appropriate bidding procedures per applicable Public Contract Code. Additionally, we reviewed overall expenditures by vendor in order to determine if multiple projects under the applicable bidding threshold were identified to suggest any possible bid-splitting.

From a sample of 2 out of 7 contracts awarded during the year, we noted that applicable bidding procedures were followed and that contracts were appropriately awarded to the lowest responsible bidder for the San Ramon Elementary Roofing Project (Andy's Roofing Co. Inc: Contract Totaling \$1,964,212) and the Olive ES/Novato HS/San Ramon ES Sewer Repair Project (Maggiora & Ghilotti, Inc: Contract Totaling \$168,900). These projects were bid using the CUPCAA Formal Bidding procedures.

Contracts and Change Orders

We reviewed a listing of contracts and change orders during the fiscal year ended June 30, 2018 and selected a sample to ensure that change orders were properly approved and in accordance with District policies. Additionally, cumulative change orders for any given contract were reviewed to ensure that total change orders did not exceed ten percent of the total original contract.

We reviewed a total of 2 out of 10 change orders executed during the 2017-18 year. The change orders tested were for the Sewer Repair Project (Pipe Spy Marin, Inc.) and Synthetic Turf Field Project (Field Turf USA, Inc.). We verified that the total of the change orders did not exceed ten percent of the total contract price for each project. All change orders were properly reviewed and approved by management and the governing board in accordance with District policy.

Please feel free to contact me should there be any additional questions regarding the performance audit procedures for Novato Unified School District Measure G.

Very truly yours,

Sarah Fiehler
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