

NATOMAS UNIFIED SCHOOL DISTRICT
Citizens' Bond Oversight Committee
Measures M & D

2008-2009 Annual Report
January 2010

I. Introduction

This is the 2008-2009 Annual Report of the Citizens' Bond Oversight Committee (CBOC) for Measures M and D of the Natomas Unified School District. This report is prepared, in conformance with California law, to summarize the work of the Bond Oversight Committee and review the past year of activity in the District's Bond Construction Program.

II. History and Overview of the Citizens' Bond Oversight Committee(s)

On November 5, 2002, the Natomas Unified School District ("District") submitted for voter approval Measure M, a bond measure to authorize the sale of \$45.88 million in bonds to improve school facilities. This measure was submitted to voters under the terms and conditions of Proposition 39 (Article XIII of the California State Constitution), which requires a 55 percent affirmative vote for passage. Measure M passed with 72.4 percent.

On June 6, 2006, the District submitted for voter approval Measure D, a bond measure to authorize the sale of \$145.5 million in bonds to improve school facilities. This measure was submitted to voters under the terms and conditions of Proposition 39 (Article XIII of the California State Constitution), which requires a 55 percent affirmative vote for passage. Measure D passed with 62.0 percent.

Because Measures M and D passed pursuant to Proposition 39, the District was required to establish a citizens' oversight committee and to conduct two independent audits. The first audit is a financial audit similar to a District's annual financial audit. The second audit is a performance audit, which evaluates the effectiveness, economy and efficiencies of the bond facilities program.

III. Committee Membership

California Education Code, Sections 15278-15282 established the duties of a school district and its duly formed citizens' oversight committee with respect to Proposition 39 bond measures. This code requires that the governing board establish and appoint members to an independent citizens' oversight committee within 60 days of the date that election results are certified.

The Committee must consist of at least seven members to serve for a term of two years without compensation and for no more than two consecutive terms. The Committee must include:

- a. One member who is active in a business organization representing the business community located within the school district.
- b. One member active in a senior citizens' organization.

- c. One member who is a parent or guardian of a child enrolled in the school district.
- d. One member is both a parent or guardian of a child enrolled in the school district and active in a parent-teacher organization
- e. One member who is active in a bona fide taxpayers' organization.

A fourteen-member Citizens' Bond Oversight Committee was appointed by the Board in March 2006, to provide oversight of the Measures M and D bond program, as required by law.

Current Committee membership includes:

John J. Zelis - Chairperson (Community Member At-Large)
 Raul C. Ramirez - Vice Chairperson (NUSD Parent, PTO Member and Community Member At-Large)
 Phe Xuan Bach (Community Member At-Large)
 Kathleen Gill (Community Member At-Large)
 Giselle Flores Jayme (Business Community, NUSD Parent and Community Member At-Large)
 Robert Jenkins (Community Member At-Large)
 Robby Lake (Community Member At-Large)
 Edward Lewis (Parent of NUSD Student and Community Member At-Large)
 Margaret Mack (Community Member At-Large)
 Lee Maxey (Senior Citizen and Community Member At-Large)
 Robert Quade (Community Member At-Large)
 Justin Toomsen (Community Member At-Large)
 Samuel J. Wallace (Business Community and Community Member At-Large)

The Natomas Unified School District's Citizens' Bond Oversight Committee met on the following dates: September 30, 2008, November 18, 2008, January 27, 2009 and April 28, 2009

IV. CBOC Actions

CBOC members actively investigate and prepare a post-construction review report on Measures M and D projects. Reports are prepared that include a summary of the project, a site inspection, and an inspection of District project records. These reports are presented to the District's Board of Trustees periodically as they are completed.

V. Performance and Financial Audit Reports

In accordance with the California State Constitution, the District will continue to have a performance audit completed annually until all Measure M and D funds have been expended. These reports are designed to meet the requirements of Article XIII of the California State Constitution; to inform the community of the appropriate use of funds generated through the sale of bonds authorized by Measures M and D; and to help the District improve its overall bond program.

The June 30, 2009 annual independent financial audit was conducted by Gilbert Associates, Inc. Their report, dated December 11, 2009 states, it's their opinion that the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Natomas Unified School District, as of June 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America .

The annual independent performance audit was conducted by Total School Solutions. Their report dated January 15, 2010 states that for the year ended June 30, 2009, the expenditure of the funds generated through Measure M are being expended in accordance with Resolution No. 02-28 passed by the Board of

education on July 17, 2002. They determined that the representations made to the public regarding state funds were true and reasonable and complied with the best practices in obtaining state funding for school facilities.

The same report states that for the year ended June 30, 2009, the expenditure of the funds generated through Measure D are being expended in accordance with Resolution 06-10 passed by the Board of Education on February 8, 2006. They determined that the representations made to the public regarding state funds were true and reasonable and complied with the best practices in obtaining state funding for school facilities.

VI. Communications with the Public

A CBOC website, as required by law, exists, and the information that is posted includes committee member contact information, CBOC meeting agendas and minutes, committee by-laws, and the date, time and location of the next meeting. Copies of the Bond Performance Audit from previous periods are also included, as well as an invitation and application for community members interested in becoming a member of the CBOC. Pictures, descriptions of bond projects, community updates and bond expenditure reports are located in the Facilities section of the District's webpage.

VII. Expenditures

During the year ended June 30, 2009, the District made expenditures on the following projects:

1. H. Allen Hight Elementary School
2. Computer infrastructure at seven (7) school sites
3. K-8 Conversion at Bannon Creek Elementary School
4. Playground equipment at Witter Ranch Elementary School
5. Surveillance (security cameras) at nine (9) school sites
6. Shade structures at seven (7) school sites
7. Westlake Charter School portables

VIII. Conclusions

The Citizens' Bond Oversight Committee, based on its review of the annual financial and performance audit reports and information received at its meetings, finds:

The Natomas Unified School District is in compliance with the requirements of Article XIII A, Section I (b) (3) of the California Constitution.

The Natomas Unified School District website, <http://www.natomas.k12.ca.us/151110129162437467/site/default.asp>, provides information on Measures M and D, annual financial and performance audits, the Citizens' Bond Oversight Committee and its activities.