

NATOMAS UNIFIED SCHOOL DISTRICT

**Citizens' Bond Oversight Committee
Measures M & D**

**2011-12 Annual Report
January 2013**

I. Introduction

This is the 2011-12 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.

As of June 30, 2011, all funds associated with Measure M funds have been fully expended. Therefore, the CBOC's scope and report for 2011-12 only relates to expenditures associated with Measure D funds.

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 all bonds passed under Proposition 39, as required by law.

Current Committee membership includes:

1st Term: March 2010 – March 2012 2nd Term: March 2012 – March 2014

Scott Dosick	Chair NUSD Parent, PTO Member and Community Member At-Large
Michael Bratman	NUSD Parent and Community Member At-Large
Ken Le	Business Community & Community Member At-Large
William Stanglin	Community Member At-Large

1st Term: March 2011 – March 2013 2nd Term: March 2013 – March 2015

Dianne Mattar	Business Community, Senior Citizen & Community Member At-Large
Jennifer Slay	Vice Chair NUSD Parent, PTO Member & Community Member At-Large

1st Term: March 2012 – March 2014 2nd Term: March 2014 – March 2016

Tom McDonagh	NUSD Parent and Community Member At-Large
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The NUSD's Citizens' Bond Oversight Committee met on the following dates:

- August 29, 2011
- November 1, 2011
- January 31, 2012
- April 17, 2012

IV. CBOC Actions

CBOC members actively investigate and prepare a post-construction review report on Measure 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. Due to the Natomas building moratorium, activity has decreased from prior years.

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 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 Measure D; and to help the District improve its overall bond program.

The June 30, 2012 annual independent financial audit was conducted by Crowe Horwath. Their report, dated December 12, 2012, states that in their opinion 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 Natomas Unified School District as of June 30, 2012, and the respective changes in financial position, 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 Crowe Horwath. Their report dated December 15, 2011 states that the results of their procedures indicated that, in all significant respects, Natomas Unified School District expended Measure D General Obligation Bond funds for the year ended June 30, 2012 only for the specific projects developed by the District's Board of Trustees and approved by the voters, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution.

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.

VII. Expenditures

During the year ended June 30, 2012, the District made expenditures on the following projects:

1. Computer Infrastructure	\$1,905,544
2. K-8 Conversion at BC	785,460
3. West Lakeside Site	659,563
4. Security Cameras	36,361

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.