

*NATOMAS UNIFIED SCHOOL DISTRICT*  
**Citizens' Bond Oversight Committee**  
**Measure D**

**2014-15 Annual Report**  
**January 2016**

**I. Introduction**

This is the 2014-15 Annual Report of the Citizens' Bond Oversight Committee (CBOC) for Measure 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 Measure 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 *three consecutive terms (amended Education Code Section 15282)*. The Committee must include:

- One member who is active in a business organization representing the business community located within the school district.
- One member active in a senior citizens' organization.
- One member who is a parent or guardian of a child enrolled in the school district.
- One member is both a parent or guardian of a child enrolled in the school district and active in a parent-teacher organization
- 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.

As of June 30, 2015 ten members served on the committee as shown in the table below:

| Committee Members:   | Business<br>Community | Senior<br>Citizens | Taxpayers'<br>Organization | Parent<br>of<br>NUSD<br>Student | Parent<br>and<br>PTO<br>Member | Community<br>Member<br>At-Large | Appointment by<br>Board of Trustees | Tax<br>Measure<br>Voting<br>Rights |
|----------------------|-----------------------|--------------------|----------------------------|---------------------------------|--------------------------------|---------------------------------|-------------------------------------|------------------------------------|
| 1 Allen, Hur-Khan    |                       |                    |                            | X                               | X                              |                                 | 2013 June 12                        | D                                  |
| 2 Clough, Sarah      |                       |                    |                            | X                               |                                |                                 | 2014 Sept. 10                       | D                                  |
| 3 Kawada, David      |                       |                    |                            | X                               |                                |                                 | 2013 June 12                        | D                                  |
| 4 Lopez, Anita       |                       |                    |                            | X                               |                                |                                 | 2014 Sept. 10                       | D                                  |
| 5 Mack, Margaret     |                       | X                  |                            |                                 |                                |                                 | 2013 June 12                        | D                                  |
| 6 McDonagh, Tom      |                       |                    |                            | X                               |                                |                                 | 2011 April 11                       | M & D                              |
| 7 Narwal, Manpreet   |                       |                    |                            |                                 |                                | X                               | 2013 June 12                        | D                                  |
| 8 Pelczar, Nathaniel |                       |                    |                            |                                 |                                | X                               | 2014 Sept. 10                       | D                                  |
| 9 Slay, Jennifer     |                       |                    |                            | X                               | X                              | X                               | 2010 April 13                       | M & D                              |
| 10 Stern, Eric       |                       |                    |                            | X                               |                                | X                               | 2013 June 12                        | D                                  |

| Terms - Expiration Dates |            |            |            |
|--------------------------|------------|------------|------------|
|                          | FIRST      | SECOND     | THIRD      |
| 1 Allen, Hur-Khan        | March 2015 | March 2017 | March 2019 |
| 2 Clough, Sarah          | March 2016 | March 2018 | March 2020 |
| 3 Kawada, David          | March 2015 | March 2017 | March 2019 |
| 4 Lopez, Anita           | March 2016 | March 2018 | March 2020 |
| 5 Mack, Margaret         | March 2015 | March 2017 | March 2019 |
| 6 McDonagh, Tom          | March 2014 | March 2016 | March 2018 |
| 7 Narwal, Manpreet       | March 2015 | March 2017 | March 2019 |
| 8 Pelczar, Nathaniel     | March 2016 | March 2018 | March 2020 |
| 9 Slay, Jennifer         | March 2013 | March 2015 | March 2017 |
| 10 Stern, Eric           | March 2015 | March 2017 | March 2019 |



All Committee members are appointed by the Board of Trustees and serve without compensation representing the following groups described in Section 15278 of the Education Code:

|   |  |
|---|--|
| Business Community Representative         | Vacant   |
| Senior Citizens' Representative           | M. Mack  |
| Bona-fide Taxpayers' Representative       | Vacant   |
| Parent or Guardian of an Enrolled Student | H.K. Allen; S. Clough ; D. Kawada;<br>T. McDonagh; J. Slay; E. Stern |
| Parent or Guardian, Also Active in PTA    | H.K. Allen; J. Slay  |
| Community Member at Large                 | M. Narwal; N. Pelczar  |

Natomas Unified School District staff and CBOC members continue their efforts to recruit a member to fill the bona-fide taxpayers' representative vacancy.

#### 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 in previous years, including the 14-15 year. The recent lifting of the building moratorium has again put the district on the path of physical facility expansion.

In 2015, the committee and Board of Trustees approved revisions to the Bylaws. A sub-committee presented the Bylaw revision to the CBOC for review and approval. The Board of Trustees approved the Bylaw revisions on February 11, 2015. The revisions are shown below and underlined in bold italics.

##### Section 6 MEETINGS OF THE COMMITTEE

- 6.1 *Regular Meetings.*** The Committee shall establish a schedule for the date and time of regular meetings to be held at least quarterly to include an annual organizational meeting to be held in April. ***District staff shall not change a scheduled regular meeting without written approval of the Chair.***

##### Section 7 District Support

- 7.1** The District shall provide to the Committee necessary technical and administrative assistance ***and sufficient resources to publicize the conclusions of the Committee*** as follows:
- (a) preparation and copies of any documentary meeting materials, such as agendas and reports; ***and***
  - (b) retention of all Committee records, and providing public access to such records, including the posting of Committee records on the Internet website maintained by the District; ***and***
  - (c) ***transmittal of any Committee report or communication to the Board upon request of the Committee.***



## 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, 2015 annual independent financial audit was conducted by Crowe Horwath. Their report, dated December 3, 2015, 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, 2015, 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 3, 2015 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, 2015 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 and Meetings

During the year ended June 30, 2015, the District made expenditures on the following projects:



|  |               |
|--|---------------|
| Westlake Charter                             | \$ 502,513.07 |
| STAR Academy                                 | \$ 950,870.93 |
| Security: H Allen Hight                      | \$ 16,516.38  |
| Security: Natomas Middle School              | \$ 25,144.65  |
| Security: Natomas High School                | \$ 216,847.64 |
| Construction Management                      | \$ 79,302.64  |
| Tech Refresh-Computer Support/Infrastructure | \$ 71,501.11  |

The NUSD's Citizens' Bond Oversight Committee met on the following dates:

- September 15, 2014
- October 27, 2014
- January 26, 2015
- April 27, 2015

## 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.

