

Citizens' Bond Oversight Committee Measure L

2021-22 Annual Report January 2023

I. Introduction

This is the 2021-2022 Annual Report of the Citizens' Bond Oversight Committee (CBOC) for Measure L 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 6, 2018, the Natomas Unified School District ("District") submitted for voter approval Measure L, a bond measure to authorize the sale of \$172 million in bonds to improve school facilities (expanding academic choice and program options, improving safety, enhancing learning opportunities to support college and career readiness, and build new campuses to meet enrollment growth). 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 L passed with 68 percent. Board Resolution No. 19-01 was approved by the Board of Trustees on January 16, 2019 formally accepting the Canvass and Statement of Results and Certificate of Election for Measure L.

Because Measure L passed pursuant to Proposition 39, the District was required to establish a citizens' bond oversight committee and to conduct two independent audits. The first audit is a financial audit that is included in the District's annual financial audit. The second audit is an independent 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' bond oversight committee with respect to Proposition 39 bond measures. This code requires that the governing board establish and appoint members to an independent citizens' bond 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:



- a. One member who is active in a business organization representing the business community located within the school district.
- b. One member who is 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 seven-member Citizens’ Bond Oversight Committee (CBOC) was appointed by the Board on March 13, 2019, to provide oversight of all bonds passed under Proposition 39, as required by law.

As of June 30, 2022, fourteen members served on the committee as shown in the table below:

| | Committee Members | Business Community | Senior Citizens’ Organization | Taxpayers’ Organization | Parent of NUSD Student | Parent and PTO Member | Community Member At-Large | Date Appointed by Board of Trustees | Tax Measure Voting Rights |
|----|---------------------|--------------------|-------------------------------|-------------------------|------------------------|-----------------------|---------------------------|-------------------------------------|---------------------------|
| 1 | Mariana Sabeniano | | | | | x | x | 3/13/2019 | L&J |
| 2 | Sumiti Mehta | | | | x | | x | 3/13/2019 | L&J |
| 3 | Erin Naudin | | | | x | | x | 3/13/2019 | L&J |
| 4 | Stacey Scarborough | | | | x | | x | 3/13/2019 | L |
| 5 | David Kawada | | | | x | | x | 3/13/2019 | L&J |
| 6 | Scott Lipton | | | | x | x | x | 3/13/2019 | |
| 7 | Kathleen Fullerton | | | | x | | x | 3/13/2019 | L&J |
| 8 | Rebecca Bitter | | | | x | | | 3/13/2019 | L |
| 9 | Rachel Davis * | | | | x | | | 3/13/2019 | L |
| 10 | Kristopher Lewis | | | | x | | x | 3/13/2019 | L |
| 11 | Selah Schoech | x | | | x | | x | 3/13/2019 | L |
| 12 | Laura Zuniga | | | | x | | | 3/13/2019 | L |
| 13 | Moises Lopez | | | | | | x | 3/13/2019 | L |
| 14 | Marjannie Akintinde | | | | x | | | 3/13/2019 | L |
| 15 | Margaret Mack | | x | | | | | 3/13/2019 | L |



| TERMS - EXPIRATION DATES | | | |
|--|------------|------------|------------|
| | First | Second | Third |
| Mariana Sabeniano | April 2021 | April 2023 | April 2025 |
| Sumiti Mehta | April 2021 | April 2023 | April 2025 |
| Erin Naudin | April 2021 | April 2023 | April 2025 |
| Stacey Scarborough | April 2021 | April 2023 | April 2025 |
| David Kawada | April 2021 | April 2023 | April 2025 |
| Scott Lipton | April 2021 | April 2023 | April 2025 |
| Kathleen Fullerton | April 2021 | April 2023 | April 2025 |
| Rebecca Bitter | April 2021 | April 2023 | April 2025 |
| Kristopher Lewis | April 2021 | April 2023 | April 2025 |
| Selah Schoech | April 2021 | April 2023 | April 2025 |
| Laura Zuniga | April 2021 | April 2023 | April 2025 |
| *Moises Lopez | April 2021 | April 2023 | April 2025 |
| Marjannie Akintinde | April 2021 | April 2023 | April 2025 |
| Margaret Mack | April 2021 | April 2023 | April 2025 |
| <i>*Moises Lopez Resigned and Board Approved 5/11/22</i> | | | |

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
 Senior Citizens' Representative
 Bona-fide Taxpayers' Representative
 Parent or Guardian of an Enrolled Student

S. Schoech
 M. Mack
 Vacant
 M. Akintinde; R. Bitter; R. Davis;
 D. Kawada; K. Lewis, S. Lipton;
 K. Fullerton; S. Mehta; E. Naudin;
 S. Scarborough; S. Schoech; and
 L. Zuniga
 M. Sabeniano; S. Lipton
 K. Fullerton; D. Kawada; K.
 Lewis; S. Lipton; M. Lopez; S.
 Mehta; E. Naudin; M. Sabeniano;
 S. Scarborough; S. Schoech

Parent or Guardian, Also Active in PTA
 Community Member at Large

Natomas Unified School District staff and CBOC members continue their efforts to recruit members to fill vacancies for a Bona-fide Taxpayers' representative.



IV. CBOC Actions

CBOC members actively investigate and prepare a post-construction review report on Measure L 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 following review by the CBOC.

The Bylaws were approved by Resolution 19-07 approved by the Board of Trustees on March 13, 2019. Resolution 19-07 also approved establishing the independent citizens' bond oversight committee.

IV. Performance and Audit Reports

The Annual Performance Audit was conducted by Eide Bailly LLP. Their report dated November 18, 2022 that 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, 2022 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.

In accordance with the California State Constitution, the District will continue to have a performance audit completed annually until all Measure J funds have been expended. This report is 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 J; and to help the District improve its overall bond program.

The annual independent audit report was conducted Crowe LLP CPA's. Their report dated December 15, 2022 states that the results of their procedures indicated that, in all significant respects, Natomas Unified School District expended Measure J General Obligation Bond funds for the year ending June 30, 2021 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. The requirement of the annual independent financial audit required in the California Constitution, Article 13A, Section 1(D) is included in the District's annual financial audit

V. Communications with the Public

A CBOC website, as required by law, exists, and the information that is posted includes committee member contact information, project photos & updates, 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.

VI. Expenditures and Meetings

During the year ended June 30, 2022, the District made expenditures as shown on the attached end-of-the-year Measure L Financial Report.



Citizen's Bond Oversight Committee Measure "L" Financial Report

| | |
|------------|-----------|
| Data as of | 6/30/2022 |
|------------|-----------|

Measure L Funding

Fund 21 Resource 9360

| | |
|--------------------------------|----------------------|
| Starting Balance | |
| Issue#1 | \$59,820,000 |
| Issuance #2 | \$54,230,331 |
| Issuance #3 | \$57,519,673 |
| Interest | \$186,181 |
| Total Funds Available | \$171,756,184 |
| Total Projected Funding | \$171,756,184 |

| | |
|-------------------------------------|---------------|
| November 18, 2020 Board Approved | \$171,819,330 |
| Unallocated Project Fund Balance | -\$63,146 |

Measure L: Open Projects

| Project Number | Description | Reallocation May 11, 2022 | 2021-22 Spending | Total Project Expenditures | Encumbered | Total Committed Funds | Project Balance |
|----------------|-------------------------------|---------------------------|------------------------|-------------------------------|---------------|--------------------------|------------------------|
| | K-8 Conversions (AL, BC, JFS) | \$50,289,152.25 | \$1,255,833.15 | \$50,289,152.19 | \$0.00 | \$50,289,152.19 | \$0.06 |
| 260 | NCS Loan Repayment | \$3,052,672.30 | \$0.00 | \$3,052,672.30 | \$0.00 | \$3,052,672.30 | \$0.00 |
| 261 | Joint Use Aquatic Center | \$10,600,000.00 | \$0.00 | \$7,950,000.00 | \$0.00 | \$7,950,000.00 | \$2,650,000.00 |
| aaaa | Bond Expenses | \$1,750,000.00 | \$32,162.85 | \$50,182.09 | \$0.00 | \$50,182.09 | \$1,699,817.91 |
| 264 | NP3 Elementary | \$20,000,000.00 | \$16,775,672.28 | \$18,028,114.78 | \$0.00 | \$18,028,114.78 | \$1,971,885.22 |
| 265 | Heredia-Arriaga | \$28,607,832.45 | \$20,926,437.96 | \$20,926,437.96 | \$0.00 | \$20,926,437.96 | \$7,681,394.49 |
| | Paso Verde (COP Repayment) | \$57,519,673.00 | \$0.00 | \$57,519,673.00 | \$0.00 | \$57,519,673.00 | \$0.00 |
| | Totals | \$171,819,330.00 | \$38,990,106.24 | \$157,816,232.32 | \$0.00 | \$157,816,232.32 | \$14,003,097.68 |

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

- August 23, 2021
- October 25, 2021
- January 24, 2022
- April 25, 2022

VII. Conclusions

The Citizens' bond Oversight Committee, based on its review of the annual independent performance audit report and information received at its meetings, finds:

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

