

July 17, 2014

Members of the Board of Trustees
Citizens & Administration of the District

Ladies & Gentlemen:

As Chair of the Bond Oversight Committee for the Sacramento City Unified School District, it is my privilege and pleasure to present, on behalf of the full committee, our annual report.

In accordance with Proposition 39, we exist to ensure that expenditures of the funds collected under the voter-approved bond measures I, Q & R are spent on the items and projects voters approved at the time of their vote. We are a committee dedicated to ensuring that the public trust is well kept and remains intact throughout the life of the bonds.

We are pleased to report that the expenditures of the previous fiscal year, after a full audit by an outside agency, are in compliance with all laws, regulations and accounting.

On behalf of the entire committee, thank you for this opportunity to serve our District and ensure that all is in full compliance with legal and ethical guidelines.

Respectfully,

Lawson Stuart, Chair
Bond Oversight Committee
Sacramento City Unified School District

MEASURE I BOND OVERSIGHT COMMITTEE ANNUAL REPORT - 2013

GENERAL OVERVIEW

With the approval of Proposition 39, Article XIII A, Section 1[b](3) was amended to require all districts to "...conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of those proceeds have been expended for the school facilities projects."

In this capacity, the Bond Oversight Committee has overseen the expenditures of Measure I, which was approved in 2002. It previously oversaw the expenditures of Measure E in conjunction with Measure I, and final expenditures and actions related to Measure E were reported in the previous annual report and the Measure E function of the BOC was completed. Similarly, with the presentation of this report, all final expenditures of Measure I will have been presented and this function of the BOC will cease.

The BOC has already transitioned to oversee the expenditures and carrying-out of Measures Q & R, which were approved by the voters in 2012. Part of this transition has included the writing and approval of bylaws to govern the Q & R BOC, the retention of members from the E & I BOC, and the appointment of new members to round the BOC out.

The BOC now consists of:

Lawson Stuart, BOC Chair & Parent of Children in the District
Rachel Minnick, BOC Vice Chair & Parent of Children in the District
Maria Haro-Sullivan, BOC Secretary & Parent of Children in the District
Carol Daydova, Past BOC Chair & Representative of the Business Community
Adolfo Mercado, Past BOC Vice Chair & Representative of the Business Community
Alex Visaya, BOC Member & Representative of a Senior Citizen's Organization
James Price, BOC Member & Active Member of a Taxpayer's Organization
John Andrew, BOC Member & Parent of Children in the District
Dave O'Toole, BOC Member & Parent of Children in the District
Cesar Diaz, BOC Member & Parent of Children in the District

Our Support Staff are:

Cathy Allen, Assistant Superintendent- Facilities Support Services
Jim Dobson, Director, Planning, Construction & Operations
Elena Hankard, Administrative Assistant, Facilities Support Services
Amari Watkins, Director II, Accounting Services

ANNUAL AUDIT

At the February 19, 2014 meeting of the BOC, Stephen Buckner (Representative of Crowe Horwath) presented the Measure I General Obligation Bonds Performance Audit to the BOC.

The findings of this audit were that all expenditures of funds from Measure I Bonds were in full compliance with the outlined purposes voters approved in 2002.

Specifically during the reporting period audited, expenditures totaling \$4,052,927 were reviewed and found in compliance.

This also was the final audit of the Measure I funds.

CURRENT STATUS

As previously mentioned, the BOC is now focused on its duties in regard to Measure Q & R. These bonds have already covered several projects throughout the District and provided repairs to many facilities.

The BOC met 3 times since the last Annual report, and have toured sites where projects were complete, in progress or in the planning stage.

RECOMMENDATIONS

Previously, it was recommended to the Board that Bond Steering Committee plans for expenditures be provided to the BOC through a “back-end” review. We have received these reports and find this recommendation to have been satisfied, with our gratitude.

It was also recommended that one of our members also be allowed to be a member of the Bond Steering Committee in order to provide reports to us on their meetings and activities. This was also provided.

We also wish to commend the provision of staff for our work and thank them for all they do to facilitate the continued efforts of the BOC.

As with previous reports, the BOC members were afforded the opportunity to present recommendations as a part of this one. These recommendations are:

- We recommend that a High School Student from the District be assigned to our Committee in order to balance out the representation of the District amongst our membership. Recognizing that the membership of Proposition 39 Bond Oversight Committees is dictated by Education Code, it is the Committee’s hope that a High School Student could be appointed as a non-voting member.
- With the implementation of the new construction cost accounting software program, e-Builder, the Committee recommends that District Staff report to us on a quarterly basis any Administrative Expenses, Consultant Fees, Leveraging of Bond Funds, and Joint-Use Facility Opportunities. Currently this level of detail is extremely difficult to access using the District’s current financial accounting system.

- We recommend that, if the Bond Steering Committee is continued for future program evaluation, there be opportunities for more interaction with the BOC. Recognizing the duties of a BOC Committee are predominantly “after the fact in nature”, we believe more interaction would provide for maximum transparency.

SUMMARY

The Bond Oversight Committee continues to fulfill its role as the source of accountability for the constituents of the District over the bond measures they approved, in compliment to the elected officials and staff overseeing the expenditures.

For more information, meeting minutes and other documents related to the BOC, please go to: www.scusd.edu/bond-oversight-committee