



CITIZENS' BOND OVERSIGHT COMMITTEE 2017-2018 ANNUAL REPORT

SHASTA UNION HIGH SCHOOL DISTRICT MEASURE I GENERAL OBLIGATION BOND OF 2016

At least one time annually, commencing with the end of the first fiscal year in which any bond proceeds are expended, and continuing through the end of the fiscal year in which bond proceeds have been spent in full, the Citizens' Bond Oversight Committee (CBOC) shall prepare an annual written report to the Shasta Union High School District Board of Trustees.

Background on Measure I

The Shasta Union High School District was successful at the election conducted on November 8, 2016 in obtaining authorization from the District's voters to issue up to \$56.9 million aggregate principal amount of the District's general obligation bonds ("Measure I"). The election was conducted under Proposition 39, chaptered as the Strict Accountability in Local School Construction Bonds Act of 2000, at Section 15264 *et seq.* of the Education Code of the State ("Proposition 39").

Projects Financed by Measure I

The projects to be financed by the bonds at one or more of the District's sites may include: (1) repairing, upgrading, acquiring, equipping, modernizing, or replacing infrastructure, classrooms, equipment, and facilities as described in the full text of the measure (the "Full Text"); (2) upgrading mechanical systems; (3) improving information technology infrastructure and systems; (4) improving safety, disabled access, emergency preparedness, and security systems; (5) other projects listed in the Full Text; (6) refinancing outstanding lease obligations and interim funding incurred to advance fund projects from the list enumerated in the Full Text; and (7) expenses associated with the foregoing purposes as described in the Full Text. Some projects may be joint-use with other public entities. The proceeds will not be used for any purpose not identified in the measure, including teacher or administrator salaries or be taken by the state.

Measure I Values

Voter approval bond amount	\$56,900,000
General Obligation Bond Sale February 2017	\$15,000,000
General Obligation Bond Sale September 2018	\$20,000,000
Unissued Bonds	\$21,900,000

Citizens' Bond Oversight Committee

Pursuant to Section 15278 of the Education Code, the District is obligated to establish this Citizens' Bond Oversight Committee in order to satisfy the accountability requirements of Proposition 39. The Committee must be comprised of voters who represent parents, parent-teacher organizations, business organizations representing the business community, senior citizens' organizations, taxpayers associations and the community at-large. The Committee shall review expenditure reports produced by the District to ensure that (a) bond proceeds were expended only for the purposes set forth in Measure I; and (b) no bond proceeds have been used for teacher or administrative salaries or other operating expenses.

Citizens' Bond Oversight Committee Members

James Schwerdt	Seniors Organization
Joe Chimenti	Business Organization
Denise Yergenson	Taxpayer Association
Michelle Nystrom	Parent-Teacher Organization
Richard McConnell	Parent
Justin Engles	Community Member
Sarah Isbell	Community Member (resigned December 2018)
Amparo Buck	Community Member (appointed February 2019)

Meeting Schedule and Summary since July 1, 2017

<u>Meeting Date</u>	<u>Summary</u>
September 6, 2017	Review bond project list. Review expenditures through June 30, 2017. Review annual report process.
December 18, 2017	Review and approve Bond Audit Report as of and for the year ending June 30, 2017. Committee update on bond projects. Review annual report process.
March 5, 2018	Committee update on bond projects. Review expenditures through February 28, 2018.
June 4, 2018	Organization of the Committee. Committee update on bond projects. Review expenditures through May 31, 2018.
September 4, 2018	Committee update on bond projects. Review expenditures through June 30, 2018.
December 17, 2018	Committee update on bond projects. Review expenditures through November 30, 2018.
March 4, 2019	Review expenditures through February 28, 2019. Review and approve Bond Audit Report as of and for the year ending June 30, 2018. Review annual report process. Committee update on bond projects.

Annual Audit

At the March 4, 2019 meeting of the CBOC, Chief Business Official David Flores presented the Measure I General Obligation Bond Performance Audit to the CBOC. The independent auditor, KCOE Isom, obtained the building fund general ledger and the project expenditure summary reports and detail prepared by the District for the fiscal year ended June 30, 2018. Within the year audited, the auditors obtained the actual invoices and other supporting documentation for a sample of expenditures to ensure compliance with Proposition 39 and Measure I General Obligation funding.

Based upon the procedures performed, the auditors found that for the items tested, the District has properly accounted for the expenditures of the Proposition 39 and Measure I General Obligation Bonds. Specifically during the reporting period audited, expenditures totaling \$3,252,399 were reviewed and found in compliance. Further, it was noted that the funds were not used for salaries of school administrators or other operating expenditures. There were no findings or recommendations.

Report Summary

The CBOC, based on the review of the annual financial and performance audit reports and information received at the CBOC meetings, certifies that the bond proceeds for the fiscal year ending June 30, 2018 were expended only for the purpose set forth in the ballot measure and that no bond proceeds were expended for any teacher or administrator salaries or other operating expenses.

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

For more information, meeting minutes and other documents related to the CBOC, please go to the [SUHSD Measure I Webpage](#).