



Annual Report

March 2006 - March 2007

Citizens' Oversight Committee
Measure T Bond



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I. Bond Overview

On March 2, 2004, the voters of the San Bernardino City Unified School District approved Measure T by a yes vote of 61.4%. Measure T provides for capital facilities bonds in the amount of \$140,000,000.00. The bond language requires the establishment of a Citizens' Oversight Committee (COC).

Measure T Bond projects include: building new neighborhood elementary, middle, and high schools and facilities; repairs, upgrades, expansions and modernizations of existing schools and facilities; and paying off existing capital facility lease obligations to reduce costs and save money. Bond funds will be used in conjunction with available State bond funding to maximize the number of projects that can be accomplished. Projects will be prioritized as State and Bond funds become available. Measure T is planned to be sold in four series. The first series was sold in September 2004, and was used primarily to pay off Certificates of Participation used to construct school facilities projects. The second series was sold in May 2006 to fund new campus, modernizations and SDC additions.

II. Proposition 39 Requirements

Proposition 39 makes both constitutional and statutory changes to the current laws governing school facilities funding in California.

Proposition 39 requirements include the following restrictions:

- Property tax must be a maximum of \$60.00 per \$100,000 in assessed valuation
- A list of projects must be provided to the voters in the ballot measure
- A Citizens' Oversight Committee must be established and operational
- An annual report from the COC to the Board
- Annual financial audit
- Annual performance audit
- The membership of the COC must include at least five members of the following categories; parent; parent/member of PTA/PTO; business representative; member of a senior citizen organization; and member of a bona fide taxpayer organization
- A website of the COC must be maintained

III. Citizens' Oversight Committee

The San Bernardino City Unified School District Measure T-2004 Proposition 39 Bonds Citizens' Oversight Committee is legally charged under Education Code Sections 15278, 15280, 15282, and the California Constitution, Article 13A, Section 1, with direct taxpayer review of the Bond measure endorsed by the voters and with informing the public about the expenditures of the Bond proceeds to ensure that the spending decisions made by elected officials conform with that measure. The committee is not granted any powers to determine how bond proceeds are spent.

The Citizens' Oversight Committee is charged with the following purposes under Proposition 39:

1. To verify that projects funded with bond proceeds were permitted under the projects list submitted to voters (or available to voters if not reprinted in the Voter Handbook) at the time of election.
2. To review the annual financial audit and performance audit maintained under Proposition 39.
3. To review the annual list of deferred maintenance projects.
4. To conduct on-site inspections of projects to verify performance of contractors on an as needed basis.
5. To request that the District provide information on cost saving methods of design or construction that relate to any of the proposed projects.
6. To publicize the results of the findings of the Committee in order to inform the public of the status of the bonds and the proposed projects.
7. To evaluate the applicability of "reusable" designs for schools financed with Bond proceeds.

For more information visit the COC web page at the following address: <http://www.sbcusdfacilities.com>.



New campus project Rodriguez Elementary School underground work.

After an application process, COC members are appointed by the Board. Since inception of the COC in September 2004, the following community members have served:

	September 2004 to August 2005	September 2005 to August 2006
At-large	Robbi Brunk	Robbi Brunk
At-large	Gloria Mazzola (Ch)	Gloria Mazzola (Ch)
Parent	Teresa Alba	Teresa Alba
At-large	Carl Clemons (VC)	Carl Clemons (VC)
Business	Ron Coats*	Ron Coats
Business	Ben Parra*	J. Pat Ferraris (3/21/06)
Parent/PTA	Soledad Castillo*	Soledad Castillo
Senior Citizen	Margaret Hill (Ch)	Margaret Hill (Ch)
Taxpayer Org	Lou Pellini*	Vacant

**initial 1-year term selected by lot*

IV. Summary Of COC Activities

A summary of the meetings from March 2006- March 2007 and other activities follows:

March 15, 2006

- The COC reviewed the 2-21-06 Board presentation of the Annual Report with signatures
- Board appointment of new member scheduled for March 21, 2006 meeting
- Members received Project Funding Update regarding Series B Bond Issuance & Priority Projects and the 2/7/06 & 2/21/06 Board Agenda Items

March 21, 2006

- Board approved the appointment of J. Pat Ferraris as a representative of the Business Community to the Citizens' Oversight Committee

June 21, 2006

- Local Business Outreach Program presented by Susan de Leon
- Status of Highland-Cypress and other Proposed Sites Board Presentation 5-2-06
- Status of the Second Series of Bond & Bond Projects review for the COC
- COC members tour Jones Elementary School

September 27, 2006

- COC Member Re-appointments approved at 9-5-06 Board Meeting:
Teresa Alba
Robbi Brunk
Carl Clemons
Margaret Hill
Gloria Mazzola
- Election of Officers (1-year term)
Robbi Brunk was elected chairperson for the 2006-2007 school year
Gloria Mazzola was elected vice-chairperson for the 2006-2007 school year
- Membership Contact Information Updated
- Report on Bond Projects: Bids Awarded/Construction Started
- Facilities Annual Report Presented



Jones Elementary School Dedication Ceremony, December 7, 2006.

December 6, 2006

- Status of Annual Audit – Planned Schedule:
January – Auditor to complete work
February – Receive Audit Reports
March – Present to Citizens' Oversight Committee
- Status of Vacant Member Position Recruitment
- Project Status Report Presented
- Project Financial Report Presented

January 10 – March 6, 2007

New Member Application Process #3

- January 10, 2007 – Applications available at District office, Public Library and District web site. Copies provided to Superintendent and Board members. Personal contacts to be made.
- January 26, 2007 – Application due date
- January 29 - 31 and February 1, 2007 – Initial screening by Facilities Staff
- February 5 – 8, 2007 – Superintendent or designee reviews applications
- March 6, 2007 (Board Meeting) – Superintendent or designee will make recommendations of candidates to Board of Education

COC members as appointed by the Board for 2006-2007 are listed as follows with their positions and membership terms:

Name	Representing	Membership Term		Position
		Begins	Ends	
Robbi Brunk	At-large	9/01/2006	8/31/2008*	Chair
J. Pat Ferraris	Business Community	3/21/2006	3/21/2008	Vice Chair
Teresa Alba	Parent	9/01/2006	8/31/2008*	Member
Soledad Castillo	Parent/PTA Member	9/01/2005	8/31/2007	Member
Carl Clemons	At-large	9/01/2006	8/31/2008*	Member
Ron Coats	Business Community	9/01/2005	8/31/2007	Member
Margaret Hill	Senior Citizen	9/01/2006	8/31/2008*	Member
Gloria Mazzola	At-large	9/01/2006	3/28/2007	Resigned
Marion Vassilakos	Taxpayer Organization	3/06/2007	3/06/2009	Member

**Second term- not eligible for consecutive reappointment*

V. Summary of Bond Expenditures and Findings as Detailed in Audit Reports

2004 General Obligation Bond, Series A

On September 16, 2004, the San Bernardino City Unified School District issued the 2004 General Obligation Bonds, Series A, in the amount of \$44,999,498. The bonds will mature August 1, 2029, and yield interest rates of 1.25 to 5.46 percent. The bonds were issued to fund the construction, renovation, and repair of certain District facilities and the prepayment of the District's School Facility Bridge Funding Program.

2004 General Obligation Bonds, Series B

On May 18, 2006, the District issued \$67,999,967 of 2004 General Obligation Bonds, Series B. The Series B represents the second series of the authorized bonds not to exceed \$104,000,000, to be issued under the measure as approved by voters. The bonds mature on August 1, 2030, with interest yields of 4.50 to 5.15 percent. Proceeds from the sale of the bonds will be used to finance the construction, renovation and repair of certain school facilities.

2005-2006 Audit Reports

In accordance with Proposition 39, a performance audit and financial audit was performed by the independent auditor firm of Vicenti, Lloyd and Stutzman. The performance audit confirmed that the San Bernardino City Unified School District has properly accounted for the expenditures of the funds held in the Bond Building Fund and that such expenditures were made on authorized bond projects. Further it was noted that the funds held in the Bond Building Fund and expended by the district were not expended for salaries of school administrators or other operating expenditures.

The financial audit confirmed that the financial statements for fiscal year ending June 30, 2006, present fairly in all material respects, the financial position and results of operations for the San Bernardino City Unified School District as of June 30, 2006, in conformity with accounting principles generally accepted in the United States of America.

The financial audit also identified a reportable condition where Measure T expenditures were improperly coded to Resource Code 0001 rather than Resource Code 0002. Resource Code 0001 was for the Series A bond proceeds and Resource Code 0002 is to be used to account for the use of the Series B bond proceeds. District staff had to analyze all expenditures charged to Resource Code 0001 and determine what should have been charged to Resource Code 0002. As a result, \$5,113,145 of expenditures were moved from Resource Code 0001 to Resource Code 0002 in preparing for the financial statements. After correcting entries are posted, Resource 0001 accounts will be deactivated and eventually closed to prevent future miscoded transactions.

VI. California Constitution Statutory Requirements

On May 4, 2004, (Item 10.42) the Board of Education approved “Resolution of the Board of Education of the San Bernardino City Unified School District Establishing a Citizens’ Bond Oversight Committee and Approving Form of Bylaws Thereof.”

Section 3, Item 3.3 of the Citizens’ Oversight Committee Bylaws:

“3.3 Annual Report. The Committee shall present to the Board, in public session, an annual written report which shall include the following:

- (a) A statement indicating whether the District is in compliance with the requirements of Article XXIIIA, Section 1(b)(3) of the California Constitution; and
- (b) A summary of the Committee’s proceedings and activities for the preceding year.”

The text in the Article XIIIIA of the California Constitution states:

“(A) A requirement that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIIIIA, Section 1 (b)(3), and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

(B) A list of the specific school facilities projects to be funded and certification that the school district board, community college board, or county office of education has evaluated safety, class size reduction, and information technology needs in developing that list.

(C) A requirement that the school district board, community college board, or county office of education conduct an annual, independent performance audit to ensure that the funds been expended only on the specific projects listed.”

IV. COC Statement of District Compliance

The Citizens’ Oversight Committee, based on the review of the annual financial and performance audit report and information received at the COC meetings, finds:

- The San Bernardino City Unified School District is in compliance with the requirements of Article XIIIIA, Section 1(b) (3) of the California Constitution

The Citizens’ Oversight Committee members and officers wish to thank the San Bernardino City Unified School District Board, Superintendent and staff for their support and appreciate the opportunity to serve the taxpayers of the District and inform the public concerning the San Bernardino City Unified School District Measure T Bond.

Original signature on file.

Robbi Brunk, Citizens’ Oversight Committee Chair

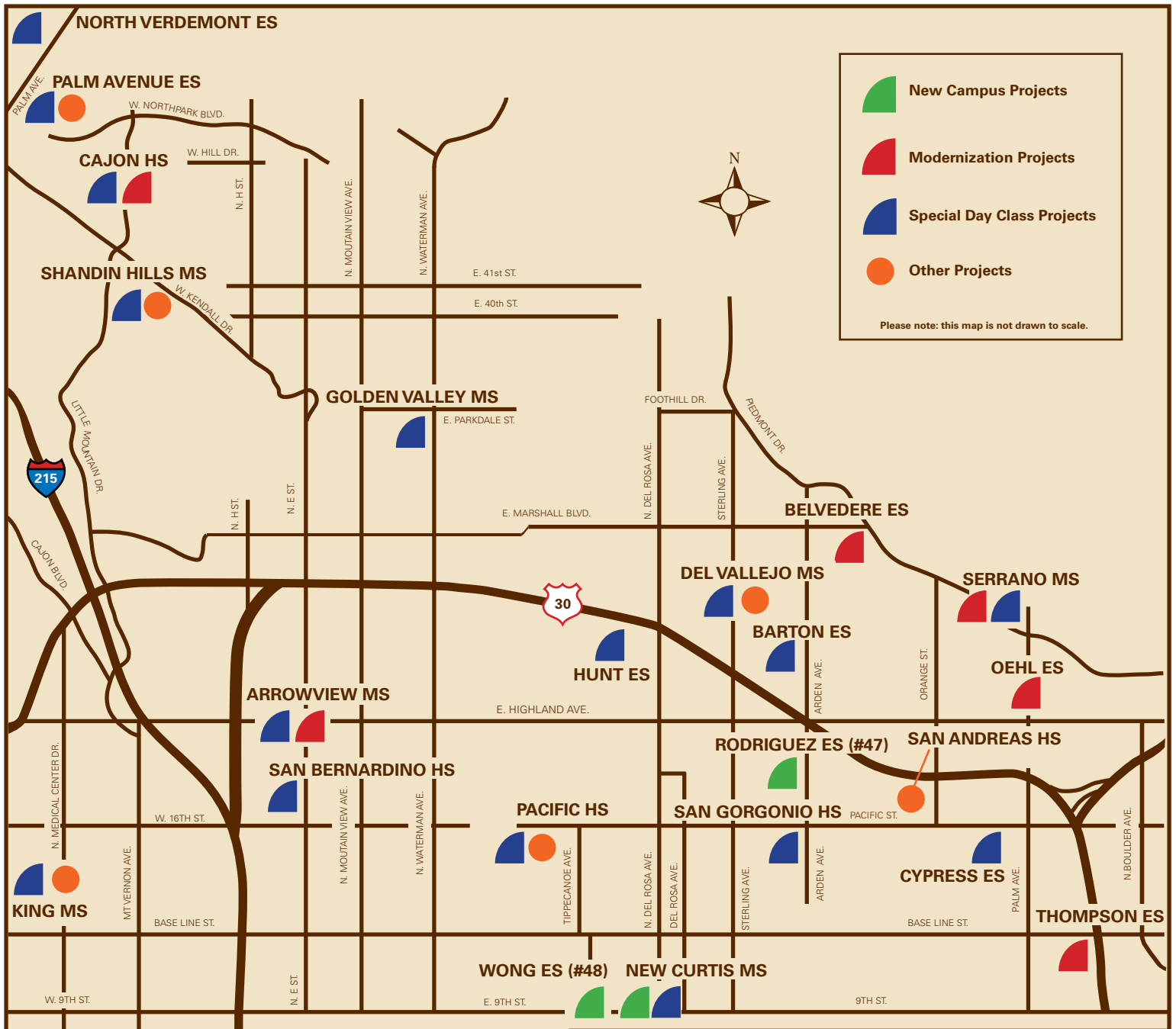
Original signature on file.

J. Pat Ferraris, Citizens’ Oversight Committee Vice Chair



New campus Wong Elementary School trenchwork.

Phase I Priority Project Sites (Bond Funded)



 **Board of Education Building**
777 N. F Street San Bernardino, CA 92410

COC Members

Robbi Brunk, Chair
J. Pat Ferraris, Vice Chair
Teresa Alba
Soledad Castillo
Carl Clemons
Ron Coats
Margaret Hill
Gloria Mazzola
Marion Vassilakos

Superintendent

Arturo Delgado, Ed.D.

District Facilities Administrators

John Peukert, Assistant Superintendent
Wael Elatar, Facilities Administrator

Facilities Program Management Team

URS

Board of Education

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Mrs. Lynda K. Savage, Vice President
Ms. Louise A. Ayala
Mrs. Teresa Parra
Mrs. Judi Penman
Mr. Danny Tillman
Dr. Elsa O. Valdez

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