

2019 Annual  
Report  
Citizens'  
Bond  
Oversight  
Committee

Alum Rock Union  
School District

2018 / 2019 Fiscal Year



# Introducing the CBOC

- What is the Citizens Bond Oversight Committee?
- How does the CBOC serve the community and our schools?
- How can you be involved?

## Measure J Bonds

Measure J was on the November 6, 2012 ballot where it was approved by 18,442 votes or 79.43%, the bond was issued for \$125 million.

- “To improve neighborhood schools by removing mold and asbestos; fixing leaky, deteriorated roofs; replacing inefficient/ aging heating, ventilation, and electrical systems to save money; improving fire safety/ security; updating computer technology/ science labs for 21st century learning; repairing aging restrooms; and acquiring, constructing, and repairing sites/ facilities, shall Alum Rock Union Elementary School District issue \$125 million in bonds at legal rates with required independent financial audits, citizens' oversight and no money for administrators' salaries?”



## Measure I Bonds

Measure I was on the June 7, 2016 ballot where it was approved by 12,461 voters or 78.75%, the bond was issued for approximately \$140 million.

- “To improve local neighborhood schools, fix leaky, deteriorated roofs, improve fire safety, repair/upgrade classrooms, improve student safety and security, renovate outdated restrooms, upgrade heating/ventilation/electrical systems for energy efficiency, and computer technology, shall \$139,999,671.60 of Alum Rock Union Elementary School District bonds approved by the voters in June 2008, be reapproved at legal rates to renovate, acquire, construct, repair classrooms, sites, facilities/equipment, with independent audits, citizens’ oversight, no money for administrators’ salaries and all money controlled locally?”



# How is bond money used for our schools?

According to California's Education Code, bond funds must be spent exactly as approved by voters. The CBOC examines all bond spending to ensure it is spent in accordance with the law, and reports to the Alum Rock community.

Alum Rock schools are between 53 and 68 years old!

District Schools	
Adelante Dual Language Academy	1967
Alum Rock District Office	1962
Aptitud Community Academy at Goss	1961
Arbuckle/ Adelante II	1961
Cassell Elementary	1963
Chavez Elementary	1962
Cureton Elementary	1952
Dorsa Elementary	1960
Fischer Middle School/ Renaissance I	1960
George Middle School	1969
Hubbard Media Arts Academy	1959
Linda Vista Elementary	1959
LUCHA Elementary	1964
Lyndale Elementary	1959
Mathson Institute of Technology/ Renaissance II	1960
McCollam Elementary	1959
Meyer Elementary	1962
Ocala STEAM Academy	1972
Painter Elementary	1961
Russo McEntee Academy	1956
Ryan STEAM Academy	1967
San Antonio Elementary	1967
Sheppard Middle School	1961
Charter Schools	
Alpha (formerly Slonaker)	1962
KIPP Heartwood (formerly Miller)	1959
Escuela Popular (formerly Pala)	1960

Project	Cost
<b>Beginning Measure J Bond funds, as of July 1, 2018</b>	\$26,354,656
<b>Money spent on Salaries</b>	-\$224,253
<b>Money spent on Benefits</b>	-\$99,788
<b>Money spent on Contract Services</b>	-\$27,958
<b>Revenue generated from interest to cover expenses</b>	+\$121,058
<b>Total Ending Measure J Bond funds, as of July 1, 2019</b>	<b>\$26,123,715</b>

2018 / 2019  
Bond-funded  
projects

# Conditions impacting the bond program in July 2018 / June 2019

- Unfavorable audits
- Downgraded credit rating
- Inability to issue Measure I Bonds
- Lack of adequate bond money to complete needed projects
- Needs assessment completed in 2018
- Before Measure I bonds can be issued, the Board will need to hire bonds counsel and a financial advisor, and determine the amount to issue

# Murals at the Mathson Multipurpose Building

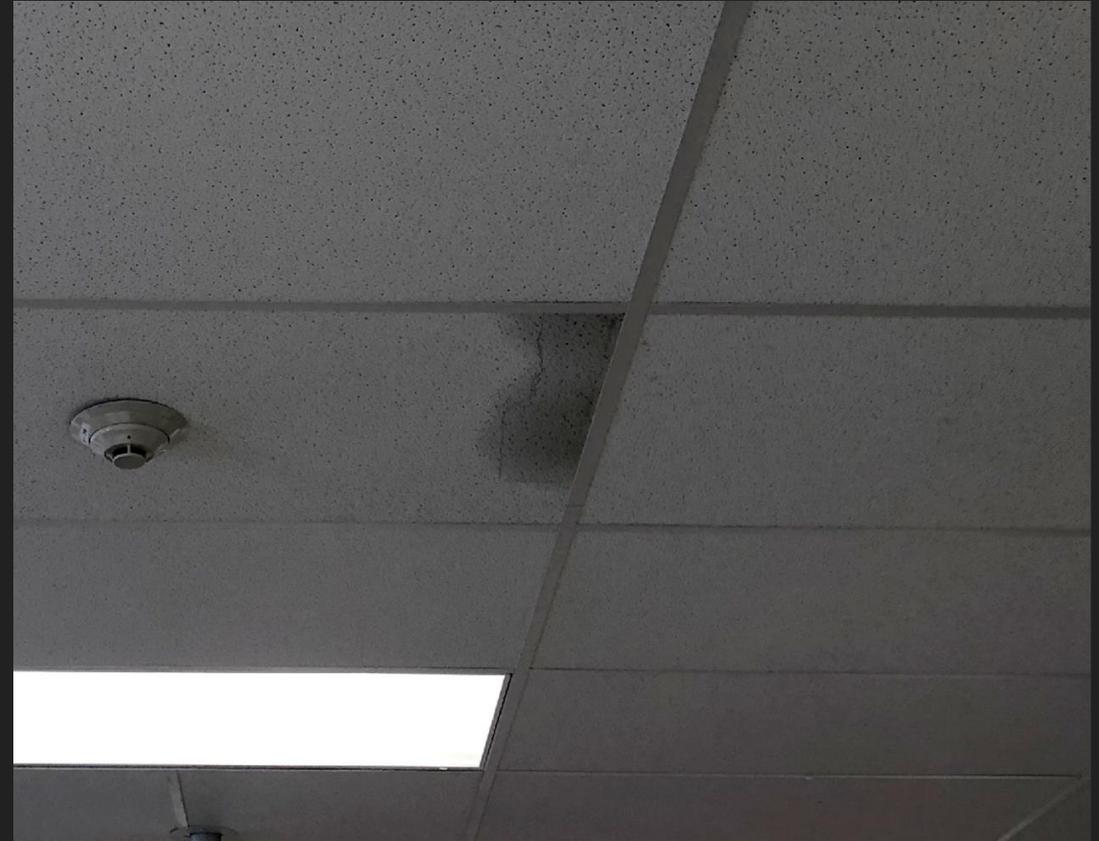


# Murals at the Mathson Multipurpose Building



# HVAC Systems

- Problems at LUCHA and Dorsa, where HVAC work was completed



# Bonds Performance Audit and Financial Statement

Audits are usually available 6-8 months after the fiscal year ends

The **Performance Audit** examines whether or not the District spent the bond money the way voters agreed that they would.

The **Financial Statement** is an audit of the District's bond money accounts. It examines the Balance Sheet and the Statement of Revenues, Expenditures, and Change in Fund Balance. It also examines internal controls.

# Audit Findings

## **The Performance Audit:**

**The District did spend bond money only as the Board of Trustees directed and only on the projects approved under the ballot measure**

## **The Financial Statement:**

**The auditors found that deficiencies discovered during last year's audits have been corrected**

# CBOC Audit Concerns

1. Source of “Other Local Revenues”
2. Allowed salaries and benefits
3. Unpaid invoices for Del Terra Real Estate
4. Project and Construction Management Vendors
5. Expenditure for contract services

# CBOC Conclusions

- The CBOC would like to thank the District for completing the needed reforms to address the problems found in previous years by the auditors.
- At the time per Article 13A, Section 1(b) (3) of the California Constitution, Measure J Bond funds were spent appropriately according to the law.
- The conditions that allowed our community's taxpayer dollars to be spent on work that was poorly performed, costing the district unnecessary money and leaving our schools with unfunctional HVAC systems must never be repeated.
- The CBOC welcomes the involvement of community members in this important work-come join us!

The screenshot shows the Alum Rock Union School District website. The top navigation bar includes links for 'SCHOOL CLOSURES AND COVID-19 UPDATES', 'DISTRICT HOME', 'ELEMENTARY SCHOOLS', 'TK-8 SCHOOLS', and 'MIDDLE SCHOOLS'. Below this is a secondary navigation bar with links for 'CURRENT BOARD AGENDA', 'DISTANCE LEARNING RESOURCES', 'ESS', 'REPORTS', 'BONDS', 'PARCEL TAX EXEMPTION', 'LCAP', 'EMPLOYMENT OPPORTUNITIES', 'QUICK LINKS', and a search icon. The main header features the district logo and the name 'ALUM ROCK UNION SCHOOL DISTRICT'. Below the header is a row of navigation links: 'OUR DISTRICT', 'BOARD OF TRUSTEES', 'DEPARTMENTS', 'INNOVATIVE LEARNING', and 'EXTENDED LEARNING'. The main content area is divided into two sections. On the left, under 'In This Section', there is a blue sidebar with links for 'Construction Terms Glossary', 'Committee Applications', 'Oversight Committee Members', and 'Agendas & Meeting Dates'. On the right, under 'Your Tax Dollars at Work', there is a headline 'Protecting Taxpayers Dollars and Keeping our Promise to the Alum Rock Community' followed by a paragraph of text: 'The Alum Rock community has historically supported the Alum Rock Union Elementary School District facility needs through passage of Facility Bonds. This support has been shown through passage of Measure G in June 2008, Measure J in November 2012, and Measure I in June 2016 providing necessary funding for implementation of bonds projects as promised to taxpayers of our community.'

# Questions?

Thank you for your attention!