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**MEASURES S BOND PROGRAM
CITIZENS' BOND OVERSIGHT COMMITTEE
ANNUAL REPORT, INCLUDING AUDIT FOR
2017/2018 FISCAL YEAR**

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**Submitted to the Compton Unified School District Board of Trustees
September 11, 2019**

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I. Introduction

This Annual Report (“Report”) is submitted to the Compton Unified School District (“District”) Board of Trustees (“Board”) by the District’s Measure S and Citizens' Bond Oversight Committee (“CBOC”).

1. This Report is intended to present the annual financial and performance audits for the 2017/2018 fiscal year, as well as recent activities and opinions of the CBOC. The CBOC is required to prepare and present to the Board, in public session, an annual written report, which includes a summary of the CBOC’s activities and a statement indicating whether the District is in compliance with requirements that bond revenues have been used only for the purposes authorized by the bond measures. (Gov. Code §15280; CBOC Bylaws, Para. 4.1.D.1.)
2. The CBOC advises that, to the best of its knowledge, the District is in compliance with the requirements of Article XIII A, Section 1 (b) (3) of the California Constitution, which requires:

“(b) The limitation provided for in subdivision (a) shall not apply to ad valorem taxes or special assessments to pay the interest and redemption charges on any of the following:...

(3) Bonded indebtedness incurred by a school district, community college district, or county office of education for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, approved by 55 percent of the voters of the district or county, as appropriate, voting on the proposition on or after the effective date of the measure adding this paragraph. This paragraph shall apply only if the proposition approved by the voters and resulting in the bonded indebtedness includes all of the following accountability requirements:

(A) A requirement that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, 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.”

3. The CBOC has reviewed the annual financial audit and the annual performance audit produced by the District for the 2017/2018 fiscal year for Measure S.
4. Furthermore, the CBOC has reviewed expenditure reports produced by the District.

5. From June 2017 to present, the CBOC met six 6 times to receive updates from District staff on the progress of Measure S projects and to prepare the annual report. The District presented information and project status updates.
6. To the best of the CBOC’s knowledge, the CBOC has determined that:
 - 6.1. All expenditures authorized by the school facility bond has been consistently and transparently presented by District staff and consultants to the CBOC;
 - 6.2. Bond proceeds have been expended only for the purposes authorized by the Bond Act and set forth in the ballot measures;
 - 6.3. Bond proceeds have not been expended for any other purposes, including teacher and administrative salaries and other school operating expenses; and
 - 6.4. Bond proceeds have been maximized.
7. The CBOC reports that, to the best of its knowledge, the District has complied with the requirements of state law in its accounting for and expending of bond funds. Information regarding the Measure S projects is provided in this Report. Expenditures for Measure S are cumulative through April 18, 2019 and are attached herein as **Exhibit “A”** to this Report.
8. A summary of the CBOC’s proceedings and activities is provided below.
9. The CBOC looks forward to the next year as the District makes the facility improvements promised in Measure S. The CBOC would like to thank the community for its continued support of Compton Unified School District and its students.

Mr. Mitchell Weinbaum, Chair

Measure S Citizens' Bond Oversight Committee

Date: _____

II. About the Compton Unified School District

The District was formed in 1970 and is located in the south-central region of Los Angeles County, California. CUSD encompasses the city of Compton and portions of the cities of Carson and Los Angeles. The District currently serves nearly 26,000 at 21 elementary schools, 7 middle schools, 4 high schools, and 4 alternative schools.

III. Citizens' Bond Oversight Committee

The District's CBOC is currently comprised of five (5) members representing certain required constituent groups from throughout the District's service region. The Board is working diligently to fill the two vacancies on the Committee.

The CBOC is responsible for the review of bond expenditures and preparation and presentation of an annual report. The District's CBOC has oversight responsibilities for Measure S. CBOC members serve a term of two (2) years, commencing as of the date of appointment by the Board. No member may serve more than three (3) consecutive terms. CBOC members are not compensated for their services.

CBOC Members in 2017:

- Mitchell Weinbaum, Chair; Business Community
- Samuel Salcedo, Vice Chair, Bona Fide Taxpayers' Organization
- Luz Barajas, Parent of Child in District
- Michael Hopwood; Community at Large
- Willie O. Jones, Senior Citizens' Organization
- Jose Luevano; Bona Fide Taxpayers' Organization
- Marjorie A. Shipp, Business Community, Senior Citizen's Organization, Bona Fide Taxpayers' Organization
- Tracie Brown, Parent of Child in the District

CBOC Members in 2018:

- Mitchell Weinbaum, Chair; Business Community
- Samuel Salcedo, Vice Chair, Bona Fide Taxpayers' Organization
- Marjorie A. Shipp, Secretary, Business Community, Senior Citizen's Organization, Bona Fide Taxpayers' Organization
- Jose Luevano; Bona Fide Taxpayers' Organization
- Willie O. Jones, Senior Citizens' Organization
- Tracie Brown, Parent of Child in the District
- Michael Hopwood; Community at Large

CBOC Members in 2019:

- Mitchell Weinbaum, Chair; Business Community
- Willie O. Jones, Senior Citizens' Organization
- Samuel Salcedo, Vice Chair, Bona Fide Taxpayers' Organization

- Marjorie A. Shipp, Business Community, Senior Citizen’s Organization, Bona Fide Taxpayers’ Organization
- Tracie Brown, Parent of Child in the District

IV. Measure S Bond Program Summary

The District has 1 bond authorization:

- The District was successful at the election for Measure S, conducted on November 3, 2015, in obtaining authorization from the District’s voters to issue up to \$350,000,000 aggregate principal amount of the District’s general obligation bond, pursuant to a greater than 55% vote. The bond was issued to finance the construction, improvement, equipping and furnishing of various capital finances of the District.

Measure S was passed under Proposition 39 provisions, which allow passage of school bond measures with 55% voter approval if certain conditions are met. The elections were conducted under Proposition 39, being 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 allows the District to use bond funds only for projects described in the bond measure language. The funds cannot be used for staff salaries or projects not described in the language of the bond measures. It also mandates the formation of a Citizens’ Bond Oversight Committee.

Pursuant to Section 15278 of the Education Code, the District established the Citizens' Bond Oversight Committee and bylaws at a regular meeting of the Board of Education held on October 6, 2016, in order to satisfy the accountability requirements of Proposition 39

V. Summary of CBOC Activities

To satisfy Proposition 39 requirements, the CBOC has met regularly, reviewed expenditure reports, and have been updated on the Bond Program’s progress (planning, design, and construction).

The CBOC conducts its meetings in accordance with provisions of the Ralph M. Brown Public Meetings Act, contained in Sections 54950, et seq. of the Government Code. Meeting notices and agendas are sent to members of the CBOC, local newspapers, within the required period of time and posted at the District Office and the District’s website. Meeting notices, agendas, minutes and all documents and reports received by the CBOC members are a matter of public record and are available at the District Office.

Since June 2017, the CBOC conducted meetings on the following dates: December 14, 2017 March 22, 2018, June 21, 2018, September 20, 2018, December 4, 2018 and April 18, 2019. CBOC Meeting Packets are accessible on the District’s website as follows:

<http://www.compton.k12.ca.us/district/committees/measure-s-oversight/agendas-and-minutes>

1. December 14, 2017, Meeting – District Office Board Room #132

- Roll Call was taken with the following members in attendance:
 - Dr. Willie O. Jones
 - Mr. Jose Luevano
 - Mr. Samuel Salcedo
 - Mrs. Marjorie A. Shipp
 - Mr. Mitchell Weinbaum
- Approval of minutes from the February 16, 2017, meeting
- Public Comment
- Update on Measure S Bond Expenditures/Current Financials
- Review of CBOC Bylaws

2. March 22, 2018, Meeting – District Office Board Room #132

- Roll Call was taken with the following members in attendance:
 - Dr. Willie O. Jones
 - Mr. Samuel Salcedo
 - Mrs. Marjorie A. Shipp
 - Mr. Mitchell Weinbaum
- Approval of December 14, 2017 minutes
- Public Comment
- Officers were elected as follows:
 - Committee Chair – Mitchell Weinbaum
 - Committee Vice-Chair – Samuel Salcedo
 - Committee Secretary – Marjorie A. Shipp
- Secretarial duties delegated to Eliana Roaro, District’s Senior Administrative Technician
- Review of Annual Audit Report and Program Budget
- Scheduled Future meeting/dates times through the end of the calendar year

3. June 21, 2018, Meeting – Human Resources Room #109

- Roll Call was taken with the following members in attendance:
 - Dr. Willie O. Jones
 - Mr. Samuel Salcedo
 - Mrs. Marjorie A. Shipp
 - Mr. Mitchell Weinbaum
- Approval of March 22, 2018 meeting minutes
- Public Comment
- Update on Measure S Bond Expenditures/Current Financials

4. September 20, 2018, Meeting – Room #132

- Roll Call was taken with the following members in attendance:
 - Dr. Willie O. Jones

- Mr. Samuel Salcedo
- Mrs. Marjorie A. Shipp
- Mr. Mitchell Weinbaum
- Approval of June 21, 2018 meeting minutes
- Approval of Draft CBOC Annual Report
- Public Comment
- Update on Measure S Bond Expenditures/Current Financials

5. December 4, 2018, Meeting – Room #132

- Roll Call was taken with the following members in attendance:
 - Dr. Willie O. Jones
 - Mr. Samuel Salcedo
 - Mrs. Marjorie A. Shipp
 - Mr. Mitchell Weinbaum
- Public Comment
- Approval of Draft CBOC Annual Report
- Update on Measure S Bond Expenditures/Current Financials

6. April 18, 2019, Meeting – Room #132

- Roll Call was taken with the following members in attendance:
 - Dr. Willie O. Jones
 - Mr. Samuel Salcedo
 - Mrs. Marjorie A. Shipp
 - Mr. Mitchell Weinbaum
- Approval of September 20, 2018 meeting minutes
- Approval of December 4, 2018 meeting minutes
- Public Comment
- Update on Measure S Bond Expenditures/Current Financials
- Update on Board Approval of the Schematic Design of Compton High School
- Update on the Project Timeline for Compton High School
- Review of Annual Audit report (Fiscal Year 2017/2018)

VI. Bond Projects and Financial Summary

Measure S active projects this fiscal year included:

- Compton High School

VII. Bond Audit Reports for Fiscal Year 2017/2018

In accordance with Proposition 39, Measure S contains strict financial safeguards, including a requirement that an independent audit be conducted annually to ensure bond funds are spent on the acquisitions, expansions, upgrades, construction, equipping, furnishing and/or improvements identified in the bond measures.

The Auditor found that the District properly accounted for the expenditures and bond funds were spent on authorized projects.

The Financial and Performance Audit Report for the 2017-2018 fiscal year is available on the District's website: <http://www.compton.k12.ca.us/departments/business-services/facilities/measure-s-webpage/home>

VIII. CBOC Compliance Statement

Bond expenditures and bond projects have been reviewed by the CBOC to ensure that the money is spent only on school facility improvements authorized by Measure S. Bond expenditures are audited annually by an independent audit firm retained by the District. The CBOC has reviewed the audit report, Expenditure Reports, and other materials requested from the District, and believes the District is in compliance with the requirements of Article XIII A Section 1(b)(3) of the California Constitution.

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Exhibit "A"

Bond Expenditures as of March 13, 2019

Compton Unified School District					
Measure S - Building Fund 21					
Expenditure Report - 03-13-19 @5:16PM					
Description	Account Code	Expenditures			Total to Date
		2016-17	2017-18	2018-19	
Other Services					
Measure S Election Cost		\$ 146,672.96			\$ 146,672.96
Contracted Services					
DLR	5810	49,431.51	949,483.59	5,148.00	1,004,063.10
Cumming Construction Management	5850	-	-	74,605.00	74,605.00
Meridian Consultants, LLC	5890	-	170,292.99	62,662.17	232,955.16
Ninyo & Moore Geotechnical	5890		130,114.00		130,114.00
Raju Associates, INC	5890		36,712.50		36,712.50
Department of Conservation	5890		3,600.00		3,600.00
Department of Toxic Substances	5890		-	13,200.00	13,200.00
Sky Blue Environmen, Inc	5890		-	82,851.00	82,851.00
Architect Fee - Bond Projects					
Payment for 3 competing firms	6210	81,000.00			81,000.00
Legal Fees	5820	12,839.44	-	43,702.07	56,541.51
Placer Title Co.	6130	-	445,000.00		445,000.00
Chicago Title Co.	6130	-	1,355,068.34	618,480.64	1,973,548.98
Escrow Heights INC.	6130	-	-	424,160.73	424,160.73
Total		\$ 289,943.91	\$3,090,271.42	\$1,324,809.61	\$ 4,280,864.21