



**Panama-Buena Vista Union School District  
Citizens' Oversight Committee  
Annual Report  
For the Year Ended June 30, 2021**

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The Panama-Buena Vista Union School District (the "District") was successful at the election conducted on November 6, 2012 (the "2012 Election"), in obtaining authorization from the District's voters to issue up to \$147,000,000 aggregate principal amount of the District's general obligation bonds (the "Measure P Bond Measure"). In addition, the District was successful at the election conducted on November 6, 2018 (the "2018 Election"), in obtaining authorization from the District's voters to issue up to \$90,000,000 aggregate principal amount of the District's general obligation bonds (the "Measure H Bond Measure"). Both the 2012 Election and the 2018 Election 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 ("Prop 39"). Prop 39 requires the sponsoring school district to establish a Citizens' Oversight Committee to oversee, monitor and inform the public concerning the expenditure of general obligation bond revenues. This is the District's Citizens' Oversight Committee's annual report for the fiscal year ended June 30, 2021.

**I. Committee Established**

The Board of Trustees adopted Resolution #13-12 on December 11, 2012, to establish the Panama-Buena Vista Union School District Citizens' Oversight Committee ("the Committee"). The Board of Trustees adopted Resolution #19-12 on January 15, 2019, to declare the existing Committee to also be the independent citizens' oversight committee for the Measure H Bond Measure.

**II. Purpose of Committee**

The Bond Measures state that such Bond Proceeds will be used to finance the design, construction, acquisition, improvement, installation, restoration, rehabilitation, modernization, and improvement of public schools, school sites, school facilities, and support facilities of the District and to provide facilities improvements, upgrades, and related facilities and facilities costs in order to protect the quality of education in elementary schools within the District.

In accordance with Section 1 of Article XIII A of the California Constitution, the purpose of the Committee shall be to:

1. Review spending of Bond Proceeds in accordance with its Bylaws to ensure that such Bond Proceeds are used only in accordance with the Bond Measures.
2. Ensure that no bond proceeds are used for any teacher or administrative salaries or other operating expenses other than those allowable per Opinion 04-110 issued on November 9, 2004, by the State of California Attorney General.
3. Provide annually a report of how bond funds were used in the past year.
4. Review the financial and performance audits of local bonds approved by the District's Board of Trustees, which must be submitted to the Citizens' Oversight Committee by March 31 of each year.

In furtherance of its purpose, the Committee may engage in any of the following activities:

1. Receive and review copies of the annual, independent performance audit.
2. Receive and review copies of the annual, independent financial audit.
3. Inspect school facilities and grounds to ensure that bond revenues are expended in accordance with the Bond Measures.
4. Receive and review copies of any deferred maintenance proposals or plans developed by the District.

5. Review efforts by the District to maximize bond revenues by implementing cost-saving measures including, but not limited to, all of the following:
  - a. Mechanisms designed to reduce the costs of professional fees.
  - b. Mechanisms designed to reduce the costs of site preparation.
  - c. Recommendations regarding the joint use of core facilities.
  - d. Mechanisms designed to reduce costs by incorporating efficiencies in school site design.
  - e. Recommendations regarding the use of cost-effective and efficient reusable facility plans.

### III. **Membership**

The committee is to consist of at least seven (7) members to serve for a term of two (2) years, without compensation, and for no more than three (3) consecutive terms.

The committee must include:

1. One (1) member who is a parent or guardian of a child enrolled in the District.
2. One (1) member who is active in a business organization representing the business community located in the District.
3. One (1) member who is active in a senior citizens' organization.
4. One (1) member who is active in a bona fide taxpayers' organization.
5. One (1) member who is both a parent or guardian of a child enrolled in the District and active in a parent-teacher organization, such as the Parent-Teacher Association or a school site council.
6. Two (2) members of the community at-large.

The committee members for the year ended June 30, 2021, were as follows:

| <u>Name</u>      | <u>Position</u> | <u>Representing</u>           | <u>Term Ends</u> |
|------------------|-----------------|-------------------------------|------------------|
| Nayree Davis     | Chair           | Community Member At-Large     | June 30, 2021    |
| Kelly Youngstrom | Vice Chair      | Community Member At-Large     | June 30, 2021    |
| Michael Hansen   | Member          | Business Organization         | June 30, 2021    |
| Gerrie Kincaid   | Member          | Senior Citizens' Organization | June 30, 2022    |
| Annette Ladner   | Member          | Taxpayers' Association        | June 30, 2021    |
| Ashley Luna      | Member          | Parent Club                   | June 30, 2022    |
| Kevin Madding    | Member          | Parent                        | June 30, 2022    |

### IV. **Meetings**

The Committee is required to meet at least once a year, including an annual organizational meeting to be held in October. The Committee presents this Annual Report in the discharge of its duties. This Committee met four times during the fiscal year ended June 30, 2021.

- The Annual meeting was held on October 28, 2020, at which time the following actions and presentations took place:
  - It was moved by Ms. Gerrie Kincaid, seconded by Ms. Kelly Youngstrom, and approved by all, to nominate Ms. Nayree Davis as Chair of the Citizens' Oversight Committee.
  - It was moved by Ms. Kelly Youngstrom, seconded by Ms. Gerrie Kincaid, and approved by all, to nominate Ms. Kelly Youngstrom as Vice-Chair for the Citizens' Oversight Committee.

- Mr. Glenn Imke, Assistant Superintendent of Business Services, presented a draft of the Citizens' Oversight Committee Annual Report, June 30, 2020, for review.
- Mr. Paul Johnson, Director of Facilities Planning and Construction, presented a slide show presentation of facilities projects throughout the District.
- The Committee met at Panama Elementary School on December 2, 2020, at which time the following actions and presentations took place:
  - Mr. Johnson presented an update on the Loudon Elementary roofing project.
  - Mr. Johnson provided an updated copy of the District's Facilities Master Plan.
  - Mr. Johnson led the Committee on a tour of Panama Elementary.
    - Due to Virtual Learning, no students were on campus.
    - Highlights included the modernization of the office, new library space, updated classrooms and renovated restroom facilities.
- The Committee met at Highgate Elementary School on January 27, 2021, at which time the following actions and presentations took place:
  - Mr. Johnson provided an updated copy of the District's Facilities Master Plan.
  - Mr. Johnson led the Committee on a tour of Highgate Elementary.
    - The campus is scheduled to open to students August 18, 2021.
- The Committee met at Castle Elementary School on March 10, 2021, at which time the following actions and presentations took place:
  - The Committee reviewed the following reports:
    - Financial and Performance Audits Building Fund (Measure P), June 30, 2020
    - Financial and Performance Audits Building Fund (Measure H), June 30, 2020
  - Mr. Johnson presented a video overview of construction progress at Highgate and Panama Elementary Schools.
  - The Committee approved the following report:
    - Citizens' Oversight Committee Annual Report, June 30, 2020
  - Ms. Katie Gonzalez, Director of Fiscal Services, provided an update on the new Local Control Accountability Plan (LCAP).

**V. 2012 Election Ballot Measure (Measure P)**

To protect the quality of education and enhance student learning in neighborhood elementary schools, shall Panama-Buena Vista Union School District modernize school technology, upgrade safety/security systems, improve energy efficiency, rehabilitate outdated classrooms, repair/replace deteriorated roofs, plumbing, electrical, lighting, ventilation, and acquire, construct, equip, and renovate sites, facilities, and equipment, by issuing \$147,000,000 in bonds at legal interest rates, with independent citizen oversight, mandatory audits, no administrators' salaries/pensions, and all funds dedicated locally to Panama-Buena Vista Union School District K-8 schools?

**VI. 2012 Election Bond Sales (Measure P)**

**2012 Election, Series A** – On May 29, 2013, the District issued \$18,405,000 of Series A bonds for rehabilitation, repairs, technology upgrades and modernization at school sites. The interest rate ranges from 3.0% to 4.0%. The final maturity date is August 1, 2042.

**2012 Election, Series B** – On April 23, 2015, the District issued \$28,110,000 of Series B bonds for rehabilitation, repairs, and modernization at school sites. The interest rate ranges from 3.0% to 5.0%. The final maturity date is August 1, 2044.

**2012 Election, Series T-1** – On April 23, 2015, the District also issued \$3,380,000 of Series T-1 bonds for technology upgrades. The interest rate is 5.0%. The final maturity date is August 1, 2019.

**2012 Election, Series C** – On April 12, 2017, the District issued \$20,000,000 of Series C bonds for rehabilitation, repairs, and modernization at school sites. The interest rate ranges from 4.0% to 5.0%. The final maturity date is August 1, 2046.

**2012 Election, Series D** – On October 16, 2019, the District issued \$18,000,000 of Series D bonds for rehabilitation, repairs, and modernization at school sites. The interest rate ranges from 2.0% to 5.0%. The final maturity date is August 1, 2035.

**VII. 2018 Election Ballot Measure (Measure H)**

To improve school safety and security, construct/equip new school facilities to relieve severe overcrowding, and repair/upgrade older classrooms, labs, facilities and instructional technology supporting student achievement/college readiness in math, science, engineering, technology, arts, shall Panama-Buena Vista Union School District issue \$90 million in bonds, at legal rates, an estimated 3 cents per \$100 assessed value (averaging \$18 million annually) for approximately 20 years to improve neighborhood K-8 schools, with citizen oversight and all money locally controlled?

**VIII. 2018 Election Bond Sales (Measure H)**

**2018 Election, Series A** – On February 21, 2019, the District issued \$22,000,000 of Series A bonds to improve school safety and security, construct/equip new school facilities to relieve severe overcrowding, and repair/upgrade older classrooms, labs, facilities and instructional technology supporting student achievement/college readiness in math, science, engineering, technology and arts. The interest rate ranges from 2.0% to 3.0%. The final maturity date is August 1, 2029.

**IX. Expenditures**

The Committee met on January 19, 2022, and reviewed the report of the 2012 Election Measure P Bond Expenditures and the 2018 Election Measure H Bond Expenditures for the year ended June 30, 2021.

The California Constitution specifically limits the expenditures of bond revenues to: 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.

An itemized list of the expenditures for the year ended June 30, 2021, was provided by the District.

- The bond funds from 2012 Election, Series A, B, C & D were used to finance the design, construction, acquisition, improvement, installation, restoration, rehabilitation, and modernization of school sites, school facilities, and support facilities of the District.
- The bond funds from 2012 Election, Series T-1 were used to purchase classroom laptops and projectors to support One-to-One student computing.
- A portion of the bond funds from 2018 Election, Series A were used to finance safety and security projects. The remaining proceeds are budgeted to be used to finance the design, construction, acquisition, improvement, installation, restoration, rehabilitation, and modernization of school sites, school facilities, and support facilities of the District.

**X. Audit**

The Committee met on January 19, 2022, and reviewed the annual independent financial audit and annual independent performance audit of the 2012 Election Bonds and the 2018 Election Bonds, conducted by Eide Bailly, LLP (“the Auditors), for the calendar year ending June 30, 2021.

The Auditors gave an unmodified opinion on the Financial Statements of the 2012 Election General Obligation Bond Building Fund of Panama-Buena Vista Union School District, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Furthermore, the Independent Auditor’s Report on Internal Controls did not identify any deficiencies in internal control over financial reporting that were considered to be material weaknesses.

The Auditors conducted a Performance Audit of the 2012 Election General Obligation Bond Building Fund for the year ended June 30, 2020. The results of their tests indicated that the District expended the funds only for the specific projects approved by the voters, in accordance with Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

The Auditors gave an unmodified opinion on the Financial Statements of the 2018 Election General Obligation Bond Building Fund of Panama-Buena Vista Union School District, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Furthermore, the Independent Auditor’s Report on Internal Controls did not identify any deficiencies in internal control over financial reporting that were considered to be material weaknesses.


The Auditors conducted a Performance Audit of the 2018 Election General Obligation Bond Building Fund for the year ended June 30, 2020. The results of their tests indicated that the District expended the funds only for the specific projects approved by the voters, in accordance with Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

**XI. Website**

The Committee website can be found on the District’s webpage at [www.pbvUSD.k12.ca.us](http://www.pbvUSD.k12.ca.us).

**XII. Conclusions**

The Citizens’ Oversight Committee finds the District to be in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution.

  
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Committee Chair

1/19/2022  
Date

  
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Committee Vice Chair

1/19/2022  
Date