



**Panama-Buena Buena Vista Union School District  
Citizens' Oversight Committee  
Annual Report  
For the Year Ended June 30, 2020**

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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, 2020.

**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, 2020, were as follows:

<u>Name</u>	<u>Position</u>	<u>Representing</u>	<u>Term Ends</u>
Martha Miller	Chair	Senior Citizens' Organization	June 30, 2020
Kelly Youngstrom	Vice Chair	Community Member At-Large	June 30, 2021
Nayree Davis	Member	Community Member At-Large	June 30, 2021
Adriana Dickerson	Member	Parent Club	June 30, 2020
Michael Hansen	Member	Business Organization	June 30, 2021
Annette Ladner	Member	Taxpayers' Association	June 30, 2021
Kevin Madding	Member	Parent	June 30, 2020

### IV. **Meetings**

The Committee is required to meet at least once a year, including an annual organizational meeting to be held in October. Due to a lack of quorum at the end of the October meeting, the annual organization meeting was instead held in January 2020. The Committee presents this Annual Report in the discharge of its duties. This Committee met three times during the fiscal year ended June 30, 2020.

- The Committee met on October 16, 2019, at which time the following presentations took place:
  - The Committee reviewed a draft of the Citizens' Oversight Committee Annual Report for the year ended June 30, 2019.
  - The Committee reviewed the Project Expenditure Report for the year ended June 30, 2019.
  - Information was presented for the Series D Bond Sale, which closed October 16, 2019.

- The Committee was presented an updated on various projects throughout the District, including completed summer projects.
- The timeline and funding for Panama Elementary and Highgate Elementary was discussed.
- The Citizens' Oversight Committee Bylaws with amendment recommendations were presented.
  - It was moved by Adrianna Dickerson, seconded by Nayree Davis, and approved by all to accept the amended Bylaws.
- The Annual Organizational meeting was held on January 23, 2020, at which time the following actions and presentations took place:
  - Martha Miller, representing the Senior Citizens' Organization, agreed to return as Chair of the Citizens' Oversight Committee.
    - It was moved by Adrianna Dickerson, seconded by Nayree Davis, and approved by all, for Ms. Miller to serve as Chair.
  - Kelly Youngstrom, Community Member-At-Large, agreed to serve as Vice-Chair for the Citizens' Oversight Committee.
    - It was moved by Adrianna Dickerson, seconded by Annette Ladner, and approved by all, for Ms. Youngstrom to serve as Vice-Chair.
  - The Committee reviewed the following reports:
    - Financial and Performance Audits Building Fund (Measure P), June 30, 2019
    - Financial and Performance Audits Building Fund (Measure H), June 30, 2019
    - Bond Fund Expenditures, Actuals, June 30, 2019
    - Bond Fund Expenditures, Budget, June 30, 2020
  - The Committee approved the following report:
    - Citizens' Oversight Committee Annual Report, June 30, 2019
- As a result of the declared federal, state, and local emergencies due to the COVID-19 pandemic, the May 4, 2020 Citizens' Oversight Committee meeting was held virtually via Zoom, at which time the following presentations took place:
  - A draft of the Facilities Master Plan was presented for review and comment.

#### **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 October 28, 2020, 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, 2020.

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, 2020, 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 March 10, 2021, 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, 2020.

The Auditors gave an unqualified 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, 2020, 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 gave an unqualified 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, 2020, 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 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.



Committee Chair

3/10/21

Date



Committee Vice Chair

3/10/21

Date