



**Panama-Buena Buena Vista Union School District
Citizens' Oversight Committee
Annual Report
For the Year Ended June 30, 2017**

The Panama-Buena Vista Union School District (the "District") was successful at the election conducted on November 6, 2012 (the "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 "Bond Measure"). The election was 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, 2016.

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").

II. Purpose of Committee

The purpose of the Committee shall be to review spending of Bond Proceeds in accordance with its Bylaws (as defined herein) to ensure that such Bond Proceeds are used only in accordance with the Bond Measure. The Bond Measure states 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. The Committee must provide annually a report of how bond funds were used in the past year.

III. Membership

The committee is to consist of at least seven members to serve for a term of two years without compensation, and for no more than two consecutive terms. The Bylaws were amended on March 1, 2017 to incorporate Assembly Bill 1199, which added an additional two year term for committee members. This brings the total consecutive terms to six years.

The committee must include:

- A. One member who is active in a business organization representing the business community located within the school district.
- B. One-member active in a senior citizens' organization.
- C. One member who is a parent or guardian of a child enrolled in the school district.
- D. One member who is both a parent or guardian of a child enrolled in the school district and active in a parent-teacher organization; and
- E. One member who is active in a bona fide taxpayers' organization.
- F. Two members of the community at-large

The committee members are listed below.

<u>Member</u>	<u>Represent</u>	<u>Term Ends</u>
Adriana Dickerson	Parent/Parent-Teacher Org	March 18, 2020
Dennis Franey	Senior Citizens' Organization	October 26, 2019
Martha Miller	Community Member at large	January 7, 2023
Jordan Kaufman	Parent/Parent-Teacher Org	October 29, 2019
Kevin Madding	Parent/Parent-Teacher Org	April 12, 2022
Tim Rushing	Taxpayer Organization	October 29, 2019
Shannon Olsen	Community Member at large	November 3, 2020

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 twice during the fiscal year ended June 30, 2017.

- The October Annual meeting was rescheduled to December 8, 2016, at which time the following actions and presentations took place:
 - The Committee approved the Annual Expenditure Report for the year ended June 30, 2016.
 - Glenn Imke, Assistant Superintendent of Business Services, presented for review the Draft of the Citizens Oversight Committee Annual Report for the year ended June 30, 2016.
 - Mr. Adam Bauer, President & CEO of Fieldman, Rolapp & Associates discussed the District's historical assessed valuation.
 - Mr. Imke provided the COC with an overview of the Castle STEAM Grant.
- The Committee met on March 1, 2017, at which time the following actions and presentations took place:
 - The committee approved the following reports:
 - Citizens Oversight Committee Annual Report, June 30, 2016
 - 2015 Series B General Obligation Bond Audit, June 30, 2016
 - 2015 Series T-1 General Obligation Bond Audit, June 30, 2016
 - 2013 Series A General Obligation Bond Audit, June 30, 2016
 - Mr. Glenn Imke, Assistant Superintendent and Jason Chung, Assistant Vice-President of Fieldman Rolapp & Associates presented information regarding a Series C General Obligation Bond Sale and the District's credit rating.
 - The Committee approved the amendment of Bylaws to add an additional two-year term for local bond oversight committee members in addition to the current four years (two terms) already in law per 2011: AB 1199.

V. 2012 Election Ballot Measure

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. Bond Sales

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.

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.

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.

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.

VII. Expenditures

The Committee met on October 26, 2017 and reviewed the report of the 2012 Election Bond Expenditures for the year ended June 30, 2017.

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, 2017, was provided by the District.

- The bond funds from Series A, B & C were used to finance the design, construction, acquisition, improvement, installation, restoration, rehabilitation, modernization for school sites, school facilities, and support facilities of the District.
- The bond funds from T-1 were used to purchase classroom laptops, projectors to support One-to-One student computing.

VIII. Audit

The Committee met on February 28, 2018 and reviewed the annual independent performance audit and annual independent financial audit conducted by Daniells, Phillips, Vaughan and Bock CPAs ("the Auditors"), for the calendar year ending June 30, 2017. California Senate Bill 423 requires the financial and performance audits to be submitted to the local citizens' oversight committee by March 31 of each year.

The Auditors gave an unqualified opinion in The Independent Auditor's Report on the Financial Statements of Panama-Buena Vista Union School District, as of June 30, 2017, 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 we consider to be material weaknesses.

The Auditor's also conducted a Performance Audit of the 2013 Series A, 2015 Series B, 2015 Series T-1, and 2017 Series C General Obligation Bond Building Fund for the year ended June 30, 2017. 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.

IX. Website

Committee website can be found on the District's webpage www.pbvUSD.k12.ca.us.

X. Conclusions

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

Martha Miller

Committee Chair

2-28-18

Date

Samuel S. S. S.

Committee Vice Chair

3/7/18

Date