Hacienda La Puente Unified School District

CITIZENS' BOND OVERSIGHT COMMITTEE

2021 ANNUAL REPORT

FOR MEASURE BB

Message from the Citizens Bond Oversight Committee (CBOC) Chair

Dear Community Members,

It is my pleasure to submit the fourth annual report for Measure BB passed by the voters in November 2016 for $148 million.

This report covers bond activities during fiscal year July 2020 through June 2021. This report is intended to summarize the bond activities. For detailed information and full bond transparency, links to relevant information may be found on the District website at https://www.hlpschools.org/cboc. Historic context leading up to fiscal year 2021 activities or subsequent events which took place after 2021 may be included only as needed to explain and give context to activities and/or events.

The continued commitment from the Citizens Bond Oversight Committee (CBOC) is praiseworthy. These members volunteer their time reviewing numerous documents and data. The members who represent several different community groups engage in discussions that support bond transparency and accountability.

The annual report is organized into several sections for ease; Purpose of Annual Report, Measure BB information, CBOC Roles and Responsibilities, Financial information, 2021 Accomplishments, Annual Compliance Statement and CBOC Compliance Statement.

I am pleased to report that the District Staff along with Program Manager, Cummings, completed the modernization project at 5 School Sites (Nelson ES, Workman ES, Los Altos ES, Cedarlane Academy, and Mesa Robles).

Sincerely,

Leticia Covarrubias
Chair

Citizens Bond Oversight Committee Members

Name	Representation
Leticia Covarrubias	Business Organization Member
Charlie Klinakis	Taxpayer Organization Member
Gabriela Navar	Parent/Guardian of Child in District
Philip Kraft	Parent Teacher Organization Member
Reina Schmitz	Senior Citizen Representative
Olivia Roberts	At-Large Community Member
Vacant	At-Large Community Member

Purpose of this Report

The State of California requires Citizens' Bond Oversight Committees to inform the public and taxpayers concerning the Proposition 39 (55% local school bond measures) expenditures and use of bond funds at least once a year.

ANNUAL STATEMENT COMPLIANCE REQUIREMENT

The 2021 CBOC Annual Report for the fiscal year ending June 30, 2021, is submitted to the Board of Trustees by the Committee in accordance with Education Code Section 15278 (b). The Committee advises that, to the best of its knowledge based on available information provided by the District, HLPUSD is in full compliance with the requirements of Article XIIIA, Section 1 (b) (3) of the California Constitution.

INDEPENDENT AUDIT REVIEW

The auditor issued an unqualified opinion that no deficiencies or unallowable expenses were discovered that should not be charged to the Bond Program. The auditor also conducted a performance audit that concluded the District is in compliance with Measure BB. The audit was received and accepted by the Board of Trustees on January 13, 2022, and presented to the CBOC at the February 2, 2022 CBOC meeting.

Measure BB Information

The Hacienda La Puente Unified School District bond program, funded by Measure BB is a $148 million general bond obligation passed by the board on August 11, 2016. The voters approved the measure at the November 2016 elections.

MEASURE BB VOTER APPROVED EXPENDITURES

"To upgrade/repair all neighborhood school classrooms and retain/attract quality teachers by renovating all science, technology, engineering, art/math labs/classrooms, and athletic facilities; ensuring drinking water safety; repairing, constructing, equipping/acquiring educational facilities to prepare students for college and 21st century vocational jobs/careers, shall Hacienda La Puente Unified School District issue up to $148,000,000 in bonds at legal rates, requiring audits, citizens' oversight, no money for administrators' salaries, and all funds"

Proceeds from sale of bonds authorized by the Measure shall be used **only** for the purposes specified in the Measure, including but not limited to:

Repairing or replacing roofs, floors, plumbing, and electrical systems; Upgrading classroom technology; Repairing classrooms and school buildings; Providing and maintaining up-to-date technology infrastructure; Repairing athletic facilities and infrastructure; Automating fire alarm systems; Repairing fire safety equipment, and adding sprinklers and fire safety doors; Upgrading and installing security systems, such as security lighting, fencing, smoke detectors, and fire alarms; Upgrading emergency communication systems; Installing energy-efficient systems; Improving heating, ventilation, air-conditioning, and lighting systems, doors, and windows to increase energy efficiency; Upgrading and expanding wireless systems, telecommunications, and Internet and network connections; Upgrading electrical wiring, data networks, and broadband; Upgrading and replacing computers, hardware, and infrastructure systems, classroom and library technology, and teaching equipment.

Bond proceeds may not be expended on teacher and administrator salaries and non bond operating expenses.

CBOC Roles, Responsibilities, Duties

ROLES & RESPONSIBILITIES OF CBOC

The committee's role is to review and report on District spending of taxpayers' money for authorized expenditures per Bond Measure. The oversight committee's purpose is to provide a public accounting of the District's bond expenditures and report to the community whether the District complies with bond expenditure requirements. Committee members represent the community and appointed by the Governing Board.

PRIMARY DUTIES

- Review bond expenditures to ensure that proceeds have been expended for the purpose set forth in Measure BB.
- Inform the Public concerning the Districts expenditures of bond proceeds.
- Present to the Districts Governing Board an annual report of the committee's proceedings and activities of the previous year.
- Provide a statement indicating whether the District is in compliance with bond requirements.

CBOC Membership, Bylaws

HLPUSD BOND COMMITTEE MEMBERSHIP

- A two-year term: Members in good standing are eligible for up to three consecutive two- year terms.
- Attendance at four quarterly meetings per year. Meeting dates are identified at the start of each year, and generally run between 60-90 minutes.
- Participation in periodic campus facilities tours to view construction projects in progress.
- HLPUSD committee is comprised of at least 7 members and is appointed by the Governing Board.

CBOC BYLAWS

The DISTRICT adopted CBOC bylaws to clearly identify the oversight committee purpose, duties, activities, membership and other conditions. All CBOC meetings and the oversight members comply with the *Ralph M. Brown Public Meetings Act.* Above mentioned bylaws can be accessed via the following https://www.hlpschools.org/cboc

Financial Information

MEASURE “BB” GENERAL OBLIGATION BOND BUILDING FUND OF HACIENDA LA PUENTE UNIFIED SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2021

	Measure "BB"
REVENUES	
Other state revenues	$ 4,613.00
Interest earnings	274,552
Total Revenues	**279,165**
EXPENDITURES	
Current:	
Salaries & benefits	19,136
Plant services	1,053,815
Capital outlay	20,989,455
Total Expenditures	**22,062,406**
Net Change in Fund Balance	(21,783,241)
Fund Balance, July 1, 2020	58,452,785
Fund Balance, June 30, 2021	**$ 36,669,544**

Financial Information

MEASURE “BB” GENERAL OBLIGATION BOND BUILDING FUND OF HACIENDA LA PUENTE UNIFIED SCHOOL DISTRICT

Balance Sheet
June 30, 2021

	Measure "BB"
ASSETS	
Deposits and investments	$ 37,286,621
Accounts receivable	92,625
Total Assets	**$ 37,379,246**
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	$ 709,702
Fund Balance	
Restricted for capital projects	36,669,544
Total Liabilties and Fund Balance	**$ 37,379,246**

Outstanding General Obligation Bonds

District issued bonds of $70,000,000 (Series A) on July 11, 2017.

The outstanding general obligation bonds of the Measure "BB" as of June 30, 2021.

Fiscal Year	Principal	Interest	Total
2021-2022	-	2,558,075	2,558,075
2022-2023	235,000	2,553,375	2,788,375
2023-2024	320,000	2,542,275	2,862,275
2024-2025	415,000	2,527,575	2,942,575
2025-2026	515,000	2,506,400	3,021,400
2026-2031	4,650,000	11,977,125	16,627,125
2031-2036	8,260,000	10,546,525	18,806,525
2036-2041	12,860,000	8,299,769	21,159,769
2041-2046	20,170,000	4,340,544	24,510,544
2046-2048	10,470,000	426,000	10,896,000
Total	57,895,000	48,277,663	106,172,663

2021 Accomplishments

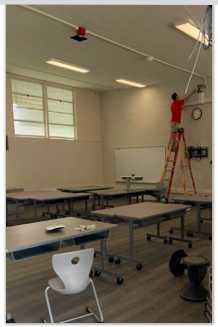
Elementary School Sites

LOS ALTOS, NELSON & WORKMAN

Interim Housing Completed

21st Century Classroom Completed

Workman ES



Nelson

Los Altos ES

Construction Completed

2021 Accomplishments

K-8 School Sites

MESA ROBLES, CEDARLANE ACADEMY, GRANDVIEW ACADEMY

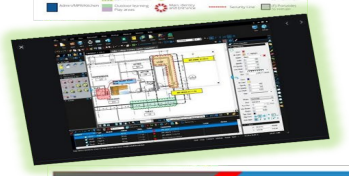
Mesa Robles – Construction Completed

Cedarlane Academy – Under Construction

INTERIM HOUSING					
SCHEMATIC DESIGN	DESIGN DEVELOPMENT	CONSTRUCTION DOCUMENTS	CONSTRUCTION	DSA APPROVAL	OCCUPANCY

21ST CENTURY CLASSROOM					
SCHEMATIC DESIGN	DESIGN DEVELOPMENT	CONSTRUCTION DOCUMENTS	DSA APPROVAL	CONSTRUCTION	COMPLETION

Grandview Academy – Under Construction



Construction Completed
Under Construction

2021 Accomplishments

CBOC Activities

- CBOC held 4 quarterly meetings
- CBOC members visited 5 of school sites
- CBOC welcomed 2 new members

Projects Complete

- Workman ES – 19 rooms
- Los Altos ES – 19 rooms
- Nelson ES – 19 rooms

Technology Added to rooms

- Signal infrastructure replacement with CAT 6 and CAT 6A cabling
- All new power, wiring and outlets
- Dual Wireless Access Points (WAPs) in every room
- High powered compact computer "brain" (Small Form Factor) in each room
- 76" interactive, touch screen, monitor in each room
- Voice augmentation sound system in each room
- New document camera

Fire Alarms

- Cedarlane
- Sparks MS
- Grandview
- Mesa Robles
- Nelson ES
- Newton MS
- Los Altos ES
- Workman ES

Drinking Fountains

- Exterior – as required by DSA (at least one at each site) bubblers
- Drinking bubblers have been installed or the plumbing has been installed in all the bond rooms where there is a sink (installed at Workman, Los Altos and Nelson were plumbed and we have the devices to attach but didn't because of Covid)

<u>Projects Started</u>

- Cedarlane and Cedarlane Interim Housing
- Mesa Robles

Annual Compliance Statement

The District is subject to one annual audit of the bond program which require oversight from the CBOC. The audit is performed by an independent professional auditing firm according to published standards and guidelines.

DISTRICT Fiscal Year 2020-21 Financial audit report is included as a link to this report. The audit report combines both financial and performance audit.

Prop 39 requires a basic performance audit to determine whether:

- Use of bond funds is restricted to construction, furnishings and equipment.
- Bond funds are spent only on Listed Projects from their ballot measures.

The audit report reflects District compliance.

CBOC Compliance Statement

The voters of the community who approved the Bond Construction Program have been provided oversight and transparency through CBOC quarterly meetings including this annual report.

It is our opinion, based upon the District bond activities and a review of the independent financial and performance audits, that the District is in compliance with the requirements of Article XIIIA, Section 1(b)(3) of the California Constitution.

With the presentation of this Annual Report, the CBOC members are informing the HLPUSD Board of Education and voters that Measure BB bond expenditures have been properly made and have been utilized for projects consistent with those identified in the Bond Measure. *

** For purposes of this report, the CBOC committee has relied on the independent auditors report for compliance. It is important to note that the subsequent forensic audit concluded in 2022 that additional expenses paid to teachers to support the Bond work should be classified as salaries and thus should not have been paid with bond funds. As a result of this opinion from the forensic auditor the District has reimbursed the bond from other District accounts.*

Contacting CBOC

Hacienda La Puente Unified School District

For more information or if you have any questions, please contact Lelia Gonzalez at

(626) 933- 3820 or ldavidson@hlpusd.k12.ca.us