



Hacienda La Puente Unified School District
CITIZENS BOND OVERSIGHT COMMITTEE
2022 ANNUAL REPORT
FOR MEASURE BB



Message from the Citizens Bond Oversight Committee (CBOC) Chair

Dear Community Members,

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

This report covers bond activities during fiscal year July 2021 through June 2022. 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.hipschools.org/community/citizens-bond-oversight-committee-cboc>. Historic context leading up to fiscal year 2022 activities or subsequent events which took place after 2022 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, 2022 Accomplishments, Annual Compliance Statement and CBOC Compliance Statement.

I am pleased to report that the District Staff along with Program Manager, Cummings, completed modernization projects at various School Sites across the district.

Sincerely,

Reina Schmitz
Chair



Citizens Bond Oversight Committee Members (2021-22)

| Name | Representation |
|---------------------|--|
| Leticia Covarrubias | Business Organization Member |
| Philip Kraft | Parent/Guardian of Child in District and Actively Involved |
| Gabriela Navar | Parent/Guardian of Child in District |
| Charlie Klinakis | Taxpayer Organization Member |
| Adria Ybarra | At-Large Community Member |
| Reina Schmitz | Senior Citizen Representative |
| Louis Perez | Senior Citizen Representative |
| Neal Noborio | Parent/Guardian of Child in District and Actively Involved |
| Olivia Roberts | 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 2022 CBOC Annual Report for the fiscal year ending June 30, 2022, 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 XIII A, 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 12, 2023.



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 modernized under Measure BB 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/community/citizens-bond-oversight-committee-cboc>



Financial Information

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

Balance Sheet
June 30, 2022

| | <u>Measure "BB"</u> |
|---|-----------------------------|
| ASSETS | |
| Deposits and investments | \$ 32,501,174 |
| Accounts receivable | <u>\$ 90,615</u> |
| Total Assets | <u>\$ 32,591,789</u> |
| LIABILITIES AND FUND BALANCE | |
| Liabilities | |
| Accounts payable | \$ 512,529 |
| Fund Balance | |
| Restricted for capital projects | <u>\$ 32,079,260</u> |
| Total Liabilities and Fund Balance | <u>\$ 32,591,789</u> |



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, 2022*

| | <u>Measure "BB"</u> |
|------------------------------------|-----------------------------|
| REVENUES | |
| Other state revenues | \$ (1,297) |
| Interest earnings | <u>\$ 209,168</u> |
| Total Revenues | <u>\$ 207,871</u> |
| EXPENDITURES | |
| Current: | |
| Salaries & benefits | \$ (15,820) |
| Plant services | \$ 1,733,978 |
| Capital outlay | <u>\$ 3,079,997</u> |
| Total Expenditures | <u>\$ 4,798,155</u> |
| Net Change in Fund Balance | \$ (4,590,284) |
| Fund Balance, July 1, 2020 | <u>\$ 36,669,544</u> |
| Fund Balance, June 30, 2021 | <u>\$ 32,079,260</u> |



Outstanding General Obligation Bonds

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

The outstanding general obligation bonds of the Measure “BB” as of June 30, 2022.

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|-----------------------------|-----------------------------|------------------------------|
| 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 |
| 2026-2027 | \$ 625,000 | \$ 2,477,900 | \$ 3,102,900 |
| 2027-2032 | \$ 5,350,000 | \$ 11,733,750 | \$ 17,083,750 |
| 2032-2037 | \$ 9,130,000 | \$ 10,198,725 | \$ 19,328,725 |
| 2037-2042 | \$ 13,995,000 | \$ 7,638,544 | \$ 21,633,544 |
| 2042-2047 | \$ 21,895,000 | \$ 3,432,744 | \$ 25,327,744 |
| 2047-2048 | <u>\$ 5,415,000</u> | <u>\$ 108,300</u> | <u>\$ 5,523,300</u> |
| Total | <u>\$ 57,895,000</u> | <u>\$ 45,719,588</u> | <u>\$ 103,614,588</u> |



2021-2022 Accomplishments

Elementary School Sites

LOS ALTOS ELEMENTARY SCHOOL – 19 ROOMS

CLOSED OUT AND CERTIFIED AT DSA

- Interim Housing Completed
- 21st Century Classroom Completed

NELSON ELEMENTARY SCHOOL – 19 ROOMS

CLOSED OUT AND CERTIFIED AT DSA

- 21st Century Classroom Completed

WORKMAN ELEMENTARY SCHOOL – 19 ROOMS

CLOSED OUT AND CERTIFIED AT DSA

- Interim Housing Completed
- 21st Century Classroom Completed



Measure BB Bond Project Progress

2021-2022 Accomplishments

Middle School Sites

DSA Approved 6-30-21:

- SPARKS MIDDLE SCHOOL – 13 ROOMS
- NEWTON MIDDLE SCHOOL – 21 ROOMS

Completed April 2022:

- NEWTON MIDDLE SCHOOL – 4 INTERIM HOUSING CLASSROOMS

K-8 School Sites

MESA ROBLES K-8 SCHOOL

CLOSED AND CERTIFIED 10/21/22

- Interim Housing Completed
- (39) 21st Century Classroom Completed

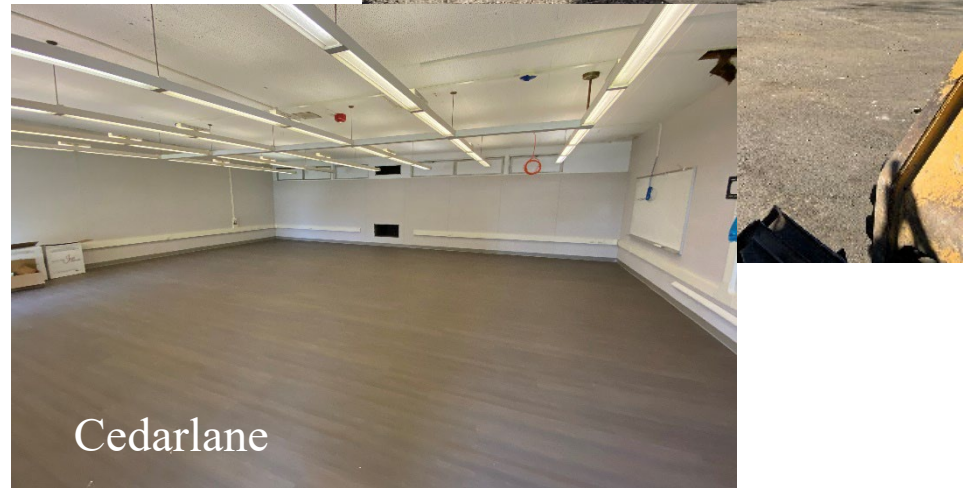
CEDARLANE ACADEMY

CLOSED AND CERTIFIED 8/1/22

- Interim Housing Completed
- (25) 21st Century Classroom Completed

GRANDVIEW ACADEMY

DSA Approved 6-25-21



Measure BB Bond Project Progress

2022 Accomplishments

Projects Complete

21st Century Classrooms Completed:

- Newton MS – 4 Interim housing rooms

Closed out and Certified at DSA:

- Workman ES – 19 rooms
- Los Altos ES – 19 rooms
- Nelson ES – 19 rooms
- Mesa Robles K8 – 39 rooms
- Cedarlane Academy – 25 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 Each Room
- High Powered Compact Computer in Each Room
- 76” Interactive, Touch Screen, Monitor in Each Room
- New Document Cameras in Each Room

Projects Initiated

For Bid in September 2022-2023 School Year

- Grandview College Preparatory Academy
- Newton Middle School
- Sparks Middle School

Phases 3 and 4 Program & Construction Management

Architects Selected and Contracted.

Programming and Schematic Design Started

- Baldwin Academy
- California ES
- Fairgrove Academy
- Orange Grove MS
- Los Molinos ES
- Grazide ES
- Stimson LC



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 2021-22 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 XIII A, 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.



QUESTIONS

