MEASURE HSD CITIZENS' BOND OVERSIGHT COMMITTEE ANNUAL REPORT (2022 -2023)

FROM:	MEASURE HSD CITIZENS' BOND OVERSIGHT COMMITTEE
TO:	HAWTHORNE SCHOOL DISTRICT BOARD OF TRUSTEES
DATED:	JUNE 20, 2024

BACKGROUND

On June 5, 2018, voters residing within the Hawthorne School District passed Measure HSD. Measure HSD is a $59 million bond measure that authorizes funding for needed repairs, upgrades, and new construction projects to the District's schools.

After a bond authorized under Proposition 39 is passed, State law requires that the Hawthorne School District Board of Trustees appoint an Independent Citizens' Oversight Committee to work with the District.

In accordance with Education Code Section 15278(b), the Citizens' Oversight Committee shall:

- Inform the public concerning the District's expenditure of bond proceeds of Measure HSD.
- Review expenditure reports produced by the District to ensure that Measure HSD bond proceeds were expended only for the purposes set forth in Measure HSD, respectively; and
- Present to the Board in public session, an annual written report outlining their activities and conclusions regarding the expenditure of bond proceeds of Measure HSD.

All appointments to the Independent Citizens' Oversight Committee are made by the Board from applications submitted to the District. The Committee consists of at least seven (7) members appointed by the Board from a list of candidates submitting written applications, and based on criteria established by Prop 39, to wit:

- One (1) member shall be the parent or guardian of a child enrolled in the District
- One (1) member shall be both a parent or guardian of a child enrolled in the District and active in a parent-teacher organization, such as the PTA or a school site council
- One (1) member active in a business organization representing the business community located in the District
- One (1) member active in a senior citizens' organization
- One (1) member active in a bona-fide taxpayers association
- Two (2) members of the community at-large

MEMBERSHIP

Committee members shall serve without compensation. Each member shall serve a term of four (4) years, commencing as of the date of appointment by the Board. No member may serve more than three (3) consecutive terms. Members whose terms have expired may continue to serve on the Committee until a successor has been appointed. Committee Officers shall be a Chair, and Vice-Chair. The Chair and Vice-Chair shall serve in such capacities for a full term and may be reelected by a vote of the majority of the members of the Committee. The Independent Citizens' Oversight Committee was initially approved by the Board on November 14, 2018, and members are serving their second term.

1. Maria Tigolo, COC Chairperson, Parent-SSC
2. Patricia Najera, COC Vice Chairperson, At-Large Member
3. Mike Talleda, COC Member, Business Owner
4. Gil Mara, COC Member, Taxpayers Association
5. Angel Santiago, COC Member, At-Large Member
6. Carol Steinhauer, COC Member, Senior Citizens' Organization
7. Vacant, COC Member (position vacant and posted)

COMMITTEE HISTORY

The Committee's members have reviewed the purpose of the committee, committee bylaws and financial and audit information.

MEASURE HSD BOND ISSUANCES

No additional bond issuances in 2022-2023.

MEASURE HSD EXPENDITURES 2022-2023

The beginning fund balance was $7,754,147.23.

Interest earned on the fund for the fiscal year was $209,235.58 with a $72,991.00 Fair Value Adjustment as required by the Governmental Accounting Standards Board (GASB) resulting in a net income of $282,226.58.

Total expenditures were $2,765,442.95 in support of authorized bond projects. Expenditures primarily included, but were not limited to, safety intercoms, professional signage on doors and gates, digital marquees, installation of digital marquees, asphalt, painting services, professional consulting, and notary services.

The ending fund balance for 2022-23 was $5,270,930.86.

ACTIVITIES

May 6, 2019

- Member and District Staff Introductions - Mara Pagniano, Assistant Superintendent Business Services
- Bond Council, Stradling Yocca Carlson & Rauth, Presentation

- Roles and Responsibilities of Committee Members
- Bylaws
- Setting of Terms
- Election of Officers
- Brown Act Requirements
- Projects and Fund Commitments – Mara Pagniano, Assistant Superintendent Business Services

August 26, 2019

- Review of District Needs and Costs - Mara Pagniano, Assistant Superintendent Business Services
- Board Approved Expenditure List - Louis Velez, Director Facilities
- Review Issuance of General Obligation Bonds, Election of 2018, Series B – Dr. Helen Morgan, Superintendent & Mara Pagniano, Assistant Superintendent Business Services

January 27, 2020

- Review of Upcoming Projects and Timelines, Mara Pagniano, Assistant Superintendent
- Update on Existing Bond Projects, Louis Velez, Director Facilities, Maintenance & Operations
- Schedule Visit to School Sites

February 28, 2020

- Visit Jefferson School and Hawthorne Middle School to view Bond Projects
- Windows
- Asphalt
- Flooring/Carpeting
- Playgrounds/Fields

February 26, 2021

- Review of Expenditures, Mara Pagniano, Assistant Superintendent Business Services
- Projects in Progress & Projects Completed, Louis Velez, Director, Facilities, Maintenance & Operations
- Review and Accept Financial Audits from Independent Audit Firm, Eide Bailly 2018-2019 and 2019-2020, Jose Moreno, Director Fiscal Services
- Review and Approve Projects are in alignment with Bond Measure HSD
- Written Report and Annual Presentation Compliance Requirements

April 14, 2021

- Board Presentation, Projects, Annual Report

April 21, 2022

- Projects in Progress & Projects Completed, Louis Velez, Director, Facilities, Maintenance & Operations
- Review of Expenditures, Mara Pagniano, Assistant Superintendent Business Services
- Review Bond Language and Approve Projects are in alignment with Bond Measure HSD
- Review Financial Audits from Independent Audit Firm, Eide Bailly 2020-2021, Jose Moreno, Director Fiscal Services
- Discuss relocation and resignation of Latisha Pastures, COC Member
- Selection of COC Member for Annual Board Presentation, Written Report, and Compliance Requirements

April 28, 2022

- Review the Unmodified Opinion from Independent Audit Firm, Eide Bailly 2020-2021, Jose Moreno, Director Fiscal Services
- Review and Accept Financial and Performance Audits (Building Fund June 2021), Mara Pagniano, Assistant Superintendent Business Services

April 28, 2023

- Projects in Progress & Projects Completed - Mara Pagniano, Associate Superintendent Business Services
- Review of Expenditures & Summary, Mara Pagniano, Associate Superintendent Business Services
- Review Bond Language and Approve Projects are in alignment with Bond Measure HSD
- Review Financial Audits Unmodified Opinion from Independent Audit Firm, Eide Bailly 2021-2022, Jose Moreno, Director Fiscal Services
- Accept Financial and Performance Audits (Building Fund June 2022), Jose Moreno, Director Fiscal Services
- Selection of COC Member for Annual Board Presentation, Written Report, and Compliance Requirements
- Discuss Open position for COC Member
- Discuss modification of Bylaws to amend member terms, and agreed to submit to Board of Trustees for approval with Bond Council recommended language.

June 20, 2024

- Projects in Progress & Projects Completed - Mara Pagniano, Associate Superintendent Business Services
- Review of Expenditures & Summary, Mara Pagniano, Associate Superintendent Business Services
- Review Bond Language and Approve Projects are in alignment with Bond Measure HSD
- Review Financial Audits Unmodified Opinion from Independent Audit Firm, Eide Bailly 2022-2023, Jose Moreno, Director Fiscal Services
- Accept Financial and Performance Audits (Building Fund June 2023), Jose Moreno, Director Fiscal Services
- Selection of COC Member for Annual Board Presentation, Written Report, and Compliance Requirements
- Discuss Open position for COC Member

CONCLUSION

Based upon the information provided to the Committee by the District and a review of the independent audit reports, the Committee is satisfied that the funds received for the fiscal year 2022-23 from proceeds of the Measure HSD Bond, as approved by the voters June 5, 2018, were in fact budgeted and spent in accordance with the ballot language of Measure HSD and compliant with Article XIIIA, Section 1(B)(3).

The 2022-2023 Annual Report of the Independent Citizens' Oversight Committee is respectfully submitted:

Maria Tigolo
ICOC Chairperson