

**CITIZENS BOND OVERSIGHT COMMITTEE  
FOR BOND MEASURES A & B**  
San Rafael Elementary and High School Districts

**ANNUAL REPORT**

Under California Education Code 15280 (b)

July 1, 2015 - June 30, 2016

On November 3, 2015, voters residing within the San Rafael City School District passed Measure A and Measure B. Measure A is a \$108,225,000 bond measure and Measure B is a \$160,500,000 bond measure that authorize funding for needed repairs, upgrades, and new construction projects to the District's elementary and high schools respectively. Proposition 39 required a 55% supermajority for approval; Measure A was passed by 66% and Measure B was passed by 67%.

**1. CITIZENS' OVERSIGHT COMMITTEE**

Under the provisions of the California Constitution as amended by Prop 39, an independent Citizens' Bond Oversight Committee ("Committee") must be established to assure that Bond funds are spent as approved by the voters. The Committee is required to publish an annual report of its findings.

As chartered by the Board of Trustees of the San Rafael City Schools (SRCS) District ("Board"), the 2015 Measure A and Measure B Bond Committee was created. The Committee is known as the Bond Citizens' Oversight Committee. The Committee is not a bond program advisory body and has no authority to make policy, make decisions, or set priorities in the spending of any funds or District operations. All projects are authorized and approved by the Board of Trustees.

Initial Committee member appointments are staggered, such that some of the initial appointees will be appointed to serve one full two-year term. The other initial appointments will serve a one-year term, but will be eligible for reappointment by the Board of Education for a second and third two-year term. For the latest Committee meeting schedule, meeting minutes, and other Committee information, please go to <http://www.srcsbondprogram.org/domain/30>.

## **2. COMMITTEE MEMBERS**

The Measures A and B Citizens' Oversight Committee was formed in November 2015. The members are:

- Mark Schott, Chair
- Kyri McClellan, Vice Chair
- Niels von Doepp
- John Erdmann
- Carol Farrer
- Peter Gebbie
- George Tuttle III

## **3. DUTIES OF THE COMMITTEE**

Under the provisions of the California Constitution as amended by Prop 39, an independent Citizens' Bond Oversight Committee ("Committee") must be established to assure that Bond funds are spent as approved by the voters. The Committee is required to publish an annual report of its findings.

The duties are:

- Inform the Public. The Committee shall inform the public concerning the District's expenditure of bond proceeds. In fulfilling this duty, all official communications to either the Board or the public shall come from the Chair acting on behalf of the Committee. The Chair shall only release information that reflects the majority view of the Committee.
- Review Expenditures. The Committee shall review expenditure reports produced by the District to ensure that (a) bond proceeds were expended only for the purposes set forth in Measure A and Measure B, respectively; and (b) no bond proceeds were used for teacher or administrative salaries or other operating expenses in compliance with Attorney General Opinion 04- 110, issued on November 9, 2004
- Annual Report. The Committee shall present to the Board, in public session, following each fiscal year, an annual written report for each of the Measures which shall include the following:
  - A statement indicating whether the District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution; and
  - A summary of the Committee's proceedings and activities for the preceding year.

## **4. ANNUAL AUDIT** (see attachment for copy of audit)

The District must provide accountability through an annual audit detailing the amount of funds collected and expended from parcel tax proceeds. The District utilized the certified

public accountant firm of Nigro & Nigro to perform the required financial and performance audits for the fiscal year ending July 1, 2015. On June 30, 2016, the Citizens' Bond Oversight Committee ("Committee") met to review the draft audit reports. The audit reports were finalized by the District's Board of Trustees at their meeting held on January 9, 2017.

*Attachment #1 San Rafael City Elementary School District Measure "A" General Obligation Bond Building Fund Audit Report (June 30, 2016)*

*Attachment #2 San Rafael City High School District Measure "B" General Obligation Bond Building Fund Audit Report (June 30, 2016)*

## **5. MEETINGS**

The Committee is responsible for meeting at least once per year, but must not meet more frequently than quarterly. All meetings shall be held within the boundaries of the San Rafael City Schools, located in Marin County, California. All meetings must be open to the public in accordance with the *Ralph M Brown Act*, Government Code Section 54950 *et seq* and the number of Committee members must constitute a quorum for the transaction of any business of the Committee.

There have been four (4) Committee Meetings in total, held at the San Rafael City Schools (SRCS) District Office. Bond Program and budget updates are provided at each meeting by the Capital Facilities Group.

The following is a summary of Committee Meetings.

### **April 7, 2016:**

- Committee voted and elected the Committee Chair (Mark Schott) and Committee Vice Chair (Kyri McClellan).
- Committee deferred the establishment of member terms to the following meeting.
- Committee discussed Oversight Committee roles and responsibilities.
- The Committee discussed and added future agenda items for subsequent meeting(s).

### **November 3, 2016:**

- Committee member terms were established.
- SRCS Construction Counsel Mark Kelley again provided a presentation regarding committee roles and responsibilities. The focus of this presentation was on *Brown Act* guidelines.
- The Committee decided it would meet three (3) times per year including this meeting and it was decided that one meeting should be a planning workshop to complete the Annual Report.
- It was confirmed that the committee is to receive both the performance audit and financial audit and in the future will receive it at the same time as the Board of Education.

## 2017 Activities

### **March 6, 2017:**

- The 2015-16 performance and financial reports were distributed at this meeting.
- Committee members discussed the logistics of preparing the Citizens' Bond Oversight Committee Annual Report. Included in the discussion was the preparation, the timing and the content of the report. A sample report was shared with the group. Mark Schott explained that the final report should be complete 30 to 60 days after June.
- The Committee briefly discussed the budget reports that will be available through *Accountability*, the bond accounting program. The committee discussed the information that would need to be made available through *Accountability* in order to meet the (fiscal) requirements of the committee.
- The Committee discussed the importance of making site visits at the various school sites involved in the SRCS Bond Program.
- The Committee was presented with a current project update, including an initial review of the three phases of design (Schematic Design, Design Development, and Construction Documents) that are involved in the early phases of the bond program. Following, the Capital Facilities Team shared a set of preliminary schematic drawings with the caveat that the drawings were a "snapshot" in time, and will be evolving.

### **June 1, 2017:**

- The Committee members attended a San Rafael High School Site Design Committee.
- The Committee was scheduled to review a Draft of the Citizens' Bond Oversight Committee Annual Report and to review sample financial reports. There was not a quorum so attending members discussed future availability for a follow-up meeting.

### **June 8, 2017:**

- The Committee reviewed a Draft of the Citizens' Bond Oversight Committee Annual Report.
- The Capital Facilities Team shared some samples of budget Reports that are available through the bond accounting program, *Accountability*.
- Future Financial Study Sessions – The Committee will be scheduling financial study sessions for the week of August 14<sup>th</sup>, when it is expected that both *Accountability* and QSS will be fully operationalized and the Committee can review additional reports.

*(See San Rafael School District website for complete committee minutes, status of projects and construction update. <http://www.srcsbondprogram.org>)*

## **6. ACCOUNTING**

The Capital Facilities Team is in the final stages of populating the newly acquired bond accounting program (“Accountability”). Our San Rafael City Schools (SRCS) Bond accounting program process has required the County Office of Education to upgrade the SRCS District Quintessential School Systems (QSS) Software from version 1.50.2 to version 1.51, in order to fully synchronize with Accountability. This process has helped all of the other school districts in the county prepare for their bond accounting system with this required QSS upgrade.

**Statement of Compliance**

This Annual Report is submitted to the Board of Trustees by San Rafael City School District Measures A & B Citizens' Bond Oversight Committee.

The Committee advises that, to the best of its knowledge, the San Rafael City School District is in compliance with the requirements of Article XIII A, Section 1(b) (3) of the California Constitution. Furthermore, the Committee has reviewed expenditure reports produced by the District that will be used to confirm that (a) bond proceeds have been expended only for the purposes set forth in the ballot measures; (b) and not for any other purposes, including teacher and administrative salaries and other school operating expenses; (c) and that bond proceeds have been maximized.

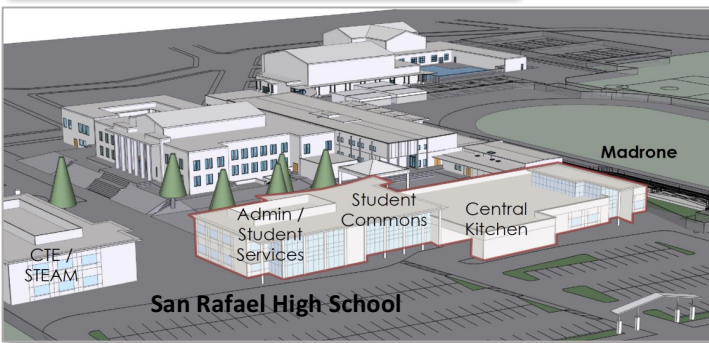
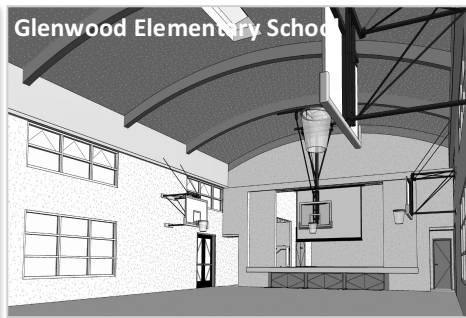
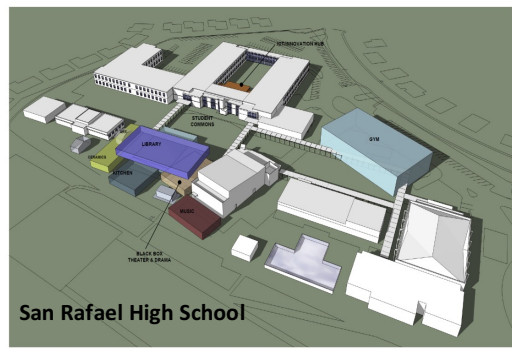
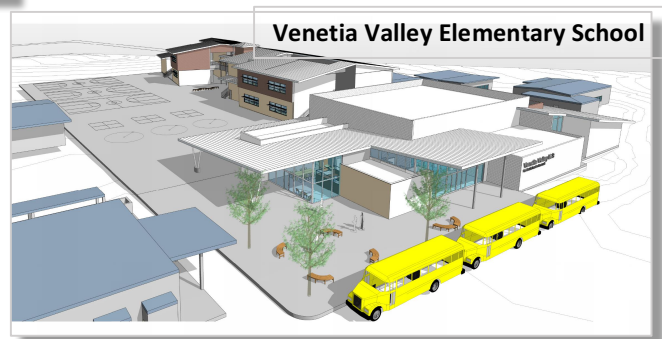
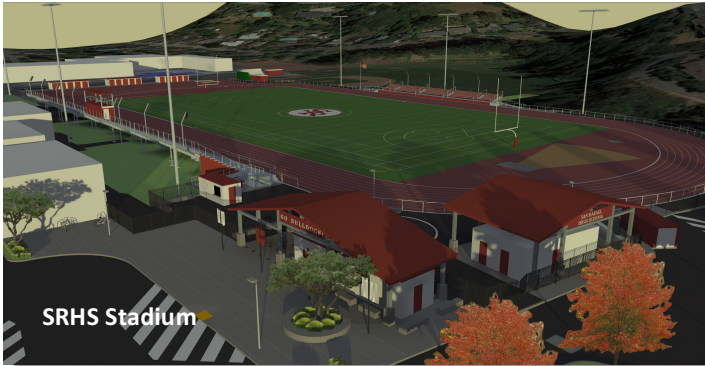
Respectfully Submitted: \_\_\_\_\_

Mark Schott, Chair

San Rafael City School District, Measures A & B Citizens' Bond Oversight Committee

Date: \_\_\_\_\_

*Thank You to the SRCS Community for your support of our schools!*



**Attachment #1**

**MEASURE “A” GENERAL OBLIGATION BOND BUILDING FUND OF  
SAN RAFAEL CITY ELEMENTARY SCHOOL DISTRICT**  
*Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2016*

	<b>Measure “A”</b>
<b>REVENUES</b>	
Interest earnings	\$ 28,996
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Total Revenues	28,996
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<b>EXPENDITURES</b>	
Current:	
Plant Services:	
Services and other operating expenditures	14,860
Capital Outlay	91,082
Debt Service:	
Issuance costs	312,500
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Total Expenditures	418,442
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Excess (Deficiency) of Revenues Over (Under) Expenditures	(389,446)
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<b>OTHER FINANCING SOURCES (USES)</b>	
Proceeds from bond issuance	25,000,000
Premiums on bond issuance	112,500
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Total Other Financing Sources (Uses)	25,112,500
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Net Change in Fund Balance	24,723,054
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Fund Balance, July 1, 2015	430
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Fund Balance, June 30, 2016	\$ 24,723,484
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**Attachment #2**

**MEASURE “B” GENERAL OBLIGATION BOND BUILDING FUND OF  
SAN RAFAEL CITY HIGH SCHOOL DISTRICT**

*Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2016*

	<b>Measure “B”</b>
<b>REVENUES</b>	
Interest earnings	\$ 44,927
Other local revenue	1,000
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Total Revenues	45,927
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<b>EXPENDITURES</b>	
Current:	
Plant Services:	
Services and other operating expenditures	130,716
Capital Outlay	512,465
Debt Service:	
Issuance costs	357,500
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Total Expenditures	1,000,681
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Excess (Deficiency) of Revenues Over (Under) Expenditures	(954,754)
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<b>OTHER FINANCING SOURCES (USES)</b>	
Interfund transfers out	(1,319,852)
Proceeds from bond issuance	35,000,000
Premiums on bond issuance	157,500
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Total Other Financing Sources (Uses)	33,837,648
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Net Change in Fund Balance	32,882,894
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Fund Balance, July 1, 2015	2,034,417
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Fund Balance, June 30, 2016	\$ 34,917,311
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