



Rio Bravo-Greeley Union Elementary School District

Measure B
Citizens' Bond Oversight Committee

Annual Report
September 2010

INTRODUCTION

On February 5, 2008, the Rio Bravo-Greeley Union Elementary School District submitted for voter approval Measure B, a general obligation bond measure authorizing the issuance of \$10.9 million in bonds to finance the modernization, acquisition, repair, renovation, construction, furnishing and/or equipping certain capital facilities of the District. The election was conducted in accordance with Proposition 39, which requires approval of 55% or more of the qualified voters voting on the bond measure and authorizes the County to levy an ad valorem property tax to pay debt service on the bonds. Measure B passed by a vote of 69.75% yes; 30.25% no.

PROPOSITION 39 REQUIREMENTS

In order to ensure accountability so that funds are spent prudently and only as directed by citizens of the community, a Proposition 39 election includes the following provisions:

- Restricts tax rates to \$30.00 per \$100,000 of assessed valuation,
- Requires the District to provide voters with a list of specific projects their bond money will be used for,
- Requires an annual, independent financial audit of the proceeds from the sale of the school facilities bonds until all of the proceeds have been expended for the specified school facilities projects,
- Requires an annual, independent performance audit to ensure that the funds have been expended on specified school facilities projects only, and not for teacher and administrator salaries or other school operating expenses,
- Requires the Board to appoint a Citizens' Oversight Committee to ensure the District's compliance with the foregoing restrictions.

CITIZENS' BOND OVERSIGHT COMMITTEE

The Citizens' Bond Oversight Committee is to be comprised of a minimum of seven members, to serve without compensation, for a maximum of two, two-year terms. Members must be at least 18 years of age and reside within the geographic boundaries of the District. Committee members may not include any employee, official of the District or any vendor, contractor or consultant of the District. Membership must include:

- One member who is active in a business organization
- One member active in a senior citizens' organization
- One member who is a parent or guardian of a child enrolled in the district
- One member who is both a parent or guardian of a child enrolled in the district and is active in a parent-teacher organization
- One member who is active in a bona fide taxpayers' organization
- Two general members

The Rio Bravo-Greeley Union Elementary School District Board of Trustees adopted a resolution appointing a Citizens' Bond Oversight Committee and approving the Citizens' Bond Oversight Committee By-Laws on April 14, 2008.

Committee members are:

John Ritchie – Business Representative
Gordon Walter – Senior Citizen
Royce Fast – Taxpayer Organization
Alan Gettman – Parent or Guardian
Michelle Torigiani – PTC member
Bryan Bone – General Member
Julie Moe – General Member

The duties of the Citizens' Bond Oversight Committee are to review expenditure reports produced by the District to ensure that Bond proceeds are expended only for the purposes set forth in the ballot measure and that no Bond proceeds are used for any teacher or administrative salaries or other operating expenses of the District. In addition, the Committee shall present to the Board, in public session, an annual written report which shall include a summary of the Committee's proceedings and activities for the preceding year. The committee is required to hold regular meetings, which shall be open to the public in accordance with the Ralph M. Brown Act, Government Code Section 54950 et seq.

Committee Meetings

The Committee met on September 21, 2009 and March 15, 2010. A synopsis of each meeting follows. Committee meeting minutes are attached to this annual report, and are available on the districts' website (www.rbgusd.k12.ca.us).

September 21, 2009

Minutes of the June 15, 2009 meeting were approved. Members were updated on the status of the project, and expenditure reports were reviewed and approved. The first annual report was approved.

March 15, 2010

Minutes of the September 21, 2009 meeting were approved. Committee members took a tour to view the progress of the project. Members were updated on the status of the project, and expenditure reports were reviewed and approved. The annual performance audit and the annual financial audit were reviewed and approved. The performance audit concluded that bond funds were expended for the purpose that was specified to the registered voters of the district.

DESCRIPTION OF THE PROJECT

The District has developed a Project List identifying facility improvements needed to improve the health, safety, and education provided to the children of its residents. The listing of a capital improvement on the Project List does not imply any particular prioritization among such improvements. Only those acquisitions and other capital improvements included on the Project List may be funded in whole or in part, with the proceeds of the Bonds. The ballot language and project list are included in Exhibit A.

The main focus of the project is the modernization of Rio Bravo-Greeley School, portions of which are over 50 years old. Planned renovations include:

- remove lead, asbestos and other hazardous materials,
- repair and replace electrical systems and wiring for safety purposes and in order to accommodate new technology,
- update internal communications systems for purposes of emergency preparedness and to replace fire alarm systems,
- repair restrooms including the replacement of antiquated plumbing and fixtures, installation of new stalls and floor and wall coverings,
- remodel restrooms, classrooms, and other public areas to comply with the Americans with Disabilities Act accessibility requirements,
- replace ineffective swamp coolers with air conditioning units

The modernization project is to be completed in phases. Below is a description of each phase.

Phase I

The first phase is comprised of work to the oldest buildings of the school, and includes six classrooms, library, administration, and restrooms and will include:

- upgrade of electrical and fire alarm systems
- remodel student and staff restrooms
- replace doors and door hardware, windows, lighting, flooring, chalkboards, and tackboards
- add insulation
- add air conditioning
- divide and convert a storage room into a classroom, staff workroom, and break room
- reconfigure the administration spaces to provide separate reception areas for students and the public, enlarge nurse's room, add additional conference room
- add ramps for compliance with accessibility requirements
- paint

Phase II

This phase will encompass eight classrooms, student and staff restrooms, the band room, the adjacent corridor, and the entry north of the Auditorium. Planned renovations include:

- install fire alarm devices
- remodel student and staff restrooms and provide accessibility
- convert two student restrooms into staff restrooms
- replace door and door hardware, windows, lighting, flooring, chalkboards, and tackboards
- add insulation,
- add air conditioning
- paint

Phase III

This phase will include the girls' and boys' shower, locker room and restroom, coaches' office/shower/restroom, staff restrooms north of the girls' locker room, three classrooms, and limited work to the gymnasium and the adjacent corridor. Work planned in Phase III includes:

- install new fire alarm devices
- remodel student and staff restrooms, shower, and locker rooms
- replace doors and door hardware, windows, lighting, flooring, chalkboards, and tackboards
- add insulation
- add air conditioning
- add ramps for compliance with accessibility requirements
- paint

After the start of construction, the band room, the adjacent corridor, and the entry north of the Auditorium were eliminated from Phase II, and the three classrooms previously included in Phase III were moved to a new Phase IV.

At the time of this report, Phase I and Phase II are 99% complete, and work on Phase III has begun.

FINANCIAL INFORMATION

Bonding capacity is calculated on assessed valuation of property in the district. The district is limited to issuing 1.25% of current assessed valuation less the outstanding principal of previously issued general obligation bonds. Therefore, with approval for \$10.9 million, the district was able to sell only \$7.6 million initially. As assessed valuation increases in the future, the district will be able to sell the remaining bonds for future projects on the voter-approved project list.

The bond sale was conducted on April 16, 2008, and the District received proceeds of \$8,065,370. Proceeds of the sale of bonds are deposited into the Building Fund of the district, which is kept separate and apart from all other accounts of the district. The district disperses amounts from the Building Fund to pay project costs, keeping a written record of all disbursements. Any amounts that remain in the Building Fund upon the completion of the Project will be transferred to the Debt Service Fund to be used to pay the principal and interest on the Bonds.

Principal and interest on the bonds will be paid from the proceeds of tax levies made upon the taxable property in the District. The estimate of the tax which would be required to be levied during the first fiscal year after the sale of bonds is \$30.00 per \$100,000 of assessed valuation. The estimated tax rates are based on the assessed value of taxable property, not on the property's market value. Actual tax rates may vary due to variations from the estimates. Proceeds from the tax levies will be deposited in the District's Debt Service Fund. Amounts in the Debt Service Fund are used to pay the principal and interest on the bonds when they become due and payable. Principal and interest will be paid over a period of 25 years.

For the period of July 1, 2009 through June 30, 2010, unaudited financial statements show total revenues of \$29,298 and total expenditures of \$3,197,341. The beginning fund balance was \$3,223,230 and the ending fund balance was \$55,187. Please see the attached financial reports.

CONCLUSION

The Citizens' Oversight Committee, based on its review of the 2008/09 Audited Financial Report and information provided at committee meetings, finds that the Rio Bravo-Greeley Union School District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution.

**RIO BRAVO-GREELEY UNION SCHOOL DISTRICT
FUND 21 - BUILDING FUND**

	07/01/07- 06/30/08	07/01/08- 06/30/09	07/01/09- 06/30/10	TOTALS
REVENUE				
Proceeds from Sale of Bonds	\$7,606,868.15	\$0.00	\$0.00	\$7,606,868.15
Bond Premium	\$458,502.00	\$0.00	\$0.00	\$458,502.00
Interest	\$56,676.41	\$138,186.08	\$28,982.76	\$223,845.25
Other Local Revenues	\$0.00	\$7,443.76	\$315.00	\$7,758.76
TOTAL REVENUES	\$8,122,046.56	\$145,629.84	\$29,297.76	\$8,296,974.16
EXPENDITURES				
Salaries and Benefits	\$2,001.91	\$0.00	\$0.00	\$2,001.91
Books and Supplies	\$0.00	\$0.00	\$0.00	\$0.00
Services, Other Operating Expenses	\$222,168.96	\$990.00	\$4,200.00	\$227,358.96
Capital Outlay	\$718,372.99	\$3,886,398.23	\$3,193,140.89	\$7,797,912.11
TOTAL EXPENDITURES	\$942,543.86	\$3,887,388.23	\$3,197,340.89	\$8,027,272.98
OTHER USES				
Transfer to Debt Service Fund	\$214,517.19	\$0.00	\$0.00	\$214,517.19
Excess of revenues and other resources over expenditures and other uses	\$6,964,985.51	-\$3,741,758.39	-\$3,168,043.13	\$55,183.99
FUND BALANCE				
Beginning Balance	\$3.34	\$6,964,988.85	\$3,223,230.46	\$3.34
Ending Balance	\$6,964,988.85	\$3,223,230.46	\$55,187.33	\$55,187.33