

ANNUAL REPORT to the Board of Education of North Monterey County Unified School District



10/19/2017

**Third Annual Report: July 1, 2016
through June 30, 2017**

Measure 'H'

Citizens' Bond Oversight Committee

ANNUAL REPORT to the Board of Education of North Monterey County Unified School District

**THIRD ANNUAL REPORT: JULY 1, 2016 THROUGH JUNE 30,
2017**

INTRODUCTION

The North Monterey County Unified School District (NMCUSD) Board of Education (BOE) authorized placement on the November 2013 ballot Measure H, a general obligation school construction bond. The \$23.8 million bond, Measure H, was placed on the ballot to serve as a funding mechanism to improve school facilities in the NMCUSD. Measure H was presented to the voters through the state's Proposition 39 program which requires a measure be passed with 55 percent voter approval. On November 5, 2013 Measure H was passed.

CITIZENS' OVERSIGHT COMMITTEE

Proposition 39 requires the sponsoring school district of an approved measure to establish a Bond Oversight Committee (BOC) to review expenditures, inform the public regarding expenditures, and annually report out to the Board of Education confirming that bond funds were expended in accordance with Proposition 39 requirements. This third annual report includes expenditures for fiscal year ending June 30, 2017.

Committee members:

Lorena Miranda – Chair, Business Organization and Parent
Manuel Osorio – Vice Chair and Bona Fide Taxpayer Assoc.
Dean Lines – Parent Teacher Group
Cosme Padilla – Senior Citizen's Organization
Larry Calhoun – Business Community
Margaret Stone – Community At-Large
Eddie Centeno – Community At-Large and Parent
Deborah Trice – Parent Teacher Group and Parent
Jose Anaya - Business Community and Parent

COMMITTEE REVIEW

The NMCUSD's Measure H BOC met on the following dates during the past year:
September 21, 2016, February 8, 2017, and May 24, 2017. The following items were reviewed:

- At its November 3, 2016 meeting, the Board of Education (BOE) approved the appointment of Deborah Trice to fill a vacant committee position.
- The BOC reviewed the 2nd Annual Report and approved its presentation to the BOE during its regular meeting on October 6, 2016.
- Reviewed expenditure reports at each meeting.
- Reported out Measure H progress to the community through a mailer in the Spring of 2017. The flyer is attached to this report as Appendix A.
- Received nominations and filled positions for committee chair and vice-chair. Incumbent Chair, Lori Miranda, and incumbent Vice-Chair, Manuel Osorio were selected to serve an additional term in their respective roles as allowed in the by-laws where terms are for two years and chairs can serve up to two full terms.
- Established annual calendar of meetings for fiscal year 2017.
- Reviewed and accepted the independent audit report of Vavrinek, Trine, Day & Co., LLP, dated December 14, 2016, for the period ending June 30, 2016 which concluded, “The results of our test indicated that, in all significant respects, the NMCUSD has properly accounted for the expenditures in the Building Fund (Measure H) and that such expenditures were made for authorized Bond projects. Further, it was noted that funds held in the Building Fund (Measure H), and expended by the District, were not used for administrative salaries other than bond project administration.” (Pg. 4)
- Received updates from the Superintendent regarding facility needs related to increased enrollment and enrollment projections.
- Reviewed programs, budgets, and timelines for the following projects at North Monterey County High School:
 - Gym bleachers and floor replacement (now completed and DSA Certified Closed)
 - Library Media Center (now completed and DSA Certified Closed)
 - Roofing (now completed – not a DSA project)
 - Boiler replacement and heating (in-progress)
 - Athletic track and field improvements (in-progress)
 - Exterior access control (in planning)
- Reviewed programs, budgets, and timelines for the following projects now complete at North Monterey County Middle School:
 - Two modular classroom addition (now completed and DSA Certified Closed)
- Reviewed programs, budgets, and timelines for the following projects in planning at Central Bay High School:
 - Modular classrooms and path of travel upgrades

EXPENDITURES

During the period July 1, 2016 through June 30, 2017 approximately \$8.25 million was expended. Total expenditures are reflected by project in Figure 1, FY16/17 Expenditures.

Expenditures		
Project	FY16/17 only	
Centralized Operating	230,822	3%
Bond Issuance	203,250	2%
Deferred Maint District-wide	16,827	0%
Middle School Classrooms	334,552	4%
HS Heating	959,035	12%
HS Modernization	170,414	2%
HS Access Control	21,972	0%
HS Roof	305,610	4%
HS Library/Media	296,367	4%
HS Gym	679,696	8%
HS Exterior Improve	14,953	0%
HS Athletic Field Complex	5,023,606	61%
Total Expenses	\$8,257,102.73	100%

Figure 1: FY 16/17 Expenditures

Total expenditures as of June 30, 2017 of all Measure H Bond funds crossing fiscal years are reflected by project in Figure 2, Measure ‘H’ Bond Expenses.

Total Expenditures		
Project	As of 6/30/2017	
Centralized Operating	691,283	4.7%
Bond Issuance	515,750	3.5%
Deferred Maint District-Wide	200,767	1.4%
Technology District-Wide	1,267,661	8.7%
Middle School Classrooms	374,607	2.6%
Central Bay Classrooms	18,460	0.1%
HS Heating	1,257,213	8.6%
HS Modernization	170,414	1.2%
HS Access Control	21,972	0.2%
HS Roof	732,702	5.0%
HS Library/Media	2,800,342	19.1%
HS Gym	1,072,754	7.3%
HS Exterior Improve	67,337	0.5%
HS Athletic Field Complex	5,439,721	37.2%
Total Expenses	\$14,630,984.82	100.0%

Figure 2: Measure ‘H’ Bond Expenses

CONCLUSION

The NMCUSD's Measure H Bond Oversight Committee advises that after review of expenditures, and to the best of its knowledge, the NMCUSD is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution. In particular, bond revenue has been expended only for the purposes so described in Measure H. As prohibited by Article XIII A, Section 1(b)(3)(a) of the California Constitution, no funds were used for any teacher or administrative salaries or other operating expenses.

Respectfully,

Lorena Miranda
Committee Chair,
NMCUSD Measure H Citizens' Bond Oversight Committee



MEASURE H INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE

SPRING 2017

NORTH MONTEREY COUNTY
UNIFIED SCHOOL DISTRICT

LETTER TO COMMUNITY

The Measure H Independent Citizens' Oversight Committee is responsible to ensure all Measure H bond funds are expended on voter approved projects and to report annually to the community. We are delighted to present this overview of the bond program. This report will cover completed projects as well as an update on current projects. We have also included a summary of the financial and performance audits, which have been completed. Measure H, a \$23.8 million school bond, was approved by voters in the North Monterey County Unified School District on November 5, 2013. Measure H was passed to provide needed local funds to replace aging roofs, replace inefficient heating, plumbing, electrical and ventilation systems, upgrade athletic fields and improve access to classroom technology at our local schools.

The majority of the work which has taken place has been at North Monterey County High School. Highlights include a renovated library/media center and a refurbished gym. The new athletic track and field project at the high school should be completed this fall. The stadium has been delayed by the rain but we are excited to see the project near completion.

Our committee is composed of community members who represent businesses, senior citizens, taxpayers and parents. By law, no members of the committee can be employees of the school district. We hope you will find this report useful.

Sincerely, Lorena Miranda, Chair; Manuel Osorio, Vice-Chair; Cosme Padilla, Dean Lines, Jose Anaya, Eddie Centeno, Margaret Stone, Larry Calhoun, Deborah Trice

CARTA A LA COMUNIDAD

El Comité de Supervisión de Ciudadanos Independientes de la Medida H es responsable de asegurar que todos los Bonos de la Medida H sean utilizados en proyectos aprobados por los votantes e informar anualmente a la comunidad. Estamos encantados de presentar este resumen del programa de bonos. Este informe cubrirá los proyectos terminados, así como una actualización sobre proyectos actuales. También hemos incluido un resumen de las auditorías financieras y el desempeño que se ha completado.

La Medida H, un bono escolar de \$23.8 millones, fue aprobada por los votantes en el Distrito Escolar Unificado del Condado Norte de Monterey el 5 de noviembre del 2013. La medida H se aprobó para proporcionar los fondos locales necesarios para reemplazar los techos envejecidos, reemplazar la calefacción ineficaz, tuberías, instalaciones eléctricas y de ventilación, mejorar los campos atléticos y mejorar el acceso a la tecnología de las clases en nuestras escuelas locales.

La mayor parte del trabajo ha sido en la Escuela Secundaria del Condado Norte de Monterey. Los puntos destacados incluyen un centro de biblioteca/medios de comunicación renovado y un gimnasio reformado. El nuevo proyecto de una nueva pista de atletismo en la escuela secundaria debe ser completado este otoño. El estadio ha sido retrasado debido al mal tiempo, pero estamos la finalización del proyecto cerca. Nuestro comité está compuesto por miembros de la comunidad que representan a negocios, personas mayores, contribuyentes y padres. Por ley, ningún miembro del comité puede ser empleado del distrito escolar. Esperamos que este informe sea útil.

Sinceramente, Lorena Miranda, Presidente de Comité; Manuel Osorio, Vice Presidente; Cosme Padilla, Dean Lines, José Anaya, Eddie Centeno, Margaret Stone, Larry Calhoun, Deborah Trice

PROGRAM AND BUDGET OVERVIEW

On September 13, 2014, a public workshop was held at the District Office. Projects from Measure H were prioritized and given budgets and timelines. The bonds were issued in two series, \$15.5 million in 2014 and \$8.3 million in 2016. All funds from Measure H have been used or are committed to projects currently under way.

Based on the District Facility Master Plan, Priority 1 projects that have been addressed are listed in the following Priority Project List.

Project List

- Technology upgrades at all sites
- New library/media center at NMC High School
- Gymnasium upgrades at NMC High School
- New high school track and field
- Deferred maintenance at all schools
- Replace boiler and heating system at NMC High School
- Replace roof as needed at NMC High School
- Modernization of classrooms at NMC High School
- Replace old temporary, portable classrooms at the middle school
- New security system at NMC High School

PROGRAMA Y REPASO DE PRESUPUESTO

El 13 de septiembre del 2014, un taller público se tomó acabo en la oficina del Distrito Escolar. Proyectos de la Medida H fueron priorizados y asignados presupuestos y líneas de tiempo. Los bonos fueron asignados en dos series, \$15.5 millones en 2014 y \$8.3 millones en 2016. Todo fondo de la Medida H ha sido utilizado o comprometido a proyectos que actualmente están en curso.

Basado en el Plan Maestro de Instalaciones del Distrito, proyectos de prioridad 1 que fue identificado están en la siguiente Lista de Proyectos de Prioridad.

Lista De Proyectos

- Actualización de tecnología en todos los planteles
- Nueva biblioteca/centro de medios en la Escuela Secundaria
- Actualización del gimnasio en la Escuela Secundaria
- Nuevo campo y pista de atletismo en la Secundaria
- Mantenimiento diferido en todas las escuelas
- Reemplazar el techo segun sea necesario en la secundaria
- Reemplazar techo necesitado en la secundaria
- Modernizar los salones de clase en la secundaria
- Reemplazar salones de clase portables antiguas en la Escuela Intermedia
- Nuevo sistema de seguridad en la Secundaria

RESUMEN DE AUDITORIA

Vavrinek, Trine, Day & Company, LLP condujeron la Auditoria de Finanzas, y Funcionamiento para el año fiscal 2015/2016 lo cual termino el 30 de junio del 2016. Las auditorias se cumplieron en diciembre del 2016 y fueron repasadas por el Comité de Vigilancia Independiente de la Medida H en la junta del 8 de febrero del 2017.

Finanzas. La auditoría financiera fue conducida en acuerdo con los estándares generalmente aceptados en los Estados Unidos y los estándares aplicables a auditorias financieras contenidos en Estándares de Auditorias Gubernamentales emitido por el Auditor General de los Estados Unidos.

Desempeño. La auditoría de desempeño proporciona una evaluación independiente del cumplimiento de los requisitos del Distrito de la Proposición 39 y como se describe en el Artículo XIII A, Sección 1(b)(3)(C) de la Constitución de California. Los resultados en estos exámenes indican que el Distrito utilizo los fondos únicamente en los proyectos aprobados por los votantes.

Resultados. El informe de auditoría concluyó que el Distrito cumplió, en todos los aspectos materiales, y en los requisitos del Fondo de Construcción de Bonos de la Medida H y los proyectos.

AUDIT SUMMARY

Vavrinek, Trine, Day & Company, LLP conducted the annual Financial and Performance Audits for the 2015/2016 fiscal year ending June 30, 2016. The audits were completed in December 2016 and reviewed by the committee at its February 8, 2017 meeting.

Financial. The financial audit was performed in accordance with auditing standards generally accepted in the U.S. and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Performance. The performance audit provides an independent assessment of the District's compliance with the requirements of Proposition 39 and as outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. The results of the auditor's tests indicate that the District expended funds only for the specific projects approved by the voters.

Findings. The audit report concluded that the District adhered, in all material respects, with the compliance requirements for the Measure H Bond Building Fund and projects.

PROJECTS UNDER CONSTRUCTION: ATHLETIC TRACK AND FIELD PROJECT

After receiving the required approvals from the Division of the State Architect (DSA) and the Coastal Commission through the Monterey County Planning Department, the high school track and field project began in September 2016. Construction has been significantly delayed by the winter rain storms. Overcoming these challenges has been a top priority for the District. The new track and field, which will benefit the whole community, is scheduled to be completed this fall and we look forward to celebrating the grand opening.

PROYECTOS BAJO CONSTRUCCIÓN EL PROYECTO DE CAMPO Y PISTA

Después de recibir las aprobaciones requeridas de la División de Arquitectos del Estado, y la Comisión Costal por parte del Departamento de Planificación del Condado de Monterey. El proyecto de campo y pista de la Escuela Secundaria comenzó en septiembre del 2016. La Construcción se retrasó significativamente debido a las lluvias del invierno. Superando estos obstáculos ha sido una prioridad del Distrito. El nuevo proyecto de campo y pista, lo cual beneficiara a toda la comunidad, está programado para ser completado este otoño y esperamos celebrar la gran apertura.

COMPLETED MEASURE H PROJECTS

HIGH SCHOOL LIBRARY MEDIA CENTER

The new library media center consists of a main library, a college and career center on the lower floor, a teaching computer lab, a student conference room, and an upstairs training and teaching center.

The library media center has more than 100 computers for students to use to access approved online resources.

CENTRO DE MEDIOS DE LA SECUNDARIA

La nueva biblioteca y centro de medios consiste de una biblioteca principal, un centro de carreras y colegio en el piso inferior, un laboratorio de computadoras para educar, un cuarto de conferencia para estudiantes, y un centro de entrenamiento y educación en el piso de arriba.

La biblioteca y centro de medios tiene más de 100 computadoras para los estudiantes con acceso a recursos aprobados en línea.



HIGH SCHOOL GYMNASIUM

The gym project consists of a new floor, bleachers, backboards, and replacement lighting.

GIMNASIO DE LA ESCUELA SECUNDARIA

El proyecto del gimnasio consiste de un nuevo piso, gradas, tableros y reemplazo de iluminación.



TECHNOLOGY UPGRADES

All schools in the District have upgraded infrastructure to provide better access to classroom technology.

Our schools are old and upgrades were needed to provide 21st Century classrooms for all students.

ACTUALIZACIÓN DE TECNOLOGÍA

Todas las escuelas del Distrito tienen infraestructuras actualizadas para proveer mejor acceso a la tecnología durante clases. Nuestras escuelas son antiguas y modernización fue necesaria para proveer salones de clase del Siglo XXI para todos los estudiantes.



Athletic Track & Field Project Revised Timeline (Sept. 2016 - Oct. 2017)

Sep '16 Oct '16 Dec '16 Jan '17 Mar '17 Apr '17 Jun '17 Jul '17 Sep '17 Oct '17

Construction /Construcción
PG&E
Track & Field /Campo y Pista
Bleachers /Graderío
Access Road /Carretera de Acceso
Concession Plaza /Plaza de Concesión
Press Box Plaza /Plaza de Prensa
Landscape /Paisaje
Stadium Lighting /Iluminación de Estadio
Grand Opening /Gran Apertura





North Monterey County Unified
School District
8142 Moss Landing
Moss Landing, CA 95039

****ECRWSEDDM****
LOCAL POSTAL CUSTOMER

Presorted
Standard Mail
U.S. Postage Paid
Livingston MT
Permit #2

MEASURE H INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE

SPRING 2017

EL COMITÉ DE SUPERVISIÓN DE CIUDADANOS INDEPENDIENTES DE LA MEDIDA H

PRIMAVERA 2017

DISTRICT PERFORMANCE- EXCEPTIONAL

The committee reviews reports at its quarterly meetings and these reports have been verified by the results of the independent annual audit process indicating the District has performed exceptionally in managing Measure H funds for designated facilities improvements.

DESEMPEÑO DEL DISTRITO- EXCEPCIONAL

El comité repasa reportes en su junta trimestral, y estos reportes han sido verificados por los resultados de los informes de auditoría anual independiente, indicando que el distrito ha desempeñado excepcionalmente en la administración de los fondos del Bonos de La Medida H para mejoramiento de designadas instalaciones.

FUTURE FACILITY IMPROVEMENTS REMAIN A PRIORITY

The District has been working hard to improve school facilities.

Measure H provided \$23.8 million to help address priority #1 projects that were identified as part of the 2012-2013 Facilities Master Plan. At that time, the Facilities Master Plan identified \$86 million of school facility improvements as a result of a comprehensive facility needs assessment. The average age of schools is well over 50 years which require upgrades and replacement of heating, plumbing, electrical and other building systems.

The District has and will continue to seek all available state funding for school facilities. The District has used more than \$2 million in deferred maintenance funds to maximize the use of bond funds. These efforts have allowed the District to make significant progress in completing Priority 1 projects.

EL MEJORAMIENTO DE INSTALACIONES FUTUROS SIGUEN SIENDO UNA PRIORIDAD

El Distrito sigue trabajando arduamente para mejorar las instalaciones de las escuelas. La Medida H proporciona \$23.8 millones para proyectos identificados de prioridad #1 como parte del Plan Maestro de Instalaciones. En este momento El Plan Maestro de Instalaciones identificó \$86 millones de mejoramientos escolares como resultado de un asesoramiento comprensivo de instalaciones. La edad de aproximadamente las escuelas es de más de 50 años los cuales requieren actualizaciones y reemplazos de sistemas de calefacción, fontanería, electricidad y otros sistemas de edificios.

El Distrito ha y seguirá solicitando fondos disponibles estatales para las instalaciones. El Distrito ha utilizado más de \$2 millones en proyectos de mantenimiento diferido para hacer un uso máximo de los fondos del bono. Estos esfuerzos han permitido que el Distrito realice progreso significativo al completar los proyectos de Prioridad 1.