



NEWARK UNIFIED SCHOOL DISTRICT CITIZENS' BOND OVERSIGHT COMMITTEE

CBOC ANNUAL REPORT 2015-2016

LETTER FROM THE CHAIR

Dear Community Members,

As Chair of the Newark Unified School District's Citizens' Bond Oversight Committee it is my pleasure to present the *Fourth Annual Report* of the Measure G Bond Program.

The Bond provides a local funding source approved by the Newark voters in November of 2011. The purpose of the Committee is to inform the public concerning the expenditures and uses of Measure G bond proceeds. The Committee's legal charge is to actively review and report on the expenditures of taxpayer money for school construction.

Voters approved \$63 million in bond authority for the Measure G Bond Program in an effort to preserve quality education, provide safe and modern schools, and qualify for matching funds. In the past four years, Newark Unified School District planned, designed and constructed projects towards updating aging facilities to meet earthquake/fire/safety standards; improve access for students with disabilities; remove asbestos, lead and hazardous materials; and improve energy/operational efficiency to maximize funding for instructional programs. Today, these efforts continue and projects are planned for the coming year.

The Citizens' Bond Oversight Committee is currently made up of six members. This committee meets on a quarterly basis to monitor the progress of Measure G projects. The meetings are open to the public and the schedule for the meetings, along with other pertinent information about the committee and the Measure G Bond Program, can be found on the Newark Unified School District website at:

<http://www.newarkunified.org/CBOC>.

Based on the review and observations of the Citizens' Bond Oversight Committee, we find that the Newark Unified School District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution and that funds are being used for the purposes specified in the ballot language.

Sincerely,

Cindy Parks

June 27, 2017

Citizens' Bond Oversight Committee Chair



NEWARK
UNIFIED SCHOOL DISTRICT

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(510) 818-4103

www.newarkunified.org

CITIZEN'S BOND OVERSIGHT COMMITTEE

Cindy Parks, Chair

Jack Dane, Vice-Chair

Cary Knoop, Secretary

*Adam Modzeleski **

*Betty Williams **

*Marek Yarbrough **

** Joined after the 2015-2016 reporting period*

FORMER MEMBERS

*Theresa Miller ***

*Marilyn Painter ***

*** Held membership in the 2015-2016 reporting period*

THE MISSION AND PURPOSE OF THE CBOC

The shared vision of the Citizens' Bond Oversight Committee and the Newark Unified School District is to build and maintain schools that promote the full development of children, are educationally and environmentally sound and enhance surrounding neighborhoods positively.

The mission of the Committee is to oversee program and project expenditures for the construction, repair and modernization of schools in accordance with California law and as required by Bond Measure G ballot language.

The Committee is charged with the responsibility of communicating its findings and recommendations to the District and the public as it reviews information to ensure that the bond funds, authorized by the local voters through Measure G, are expended per ballot language and in a wise and efficient manner.

BOND SYNOPSIS

In November of 2011, citizens of Newark voted to pass Measure G, a \$63 million general obligation bond, to assist with capital improvements at 12 of the 13 Newark Unified School District school campuses. The Bond funds will address safety and health concerns for the children at each of the 12 school sites and will help improve the learning environment through construction, repair and renovation of building, site and technology infrastructure.

GENERAL PROGRAM SCOPE

The program scope includes construction projects for replacement of deteriorated roof systems, HVAC units (Heating, Ventilation and Air Conditioning), including the Energy Management System (EMS) and Asphalt Concrete Pavement at the Hardcourt Play Areas. In addition, projects are addressing technology, safety and security with upgrades for access compliance, security cameras and public address systems.

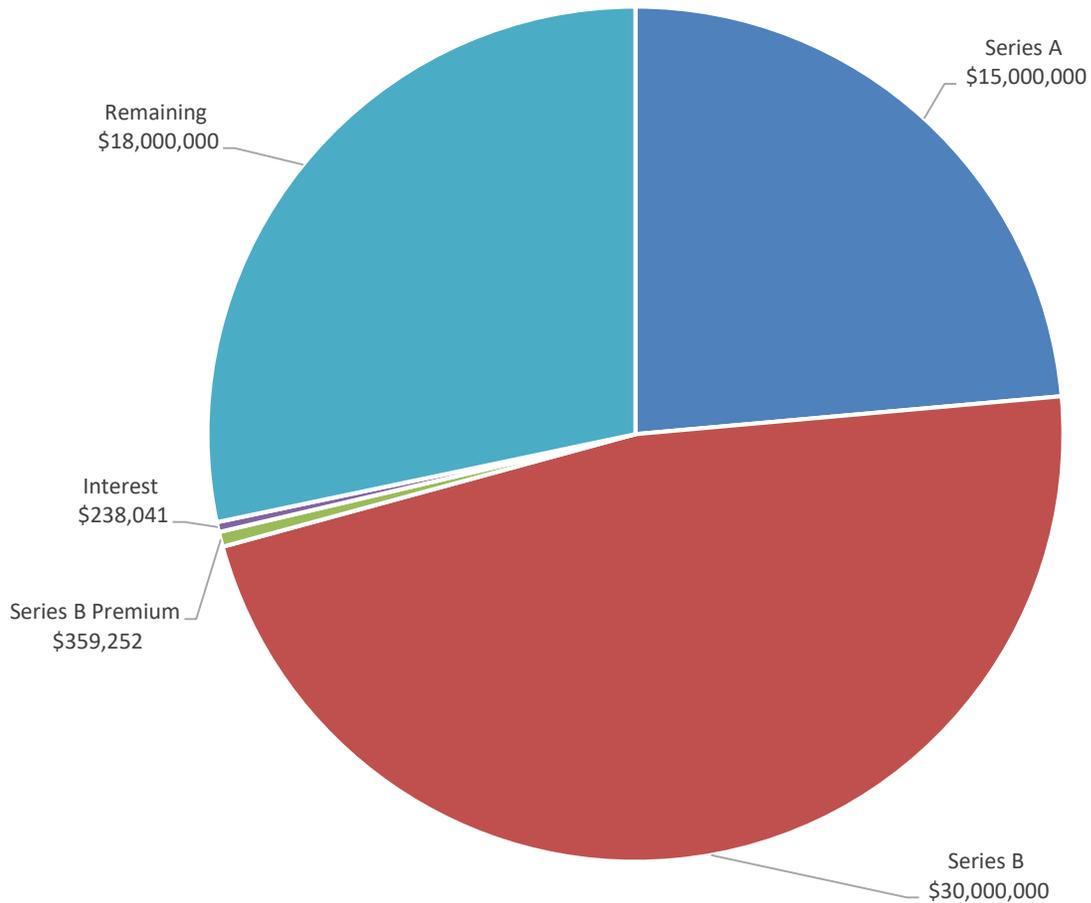
The extent of improvement will vary based on needs of each site.

MEASURE G BOND SALE

Series A was sold on July 17, 2012 with a true interest cost (TIC) of 3.89%.

Series B was sold on June 5, 2014 with a true interest cost of 4.31%.

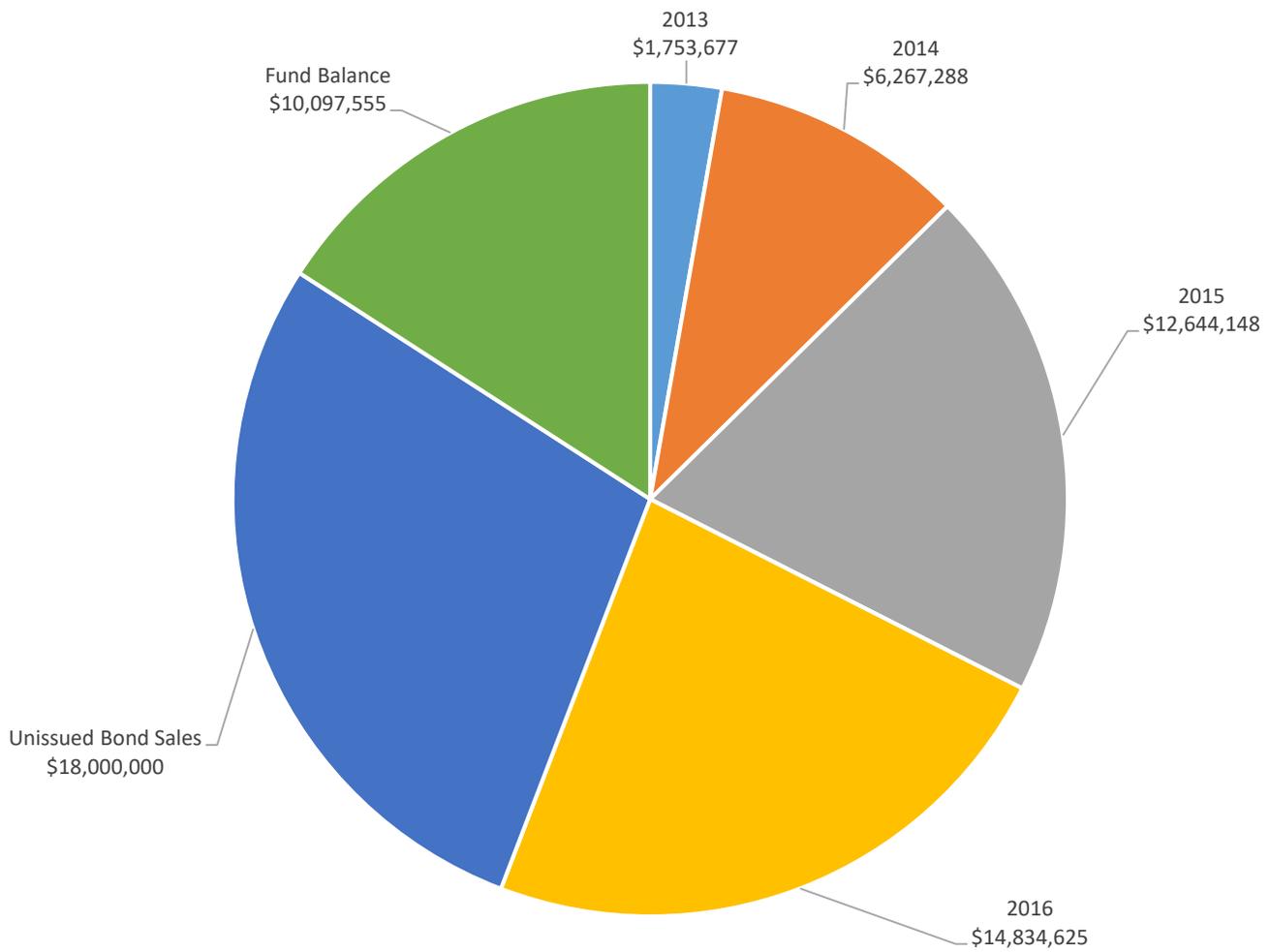
Series A	\$15,000,000
Series B	\$30,000,000
Series B Premium*	\$359,252
Interest	\$238,041
Remaining	\$18,000,000
Total	\$63,597,293



*Includes a \$10,748 transfer to the Bond Interest and Redemption Fund.

EXPENDITURES BY FINANCIAL YEAR

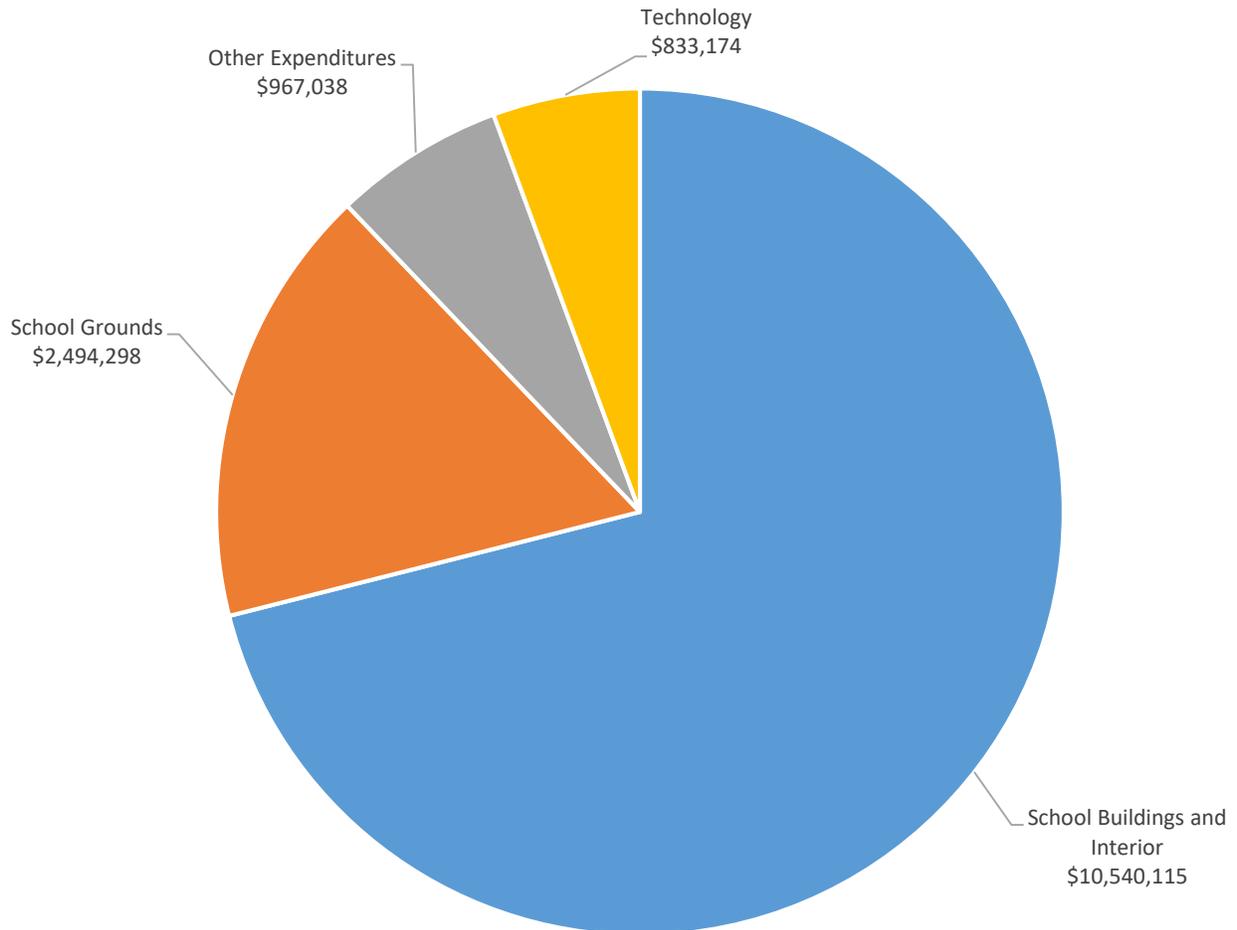
2013	\$1,753,677
2014	\$6,267,288
2015	\$12,644,148
2016	\$14,834,625
Unissued Bond Sales	\$18,000,000
Fund Balance	\$10,097,555
Total	\$63,597,293



EXPENDITURES 2015-2016

CATEGORIES

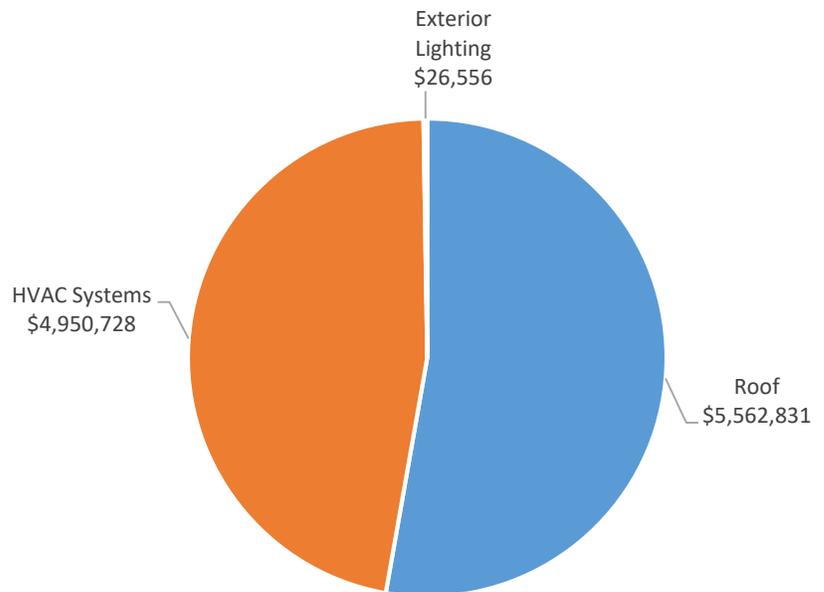
School Buildings and Interior	\$10,540,115
School Grounds	\$2,494,298
Other Expenditures	\$967,038
Technology	\$833,174
Total	\$14,834,625



BREAKDOWN

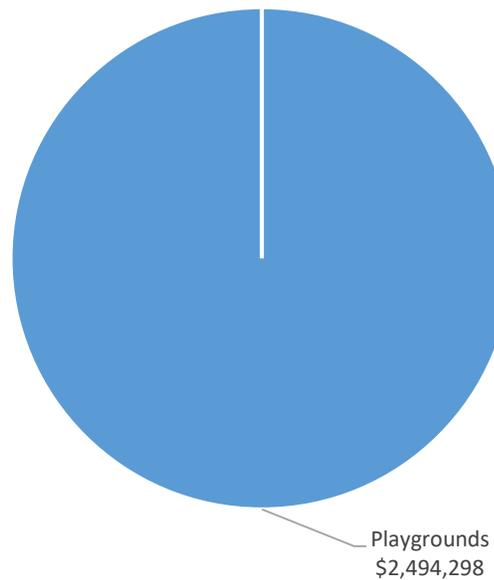
1. SCHOOL BUILDINGS AND INTERIOR

Roof	\$5,562,831
HVAC Systems	\$4,950,728
Exterior Lighting	\$26,556
Total	\$10,540,115



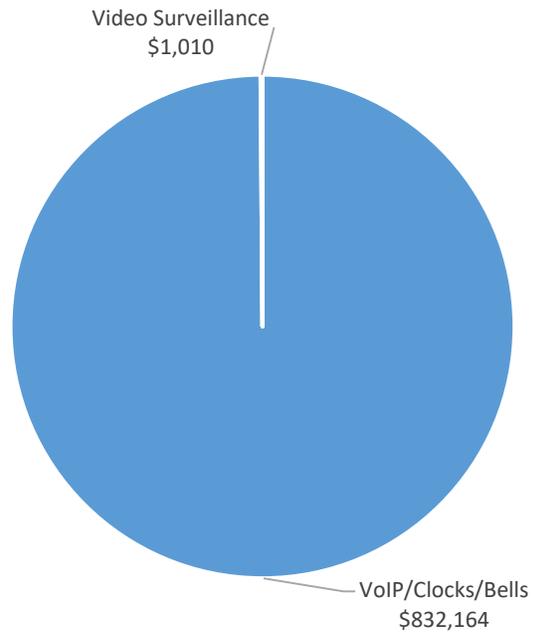
2. SCHOOL GROUNDS

Playgrounds	\$2,494,298
Total	\$2,494,298



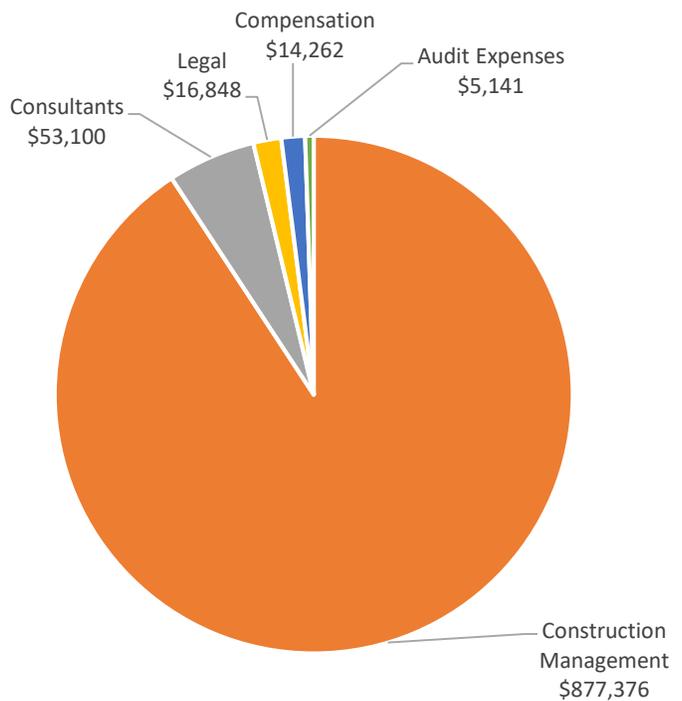
3. TECHNOLOGY

VoIP/Clocks/Bells	\$832,164
Video Surveillance	\$1,010
Total	\$833,174



4. OTHER EXPENDITURES

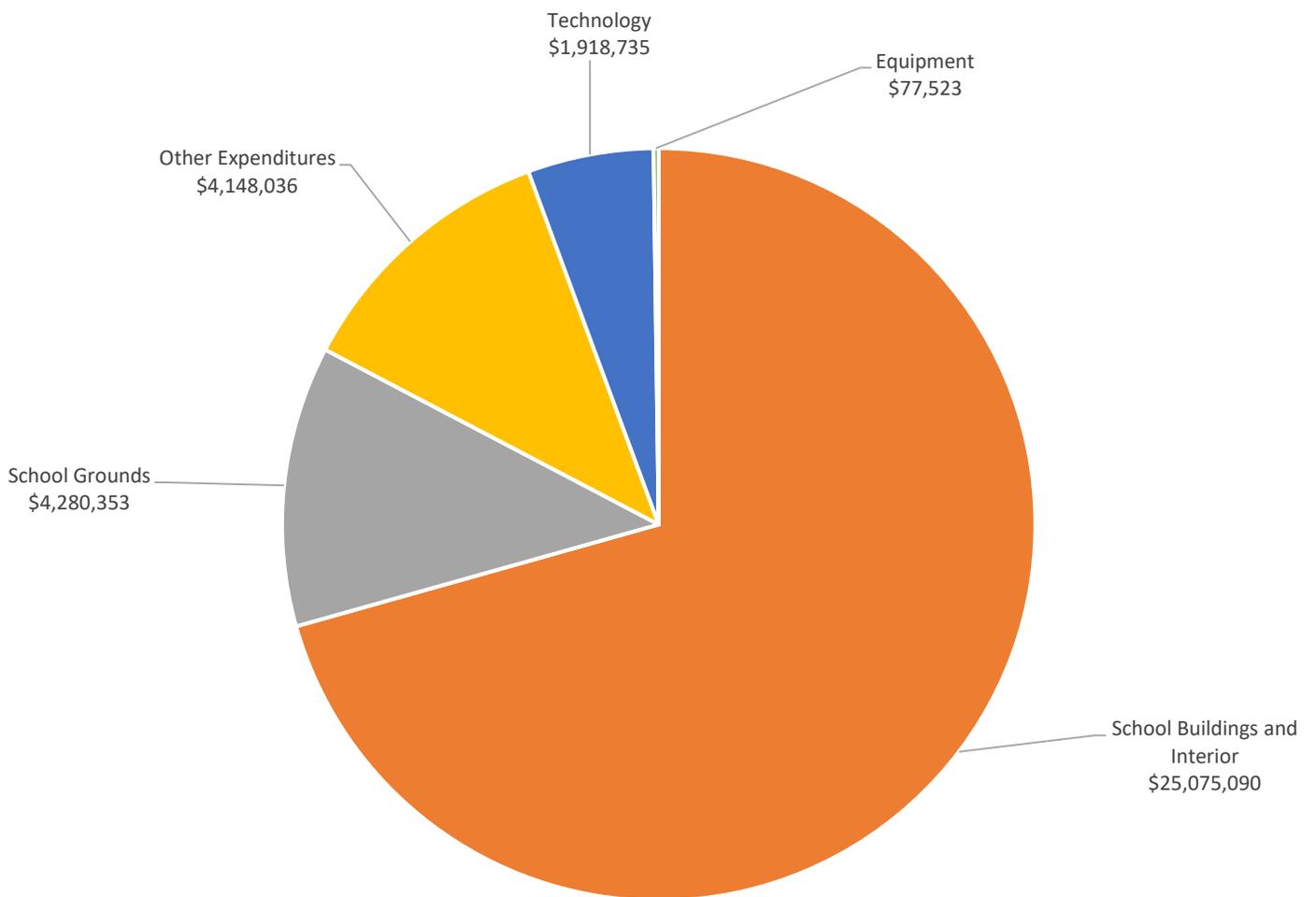
Construction Management	\$877,376
Consultants	\$53,100
Legal	\$16,848
Compensation	\$14,262
Audit Expenses	\$5,141
Construction Support	\$310
Total	\$967,038



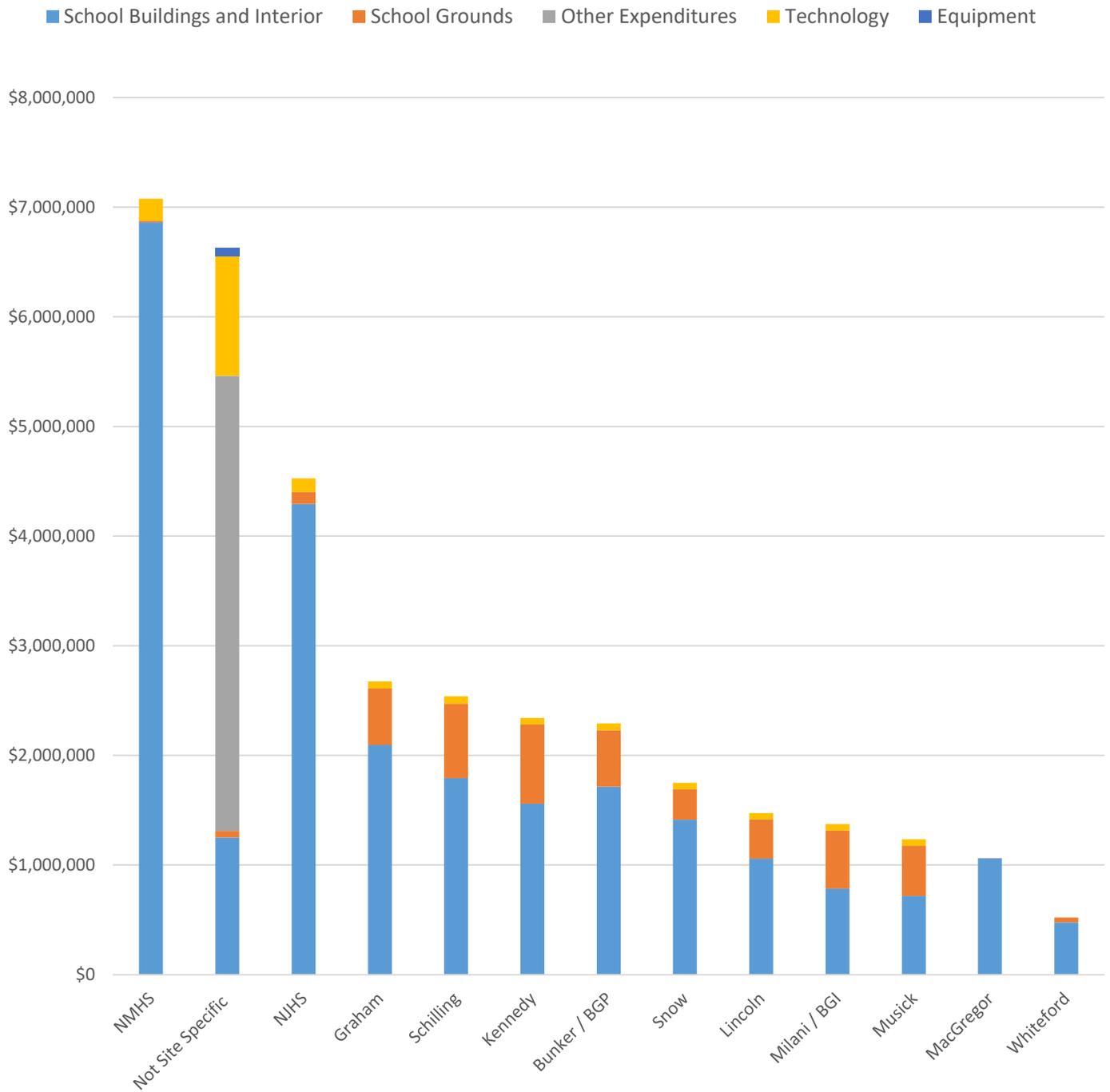
EXPENDITURES THROUGH JUNE 30TH, 2016

1. BY CATEGORY

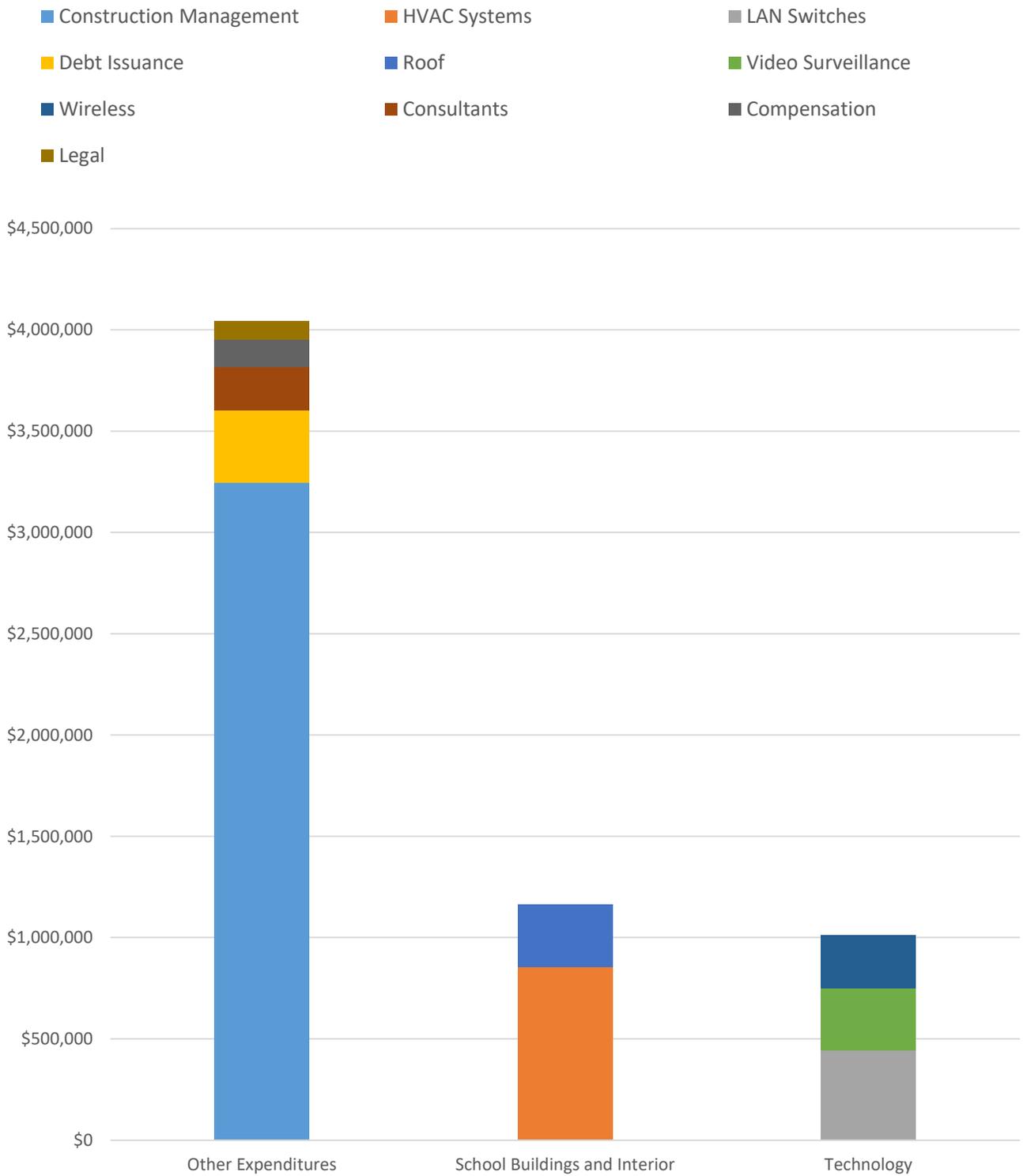
School Buildings and Interior	\$25,075,090
School Grounds	\$4,280,353
Other Expenditures	\$4,148,036
Technology	\$1,918,735
Equipment	\$77,523
Total	\$35,499,738



2. BY SCHOOL



3. NON SITE SPECIFIC BREAKDOWN (TOP 10)



FACTS, FINDINGS AND CONCERNS

1. The committee finds that it is difficult to obtain information in a timely fashion.
2. The committee finds that the CBOC webpages managed by the NUSD are frequently out of date or incorrect.
3. A current maintenance report is not available for review by the committee.
4. The committee was not offered an inspection tour.*
 - *Two tours were organized during the 2016-2017 period.*

RECOMMENDATIONS

1. The committee recommends the Governing Board evaluate how to improve the process of providing information to the CBOC.
2. The committee recommends the Governing Board evaluate how to improve the process of maintaining the CBOC webpages.
3. The committee recommends the Governing Board develops a maintenance plan.
4. The committee recommends the Governing Board to plan for an annual CBOC inspection tour.

A SELECTION OF PROJECTS THROUGH SUMMER 2016

NEWARK MEMORIAL HIGH SCHOOL

Before	After
<p data-bbox="110 562 332 598">Theater Seating</p>  A photograph of a theater interior showing rows of old, worn, and mismatched seats in various colors like yellow, orange, and blue. The stage area is visible in the background.	 A photograph of the same theater interior after renovation, showing rows of new, uniform, dark red seats with black frames.
<p data-bbox="110 1060 284 1096">Roof Repair</p>  A photograph of a flat roof under repair, showing large, irregular mounds of white material (likely insulation or concrete) and various pipes and equipment.	 Two photographs showing the roof after repair. The top photo shows a clean, white roof surface with several skylights and a large, curved structure in the background. The bottom photo shows a close-up of the roof surface with several skylights and a stack of materials in the foreground.

NEWARK JUNIOR HIGH SCHOOL

Before	After
<p data-bbox="110 384 318 415">Main Entrance</p> <p data-bbox="354 527 548 558"><i>Not Available</i></p>	
<p data-bbox="110 741 180 772">Entry</p> 	
<p data-bbox="110 1169 448 1201">Concrete Replacement</p> <p data-bbox="354 1312 548 1344"><i>Not Available</i></p>	
<p data-bbox="110 1568 220 1600">Roofing</p> 	

BIRCH GROVE PRIMARY (FORMERLY BUNKER ELEMENTARY)

Before	After
<p data-bbox="110 386 207 422">Paving</p> 	
<p data-bbox="110 1029 224 1064">Roofing</p> 	

BIRCH GROVE INTERMEDIATE (FORMERLY MILANI ELEMENTARY)

Before	After
<p data-bbox="110 384 451 420">Concrete Replacement</p> 	
<p data-bbox="110 884 276 919">Playground</p> <p data-bbox="354 1066 548 1102"><i>Not Available</i></p>	
<p data-bbox="110 1350 211 1386">Paving</p> 	

BIRCH GROVE INTERMEDIATE (FORMERLY MILANI ELEMENTARY) - CONTINUED

Roofing (during construction)

Not Available



GRAHAM ELEMENTARY

Before	After
<p>Roof Replacement Phase I</p> <p style="text-align: center;"><i>Not Available</i></p>	
<p>Roof Replacement Phase II</p> <p style="text-align: center;"><i>Not Available</i></p>	

KENNEDY ELEMENTARY

Before	After
<p>Paving</p> 	

LINCOLN ELEMENTARY

Hardcourt Play Area

Not Available



Canopy



Not Available

Roofing (during construction)



Not Available

MUSICK ELEMENTARY

Before	After
<p data-bbox="110 388 389 420">Portable Demolition</p> 	
<p data-bbox="110 886 272 917">Playground</p> <p data-bbox="354 1066 548 1098"><i>Not Available</i></p>	
<p data-bbox="110 1354 207 1386">Paving</p> 	

MUSICK ELEMENTARY - CONTINUED

Before	After
<p>Roofing</p> <p><i>Not Available</i></p>	

MACGREGOR ALTERNATIVE

Before	After
<p>Roofing</p> <p><i>Not Available</i></p>	

SCHILLING ELEMENTARY

Before	After
<p data-bbox="110 384 272 420">Playground</p>  A photograph of an old, weathered playground structure with wooden posts and metal frames, situated on a bed of wood chips. The equipment appears dated and somewhat neglected.	 A photograph of a new, modern playground structure with colorful slides and climbing frames, set on a rubber safety mat. The equipment is bright and appears to be in excellent condition.
<p data-bbox="110 919 207 955">Paving</p>  A photograph of a large, unpaved dirt area, likely a parking lot or courtyard, with some grass and trees in the background. The ground is uneven and appears to be in need of paving.	 A photograph of the same area now paved with smooth, dark asphalt. A concrete sidewalk runs along the edge of the paved area, and the overall appearance is clean and well-maintained.
<p data-bbox="110 1423 224 1459">Roofing</p>  A photograph of a large, flat roof area that appears old and weathered. The surface is uneven, with some debris and signs of aging. The sky is overcast.	 A photograph of the same roof area, now completely renovated. The roof is clean, white, and appears to be made of a modern material. The sky is clear and blue.

SNOW ELEMENTARY

Before	After
<p>Hardcourt Play Area</p> <p style="text-align: center;"><i>Not Available</i></p>	
<p>Roof Replacement</p> <p style="text-align: center;"><i>Not Available</i></p>	

WHITEFORD PRE-SCHOOL

Before	After
<p>Playground</p> <p style="text-align: center;"><i>Not Available</i></p>	

BOND PERFORMANCE AUDIT

The Bond Performance Audit Report produced by Christy White Associates forms part of this report.

There is a discrepancy between the expenditure amount of the Building Fund listed in the Unaudited Year-end Close and the Financial Audit for 2015-2016. While there is a reconciliation statement listed in the Financial Audit, the district decided not to include a similar statement in the Financial and Performance Audit Report for the Measure G General Obligation Bond.

RECONCILIATION STATEMENT FROM FINANCIAL AUDIT REPORT (PAGE 69):

**NEWARK UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

	General Fund	Building Fund	Special Reserve Fund for Other Than Capital Outlay Projects
June 30, 2016, annual financial and budget report fund balance	\$ 4,147,773	\$ 11,648,350	\$ 6,210,688
Adjustments and reclassifications:			
Increase (decrease) in total fund balances:			
Accounts payable understatement	-	(1,495,621)	-
Fund balance combination (GASB 54)	6,210,688	-	(6,210,688)
Net adjustments and reclassifications	6,210,688	(1,495,621)	(6,210,688)
June 30, 2016, audited financial statement fund balance	\$ 10,358,461	\$ 10,152,729	\$ -