

**2013 ANNUAL REPORT to the ROSS VALLEY SCHOOL DISTRICT BOARD of TRUSTEES
from MEASURE A CITIZENS OVERSIGHT COMMITTEE**

District Support

Eileen Rohan	Superintendent
Bret Joyner	Director of Maintenance & Operations
George Baranoff	Bond Program Manager
Jim Cerreta	Interim Business Manager
David Casnocha	Bond Counsel
Art Arciniega	Bond Administration Coordinator

Committee Members

Stuart Brunet	Chairperson
Anthony Barron	
James Fair	
Conn Hickey	

INTRODUCTION

Measure A was approved by the voters in Ross Valley School District (RVSD) to improve our neighborhood schools. Many of our schools were built 50+ years ago; modernization and new buildings are necessary. Measure A required formation of a Citizens Oversight Committee (COC) to provide additional assurance that the funds collected under Measure A are spent as the voters had approved in the measure. Measure A specifically authorized RSVD to sell up to \$41 million in bonds to fund this work. As of June 30, 2013, \$28.3m of bonds have been sold, and \$24.5m has been encumbered and/or spent on projects.

Meeting twice a year, this committee reviewed construction plans, budgets, and financial reports. We visited the construction sites during construction and after completion. The committee also requested and confirmed additional information from the auditors that the audit met the requirements of the bond language. This report documents our work and conclusions. For more information, we invite you to visit our website: <http://rossvalleyschooldistrict.org> (click on Measure A Bond).

FREQUENTLY ASKED QUESTIONS (FAQs)

What financial controls are in place to ensure Measure A funds are spent as the voters intended?

Measure A was passed by voters, in accordance with an amendment to the California Constitution (Proposition 39). Proposition 39 requires a Citizens Oversight Committee as an independent check that expenditures of Measure A funds are made in accordance with what voters approved in passing Measure A.

How was the Citizens' Oversight Committee organized?

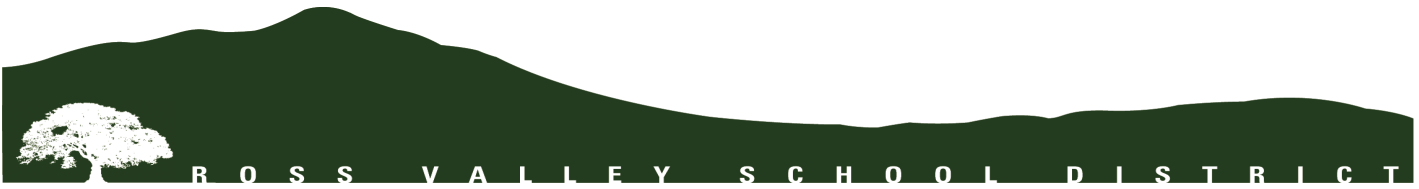
The Citizens' Oversight Committee was chartered by the RSVD Trustees, as required by Proposition 39.

Why aren't we upgrading all the schools at once?

We are limited to selling the bonds at the rate we can service them, which depends on the economy and property values in our area. In addition, it takes a lot of work to manage the complete construction process and we can only take on so many projects at one time.

Why are we spending more on some schools than others? Why doesn't each school get the same amount?

The RVSD Master Plan for school upgrades is based on the needs of each school. Newer buildings typically need general maintenance, and function adequately for current administration and programs. Older buildings typically require major renovation and/or replacement, along with expansion of core facilities due to enrollment



and/or programmatic requirements. During the development of the 2009-10 RVSD Facility Master Plan, Jack Schreder & Associates worked closely with District staff and District architects to prepare a detailed assessment of the District's facilities. These individual facility assessments, included in the 2009-10 Facility Master Plan, compiled and summarized facility data for analysis in the development of options relating to facility improvements undertaken by the District as well as future facility needs over the foreseeable future. The individual facility capacities have been updated for the 2012-13 Facility Master Plan, and demonstrate the future capacity following completion of bond projects at all sites.

PROJECT BASED vs. SCHOOL-YEAR ACCOUNTING

In order to understand the detailed accounting reports, it is important to recognize that accounting and audits are done on a fiscal year basis (school-year accounting), whereas project-based accounting can span multiple calendar and fiscal years. While the audit covers the fiscal period ending June 30, 2013, it is in the best interests of the COC and the community to look at the costs on a project-based accounting method. Project-based budget and expenditure reports were reviewed and discussed by the COC at its November 6, 2013 meeting.

CONCLUSION

Stephen Roatch Accountancy Corporation performed an independent Fiscal Audit and Performance Audit as of June 30, 2013 and concluded that:

1. The financial statements of RVSD for the year ended June 30, 2013 presented fairly, in all material respects, the respective financial position of the Measure A Building Fund of RVSD as of June 30, 2013.
2. The results of testing disclosed no instances of noncompliance or other matters related to the Measure A Building Fund that are required to be reported under *Government Auditing Standards*.
3. RVSD's Measure A Bond Program complied, in all material respects, with California Proposition 39, as incorporated in Article XIII A of the California Constitution for the fiscal year ended June 30, 2013.
4. All expenditures reviewed in the Performance Audit were made for projects that were identified in the ballot measure (California Constitution Article XIII A 1(b)(3)(c)).

Based on the conclusions of the 2013 audit conducted by Stephen Roatch Accountancy Corporation, as noted above, together with other materials and reports provided by RVSD to the COC at its regular meetings and the site visits conducted by the COC during 2013, the COC concludes that, to the best of its knowledge and understanding, the expenditures of Measure A funds made during the reporting period were made in accordance Measure A, as approved.