



**2014 ANNUAL REPORT to the ROSS VALLEY SCHOOL DISTRICT BOARD of TRUSTEES  
from BOND MEASURE A CITIZENS' OVERSIGHT COMMITTEE**

<b>District Support</b>		<b>Committee Members</b>	
Rick Bagley, Ed.D.	Superintendent	Stuart Brunet	Chairperson
Bret Joyner	Dir. Maintenance & Operations	Anthony Barron	
Midge Hoffman	Chief Business Official	Chris Davis	
		Conn Hickey	
		James Fair	

**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 RVSD to sell up to \$41 million in bonds to fund this work. As of March 30, 2015, \$28.3 million of bonds have been sold and \$28.6 million has been expended. In addition, a bond anticipation note was issued at the end of 2013 for \$5.6 million and there has been about \$100,000 of interest and other local revenue. An additional \$291,000 was received as a State of California modernization reimbursement for the Manor modular project. As a result, cash on hand for future projects, including this summer's project at Wade Thomas, is approximately \$5.7 million. The spreadsheet at the end of this report portrays the details of some of this information as well as other tentatively projected projects for the next three years.

During 2014 and the first four months of 2015, this committee reviewed construction plans, budgets, and financial reports for the Measure A projects as well as copies of deferred maintenance plans developed by the District. Members of the committee visited construction sites during construction and after completion. This report documents our work and conclusions. For more information, we invite you to visit our website: <http://rossvalleyschooldistrict.org> (click on Departments/Bond Construction/Citizens' Oversight Committee).

**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 RVSD Trustees, as required by Proposition 39.

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

We are limited to selling the bonds and notes at the rate we can service them, which depends on the assessed property values in our area. Since property values fell after the Measure A was passed, property values are not as high as anticipated, so bonds had to be issued more slowly than anticipated.



***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. 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. White Hill had the greatest need since a large number of its buildings were portables in very deteriorated condition. 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, 2014, 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 also reviewed and discussed by the COC at its February 26, 2015 meeting.

**CONCLUSION**

Stephen Roatch Accountancy Corporation performed an independent Fiscal Audit and Performance Audit as of June 30, 2014 and concluded that:

1. The financial statements of RVSD for the year ended June 30, 2014 presented fairly, in all material respects, the respective financial position of the Measure A Building Fund of RVSD as of June 30, 2014.
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, 2014.
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 2014 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 2014, 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.



Measure A - Summary of Multi-Year Revenues and Expenditures

	YTD @ 3/27/2015									
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Total	Total by Project
<b>REVENUES</b>										
Bond Proceeds	\$ 10,000,426.00		\$ 18,300,000.00						\$ 28,300,426.00	
Bond Premium	\$ 180.00								\$ 180.00	
Bond Anticipation Notes - Due 12/2018				\$ 5,604,907.00					\$ 5,604,907.00	
Interest	\$ 3,451.00	\$ 18,545.00	\$ 23,165.00	\$ 11,182.00	\$ 5,651.57	\$ 3,500.00	\$ 2,000.00		\$ 67,494.57	
Other Local Revenues		\$ 2,757.00	\$ 167.00	\$ 29,772.00	\$ 298.00				\$ 32,994.00	
<b>Total Revenues</b>	<b>\$ 10,004,057.00</b>	<b>\$ 21,302.00</b>	<b>\$ 18,323,332.00</b>	<b>\$ 5,645,861.00</b>	<b>\$ 5,949.57</b>	<b>\$ 3,500.00</b>	<b>\$ 2,000.00</b>	<b>\$ -</b>	<b>\$ 34,006,001.57</b>	
<b>EXPENDITURES</b>										
<b>District-wide:</b>										<b>\$ 2,318,143.09</b>
Bond Projects Support (Salaries/benefits)	\$ 149,516.00	\$ 238,753.00	\$ 244,006.00	\$ 197,185.00	\$ 107,547.24				\$ 937,007.24	
Non-capitalized equipment	\$ 895.00			\$ 3,581.00					\$ 4,476.00	
Bond Issuance Related Costs	\$ 187,156.00			\$ 64,000.00			\$ 100,000.00		\$ 351,156.00	
Bond Construction Related Costs	\$ 44,281.00	\$ 12,952.00							\$ 57,233.00	
Legal - Bond Related	\$ 8,602.00	\$ 19,369.00		\$ 19,094.00	\$ 11,840.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 88,905.00	
Pre-Bond Related Costs	\$ 215,246.00								\$ 215,246.00	
Professional Consulting Services	\$ 106,307.00	\$ 36,105.00	\$ 41,493.00	\$ 39,798.00		\$ 50,000.00	\$ 65,000.00	\$ 65,000.00	\$ 403,703.00	
Other Operating Expenditures	\$ 471.00	\$ 1,851.00	\$ 1,688.00	\$ 1,421.00	\$ 9,774.85				\$ 15,205.85	
Architects	\$ 34,400.00	\$ 12,500.00							\$ 46,900.00	
Bond Trailer / Office	\$ 31,176.00	\$ 2,871.00							\$ 34,047.00	
Bond Anticipation Notes Premium - Transferred to Debt Service Fund				\$ 164,264.00					\$ 164,264.00	
									\$ -	
									\$ -	
<b>Hidden Valley School / Brookside Upper</b>										<b>\$ 1,770,572.00</b>
Academic Classrooms	\$ 18,689.00	\$ 130,476.00	\$ 21,407.00	\$ -	\$ -		\$ 1,600,000.00		\$ 1,770,572.00	
									\$ -	
<b>Brookside School</b>										<b>\$ 3,045,706.50</b>
Academic Classrooms	\$ 24,786.00	\$ 57,508.00	\$ 27,775.00	\$ 34,944.00	\$ 2,039,451.50				\$ 2,184,464.50	
Modulars				\$ 850,089.00					\$ 850,089.00	
Multi-Purpose Room					\$ 11,153.00				\$ 11,153.00	
									\$ -	
<b>Wade Thomas Elementary</b>										<b>\$ 2,594,133.00</b>
Academic Classrooms	\$ 9,159.00	\$ 80,779.00	\$ 2,106.00	\$ (5,241.00)	\$ 22,683.00	\$ 2,484,647.00			\$ 2,594,133.00	
									\$ -	
<b>Manor Elementary</b>										<b>\$ 1,006,200.00</b>
Academic Classrooms	\$ 6,353.00	\$ 482,062.00	\$ 2,847.00	\$ 25,431.00			\$ 489,507.00		\$ 1,006,200.00	
									\$ -	
<b>White Hill Middle School</b>										<b>\$ 22,711,559.47</b>
Academic Classrooms	\$ 134,284.00	\$ 1,633,816.00	\$ 13,141,894.00	\$ 5,442,476.00	\$ 600,264.16				\$ 20,952,734.16	
Gym / Multi- Purpose Building		\$ 161,710.00	\$ 42,976.00	\$ 213,313.00					\$ 417,999.00	
Building 100 Renovations		\$ 118,115.00	\$ 138,515.00	\$ 51,657.00	\$ 771.81				\$ 309,058.81	
Interim Classrooms		\$ 274,184.00	\$ 279,668.00	\$ 280,791.00					\$ 834,643.00	
Paving				\$ 20,362.00	\$ 176,762.50				\$ 197,124.50	
									\$ -	
<b>TOTAL EXPENDITURES</b>	<b>\$ 971,321.00</b>	<b>\$ 3,263,051.00</b>	<b>\$ 13,944,375.00</b>	<b>\$ 7,403,165.00</b>	<b>\$ 2,980,248.06</b>	<b>\$ 2,544,647.00</b>	<b>\$ 2,164,507.00</b>	<b>\$ 175,000.00</b>	<b>\$ 33,446,314.06</b>	<b>\$ 33,446,314.06</b>
<b>CHANGE IN FUND BALANCE</b>	\$ 9,032,736.00	\$ (3,241,749.00)	\$ 4,378,957.00	\$ (1,757,304.00)	\$ (2,974,298.49)	\$ (2,541,147.00)	\$ (2,162,507.00)	\$ (175,000.00)	\$ 559,687.51	
<b>BEGINNING FUND BALANCE - JULY 1</b>	\$ -	\$ 9,032,736.00	\$ 5,790,987.00	\$ 10,169,944.00	\$ 8,412,640.00	\$ 5,438,341.51	\$ 2,897,194.51	\$ 734,687.51	\$ -	
<b>ENDING FUND BALANCE - JUNE 30</b>	\$ 9,032,736.00	\$ 5,790,987.00	\$ 10,169,944.00	\$ 8,412,640.00	\$ 5,438,341.51	\$ 2,897,194.51	\$ 734,687.51	\$ 559,687.51	\$ 559,687.51	