



Downey Unified
SCHOOL DISTRICT

DOWNEY UNIFIED SCHOOL DISTRICT
CITIZENS' BOND OVERSIGHT COMMITTEE
MEASURE O
2017 ANNUAL REPORT
APRIL 17, 2018

INTRODUCTION

In July 2013, Downey Unified School District sent out a request for a proposal to develop a Facilities Master Plan (FMP). The intent of the plan was to analyze current facility conditions and needs, analyze future facility needs, help define educational facility goals for the next 10-15 years and suggest financial strategies to fund future needs. The facilities master planning process began in October 2013 and was presented to the Board of Education on June 24, 2014.

The FMP assessed the condition of existing school facilities and developed an understanding of anticipated long-range facility needs. Coupled with the educational program vision, a strategic facilities master plan was developed for each site to address those needs.

Thanks to community support, the Measure O Bond was passed on November 4, 2014 by 60.51% of voters. Measure O is a \$248,000,000 bond measure that authorizes funding for needed repairs, upgrades, and new construction projects to the District's schools. Our schools are being renovated to include state-of-the-art technology and first-rate facilities.

CITIZENS' BOND OVERSIGHT COMMITTEE

The School Facilities Local Vote Act of 2000 (Proposition 39) requires the sponsoring school district of an approved measure to establish a Citizens' Bond Oversight Committee to oversee, monitor, and inform the public concerning the expenditure of general obligation bond revenues. The Citizens' Bond Oversight Committee must provide annually a report of how Measure O Bond funds were used in the past year. This is the Downey Unified School District Measure O Citizens' Bond Oversight Committee's 2016/17 annual report.

THE COMMITTEE MUST INCLUDE:

- A. One (1) member who is active in a business organization representing the business community located within the school district.
- B. One (1) member who is active in a senior citizens' organization.
- C. One (1) member who is a parent or guardian of a child enrolled in the school district.
- D. One (1) member who is both a parent or guardian of a child enrolled in the school district and active in a parent-teacher organization; and
- E. One (1) member who is active in a bona fide taxpayer's organization.
- F. Two (2) members of the community at-large

THE CBOC COMMITTEE IS CURRENTLY MADE UP OF THE FOLLOWING INDIVIDUALS:

Members:

Paul Beemer
George Boose
Melody Gregorio
Eric Pierce
Russell Skersick
Jerome Wetzstein
Sung Yon Lee

Represent:

Member of Senior Citizens Group
Active PTA/Site Council Member
At-Large Community Member
At-Large Community Member; Chair
Business Representative; Vice-Chair
Member of Taxpayer Organization Active
Parent of School District Student

THE DOWNEY UNIFIED SCHOOL DISTRICT'S CITIZENS' BOND OVERSIGHT COMMITTEE MET ON THE FOLLOWING DATES:

- April 25, 2017
- August 29, 2017
- October 23, 2017
- January 29, 2018
- March 26, 2018

At the April 17, 2018 regular meeting of the Board of Education, the Committee will present the 2017 Annual Report of the Citizens' Bond Oversight Committee.

REVENUE

In October 2015, the District sold bonds in the amount of \$50,000,000. The next bond sale is anticipated to be August/September 2018.

EXPENDITURES

The California Constitution specifically limits the expenditures of bond revenues to: construction, reconstruction, rehabilitation or replacement of school facilities, including

the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities.

The Measure O funds were used for the following categories: Site preparation, including engineering, environmental review and testing; planning, including architects and Division of State Architect review; construction, including construction managers, temporary facilities and utilities. In addition, there were costs for State of California required inspections, and furniture and equipment.

Please see the Expenditure Report on pages 4-8 reporting cumulative expenditures from the inception of the first series of bonds through December 31, 2017.

AUDIT

Measure O requires that the sponsoring school district of an approved measure conduct an annual independent performance audit to ensure that bond funds have been expended only on the specific projects included on the list of projects the district was required to provide before Measure O was presented to the voters. It also requires that the school district conduct an annual independent financial audit of the proceeds from the sale of the bonds until all proceeds have been expended for the school facilities projects.

The annual audit of the Downey Unified School District's Measure O bond expenditure was conducted by Vavrinek, Trine, Day & Co. (VTD), an independent auditing firm for fiscal year 2016-17 starting July 1, 2016 through June 30, 2017, was presented to the District's Audit Committee on January 11, 2018 and received by the Board of Trustees on January 16, 2018.

In the firm's report of that audit: "The results of our tests indicated that, in all significant respects, the District has properly accounted for the expenditures held in the Building Fund (Measure O) and that such expenditures were made for authorized Bond projects. Further, it was noted that funds held in the Building Fund (Measure O), and expended by the District, were used for salaries of administrators only to the extent they perform administrative oversight work on construction projects as allowable per Opinion 04-110 issued on November 9, 2004, by the State of California Attorney General."

As disclosed in the annual independent auditor's report, the total amount expended during the 2016-17 fiscal year was \$19,778,682, which is a subset of the cumulative expenditures from the inception of the sale of the first series of bonds through December 31, 2017. An itemized list of the expenditures was provided by the Downey Unified School District accounting staff as additional supporting documentation to the annual audit.

Measure O Budgets, Commitments, and Expenditure report is on the following pages:



MEASURE 'O' Budgets, Commitments, and Expenditures
through 12/31/2017

School Name - Project Name	Budget Group	21.0 - Building Fund (Measure O)		
		Budget	Commitments	Expenditures
Alameda Elementary School - Quick Start - Paving		15,425	-	-
	A - Site	-	15,425	15,425
	Total	15,425	15,425	15,425
Carpenter Elementary School - Playground Equipment Replacement		117,657	-	-
	A - Site	-	31,693	31,693
	F - Furniture & Equipment	-	68,820	68,820
	Total	117,657	100,513	100,513
Carpenter Elementary School - Quick Start - Fencing		114,223	-	-
	A - Site	-	100,143	100,143
	C - Construction	-	14,080	14,080
	Total	114,223	114,223	114,223
Columbus High School - Paging System Upgrades		163,060	-	-
	F - Furniture & Equipment	-	163,060	114,017
	Total	163,060	163,060	114,017
Community Day School - Toilet Building		144,034	-	-
	A - Site	-	6,200	6,200
	B - Planning	-	-	-
	C - Construction	-	9,790	9,790
	Total	144,034	15,990	15,990
Doty Middle School - Modernization Phase 1		45,381,978	-	-
	A - Site	-	15,610	15,610
	B - Planning	-	2,049,180	296,518
	Total	45,381,978	2,064,790	312,128
Downey Adult School - Dental Training Classroom		479,000	-	-
	B - Planning	-	39,087	39,087
	C - Construction	-	431,220	397,000
	E - Inspection	-	3,000	3,000
	Total	479,000	473,307	439,087
Downey High School - Building D Conversion		295,662	-	-
	A - Site	-	7,098	7,098
	B - Planning	-	119,298	87,118
	E - Inspection	-	65,417	63,220
	Total	295,662	191,813	157,435
Downey High School - Fence at Pool Parking		12,330	-	-
	A - Site	-	12,330	12,330
	Total	12,330	12,330	12,330
Downey High School - Field Lighting & Scoreboards		853,541	-	-
	A - Site	-	3,430	3,430
	B - Planning	-	84,987	59,535
	E - Inspection	-	24,973	-
	F - Furniture & Equipment	-	43,161	-
	Total	853,541	156,551	62,965



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MEASURE 'O' Budgets, Commitments, and Expenditures
through 12/31/2017

School Name - Project Name	Budget Group	21.0 - Building Fund (Measure O)		
		Budget	Commitments	Expenditures
Downey High School - Locker Room Renovation		9,663,641	-	-
	A - Site	-	12,694	12,694
	B - Planning	-	314,258	303,336
	C - Construction	-	8,710,775	8,346,318
	E - Inspection	-	211,827	213,874
	F - Furniture & Equipment	-	269,484	103,475
	Total	9,663,641	9,519,037	8,979,696
Downey High School - Storage Building		200,000	-	-
	C - Construction	-	200,000	200,000
	Total	200,000	200,000	200,000
Facilities - Planning & Development		5,678,807	-	-
	B - Planning	-	4,996,461	4,013,296
	C - Construction	-	262,955	196,437
	E - Inspection	-	-	-
	F - Furniture & Equipment	-	147,711	142,211
	Total	5,678,807	5,407,127	4,351,945
Facilities - Security Pilot Project		25,004	-	-
	B - Planning	-	2,230	-
	F - Furniture & Equipment	-	22,774	-
	Total	25,004	25,004	-
Gallatin Elementary School - Quick Start - Fencing		6,540	-	-
	A - Site	-	6,540	6,540
	Total	6,540	6,540	6,540
Gauldin Elementary School - Modernization Phase 1		4,642,723	-	-
	A - Site	-	16,020	16,020
	B - Planning	-	411,585	366,402
	C - Construction	-	3,759,592	2,287,629
	E - Inspection	-	227,129	88,674
	F - Furniture & Equipment	-	158,284	158,119
	Total	4,642,723	4,572,609	2,916,845
Griffiths Middle School - Marquee Sign		35,995	-	-
	A - Site	-	14,750	14,750
	B - Planning	-	967	967
	F - Furniture & Equipment	-	20,278	20,278
	Total	35,995	35,995	35,995
Griffiths Middle School - Modernization Phase 1		40,348,089	-	-
	A - Site	-	50,375	36,425
	B - Planning	-	1,894,673	254,705
	Total	40,348,089	1,945,048	291,130
Griffiths Middle School - Playfield Repair		72,585	-	-
	B - Planning	-	72,585	72,585
	Total	72,585	72,585	72,585



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MEASURE 'O' Budgets, Commitments, and Expenditures
through 12/31/2017

School Name - Project Name	Budget Group	21.0 - Building Fund (Measure O)		
		Budget	Commitments	Expenditures
Imperial Elementary School - Quick Start - Fencing				
		100,138	-	-
	A - Site	-	86,058	86,058
	C - Construction	-	14,080	14,080
	Total	100,138	100,138	100,138
Imperial Elementary School - Quick Start - Paving				
		27,500	-	-
	A - Site	-	27,500	27,500
	Total	27,500	27,500	27,500
Lewis Elementary School - Modernization Phase 1				
		4,068,297	-	-
	A - Site	-	18,320	18,320
	B - Planning	-	291,168	191,271
	E - Inspection	-	14,830	14,830
	F - Furniture & Equipment	-	116,068	-
	Total	4,068,297	440,386	224,421
Old River Elementary School - Fire Alarm Replacement				
		796,623	-	-
	A - Site	-	11,323	11,323
	B - Planning	-	54,900	36,030
	Total	796,623	66,223	47,353
Old River Elementary School - Marquee Sign				
		83,093	-	-
	B - Planning	-	1,938	1,938
	F - Furniture & Equipment	-	29,030	-
	Total	83,093	30,967	1,938
Pace School - Bungalows				
		47,920	-	-
	B - Planning	-	47,920	-
	Total	47,920	47,920	-
Pace School - New Restrooms at Training Room				
		40,575	-	-
	B - Planning	-	40,575	21,175
	Total	40,575	40,575	21,175
Pace School - Training Room Renovation				
		889,052	-	-
	B - Planning	-	57,330	53,830
	C - Construction	-	757,911	757,911
	F - Furniture & Equipment	-	66,783	66,653
	Total	889,052	882,024	878,394
Price Elementary School - Modernization Phase 1				
		5,166,859	-	-
	A - Site	-	36,065	24,425
	B - Planning	-	393,019	51,189
	Total	5,166,859	429,084	75,614
Price Elementary School - Quick Start - Paving				
		3,500	-	-
	A - Site	-	3,500	3,500
	Total	3,500	3,500	3,500



MEASURE 'O' Budgets, Commitments, and Expenditures
through 12/31/2017

School Name - Project Name	Budget Group	21.0 - Building Fund (Measure O)		
		Budget	Commitments	Expenditures
Rio Hondo Elementary School - Modernization Phase 1		3,767,621	-	-
	A - Site	-	10,323	10,323
	B - Planning	-	379,698	324,762
	C - Construction	-	2,621,180	1,794,543
	E - Inspection	-	223,002	72,221
	F - Furniture & Equipment	-	74,179	74,179
	Total	3,767,621	3,308,380	2,276,026
Rio Hondo Elementary School - Modernization Phase 2		11,568,502	-	-
	Total	11,568,502	-	-
Rio San Gabriel Elementary School - Modernization Phase 1		7,193,168	-	-
	A - Site	-	37,862	37,862
	B - Planning	-	435,235	299,953
	C - Construction	-	21,922	21,922
	Total	7,193,168	495,019	359,738
Rio San Gabriel Elementary School - Quick Start - Fencing		38,967	-	-
	A - Site	-	38,967	38,967
	Total	38,967	38,967	38,967
Stauffer Middle School - Modernization Phase 1		29,354,554	-	-
	A - Site	-	76,405	76,405
	B - Planning	-	2,657,919	2,299,562
	C - Construction	-	20,761,297	2,525,409
	E - Inspection	-	823,229	124,184
	F - Furniture & Equipment	-	52,864	2,471
	Total	29,354,554	24,371,714	5,028,031
Stauffer Middle School - Modernization Phase 2 - Gym		12,728,148	-	-
	A - Site	-	8,900	8,900
	B - Planning	-	528,578	59,185
	Total	12,728,148	537,478	68,085
Sussman Middle School - Modernization Phase 1		37,867,823	-	-
	A - Site	-	17,371	17,371
	B - Planning	-	1,906,437	571,397
	Total	37,867,823	1,923,808	588,768
Unsworth Elementary School - Modernization Phase 1		3,896,298	-	-
	A - Site	-	29,750	16,718
	B - Planning	-	341,806	214,811
	Total	3,896,298	371,556	231,529
Unsworth Elementary School - Quick Start - Fencing		101,262	-	-
	A - Site	-	87,182	87,182
	C - Construction	-	14,080	14,080
	Total	101,262	101,262	101,262
Unsworth Elementary School - Quick Start - Paving		26,500	-	-
	A - Site	-	26,500	26,500
	Total	26,500	26,500	26,500



MEASURE 'O' Budgets, Commitments, and Expenditures
through 12/31/2017

School Name - Project Name	Budget Group	21.0 - Building Fund (Measure O)		
		Budget	Commitments	Expenditures
Ward Elementary School - Modernization Phase 1				
		5,269,936	-	-
	A - Site	-	18,210	16,791
	B - Planning	-	358,858	140,894
	Total	5,269,936	377,068	157,685
Warren High School - Aquatic Center Renovation				
		4,556,172	-	-
	A - Site	-	12,438	12,438
	B - Planning	-	235,295	225,795
	C - Construction	-	3,558,857	3,532,824
	E - Inspection	-	135,974	131,317
	F - Furniture & Equipment	-	16,779	16,779
	Total	4,556,172	3,959,343	3,919,153
Warren High School - Bear Park				
		547,566	-	-
	A - Site	-	462,803	439,020
	B - Planning	-	35,998	31,611
	E - Inspection	-	8,955	4,456
	Total	547,566	507,756	475,087
Warren High School - Locker Room Renovation				
		5,338,708	-	-
	A - Site	-	40,220	25,260
	B - Planning	-	30,297	23,465
	C - Construction	-	5,064,862	4,778,812
	E - Inspection	-	4,560	2,815
	F - Furniture & Equipment	-	181,905	171,089
	Total	5,338,708	5,321,843	5,001,441
Warren High School - Field Lighting				
		1,403,401	-	-
	A - Site	-	1,265,908	1,265,908
	B - Planning	-	99,902	99,902
	C - Construction	-	9,670	9,670
	E - Inspection	-	27,922	27,922
	Total	1,403,401	1,403,401	1,403,401
Williams Elementary School - Modernization Phase 1				
		4,786,956	-	-
	A - Site	-	32,950	30,670
	B - Planning	-	299,895	207,422
	Total	4,786,956	332,845	238,092
Williams Elementary School - Quick Start - Fencing				
		80,567	-	-
	A - Site	-	66,487	66,487
	C - Construction	-	14,080	14,080
	Total	80,567	80,567	80,567
Totals		248,000,000	70,317,770	39,573,213

CONCLUSION:

VTD audited expenditures and the audit did not reveal any items that were paid from the general obligation bond funds that did not comply with the purpose of the Bonds that were approved by the registered voters of the District on November 4, 2014. In the VTD Summary, there were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

The VTD audit report was received and reviewed by the CBOC committee at the January 29, 2018 meeting.