

Citizens' Bond Oversight Committee

Lakeport Unified School District

ANNUAL REPORT

January 30, 2023

To the Board of Trustees

Lakeport Unified School District

2508 Howard Ave

Lakeport, CA 95453

Report on Expenditure Review for Measure T (2014)

Citizens' Bond Oversight Committee ("Committee") submits to the Lakeport Unified School District Board of Trustees ("Board") its Annual Report on the review of expenditures and compliance matters of the District related to general obligation bonds ("Measure T") of 2014.

The District obtained authorization by the voters through Measure T to issue up to \$17 million in bonds to rehabilitate, improve, and construct District infrastructure. The election was conducted under Proposition 39, being chaptered as the Strict Accountability in Local School Construction Bonds Act of 2000, at Section 15264 et seq. of the Education Code of the State ("Prop. 39").

Pursuant to Section 15278 of the Education Code, the District established the Committee in order to satisfy the accountability requirements of Prop. 39 for Measure T expenditures and outlined the duties and rights set forth in its Bylaws.

The Committee is charged with two specific duties: 1) to review expenditures financed by Measure T bond proceeds to ensure their use for the specific capital purposes outlined by the measure – further detailed and delineated by the Board – and not to support any operational costs of the District and, 2) to produce an annual, written report to the Board summarizing the Committee's activities for the year and stating whether the District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution.

This is the seventh Annual Report produced by the Committee and covers the period of July 1, 2021 through June 30, 2022.

Expenditure Review

The Committee has reviewed the expenditures of the district funded by Measure T through the period ended June 30, 2022 and finds them to be in compliance with the purpose and intent of Measure T.

Further, the Committee has reviewed the Financial Statements with Independent Auditors' Reports dated June 30, 2022, on Measure T bonds and finds they support the Committee's review of the expenditures for that time period.

Compliance

The California Constitution, Article XIII A, Section 1(b)(3) states:

"(3) Bonded indebtedness incurred by a school district, community college district, or county office of education for the 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, approved by 55 percent of the voters of the district or county, as appropriate, voting on the proposition on or after the effective date of the measure adding this paragraph. This paragraph shall apply only if the proposition approved by the voters and resulting in the bonded indebtedness includes all of the following accountability requirements:

(A) A requirement that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b)(3), and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

(B) A list of the specific school facilities projects to be funded and certification that the school district board, community college board, or county office of education has evaluated safety, class size reduction, and information technology needs in developing that list.

(C) A requirement that the school district board, community college board, or county office of education conduct an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed.

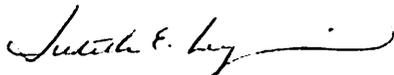
(D) A requirement that the school district board, community college board, or county office of education conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of those proceeds have been expended for the school facilities projects.

(c) Notwithstanding any other provisions of law or of this Constitution, school districts, community college districts, and county offices of education may levy a 55 percent vote ad valorem tax pursuant to subdivision (b)."

The Committee finds that the Lakeport Unified School District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution.

Committee's Proceedings

The Committee has scheduled regular meeting dates quarterly to review bond-related expenditures. The primary, regular agenda item is a discussion and review of bond-related expenditures and balances for the prior period. The Committee follows Brown Act requirements for noticing and conducting its meetings. Agendas and minutes can be found on the district's website at www.lakeport.k12.ca.us/Page/919.



Judith E. Luchsinger, President

Citizens' Bond Oversight Committee