



# HUENEME ELEMENTARY SCHOOL DISTRICT

*"Inspiring and empowering every student to thrive every day."*

205 N. Ventura Road, Port Hueneme, CA 93041-3065 • www.hueneme.org • 805-488-3588

DR. CHRISTINE WALKER  
Superintendent

HELEN COSGROVE  
Associate Superintendent

DR. CARLOS DOMINGUEZ  
Deputy Superintendent

DAVID RAGSDALE  
Associate Superintendent

## CITIZENS' OVERSIGHT COMMITTEE MEETING AGENDA

Thursday, March 23, 2023 at 4:30 p.m.  
Parkview Elementary  
1416 6<sup>th</sup> Place  
Port Hueneme, CA 93041

1. Call to Order
2. Establishment of Quorum
3. Introductions
4. *Public Comments*  
*Persons wishing to make comments to the Citizens' Oversight Committee on non-agendized items may do so at this time.*
5. Motion to Approve Proposed Minutes of the regular October 19, 2022 Meeting
  - a. Motion to Approve  
Motion:\_\_\_\_\_ Second:\_\_\_\_\_ Vote:\_\_\_\_\_
6. Accept Hueneme Elementary School District's Audit for fiscal year ended June 30, 2022.
  - a. Motion to Accept  
Motion:\_\_\_\_\_ Second:\_\_\_\_\_ Vote:\_\_\_\_\_
7. Motion to Accept the Measure B Annual Report for 2021/2022
  - a. Motion to Accept  
Motion:\_\_\_\_\_ Second:\_\_\_\_\_ Vote:\_\_\_\_\_
8. Project Update - COC will view progress on the HVAC, Electrical and Fire Alarm project at Hueneme Elementary.
9. Schedule Meetings for 2023:
  - October 2023, 4:30 District Office
10. Adjourn

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### BOARD OF TRUSTEES

Charles Weis, Ph.D., President • Darlene A. Bruno, Clerk • Siugen Constanza • Bexy I. Gomez • Daisy Sampablo

**Citizens' Oversight Committee**  
HUENEME SCHOOL DISTRICT

AGENDA ITEM: APPROVAL OF MINUTES OF THE REGULAR MEETING OF  
October 19, 2022

MEETING DATE: March 23, 2023

FROM: David Ragsdale, Associate Superintendent, Technology & Strategic  
Operations  
Dr. Christine Walker, Superintendent

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STAFF COMMENT

RECOMMENDATION:

It is recommended that the Citizens' Oversight Committee approve minutes of the regular Meeting of  
October 19, 2022.

**Hueneme Elementary School District**  
205 North Ventura Road, Port Hueneme, CA 93041

**CITIZENS' OVERSIGHT COMMITTEE**  
Measure B - Approved by District Voters on June 2018

A regular meeting of the Citizens' Oversight Committee ("COC") for the Hueneme Elementary School District ("District") was held on **October 19, 2022** at Fred Williams Elementary School 404300 Anchorage Street, Oxnard, CA 93033.

**Committee Members Present:**

1. Jessica Lamb – representing citizens at-large
2. Chris Learned – representing business community
3. Clarence Keener- representing citizens at-large

**Committee Members Absent:**

1. Jaquelin Garcia – representing parents
2. Lori Anaya- representing senior citizens

**District Staff Present:**

1. Dr. Christine Walker, Superintendent
2. David Ragsdale, Associate Superintendent, Technology and Strategic Operations
3. Patricia Marshall, Chief Business Official
4. Rafael Alamillo, Sr. Project Manager

**Call to Order – Item 1**

David Ragsdale called the meeting to order at 4:33 p.m. and led the group in reciting the Pledge of Allegiance.

**Establishment of a Quorum – Item 2**

David Ragsdale announced that there was a quorum present.

**Introductions – Item 3**

At David Ragsdale's request, all present stated their name and described their role on the committee or in the district.

#### **Public Comments – Item 4**

No comments were offered.

#### **Motion to Approve Minutes of the regular October 19, 2022 meeting – Item 5**

Motion: Member Lee Keener motioned to approve Meeting Minutes for March 24, 2022 as presented. Member Jessica Lamb seconded the motion, which passed upon a vote of three ayes, 0 nays.

#### **Measure B Budget Update – Item 6**

Patricia Marshall, CBO, provided an overview of the expenditures for FY 2021-22.

#### **Project Update – Item 7**

Rafael Alamillo, Sr. Project Manager provided an update of current progress on the HVAC/Electrical Fire Alarm project at Fred Williams Elementary School. Committee members visited areas under construction.

#### **Adjournment**

There being no further business before the Committee, David Ragsdale adjourned the meeting at 5:08 P.M.

**Citizens' Oversight Committee**  
**HUENEME SCHOOL DISTRICT**

AGENDA ITEM:                    ACCEPTANCE OF 2021-22 MEASURE B BOND AUDIT

MEETING DATE:                March 23, 2023

FROM:                            David Ragsdale, Associate Superintendent, Technology & Strategic  
Operations  
Dr. Christine Walker, Superintendent

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STAFF COMMENT

RECOMMENDATION:

It is recommended that the Citizens' Oversight Committee accept the June 30, 2022 Measure B Bond Audit as presented.

BACKGROUND:

The Audit firm Nigro & Nigro conducted the 2021-22 Bond audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Controller General of the United States.

The audit reported the District expended Measure Bond funds for the year ended June 30, 2022 only for the specific projects developed by the District's Board of Education, and approved by the voters, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution.

**MEASURE "B" GENERAL OBLIGATION  
BOND BUILDING FUND OF  
HUENEME ELEMENTARY SCHOOL DISTRICT  
AUDIT REPORT  
For the Fiscal Year Ended  
June 30, 2022**

**MEASURE “B” GENERAL OBLIGATION BOND BUILDING FUND OF  
HUENEME ELEMENTARY SCHOOL DISTRICT**

*For the Fiscal Year Ended June 30, 2022*

***Table of Contents***

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**FINANCIAL SECTION**

	<b><u>Page</u></b>
Introduction and Citizens’ Oversight Committee Member Listing .....	1
Independent Auditors’ Report .....	2
Financial Statements:	
Balance Sheet .....	5
Statement of Revenues, Expenditures, and Changes in Fund Balance .....	6
Notes to Financial Statements .....	7

**OTHER INDEPENDENT AUDITORS’ REPORTS**

Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	12
Independent Auditors’ Report on Performance .....	14

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*Financial Section*

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## MEASURE “B” GENERAL OBLIGATION BOND BUILDING FUND OF HUENEME ELEMENTARY SCHOOL DISTRICT

*Introduction and Citizens’ Oversight Committee Member Listing*  
*June 30, 2022*

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Hueneme Elementary School District (the District) consists of nine elementary schools and two middle schools supported by a District Office and an operations center. The District serves approximately 7,200 students.

On June 5, 2018, the voters of Hueneme Elementary School District approved by more than 55% Measure “B”, authorizing the issuance and sale of \$34,200,000 of general obligation bonds. On June 11, 2019, the District issued Series A of the Election of 2018 General Obligation bonds in the amount of \$12,000,000. On September 30, 2020, the District issued Series B of the Election of 2018 General Obligation bonds in the amount of \$20,200,000. The bonds were issued to upgrade, modernize, and construct public schools and school facilities.

The passage of Proposition 39 in November 2000 amended the California Constitution to include accountability provisions. Specifically, the District must conduct an annual independent performance audit to ensure that funds have been expended only on the specific projects listed as well as an annual, independent financial audit of the proceeds from the sale of the bonds until all of the proceeds have been expended for facilities projects.

Upon passage of Proposition 39, an accompanying piece of legislation, AB1908 (Chapter 44, Statutes of 2000), was also enacted, which amended the Education Code to establish additional procedures which must be followed if a District seeks approval of a bond Proposition pursuant to the 55% majority authorized in Proposition 39 including formation, composition and purpose of the Citizens’ Bond Oversight Committee, and authorization for injunctive relief against the improper expenditure of bond revenues.

The Citizens’ Bond Oversight Committee was comprised of the following members as of June 30, 2022.

Name	Title	Representation
Jessica Lamb	Member	At-Large Community Member
Lori Anaya	Member	Senior Citizen's Organization
Chris Learned	Member	Business Organization
Jackie Garcia	Member	Parent/Guardian of Child in District
Clarence Keener	Member	At-Large Community Member
Vacant	Member	Parent/Active in Parent Teacher Organization
Vacant	Member	Taxpayer Organization Member



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## INDEPENDENT AUDITORS' REPORT

The Board of Education and the  
Citizens' Bond Oversight Committee  
Hueneme Elementary School District  
Port Hueneme, California

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the Measure "B" General Obligation Bond Building Fund of Hueneme Elementary School District, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure "B" General Obligation Bond Building Fund of Hueneme Elementary School District, as of June 30, 2022, and the changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, Appendix A*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the Measure "B" General Obligation Bond Building Fund and do not purport to, and do not, present fairly the financial position of the Hueneme Elementary School District, as of June 30, 2022, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Nigro & Nigro, PC*

Murrieta, California  
January 27, 2023

**MEASURE "B" GENERAL OBLIGATION BOND BUILDING FUND OF  
HUENEME ELEMENTARY SCHOOL DISTRICT**

*Balance Sheet*

*June 30, 2022*

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	<u>Measure "B"</u>
<b>ASSETS</b>	
Deposits and investments	\$ 19,463,891
Accounts receivable	<u>32,641</u>
<b>Total Assets</b>	<u><u>\$ 19,496,532</u></u>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities</b>	
Accounts payable	\$ 1,623,596
<b>Fund Balance</b>	
Restricted for capital projects	<u>17,872,936</u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$ 19,496,532</u></u>

**MEASURE "B" GENERAL OBLIGATION BOND BUILDING FUND OF  
HUENEME ELEMENTARY SCHOOL DISTRICT**

*Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2022*

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	<u>Measure "B"</u>
<b>REVENUES</b>	
Interest earnings	\$ 78,855
Total Revenues	<u>78,855</u>
<b>EXPENDITURES</b>	
Current:	
Services and other operating expenditures	360,289
Capital outlay	<u>5,519,029</u>
Total Expenditures	<u>5,879,318</u>
Excess (Deficiency) of Revenues	
Over (Under) Expenditures	<u>(5,800,463)</u>
Fund Balance, July 1, 2021, as originally stated	23,433,458
Adjustment for restatement (Note 7)	<u>239,941</u>
Fund Balance, July 1, 2021, as restated	<u>23,673,399</u>
Fund Balance, June 30, 2022	<u><u>\$ 17,872,936</u></u>

## **MEASURE “B” GENERAL OBLIGATION BOND BUILDING FUND OF HUENEME ELEMENTARY SCHOOL DISTRICT**

*Notes to Financial Statements*

*June 30, 2022*

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### **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Reporting Entity**

On June 5, 2018, the District voters authorized \$34,200,000 in General Obligation Bonds (Measure “B”) for the purpose of financing the modernization and construction of school facilities within the District. The measure required a minimum 55% vote for passage. In response, an advisory committee to the District’s Governing Board and Superintendent, the Citizens’ Bond Oversight Committee, was established. The Committee’s oversight goals include ensuring compliance with conditions of Measure “B”.

The Bond proceeds are accounted for in the District’s Building Fund (216), where they are expended for the approved projects using Fund 216 for Measure “B”. The statements presented are for the individual Measure “B” General Obligation Bond Building Fund and are not intended to be a complete presentation of the District’s financial position or results of operations.

#### **B. Basis of Accounting**

The Measure “B” General Obligation Bond Building Funds are governmental funds reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and financing from capital leases are reported as other financing sources.

#### **C. Budgets and Budgetary Accounting**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds. By state law, the District’s governing board must adopt a budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District’s governing board satisfied these requirements.

These budgets are revised by the District’s governing board during the year to give consideration to unanticipated income and expenditures.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

#### **D. Encumbrances**

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated as of June 30.

#### **E. Fund Balances**

The fund balance for governmental funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

## MEASURE "B" GENERAL OBLIGATION BOND BUILDING FUND OF HUENEME ELEMENTARY SCHOOL DISTRICT

*Notes to Financial Statements*  
*June 30, 2022*

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### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

#### E. Fund Balances (continued)

**Nonspendable:** Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid assets.

**Restricted:** Fund balance is reported as restricted when the constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provision or by enabling legislation.

**Committed:** The District's highest decision-making level of authority rests with the District's Board. Fund balance is reported as committed when the Board passes a resolution that places specified constraints on how resources may be used. The Board can modify or rescind a commitment of resources through passage of a new resolution.

**Assigned:** Resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

**Unassigned:** Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the District for any purpose. When expenditures are incurred, and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

#### F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

### NOTE 2 – DEPOSITS AND INVESTMENTS

#### Pooled Funds

In accordance with Education Code Section 41001, the District maintains all of its cash from the bond proceeds in the County Treasury. The County pools and invests the cash. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited annually to participating funds. Any investment losses are proportionately shared by all funds in the pool.

Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required.

In accordance with applicable state laws, the County Treasurer may invest in derivative securities with the State of California. However, at June 30, 2022, the County Treasurer has represented that the Pooled Investment Fund contained no derivatives or other investments with similar risk profiles.



# MEASURE "B" GENERAL OBLIGATION BOND BUILDING FUND OF HUENEME ELEMENTARY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2022

## NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

### Pooled Investments

The District's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District's investment policy limits investment purchases to investments with a term not to exceed three years. Investments purchased with maturity terms greater than three years require approval by the Board of Education. Investments purchased with maturities greater than one year require written approval by the Superintendent prior to commitment. Maturities of investments held at June 30, 2022 consist of the following:

	Reported Amount	Less Than One Year	One Year Through Five Years	Fair Value Measurement	Rating
Investments:					
Ventura County Investment Pool	\$ 19,463,891	\$ 19,463,891	\$ -	uncategorized	N/A

### Investments – Credit Risk

The District's investment policy limits investment choices to obligations of local, state and federal agencies, commercial paper, certificates of deposit, repurchase agreements, corporate notes, banker acceptances, and other securities allowed by State Government Code Section 53600. At June 30, 2022, all investments represented mutual funds and governmental securities which were issued, registered and held by the District's agent in the District's name.

### Investments – Concentration of Credit Risk

The District does not place limits on the amount it may invest in any one issuer.

### Fair Value Measurements

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 – Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that date if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized – Investments in the Ventura County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

# **MEASURE “B” GENERAL OBLIGATION BOND BUILDING FUND OF HUENEME ELEMENTARY SCHOOL DISTRICT**

*Notes to Financial Statements*  
*June 30, 2022*

## **NOTE 3 – ACCOUNTS RECEIVABLE**

The total accounts receivable at June 30, 2022 in the amount of \$32,641 represents amounts due from the Ventura County Treasurer for interest earnings for the quarter ended June 30, 2022.

## **NOTE 4 – MEASURE “B” GENERAL OBLIGATION BONDS**

### **General Obligation Bonds**

The District has issued general obligation bonds under Measure “B” as described below. Bonds are payable solely from *ad valorem* taxes to be levied within the District pursuant to the California Constitution and other state law. The Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds.

### **Election of 2018 (Measure “B”)**

On June 5, 2018, the voters approved the issuance of bonds not to exceed \$34,200,000 for the purpose of financing the modernization, construction, and improvement of school facilities as specified in the bond measure provisions of Measure “B”. At June 30, 2022, the remaining amount of unissued bonds is \$2,000,000.

The outstanding general obligation bonds of Measure “B” at June 30, 2022, are:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance, July 1, 2021	Issuances	Redemptions	Balance, June 30, 2022
Election of 2018 (Measure B)								
Series A	6/11/2019	8/1/2044	3.00% - 5.00%	\$ 12,000,000	\$ 10,775,000	\$ -	\$ 1,040,000	\$ 9,735,000
Series B	9/30/2020	8/1/2045	2.50% - 4.00%	20,200,000	20,200,000	-	-	20,200,000
				Totals	<u>\$ 30,975,000</u>	<u>\$ -</u>	<u>\$ 1,040,000</u>	<u>\$ 29,935,000</u>

The requirements to amortize outstanding general obligation bonds are as follows:

Fiscal Year	Principal	Interest	Totals
2022-2023	\$ 150,000	\$ 1,060,475	\$ 1,210,475
2023-2024	105,000	1,054,100	1,159,100
2024-2025	125,000	1,048,350	1,173,350
2025-2026	150,000	1,041,475	1,191,475
2026-2027	175,000	1,033,350	1,208,350
2027-2032	1,280,000	5,005,225	6,285,225
2032-2037	5,985,000	4,371,575	10,356,575
2037-2042	10,445,000	2,692,825	13,137,825
2042-2046	11,520,000	631,513	12,151,513
Totals	<u>\$ 29,935,000</u>	<u>\$ 17,938,888</u>	<u>\$ 47,873,888</u>

## **MEASURE “B” GENERAL OBLIGATION BOND BUILDING FUND OF HUENEME ELEMENTARY SCHOOL DISTRICT**

*Notes to Financial Statements*

*June 30, 2022*

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### **NOTE 5 – COMMITMENTS AND CONTINGENCIES**

#### **Construction Commitments**

At June 30, 2022, the District had commitments with respect to unfinished capital projects of approximately \$3.3 million to be paid from a combination of state and local funds.

### **NOTE 6 – OVERSIGHT COMMITTEE**

Education Code Section 15282(a) states that the Citizens' Oversight Committee must consist of at least seven members and must be comprised of the following members: one member shall be active in a business organization representing the business community located within the district, one member shall be active in a senior citizens' organization, one member shall be active in a bona fide taxpayers' organization, one member shall be the parent or guardian of a child enrolled in the district, and one member shall be both a parent or guardian of a child enrolled in the district and active in a parent-teacher organization, such as the Parent Teacher Association or school site council. As of June 30, 2022, the Citizens' Oversight Committee currently had only five members, and no members who are active in a taxpayer organization representing the taxpayer community located within the District or a parent/guardian of a child enrolled and an active in a Parent Teacher Organization.

### **NOTE 7 – ADJUSTMENT FOR RESTATEMENT**

The District has restated the beginning fund balance in the Statement of Revenues, Expenditures and Changes in Fund Balance to remove excess accrued liabilities from the prior year in the amount of \$239,941.

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*Other Independent Auditors' Reports*

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

The Board of Education and the  
Citizens' Bond Oversight Committee  
Hueneme Elementary School District  
Port Hueneme, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure "B" General Obligation Bond Building Fund of Hueneme Elementary School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, and have issued our report thereon dated January 27, 2023.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Hueneme Elementary School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Hueneme Elementary School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hueneme Elementary School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

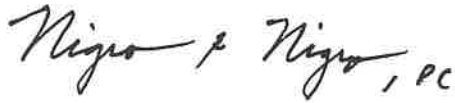
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Hueneme Elementary School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Nigro & Nigro, PC".

Murrieta, California  
January 27, 2023



*A Professional Accountancy Corporation*

## **INDEPENDENT AUDITORS' REPORT ON PERFORMANCE**

The Board of Education and the  
Citizens' Bond Oversight Committee  
Hueneme Elementary School District  
Port Hueneme, California

We have examined the Hueneme Elementary School District's (the "District") compliance with the performance requirements for the Proposition 39 Measure "B" General Obligation Bond for the fiscal year ended June 30, 2022, under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution and Proposition 39 as they apply to the Bonds and the net proceeds thereof. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

### **Objectives**

The objectives of the examination of compliance applicable to the District are to determine with reasonable assurance that:

- The expenditures charged to the Hueneme Elementary School District Building Fund (216) are documented.
- Expenditures charged to the Building Fund have been made in accordance with the bond project list approved by the voters through the approval of Measure "B".
- Any discrepancies or weaknesses in internal controls are noted and recommendations for improvement are provided.
- The District Board and the Citizens' Bond Oversight Committee are provided with a performance audit report as required under the requirements of the California Constitution and Proposition 39.

### **Scope of the Audit**

The scope of our performance audit covered the fiscal period from July 1, 2021 to June 30, 2022. The expenditures tested included all object and project codes associated with the bond projects. Expenditures incurred subsequent to June 30, 2022 were not reviewed or included within the scope of our audit or in this report.

### Procedures Performed

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2022, for the Measure "B" General Obligation Building Fund. Within the fiscal year audited, we obtained the actual invoices and other supporting documentation for expenditures to ensure compliance with the requirements of Proposition 39 and Measure "B" with regards to the approved bond project list. We performed the following procedures:

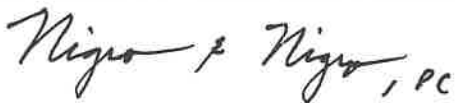
To meet our objectives, audit tests were performed and included, but were not limited to the following:

- We verified that bond funds were deposited in the District's name and invested in accordance with applicable legal requirements.
- We tested approximately \$3.8 million (64%) in bond fund invoices paid, which is a combination of 2021-22 expenditures and payments on liabilities accrued as of June 30, 2022 and paid in 2022-23. This includes testing payments for validity, allowability, and accuracy. Expenditures sampled in our test included payments made to subcontractors and other vendors.
- We reviewed the approved project listing as set out in the Measure "B" election documents.
- We selected a sample of expenditures for the fiscal year ended June 30, 2022 and reviewed supporting documentation to ensure that such funds were properly expended on the authorized bond projects.
- We visited construction sites at Julien Hathaway Elementary and Art Haycox Elementary to ensure that expenditures made corresponded with the actual work performed at the site.
- We verified that funds from the Building Fund were expended for the construction, reconstruction, acquisition, furnishing and equipping of District facilities constituting the authorized bond projects, and we verified that funds held in the Building Funds were not used for salaries of school administrators or other operating expenses of the District.
- We reviewed a sample of projects to ensure that proper bidding procedures were followed pursuant to Public Contract Code Section 20111.
- We verified that the District did not exceed change order limitations in excess of 10% pursuant to Public Contract Code.

Our audit of compliance made for the purpose set forth in the preceding paragraph would not necessarily disclose all instances of noncompliance.

In our opinion, the District complied with the compliance requirements for the Measure "B" General Obligation Bond proceeds listed and tested above.

This report is intended for the information of the Board of Education, management and the Citizens' Bond Oversight Committee; however, this report is a matter of public record.



Murrieta, California  
January 27, 2023



**Citizens' Oversight Committee**  
**HUENEME ELEMENTARY SCHOOL DISTRICT**

**AGENDA ITEM:** Accept the Measure B Bond Annual Report for 2021-22

**MEETING DATE:** March 23, 2023

**FROM:** David Ragsdale, Associate Superintendent, Technology & Strategic  
Operations  
Dr. Christine Walker, Superintendent

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**STAFF COMMENT**

**RECOMMENDATION:**

It is recommended that the Committee approve Hueneme Elementary School District's Measure B Annual Report for 2021-22.

**BACKGROUND:**

Pursuant to Education Code Section 15278, the purpose of the Citizens' Oversight Committee shall be to inform the public concerning the expenditure of bond funds, ensuring the expenditures are spent for the purposes described on the ballot measure.

The Citizens' Oversight Committee will report to the governing board and public an annual report of the Measure B bond expenditures for the 2021-22 fiscal year.

# **Hueneme Elementary School District**

## **2018 Measure B Citizens' Oversight Committee Annual Report for 2021-2022**

This report is hereby adopted by the Hueneme Elementary School District Citizens' Oversight Committee pursuant to Education Code Section 15280(b) and to the public in conformance with such section. This report covers the period from July 1, 2021 through June 30, 2022.

### **I. Membership of the Hueneme Elementary School District Citizens' Oversight Committee:**

- Ms. Jessica Lamb *(Member-at-Large)*
- Mr. Christopher Learned *(Business Organization Representative)*
- Ms. Jaqueline Garcia *(Parent Representative)*
- Ms. Lori Anaya *(Senior Citizens Representative)*
- Mr. Clarence L. Keener *(Member-at-Large)*

### **II. Activities of the Hueneme Elementary School District Citizens' Oversight Committee:**

Minutes describing the meetings activities of the Hueneme Elementary School District Citizens' Oversight Committee are available as public reports and are available on the Committee website. For more complete descriptions of actions by the Hueneme School District (District) Citizens Oversight Committee (COC) please see Minutes of the corresponding meeting posted on the COC Website. All approved Minutes and Annual Reports are, and have been, posted on the COC Website: <http://www.hueneme.org>.

Additional documents and reports are posted at the COC Website in accordance with the directives of the COC.

### **III. Expenditures Reports**

For the 2021-22 fiscal year, the district has spent \$5,565,882.00 of bond funds Districtwide. The District is presenting two expenditure reports for the COC committee to review:

- 2021-22 Measure B expenditures by location
- Expenditures year-to-date

#### **IV. Citizens' Oversight Committee Compliance**

In order to comply with the requirements of Proposition 39, the COC needs to make certain findings as to activities of the COC and the use and expenditure of Measure B Bond proceeds. The COC hereby finds and determines as follows:

1. COC has received reports, updates, and information on the expenditure of the Measure B Series.

A complete list of the reports provided to the COC is available at the School District offices for public review upon request. Information on certain COC handouts and documents is also located on the COC Website.

2. The COC has visited a school site project.
3. Measure B Bond funds have been expended on the identified projects authorized by Measure B (Education Code Section 15278(b)(1)).
4. No Measure B monies have been spent on teacher/administrator salaries or other school operating expenses (Education Code Section 15278(b)(2)).
5. 2021-22 Measure B Audit Report was reviewed, received and filed with the COC.

The required annual performance and financial audits for Fiscal Year 2021-22 were performed by the accounting firm of Nigro & Nigro. The COC notes that the audits did not report any irregularities or failures to comply with statutory and Constitutional requirements (i.e. the audits are "clean").

6. The COC has received all necessary and requested technical and administrative assistance from the School District (Education Code Section 15280).
7. The COC Website is operating and includes all required documentation and information (Education Code Section 15280(b)).

The COC internet website is operated and maintained by the School District Board on behalf of the COC and is currently located at <http://www.hueneme.org>.

8. Based on the foregoing, the Hueneme Elementary School District is in compliance with the requirements of Article XIII A 1(b)(3) of the California Constitution.

**V. CONTACT INFORMATION:**

Comments, questions and suggestions can be forwarded to the COC through the School District at the following address:

Hueneme Elementary School District  
205 N. Ventura Road  
Port Hueneme, CA 93041

Attn: David Ragsdale, Associate Superintendent, Technology &  
Strategic Operations  
Telephone: (805) 488-3588 x9801  
Email: [dragsdale@hueneme.org](mailto:dragsdale@hueneme.org)

Dates, times and location(s) of COC meetings can be found on the COC website. Members of the public are invited to attend.

**Hueneme Elementary School District**  
**Citizen's Oversight Committee for Measure B**  
**Bond Expenditures for 2022-23**

Bond Expenditures for 2022-23							2022-23	
School	Project	Code	2019-20 Expenditures	2020-21 Expenditures	2021-22 Expenditures	Current year Expenditures	Total Expenditures	
Bard-100								
	Roofing	F648	60,000.00	-	\$ -		\$ 60,000.00	
	Misc	T644	13,536.31	-	\$ -		\$ 13,536.31	
	Utility Infrastructure	T650	4,493.75	100,076.41	\$ 34,942.50	1,681.25	\$ 141,193.91	
	Office Remodel	T660	3,273.70	-	\$ -		\$ 3,273.70	
Beach-120								
	Playground/Tracks	T647	-	-	\$ -		\$ -	
	Utility Infrastructure	T650	4,493.75	88,084.80	\$ 25,652.50	25,315.00	\$ 143,546.05	
	Modular Bldg.	T659	239,884.01	108,505.64	\$ -		\$ 348,389.65	
	Front Entrance	T661	-	-	\$ -		\$ -	
Blackstock-140								
	Misc-Kitchen Hood	T644	15,708.92	-	\$ -		\$ 15,708.92	
	Utilities Infrastructure	T650	25,708.75	132,052.11	\$ 145,247.88	751,815.94	\$ 1,054,824.68	
	Small Projects/Lunch shelt	T657	16,543.07	9,510.00	\$ -	2,950.00	\$ 29,003.07	
	Modular Bldg.	T659	-	-	\$ -		\$ -	
EO Green-160								
	Utility Infrastructure	T650	56,613.75	64,960.00	\$ 29,916.51	9,657.56	\$ 161,147.82	
Hathaway-180								
	Restroom	F601	209,909.30	30,340.05	\$ -		\$ 240,249.35	
	Utility Infrastructure	T650	105,452.40	1,490,418.30	\$ 630,687.68	1,094.50	\$ 2,227,652.88	
	Playground	F657	20,616.44	208,283.05	\$ 556.71		\$ 229,456.20	
	Misc	T644	-	5,400.00	\$ -		\$ 5,400.00	
	Asphalt paving	T653	-	-	\$ -		\$ -	
	Wireless Network	T654	-	-	\$ -		\$ -	
	Modular Bldg.	T659	5,655.00	-	\$ -		\$ 5,655.00	
	School Office Modernize	T660	6,608.64	-	\$ -		\$ 6,608.64	
	Front Entrance	T661	-	-	\$ -		\$ -	
Haycox-200								
	Electrical	F605	8,878.00	-	\$ -		\$ 8,878.00	
	Misc Projects	T644	195,383.24	-	\$ -		\$ 195,383.24	
	Utility Infrastructure	T650	47,978.78	1,127,983.67	\$ 869,389.59	510.00	\$ 2,045,862.04	
	Wireless Network	T654	-	-	\$ -		\$ -	
	Small Summer Projects	T657	-	-	\$ -		\$ -	
	Modular Bldg.	T659	-	-	\$ -		\$ -	
	School Office Modernize	T660	3,243.83	-	\$ -		\$ 3,243.83	
Hueneme-220								
	Restroom	F601	516,074.82	79,036.06	\$ -		\$ 595,110.88	
	Misc Projects	T644	-	-	\$ -		\$ -	
	Covered Walkway	T645	-	-	\$ -		\$ -	
	Roofing	T648	-	-	\$ -		\$ -	
	Utility Infrastructure	T650	39,172.50	104,953.15	\$ 1,410,820.84	1,964,954.46	\$ 3,519,900.95	
	Safety Screens/Windows	T651	-	-	\$ -		\$ -	
	Painting	T652	-	-	\$ -		\$ -	
	Ashphalt/Slurry	T653	-	-	\$ -		\$ -	
	Wireless Network	T654	-	-	\$ -		\$ -	
	Prop Improvement	T658	-	55,787.50	\$ -		\$ 55,787.50	
	Modular Bldg.	T659	11,575.00	4,470.00	\$ -		\$ 16,045.00	
Larsen-240								
	Roofing	T648	-	-	\$ -		\$ -	
	Utility Infrastructure	T650	13,407.50	88,792.50	\$ 1,113.75	381,970.44	\$ 485,284.19	
	Safety Screens/Windows	T651	-	-	\$ -		\$ -	
	Ashphalt/Slurry	T653	-	-	\$ -		\$ -	
	Wireless Network	T654	-	-	\$ -		\$ -	

<b>Parkview-260</b>							
Misc	T644	220.44	-	\$	-	\$	220.44
Roofing	T648	-	-	\$	-	\$	-
Utility Infrastructure	T650	4,493.75	94,144.20	\$	24,677.50	304,415.36	\$ 427,730.81
Safety Screens/Windows	T651	-	-	\$	-	\$	-
Ashphalt/Slurry	T653	-	-	\$	-	\$	-
Wireless Network	T654	-	-	\$	-	\$	-
School Office Modernize	T660	-	-	\$	-	\$	-
Front Entrance	T661	-	-	\$	-	\$	-
<b>Sunkist-280</b>							
Facil Portable Classroom	F646	82,382.42	3,300.00	\$	-	\$	85,682.42
Asphalt	F653	109,365.13	-	\$	-	\$	109,365.13
Misc	T644	210.00	-	\$	-	\$	210.00
Utility Infrastructure	T650	36,615.00	107,517.97	\$	1,359,076.69	1,768,841.66	\$ 3,272,051.32
Safety Screens/Windows	T651	-	-	\$	-	\$	-
Ashphalt/Slurry	T653	-	-	\$	-	\$	-
Wireless Network	T654	-	-	\$	-	\$	-
Prop Improvement	T658	-	59,760.00	\$	-	\$	59,760.00
School Office Modernize	T660	4,339.69	-	\$	-	\$	4,339.69
Front Entrance	T661	182.50	139.80	\$	-	\$	322.30
<b>Williams-300</b>							
Misc	T644	220.43	-	\$	-	\$	220.43
Utility Infrastructure	T650	105,521.65	1,531,592.99	\$	986,946.71	\$	2,624,061.35
Safety Screens/Windows	T651	-	-	\$	-	1,000.75	\$ 1,000.75
Painting	T652	-	-	\$	-	\$	-
Wireless Network	T654	-	-	\$	-	\$	-
Small Summer Projects	T657	-	-	\$	-	\$	-
School Office Modernize	T660	10,683.40	-	\$	-	\$	10,683.40
<b>Districtwide</b>							
Professional Consultants	0000	43,212.30	383,413.02	\$	360,288.92	351,675.08	\$ 1,138,589.32
Debt Issuance costs			-			\$	-
Safety Screens/Windows	T651	-	-	\$	-	\$	-
Wireless Network	T654	-	-	\$	-	\$	-
Lease-Leaseback	T656	-	-	\$	-	\$	-
Technology	0720	-	-	\$	-	\$	-
<b>Total Measure T Costs</b>		<b>2,021,658.17</b>	<b>5,878,521.22</b>		<b>5,879,317.78</b>	<b>5,565,882.00</b>	<b>19,345,379.17</b>

**Hueneme Elementary School District**  
**Citizen's Oversight Committee for Measure B**  
**Spending-to-Date by Year by Series**  
**2022-23**

	Revenues			Expenditures				Series Remaining Balance
	Bond	Interest	Total	Sites	District	Technology	Total	
Series A								
2018-19	11,845,000	0	11,845,000	0	0	0	0	11,845,000
2019-20	0	208,326	208,326	1,978,446	43,212	0	2,021,658	10,031,668
2020-21	20,036,102	117,575	20,153,678	5,495,108.20	\$ 383,413.02	0	5,878,521	24,306,824
2021-22	0	78,855	78,855	5,519,028.86	\$ 360,288.92	0	5,879,317.78	17,872,936
2022-23	0	109,953	109,953	5,214,206.92	351,675.08		5,565,882.00	12,417,006.76