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MEASURE E

AND

MEASURE S

Annual Report

2012/2013



Dear Community Members:

The independent Measure E and Measure S Citizens' Oversight Committees are responsible to ensure funds are expended on voter approved projects and to report annually to the community. We are pleased to present this annual overview of the bond program, project status information and a summary of the financial and performance audits, which were completed, as required, by an independent Certified Public Accounting firm. As in past years, the audit reports concluded that the District is in compliance with the requirements of the Measure E and Measure S bond measures.

With matching funds, a favorable construction climate, and careful planning, TUSD expects to complete \$156.5 million in improvements for a local cost of only \$94.1 million.

Measure E, a \$51 million bond measure, was approved by Tracy voters in 2006 to fund improvements at Tracy High School and West High School within the Tracy Unified School District. Measure E has been supplemented by \$44 million of matching funds, from non-local sources, including the State of California, to generate \$94.1 million in projects.

A few of the most notable accomplishments of Measure E are the completion of the pool, stadium and black box theater at West High. Also of note is the dramatic transformation of the Tracy High School campus. A great portion of the original campus has been demolished and replaced with state of the art, modern class-

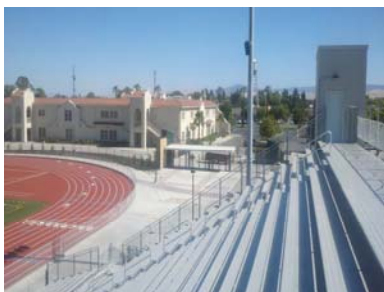
rooms and infrastructure. With the completion of the stadium this summer and scheduled improvements to the Agricultural program building and EB Theatre, scheduled to begin in 2014, the campus will have been transformed while respecting the history of Tracy High School in our community.

Measure S, a \$43.1 million bond measure, was approved by Tracy voters in 2008 to make improvements predominantly at the elementary and middle schools of Tracy Unified School District. In addition to the renovation of five school sites, Measure S authorized funding for technology improvements for all Tracy Schools. Measure S is expected to be supplemented by \$18.4 million of matching funds from non-local sources, to generate \$61.5 million in projects.

One of the most notable Measure S highlights of this past year is the completion of the Monte Vista Middle School and the McKinley Elementary School modernization projects. Research shows that facilities do impact learning; and these students now have beautiful, high performance campuses with upgraded technology including wireless connectivity and energy efficient mechanical and plumbing systems.

Sincerely,

The Measure E and Measure S Bond Oversight Committees



Measure E Members

- Gurjit Srail
- Rebecca Frame
- Teri Cunningham
- Staycee Hall
- Christina Frankel
- Roxane Bernhard
- Donald Yerian
- Craig Saalwaechter

Measure S Members

- Jamie Mousalimas
- Dan Green
- Cheryl Fowler
- Jon Fine
- Victoria Jorgensen
- Diane Gouveia

Website:

www.tracy.k12.ca.us/business/facilities

Address:

1875 W. Lowell Ave.
Tracy, CA 95376

Phone:

(209) 830-3245

Meetings:

Meetings are held quarterly and are open to the public.



Program and Budget Overview

Measure E: Exceptional Performance

Measure E is a \$51 million dollar bond measure, approved by voters on June 6, 2006.

Measure E authorized funding for needed repairs, upgrades and new construction projects to Tracy High School and the completion of sports facilities and a theatrical facility at West High School. Through careful planning and hard work, TUSD has secured an additional \$21.1 million in state matching contribution. Other local matching funds, including redevelopment and deferred maintenance funding have contributed to these projects. In addition, the City of Tracy provided \$1.5 million for the joint use aquatics center at West High School.

	Revenues	Expenditures	Fund Balance
Bonds Issued to 6/30/12	\$ 51,000,000		
Other Funding Sources to 6/30/12	\$ 43,867,656		
Bond Program Expenditures to 6/30/12		\$ 76,300,573	\$ 18,567,083
Anticipated Other Funding Sources	\$ 539,087		
Anticipated Bond Program Expenditures		\$ 19,106,170	
Totals for Measure E	\$ 95,406,743	\$ 95,406,743	\$ 0

Measure S: Progress Continues

Measure S is a \$43.1 million bond measure which was approved by 70.5% of Tracy voters on November 4, 2008 to make improvements predominantly at the elementary and middle schools of Tracy Unified School District. To date, TUSD has received \$34 million in Measure S bond revenue. In May 2011, the school district received a funding allocation in the Federal government's American Recovery and Reinvestment Act (QSCB) which subsidized the original Measure S bonds. This increased the amount available for capital projects by an additional \$3.5 million and lowered the interest costs for taxpayers by \$4.5 million. There is currently \$9.1 million remaining bond revenue to be issued at a later date.

Measure S authorized funding to renovate the Monte Vista Middle School campus as well as four elementary schools including the McKinley, Central, North and South West Park school sites. In addition to the five school sites, Measure S authorized funding for technology and security improvements for all Tracy schools; and \$2 million for improvements for the Tracy Learning Center charter school as recommended in the text of Proposition 39.



	Bond Authorization	Revenues	Expenditures	Fund Balance
Total Measure S Bond Authorization	\$ 43,100,000			
Bonds Issued to 6/30/12	\$ (34,000,000)	\$ 34,000,000		
Other Funding Sources to 6/30/12		\$ 7,740,428		
Bond Program Expenditures to 6/30/12			\$ 25,591,299	\$ 16,149,128
Anticipated Bond Issue	\$ (9,100,000)	\$ 9,100,000		
Anticipated Other Funding Sources		\$ 11,636,001		
Anticipated Bond Program Expenditures			\$ 36,885,129	
Totals for Measure S	\$ 43,100,000	\$ 62,476,429	\$ 62,476,428	\$ 0

Audit Summary

Financial and Performance Audit Summary

Stephen Roatch Accountancy Corporation from Folsom, California conducted the annual Financial and Performance Audits for the 2011/2012 fiscal year, which ended June 30, 2012. The audits were completed on December 7, 2012 and reviewed by the Measure E and Measure S Citizens' Oversight Committees at its February 4, 2013 meeting. The financial audit was performed in accordance with 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 report summary concluded that there were no findings, nor any matters to report for the fiscal year ending June 30, 2012.

The performance audit provides an independent assessment of the District's compliance with certain state laws and procedures, for use by the District's Board and the Citizens' Oversight Committees to help them: inform the public concerning the expenditure of bond funds; ensure that bond funds are expended only for the purposes described in the ballot measure and ensure that no funds are used for any teacher or administrative salaries or any other school operating expenditures. The performance audit concluded that: expenditures were made for allowable purposes; no expenditures were made to pay for salaries; all expenditures were made for identified projects; the District followed the appropriate bidding and procurement guidelines; the expenditure accounting system is adequate; actions by the District appear to be consistent with assertions presented in the bonds; payments were made in accordance with the required payment schedules; all bond proceeds were deposited in the appropriate fund. There were no recommendations made by the auditor as a result of the performance audit for the fiscal year ending June 30, 2012.

The audit reports concluded that the District complied, in all material respects, with the compliance requirements for the Measure E and Measure S Bond Building Fund and projects.

To view a copy of the complete audit reports, please visit the Measure E and Measure S website by going to www.tracy.k12.ca.us/business/facilities and clicking on the audit reports link.

Who is Looking Out for Your Money? The Bond Oversight Committee Role



Both Measure E and Measure S were approved by voters in an election under rules governed by Proposition 39. In accordance with the requirements of Proposition 39, the TUSD Board of Education appointed an independent citizens' oversight committee for each Bond Measure. Each committee meets at least quarterly.

The committees' are comprised of voters who represent the business community; a senior citizens' organization; a bona fide taxpayers' organization; a parent-teacher organization and a parent or guardian of a child enrolled in the District. The Board has also chosen to select a representative from the agriculture/farming industry and an "at large" member of the public. No District employee, official, vendor, contractor or consultant may serve on the committee.

The main responsibility of each Committee is to review the performance and financial audits, inspect construction projects and expenditures, recommend cost-saving measures to the School Board and inform the public of their findings. The Committee is required to issue at least one report a year.

The Measure E and Measure S Oversight Committees along with the Tracy Unified School District Board of Education wish to thank the community for their continued support in providing essential, modern and safe facilities in our community.

If you are interested in serving on an oversight committee, please contact Director of Facilities, Bonny Carter at bcarter@tusd.net or (209) 830-3245.

Measure E Project Status

Completed Projects

Project	Description
West High School:	
New Stadium and Pool Complex	Completed in May 2008, amenities include 8 lane synthetic track, synthetic turf, bleacher seating for 4,000; concession and restroom building. Olympic-size pool built as a joint use community pool. The City of Tracy offers swimming programs during summer. Youth sport groups benefit from use of the pool year round.
New Performing Arts Complex	Offers a flexible venue including “theater in the round” where the stage is located in the center of the room. Classrooms for stage crafting, sound, lighting and costume design.
Tracy High School:	
New Administration and 34 Classroom Building	Concrete tilt up building includes 34 classrooms and administration offices. New classrooms include energy efficient heating, air conditioning, lighting, learning walls and the latest technology upgrades.
New Cafeteria and Specialty Classroom Building	Cafeteria and food court as well as outdoor dining shelter. Building is also home to Joe E. Foster Music Center and several Career Technical Education classrooms such as FEAST Lab, child development and home economics classrooms.
New Library and 18 Classroom Building	New 2-story library/classroom building provides a modern technology center for business classes and the library provides state of the art computer lab.
Hawley Westlake Science Building Renovation	Work began by gutting the interior of the building and rebuilding 10 new state of the art science laboratories and 2 teaching stations.
Auto Shop Program Building and the Industrial Arts Building Renovations	Renovated using matching funds from California’s Career Technical Education grant funding. Improvements included technology upgrades and building improvements.
Site Infrastructure, Gymnasium, Locker Room Upgrades	As work progressed on the renovation of Tracy High School, all domestic water lines, irrigation lines, sewer lines, power infrastructure including building fire and intrusion alarms and technology upgrades were completed. The main gym received new heating and air conditioning systems and the locker rooms were renovated.

Projects Under Construction or In Planning

Project	Description
Tracy High School:	
New Stadium and Site Improvements	Construction began on the new stadium in July 2012 and is scheduled for completion in the summer of 2013. Amenities include a new restroom building, 9 lane synthetic track, synthetic turf and bleacher seating for 4,000. This project also included the renovation of 12 relocatable classrooms and access compliance (ADA) upgrades on the site.
New Baseball Fields	The new stadium at THS impacted the footprint of the existing baseball field; therefore, baseball has been relocated to the Monte Vista Middle School campus. The Varsity field was partially completed for the 2012/13 season and will be completed in 2013. Work will begin on the JV field in the summer of 2013 and be complete for the 2013/14 baseball season.
E. Baumgartner Theater and Agricultural Shop Renovation	Work on access compliance (ADA) to the buildings as well renovation of the classrooms in both buildings is scheduled to begin in the winter 2013/14.

Measure S Project Status

Completed Projects

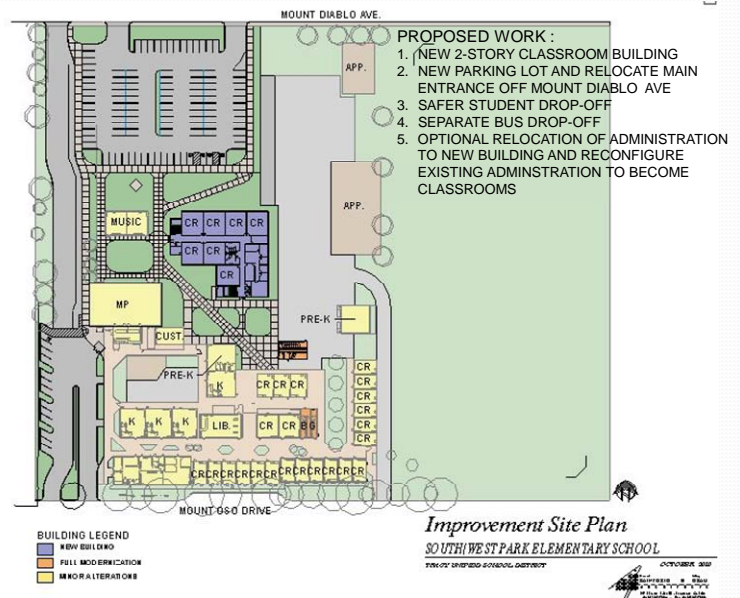
Project	Description
Monte Vista Middle School	Work began May 2011 and was completed in December 2012. The renovation included a revision in the flow and safety of the parking lot, an additional parking lot and a bus loop relocated to Tracy Blvd. The project addressed site access issues as well as bringing all classrooms up to the district standard. Eighteen old portable classrooms were removed from the site and replaced with relocatable classrooms on concrete foundations at grade. The permanent classroom wings received upgrades such as new interior finishes, energy efficient lighting and heating and air conditioning (HVAC) systems and upgrades to technology and teaching walls. Inadequate administrative areas were also improved. Site utilities were addressed including water, plumbing, sewer, technology and alarm systems.
McKinley Elementary School	Built in 1954, this school benefited from improvements such as site infrastructure, reconfiguration of the existing parking and drop off zones as well as a new and expanded parking lot. New and refurbished relocatable classrooms have been placed on permanent foundations. Upgraded and additional spaces were provided for undersized administration, special education and other program areas, including addition of a large music classroom. All classroom renovations included new interior finishes, energy efficient lighting and HVAC systems, upgrades to technology and teaching walls. A new, secure kindergarten playground was added on the north side of the campus.
Technology Infrastructure	Technology enhancements began in the Fall of 2009 and were completed in the Fall of 2012. New cabling and equipment provide students and staff with the latest technology. Wireless devices, new network security systems, new network servers, updated phone, clock, bells and speaker systems have been added to many older sites.
Surveillance Systems	Security surveillance (camera and lighting) systems have been completed at all Tracy Unified School District sites. The security camera project improves student safety, helps to control vandalism and assists with campus emergencies.

The Future of Measure S

Measure S was approved by the voters in the 2008 election authorizing bonds up to \$43.1 million. At that time, however, a campaign pledge was made that contained two elements that have since come into conflict with each other. The conflict has delayed the three remaining projects: North School, Central Elementary School and South/West Park Elementary School.

Campaign Pledge: Though Proposition 39 allows for a maximum tax of \$60 per \$100,000 of assessed valuation of a home, projects for Measure S were sized to keep the tax rate at \$15 per \$100,000. Because the value of homes in Tracy dropped so dramatically in the recession after the 2008 election, while the total amount of tax remained stable, the tax rate per \$100,000 grew to \$24 in the 2012/13 school year. The lowered assessed values and the pledge to limit the annual rate charged to homeowners have limited the amount of money the district has issued on the Measure S bond program. This delay may disappoint voters who prefer projects to be completed as quickly as possible to protect against the escalation of construction costs over time.

Of the three remaining projects, the district has prioritized South/West Park Elementary School to be the next project once the remaining authorized funds are issued. Because the campus is so large, improvements will positively impact a greater number of students than either of the other projects. The school is also visible to a major street and the project will be the first to improve a school on the South side of town. The project will also address the confusion caused from having two separate entrances to the school campus. A first-draft site improvement plan is provided to the right.





Bond Program Success

Measure E Projects

1. THS Stadium Demolition 2. THS Stadium Field 3. THS Stadium Plaza 4. THS Baseball Batting Cages



5. THS Library 6. WHS Black Box Seating 7. WHS Stadium 8. WHS Performing Arts Complex



Measure S Projects

1. MV Administration Bldg. Construction 2. MV Administration Building 3. MV Dining Canopy 4. MV Corridor



5. MV Interior Corridor 6. McKinley Kindergarten Playground 7. McKinley Corridor 8. All Campuses Security Camera

