

# **La Cañada Unified School District Bond Oversight Committee 2007 Annual Report to the Community And Governing Board**

## **I. The Committee**

Following the passage of Measure B in 2004, and consistent with the requirements of that measure and California's Proposition 39, the Governing Board of the La Cañada Unified School District appointed a Citizens Bond Oversight Committee. Pursuant to State law, Members of the Committee were appointed to represent school sites and groups in the community. The members appointed to the Committee and the groups they represent were as follows:

William Choi – Taxpayers Organization  
Celina Lew – LCE Parent  
Julie Markowitz – PCR Parent  
Linda Richmond – Community Member  
Terry Walker – Business Organization

Andy Dick – 9-12 Parent  
Robert Louk – PCY Parent  
Ellen Multari – 7/8 Parent  
Cynthia Smither – Senior Citizen

Dr. Jim Stratton, Dr. Mike Leininger, Dr. Bill Loose, Diane Clinton and Kim Bergner represented the District's staff; Susan Boyd and later Cindy Wilcox represented the Governing Board. Julie Markowitz served as Chair and Terry Walker was elected as Vice Chair.

## **II. Meetings**

This report covers the period beginning January, 2007 through April, 2008 when the Committee received and reviewed the annual Performance Audit of bond funds. The Committee met six times on February 22, May 31, June 22, and October 30, 2007, January 29, and April 24, 2008. Minutes of the meetings are attached to this report and are available on the District's website. All of the other documents reviewed by the Committee and cited in this report are available for public review in the District office. Meetings of the Committee were open and public as required by the Brown Act.

## **III. Purpose and Duties of the Committee**

The Governing Board adopted bylaws for the Committee that specify the Committee's purpose:

*“The purposes of the Committee shall be to inform the public concerning the expenditure of bond revenues. The citizens’ oversight committee shall actively review and report on the proper expenditure of taxpayer’s money for school construction, and these Bylaws are specifically made subject to the applicable provisions of Prop 39 as to the duties and rights of the Committee.”*

In addition, the Committee's bylaws require that the Committee inform the public regarding the expenditure of bond funds. We are required to review plans and priorities for the expenditure of bond funds including, where applicable, schematic drawings for projects to determine consistency with Measure B. In addition, the Committee is charged with reviewing quarterly expenditure reports to ensure that bond proceeds are expended only for the purposes set forth in Measure B and not for any teacher or administrator salaries or other operating expenses. Finally, we are required to annually prepare and present this report to the Board and the Community regarding the expenditure of bond funds, containing a summary of our activities and "a statement indicating whether the District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution."

#### **IV. Committee Activities**

During the period covered by this report, the Committee participated in the activities summarized below:

- a. **Quarterly Expenditure Reports:** The committee reviewed quarterly expenditure reports for each ongoing construction project during the reporting period: 1) LCHS Building A classroom modernizations, Building B Home Economics/Band Room, and the PCR and PCY multipurpose room projects. These quarterly reports indicated that the bond proceeds were expended only for the purposes set forth in Measure B and not for any teacher or administrator salaries or other operating expenses.
- b. **Review of District Office Property Sale:** Materials previously presented to the Committee showing the District's original intent for sale of the property were sent to the Governing Board for inclusion in the property sale workshop. While the Committee reviewed staff's recommendation to sell the property, no action was taken by the Committee as this decision was not within Committee's jurisdiction.
- c. **Review of PCR and PCY Multipurpose Room:** The Committee reviewed schematic drawings of the proposed multipurpose room projects for PCR and PCY. With regard to each school site, the Committee found that the work proposed in the schematic drawings was consistent with the bond language.
- d. **Review of LCHS Building A and Phase II Construction Projects:** The Committee reviewed with staff the following projects: LCHS Building A project, security hardware at elementary schools and LCHS, North Gym HVAC, and modernization, South Gym restroom modernization and acoustics, tennis court repair, pavement, asphalt parking and paving and site concrete resurfacing at LCHS. With regard to each project, the Committee found that the work proposed in the presentation was consistent with the bond language.

e. **Setting of Parameters for Annual Performance Audit:** The Committee met with the District's independent auditor to establish the parameters for the annual performance audit required by law. Committee recommended an increase in the sampling of expenditures, which were incorporated into the June 2007 audit.

f. **Review of Annual Performance Audit Report:** The Committee reviewed the annual audit report prepared by Boceta, Macon, Workman & Associates, dated October 29, 2007 for the fiscal year ending June 30, 2007. That report provides much of the basis for the finding in the following section.

g. **Other informational items:** Throughout the year, the Committee received informational reports regarding scheduling, bidding, the status of consultants, and the progress of projects as part of its general oversight of bond expenditures and duty to inform the public.

**V. Statement Regarding Compliance with the California Constitution**

State law requires that the Committee issue an annual statement regarding the District's compliance with Article XIII A, section 1(b)(3) of the California Constitution, which requires compliance with all of the following accountability measures in the expenditure of school bond funds:

*(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.*

Based on the information that has been supplied to us by District staff, independent accountants, and consultants, as reflected in the official records of the Committee, the Bond Oversight Committee is pleased to report to the Governing Board and the community that as of June 30,

2007 the District is in compliance with Article XIII A, Section 1(b)(3) of the California Constitution.

Respectfully submitted,  
The La Cañada Unified School District Bond Oversight Committee

By: \_\_\_\_\_  
Julie Markowitz, Chair