



Temple City Unified School District
"A District of High Achieving Schools"

Kathryn E. Perini
Superintendent

Board of Education
John Pomeroy, President
Vinson Bell, Vice President
Kien C. Tiet, Clerk
Kenneth Knollenberg, Member
Robert S. Ridley, Member

TEMPLE CITY UNIFIED SCHOOL DISTRICT
Measure S: Citizens' Oversight Committee

Meeting No. 07

Date: April 23, 2015
Time: 5:30 PM
Location: Dr. Doug Sears Learning Center – Room 1

COC Members:

Steven Tyre (ST)
Lucy Liou (LL)
Wil McKnight (WM)
Cynthia Vance (CV)
Gina Aparicio (GA)
Sherry Goin (SG)

ATTENDEES

Support Staff:

Kathy Perini	Temple City Unified School District
Marianne Sarraill	Temple City Unified School District
Dale Shaffer	Temple City Unified School District
Louis Gallegos	TELACU Construction Management
Patricia Myers	TELACU Construction Management
Daniel Rodriguez	TELACU Construction Management
Octavio Nava	TELACU Construction Management
Kwok Su	TELACU Construction Management
Betty Hanson	California Financial Services
Hadley Hui	Moss, Levy & Hartzheim, LLP

Members of the Public:

Kenneth Knollenberg
Larry Marston

The meeting was opened at 5:43 pm in Room 1 at Dr. Doug Sears Learning Center (DDSLC).

1. Call to Order:

The meeting was called to order by Steven Tyre, Chairperson.

2. Roll Call:

Steven Tyre: Present
Sherry Goin: Present
Lucy Liou: Present
Will McKnight : Present
Cynthia Vance: Present
Gina Aparicio: Present

3. Public Comments

- 3.1 There were no public comments.

4. Approvals

- 4.1 Action Item: It is recommended that the Committee approve the agenda as presented. (Motion approved 5-0)
4.2 Action Item: It is recommended that the Committee approve the COC Meeting Minutes from January 22, 2015. (Motion approved 5-0)

5. Information Items

- 5.1 Hadley Hui of Moss, Levy & Hartzheim, LLP presented both Measure 'S' Performance and Financial Audits. A copy of both reports had been sent to each committee member on March 27, 2015. Mr. Hui reported that there were no audit findings at this time.
5.1 Betty Hanson from California Financial Services went over budget tracking and Bond Funding (See Attached).
5.2 Daniel Rodriguez of TELACU Construction Management presented Bond Program and Construction Update. (See Attached)

6. New Business

- 6.1 None.

7. Future Items

- 7.1 Lucy Liou requested that an open session with the community be scheduled for the next Citizen's Oversight Committee meeting. Ms. Liou expressed that there are a lot of community members that are interested in an open forum type meeting where they can get first hand information on the bond and the bond projects.

8. Establish COC Meeting Dates

- 8.1 The next meeting is tentatively scheduled for September 10, 2015 with an open session for the community. The District and TELACU will coordinate and confirm with the COC Members.

9. Adjournment

- 9.1 The meeting was adjourned at 6:28 pm.

Distribution: All Present
Board of Education

Attachments: Sign-In Sheet
COC Update presentation dated April 23, 2015
Performance Audit – Measure 'S'
Financial Audit – Measure 'S'

Minutes prepared by: Daniel Rodriguez, TELACU Construction Management

Note: If there are important errors or omissions, please notify the preparer so they can be corrected in subsequent reports and documents.



Kathryn E. Perini
Superintendent

Temple City Unified School District
"A District of High Achieving Schools"

Board of Education
John Pomeroy, President
Vinson Bell, Vice President
Kien C. Tiet, Clerk
Kenneth Knollenberg, Member
Robert S. Ridley, Member

Citizens' Oversight Committee
Meeting No. 07
April 23, 2015

Name	Email Address
✓ Lucy Lion	LHCLION88@GMAIL.COM
✓ Sherry Goin	tellyourstorywithsherrygoinsn.com
Betty Hanson	bhanson@calschools.com
✓ WIL McKWIGTT	wilmck3@icloud.com
DALE SHAFFER	dshaffer@tcusd.net
LARRY MARSTON	LARRYMARSTON@GMAIL.COM
Kenneth Knollenberg	Kenneth.Knollenberg@xanet.com
PATRICIA MYERS (TELACU)	PMYERS@TELACU.COM
LOUIS GALLEGOS (TELACU)	LRGALLEGOS@TELACU.COM
✓ STEVEN TYRE	STEVENTYRE@yahoo.com
✓ Cindy Danel	Cindejlaerxarte@yahoo.com
KATHY PERINI	kperini@tcusd.net
KWOK SU	ksu@TELACU.COM
OCTAVIO NAVA	ONAVAC@TELACU.COM
DANIEL RODRIGUEZ	dhrdriguez@telacu.com

TEMPLE CITY UNIFIED SCHOOL DISTRICT

2012 General Obligation Bond Authorization

Measure S



COC Update

April 23, 2015

MEASURE S - 2013 SERIES ESTIMATED PROJECT BUDGETS & SCHEDULE

No.	District Goal Number	District Project Name	Estimated Project Budget	Project Commitments to Date	Project Expenditures to Date	Estimated Project Start Date *	Project Completion Date
1	0010000	Cloverly Elementary School	\$3,867,693.00	\$841,477.69	(\$478,207.13)	April 2015	April 2016
2	0030000	La Rosa Elementary School	3,953,551.00	1,111,043.75	(675,040.08)	April 2015	December 2015
3	0040000	Longden Elementary School	1,686,766.20	1,148,247.19	(919,604.53)	2016	2018
4	0020000	Emperor Elementary School	3,696,298.00	537,725.99	(425,442.06)	Summer 2015	Summer 2016
5	0050000	Oak Avenue Technology Project	370,139.23	370,139.23	(364,275.45)	Complete	Complete
6	0060000	Temple City High School - Phase 1A	23,267,111.80	7,000,460.55	(5,655,473.20)	Summer 2015	Fall 2016
7	0070000	Doug Sears Learning Center	775,907.12	484,675.67	(133,733.85)	March-15	April 2015
8	N/A	Program Contingency	4,029,498.00	N/A	N/A	N/A	N/A
COMBINED BUDGET ESTIMATES:			<u>\$41,646,964.35</u>	\$11,493,770.07	(\$8,651,776.30)		

* Dates are contingent on DSA approval.

CLOVERLY ELEMENTARY SCHOOL

Modernization Project

Current Phase Scope

Interim Housing

- One portable classroom building and related site work

Modernization Scope to include (4) Classroom Buildings:

- New HVAC units
- New roofing on (1) building
- Replace old window system with a new aluminum window system
- New doors and frames
- New flooring
- Interior painting
- Interactive white board system (all remaining classrooms not installed in the Interactive Whiteboard Project)

Current Phase Status Update

- The Interim Housing Project is complete and the building has been occupied.
- The Modernization Project bid on April 9, 2015 and the contract for construction was approved at the Board Meeting on April 22, 2015.
- The construction is scheduled to begin the last week of April and will be completed in 12 months.



0010000 - CLOVERLY ELEMENTARY SCHOOL

	District Object Code	Cost Category	District Goal Number	Estimated Project Budget	Project Commitments to Date	Project Expenditures to Date	Remaining Project Budget
PLANNING COSTS							
1	6210	Architect & Engineering Fees	92100	\$320,000.00	\$317,089.79	\$199,430.33	\$2,910.21
2	6220	DSA Fees	92100	18,868.00	13,825.00	13,825.00	5,043.00
3	5950	Preliminary Tests	92100	9,000.00	11,629.00	8,634.00	(2,629.00)
4	5970	Printing/Legal/Advertising	92100	6,376.03	6,376.03	5,766.79	0.00
5	5890	Program Administration	92100	<u>165,000.00</u>	<u>166,713.23</u>	<u>115,782.79</u>	<u>(1,713.23)</u>
Total Planning Costs:				\$519,244.03	\$515,633.05	\$343,438.91	\$3,610.98
CONSTRUCTION COSTS							
6	6250	Construction Costs	92100	\$2,431,000.00	\$3,248.20	\$3,248.20	\$2,427,751.80
7	6272	Construction Management	92100	125,000.00	123,900.00	0.00	1,100.00
8	6290	Abatement	92100	30,660.00	0.00	0.00	30,660.00
9	6278	Labor Compliance	92100	0.00	0.00	0.00	0.00
10	6295	Legal Fees - Construction	92100	10,000.00	0.00	0.00	10,000.00
11	6276	Interim Housing/Moving & Storage	92100	300,000.00	55,116.56	43,388.14	244,883.44
12	6270	Construction Testing/Inspection	92100	91,445.00	67,860.00	12,412.00	23,585.00
13	6450	Technology Improvements	92100	71,671.32	71,671.32	71,671.32	0.00
14	6410	Furniture & Equipment	92100	110,321.90	4,048.56	4,048.56	106,273.34
15	6292	Construction Contingency	92100	<u>178,350.75</u>	<u>0.00</u>	0.00	<u>178,350.75</u>
Total Construction Costs:				\$3,348,448.97	\$325,844.64	\$134,768.22	\$3,022,604.33
COMBINED PROJECT TOTALS:				\$3,867,693.00	\$841,477.69	\$478,207.13	\$3,026,215.31

LA ROSA ELEMENTARY SCHOOL

Modernization Project

Current Phase Scope

Interim Housing

- Three portable classroom buildings and related site work

Scope to include (2) Classroom Buildings:

- New HVAC units (on (4) classroom buildings)
- New Roofing (on (1) classroom building)
- Replace old window system with a new aluminum window system
- New Doors and Frames
- New flooring
- Interior painting
- Interactive white board system (in all remaining classrooms)

Current Phase Status Update

- The Interim Housing Project is complete and the buildings have been occupied.
- The Modernization Project bid on April 9, 2015 and the contract for construction was approved at the Board Meeting on April 22, 2015.
- The construction is scheduled to begin the last week of April and will be completed by the end of the year.



0030000 - LA ROSA ELEMENTARY SCHOOL

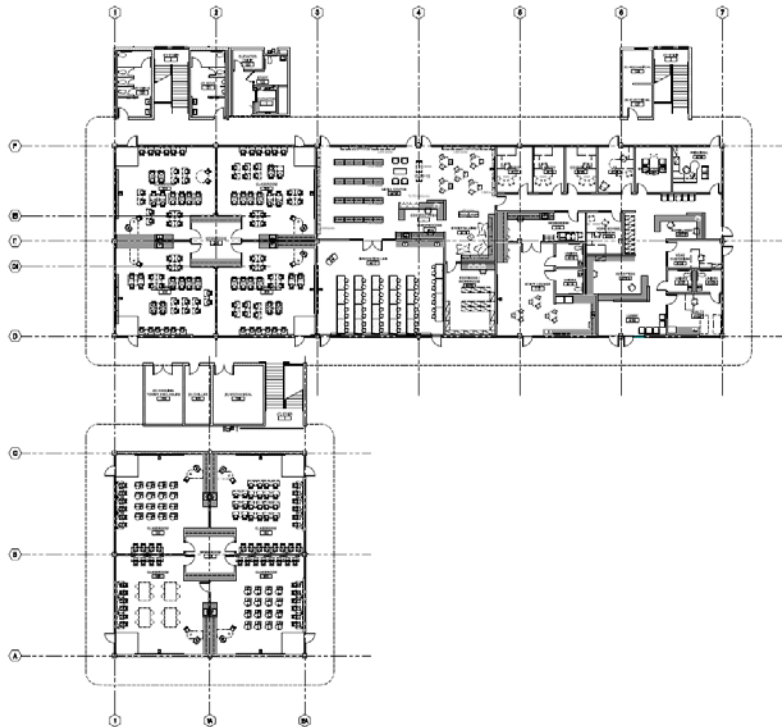
	District Object Code	Cost Category	District Goal Number	Estimated Project Budget	Project Commitments to Date	Project Expenditures to Date	Remaining Project Budget
PLANNING COSTS							
1	6210	Architect & Engineering Fees	92300	\$370,000.00	\$369,344.78	\$228,934.85	\$655.22
2	6220	DSA Fees	92300	22,174.00	15,635.00	15,635.00	6,539.00
3	5950	Preliminary Tests	92300	22,913.00	13,413.50	9,669.00	9,499.50
4	5970	Printing/Legal/Advertising	92300	3,325.17	5,068.97	4,362.60	(1,743.80)
5	5890	Program Administration	92300	<u>194,308.60</u>	<u>193,663.62</u>	<u>134,050.12</u>	<u>644.98</u>
Total Planning Costs:				\$612,720.77	\$597,125.87	\$392,651.57	\$15,594.90
CONSTRUCTION COSTS							
6	6250	Construction Costs	92300	\$2,350,000.00	\$0.00	\$0.00	\$2,350,000.00
7	6272	Construction Management	92300	134,650.00	134,650.00	0.00	0.00
8	6290	Abatement	92300	36,033.00	0.00	0.00	36,033.00
9	6278	Labor Compliance	92300	0.00	0.00	0.00	0.00
10	6295	Legal Fees - Construction	92300	10,000.00	0.00	0.00	10,000.00
11	6276	Interim Housing/Moving & Storage	92300	300,000.00	158,452.53	117,021.16	141,547.47
12	6270	Construction Testing/Inspection	92300	98,398.00	67,860.00	12,412.00	30,538.00
13	6450	Technology Improvements	92300	148,318.85	148,318.85	148,318.85	0.00
14	6410	Furniture & Equipment	92300	131,373.21	4,636.50	4,636.50	126,736.71
15	6292	Construction Contingency	92300	<u>132,057.17</u>	<u>0.00</u>	<u>0.00</u>	<u>132,057.17</u>
Total Construction Costs:				\$3,340,830.23	\$513,917.88	\$282,388.51	\$2,826,912.35
COMBINED PROJECT TOTALS:				\$3,953,551.00	\$1,111,043.75	\$675,040.08	\$2,842,507.25

LONGDEN ELEMENTARY SCHOOL

Modernization Project

Current Phase Scope

- Modernize 2-Story Classroom Building
- Modernize Kindergarten Buildings
- Related site work



Current Phase Status Update

- The plans have been submitted to DSA for review and approval. DSA has not published a review timeline as of this date.
- TELACU is currently performing a constructability review of the plans. Comments will be forwarded to the Architect for inclusion once complete.
- The District and TELACU will review interim housing options.

* Dates are contingent on DSA approval.

0040000 - LONGDEN ELEMENTARY SCHOOL

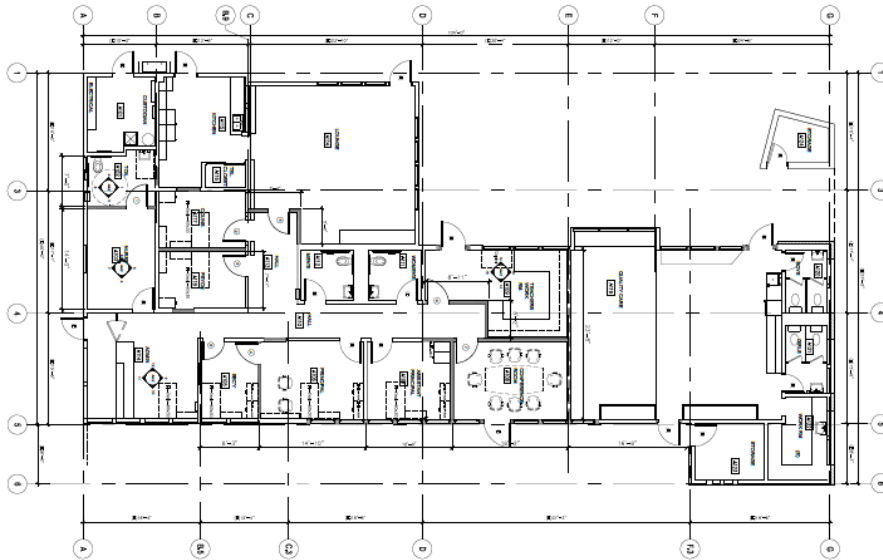
	District Object Code	Cost Category	District Goal Number	Estimated Project Budget	Project Commitments to Date	Project Expenditures to Date	Remaining Project Budget
PLANNING COSTS							
1	6210	Architect & Engineering Fees	92400	\$863,073.00	\$770,244.02	\$571,401.08	\$92,828.98
2	6220	DSA Fees	92400	87,340.00	73,225.00	73,225.00	14,115.00
3	5950	Preliminary Tests	92400	75,000.00	50,362.00	50,362.00	24,638.00
4	5970	Printing/Legal/Advertising	92400	14,000.00	931.11	581.15	13,068.89
5	5890	Program Administration	92400	<u>490,000.00</u>	<u>96,131.86</u>	<u>66,682.10</u>	<u>393,868.14</u>
Total Planning Costs:				\$1,529,413.00	\$990,893.99	\$762,251.33	\$538,519.01
CONSTRUCTION COSTS							
6	6250	Construction Costs	92400	\$0.00	\$0.00	\$0.00	\$0.00
7	6272	Construction Management	92400	0.00	0.00	0.00	0.00
8	6290	Abatement	92400	0.00	0.00	0.00	0.00
9	6278	Labor Compliance	92400	0.00	0.00	0.00	0.00
10	6295	Legal Fees - Construction	92400	0.00	0.00	0.00	0.00
11	6276	Interim Housing/ Moving & Storage	92400	0.00	0.00	0.00	0.00
12	6270	Construction Testing/Inspection	92400	0.00	0.00	0.00	0.00
13	6450	Technology Improvements	92400	157,168.32	157,168.32	157,168.32	0.00
14	6410	Furniture & Equipment	92400	184.88	184.88	184.88	0.00
15	6292	Construction Contingency	92400	0.00	0.00	0.00	<u>0.00</u>
Total Construction Costs:				\$157,353.20	\$157,353.20	\$157,353.20	\$0.00
COMBINED PROJECT TOTALS:				\$1,686,766.20	\$1,148,247.19	\$919,604.53	\$538,519.01

EMPEROR ELEMENTARY SCHOOL

Modernization, Window Replacement & Fire Alarm Upgrades

Current Phase Scope

- Window replacement in (2) classroom buildings, cafeteria, and administration buildings.
- New administration office layout
- New doors and frames
- New flooring
- Interior painting
- ADA upgrades



Current Phase Status Update

- The drawings for the Window Replacement Project have been approved by DSA.
- The Drawings for the Modernization Project have been submitted to DSA for review/approval.
- The project is slated to begin Summer 2015 and will be completed for the 2016/2017 school year.

* Dates are contingent on DSA approval.

0020000 - EMPEROR ELEMENTARY SCHOOL

	District Object Code	Cost Category	District Goal Number	Estimated Project Budget	Project Commitments to Date	Project Expenditures to Date	Remaining Project Budget
PLANNING COSTS							
1	6210	Architect & Engineering Fees	92200	\$255,000.00	\$203,358.24	\$95,949.15	\$51,641.76
2	6220	DSA Fees	92200	25,000.00	18,925.00	18,925.00	6,075.00
3	5950	Preliminary Tests	92200	20,000.00	4,570.00	4,480.00	15,430.00
4	5970	Printing/Legal/Advertising	92200	3,101.26	562.26	284.89	2,539.00
5	5890	Program Administration	92200	<u>34,437.74</u>	<u>36,685.21</u>	<u>32,512.49</u>	<u>(2,247.47)</u>
Total Planning Costs:				\$337,539.00	\$264,100.71	\$152,151.53	\$73,438.29
CONSTRUCTION COSTS							
6	6250	Construction Costs	92200	\$2,515,278.00	\$5,323.75	\$4,989.00	\$2,509,954.25
7	6272	Construction Management	92200	120,000.00	0.00	0.00	120,000.00
8	6290	Abatement	92200	0.00	0.00	0.00	0.00
9	6278	Labor Compliance	92200	0.00	0.00	0.00	0.00
10	6295	Legal Fees - Construction	92200	562.26	0.00	0.00	562.26
11	6276	Interim Housing/Moving & Storage	92200	220,000.00	0.00	0.00	220,000.00
12	6270	Construction Testing/Inspection	92200	90,000.00	0.00	0.00	90,000.00
13	6450	Technology Improvements	92200	268,154.81	268,154.81	268,154.81	0.00
14	6410	Furniture & Equipment	92200	491.91	146.72	146.72	345.19
15	6292	Construction Contingency	92200	<u>144,272.02</u>	<u>0.00</u>	<u>0.00</u>	<u>144,272.02</u>
Total Construction Costs:				\$3,358,759.00	\$273,625.28	\$273,290.53	\$3,085,133.72
COMBINED PROJECT TOTALS:				\$3,696,298.00	\$537,725.99	\$425,442.06	\$3,158,572.01

TEMPLE CITY HIGH SCHOOL

2-Story Classroom Building/Interim Housing/Utility Relocation & Demolition

Current Phase Update

New 2-Story Classroom Building

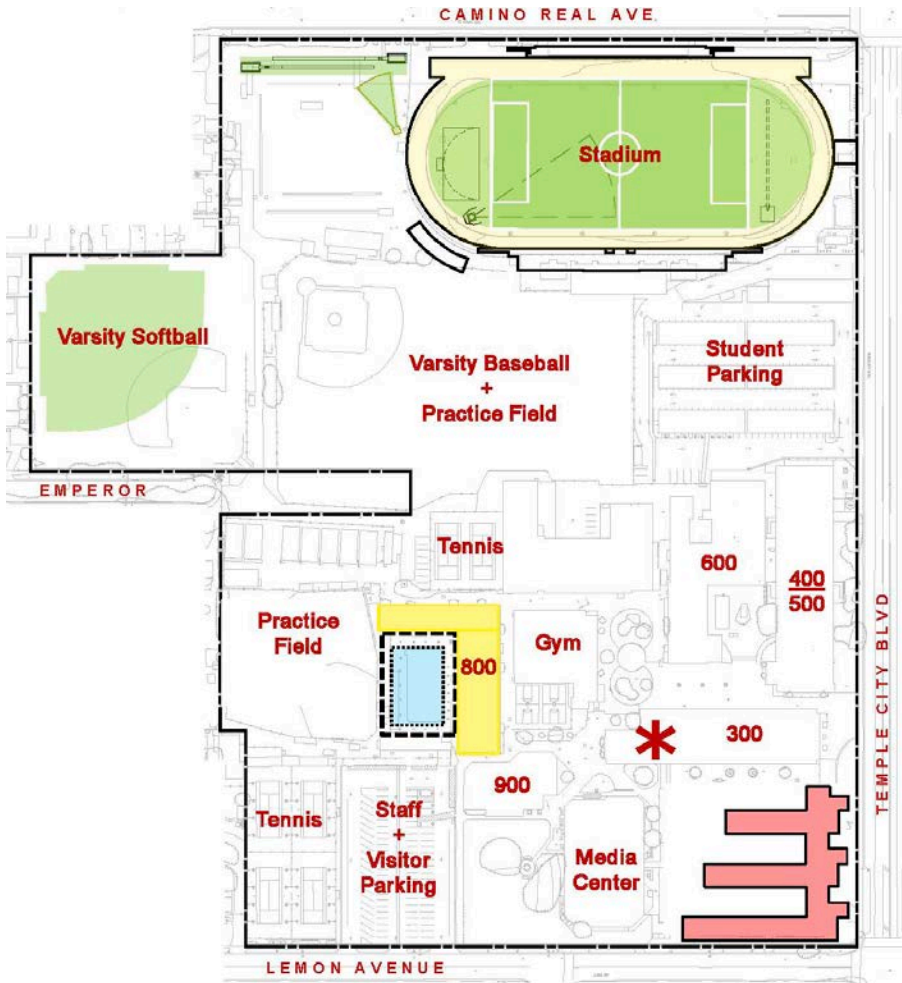
- The 2-Story Classroom Building Project scope has been reduced from 34 classrooms to 32 classrooms and the plans are currently being revised.
- TELACU Construction Management has completed the constructability review and comments have been sent to the Architect for incorporation into the drawings.
- Construction is slated to begin Summer of 2015 and be completed by December of 2016

* Dates are contingent on DSA approval



TEMPLE CITY HIGH SCHOOL

2015 Master Plan Revisions



New 2-Story Classroom Building (32 Classrooms)
\$22.8M

New Stadium Complex
\$3M Design-to Budget

Scope Considerations

- New Natural Turf Field
- New Synthetic Track
- Site Work

New 33 Meter Pool and Locker Room
Modernization

\$7.5M Design-to Budget

Scope Considerations

- ADA upgrades
- Shower Reductions
- New Lockers
- New Windows
- New Flooring
- New Roof
- Interior Painting

Note: This plan also includes the replacement of the softball field once the Interim Housing is removed.

0060000 - TEMPLE CITY HIGH SCHOOL PHASE 1A

	District Object Code	Cost Category	District Goal Number	Estimated Project Budget	Project Commitments to Date	Project Expenditures to Date	Remaining Project Budget
PLANNING COSTS							
1	6210	Architect & Engineering Fees	92500	\$960,000.00	\$956,139.88	\$901,793.39	\$3,860.12
2	6220	DSA Fees	92500	120,000.00	115,265.00	113,650.00	4,735.00
3	5950	Preliminary Tests	92500	185,745.00	191,997.00	176,568.18	(6,252.00)
4	5970	Printing/Legal/Advertising	92500	71,200.09	55,616.88	51,308.31	15,583.21
5	5890	Program Administration	92500	<u>1,074,952.97</u>	<u>1,057,587.18</u>	<u>727,729.20</u>	<u>17,365.79</u>
Total Planning Costs:				\$2,411,898.06	\$2,376,605.94	\$1,971,049.08	\$35,292.12
CONSTRUCTION COSTS							
6	6250	Construction Costs	92500	\$16,831,258.00	\$2,527,004.23	\$2,488,323.23	\$14,304,253.77
7	6272	Construction Management	92500	950,000.00	944,235.00	106,270.00	5,765.00
8	6290	Abatement	92500	130,000.00	129,187.00	129,187.00	813.00
9	6278	Labor Compliance	92500	2,231.25	2,231.25	2,231.25	0.00
10	6295	Legal Fees - Construction	92500	41,451.13	33,690.50	33,690.50	7,760.63
11	6276	Interim Housing/Moving & Storage	92500	1,227,831.68	327,176.81	294,176.82	900,654.87
12	6270	Construction Testing/Inspection	92500	414,682.00	74,095.50	44,311.00	340,586.50
13	6450	Technology Improvements	92500	508,199.95	508,199.45	508,199.45	0.50
14	6410	Furniture & Equipment	92500	302,764.90	78,034.87	78,034.87	224,730.03
15	6292	Construction Contingency	92500	<u>446,794.83</u>	<u>0.00</u>	<u>0.00</u>	<u>446,794.83</u>
Total Construction Costs:				\$20,855,213.74	\$4,623,854.61	\$3,684,424.12	\$16,231,359.13
COMBINED PROJECT TOTALS:				\$23,267,111.80	\$7,000,460.55	\$5,655,473.20	\$16,266,651.25

DR. DOUG SEARS LEARNING CENTER

New Administration & Classroom Building

Current Phase Scope

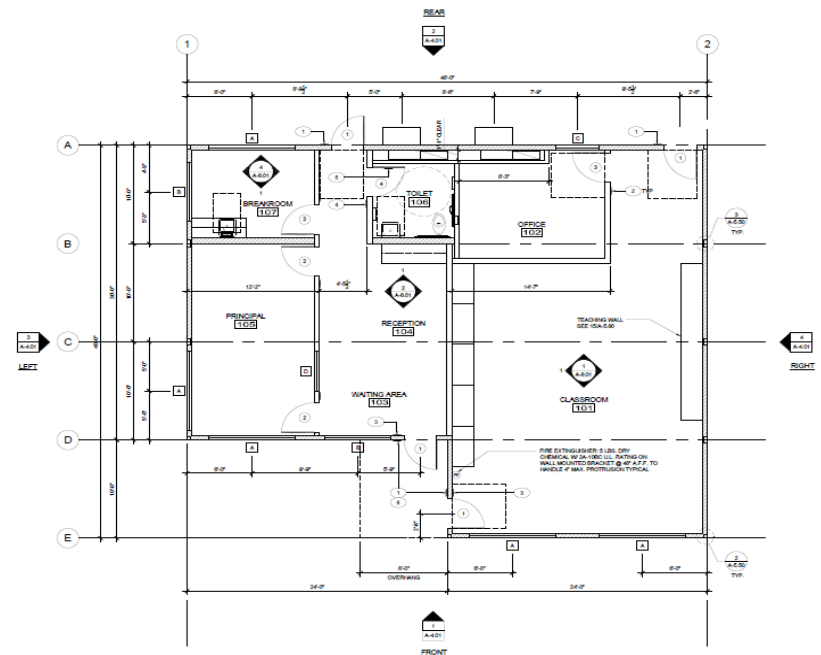
- New Administration Building
- New Classroom Building
- Related site work

* Buildings are pre-manufactured.



Current Phase Status Update

- The project is close to completion and punch list items have been compiled.



DR. DOUG SEARS LEARNING CENTER

New Administration & Classroom Building

Construction Pictures



0070000 - DOUG SEARS LEARNING CENTER

	District Object Code	Cost Category	District Goal Number	Estimated Project Budget	Project Commitments to Date	Project Expenditures to Date	Remaining Project Budget
PLANNING COSTS							
1	6210	Architect & Engineering Fees	92600	\$49,227.00	\$49,227.00	\$47,369.57	\$0.00
2	6220	DSA Fees	92600	3,675.00	3,675.00	3,675.00	0.00
3	5950	Preliminary Tests	92600	3,032.00	1,880.00	1,880.00	1,152.00
4	5970	Printing/Legal/Advertising	92600	3,044.26	5,202.54	5,290.32	(2,158.28)
5	5890	Program Administration	92600	<u>25,000.00</u>	<u>23,969.01</u>	<u>16,519.12</u>	<u>1,030.99</u>
Total Planning Costs:				\$83,978.26	\$83,953.55	\$74,734.01	\$24.71
CONSTRUCTION COSTS							
6	6250	Construction Costs	92600	\$500,037.06	\$242,387.52	\$5,387.52	\$257,649.54
7	6272	Construction Management	92600	50,000.00	50,000.00	0.00	0.00
8	6290	Abatement	92600	20,000.00	24,535.41	0.00	(4,535.41)
9	6278	Labor Compliance	92600	0.00	0.00	0.00	0.00
10	6295	Legal Fees - Construction	92600	3,668.00	173.36	0.00	3,494.64
11	6276	Interim Housing/Moving & Storage	92600	0.00	1,211.20	522.92	(1,211.20)
12	6270	Construction Testing/Inspection	92600	55,000.00	34,337.00	5,093.00	20,663.00
13	6450	Technology Improvements	92600	46,179.56	46,179.56	46,179.56	0.00
14	6410	Furniture & Equipment	92600	7,353.53	1,342.17	1,289.28	6,011.36
15	6292	Construction Contingency	92600	9,690.71	555.90	527.56	9,134.81
Total Construction Costs:				\$691,928.86	\$400,722.12	\$58,999.84	\$291,206.74
COMBINED PROJECT TOTALS:				\$775,907.12	\$484,675.67	\$133,733.85	\$291,231.45

TEMPLE CITY UNIFIED SCHOOL DISTRICT

**PROPOSITION 39 FUNDING
FINANCIAL AUDIT – MEASURE S**

June 30, 2014

TEMPLE CITY UNIFIED SCHOOL DISTRICT
PROPOSITION 39 FUNDING
FINANCIAL AUDIT
June 30, 2014

TABLE OF CONTENTS

Independent Auditor’s Report 1

Balance Sheet – Bond Building Fund – Measure S 3

Statement of Revenues, Expenditures, and Changes in
Fund Balance – Bond Building Fund – Measure S 4

Statement of Revenues, Expenditures, and Changes in
Fund Balance – Budget and Actual – Bond Building Fund – Measure S 5

Notes to Financial Statements 6

Independent Auditor’s 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* 9

Schedule of Findings and Questioned Costs 11



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

RONALD A LEVY, CPA
CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES

433 N. CAMDEN DR, STE 730
BEVERLY HILLS, CA 90210
TEL: 310.273.2745
FAX: 310.670.1689
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES

5800 E. HANNUM, SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

INDEPENDENT AUDITOR'S REPORT

The Board of Education
The Citizens' Oversight Committee
Temple City Unified School District
Temple City, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Bond Building Fund – Measure S (Fund) of the Temple City Unified School District (District), as of and for the eleven months ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Fund's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Bond Building Fund – Measure S, of the District, as of and for the eleven months ended June 30, 2014, and the respective changes in financial position for the eleven months then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2014, on our consideration of the District's internal control over the Bond Building Fund's 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 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 internal controls 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.

Report on other legal and regulatory requirements

In accordance with the requirements of Proposition 39, as incorporated in California Constitution Article 13A, we have also issued our performance audit report dated December 4, 2014 on our consideration of the Bond Building Fund – Measure Y's compliance with the requirements of Proposition 39. That report is an integral part of our audit of the Bond Building Fund – Measure S for the eleven months ended June 30, 2014 should be considered in assessing the results of our financial audit.



Moss, Levy & Hartzheim, LLP
Culver City, California
December 4, 2014

TEMPLE CITY UNIFIED SCHOOL DISTRICT
BALANCE SHEET
BOND BUILDING FUND – MEASURE S
 June 30, 2014

Assets

Cash in County Treasury	\$ 36,611,412
Total assets	<u>\$ 36,611,412</u>

Liabilities and Fund Balance

Liabilities:

Accounts payable	\$ 1,051,455
Total liabilities	<u>1,051,455</u>

Fund Balance:

Restricted for construction	<u>35,559,957</u>
Total fund balance	<u>35,559,957</u>
Total liabilities and fund balance	<u>\$ 36,611,412</u>

TEMPLE CITY UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BOND BUILDING FUND – MEASURE S
For the Eleven Months Ended June 30, 2014

Revenues:

Interest	\$ 203,423
Total revenues	<u>203,423</u>

Expenditures:

Contracted services and other operating expenditures	1,612,072
Books and supplies	12,626
Capital outlay	<u>3,303,037</u>
Total expenditures	<u>4,927,735</u>
Excess (deficiency) of revenues over expenditures	<u>(4,724,312)</u>

Other Financing Sources (Uses):

Bond premiums	362,125
Proceeds from sale of bonds	39,998,164
Transfers out	<u>(76,020)</u>

Total other financing sources (uses)	<u>40,284,269</u>
--------------------------------------	-------------------

Net change in fund balance	35,559,957
----------------------------	------------

Fund balance, August 7, 2013	<u> </u>
Fund balance, June 30, 2014	<u>\$ 35,559,957</u>

TEMPLE CITY UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
BOND BUILDING FUND – MEASURE S
For the Eleven Months Ended June 30, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Interest	\$ -	\$ 203,423	\$ 203,423
Total revenues		203,423	203,423
Expenditures:			
Contracted services and other operating expenditures	951,893	1,612,072	(660,179)
Books and supplies	16,462	12,626	3,836
Capital outlay	4,897,645	3,303,037	1,594,608
Total expenditures	5,866,000	4,927,735	938,265
Excess (deficiency) of revenues over expenditures	(5,866,000)	(4,724,312)	1,141,688
Other Financing Sources (Uses):			
Bond Premiums		362,125	362,125
Proceeds from sale of bonds		39,998,164	39,998,164
Transfers out		(76,020)	(76,020)
Total other financing sources (uses)		40,284,269	40,284,269
Net change in fund balance	(5,866,000)	35,559,957	41,425,957
Fund balance, August 7, 2013			
Fund balance, June 30, 2014	\$ (5,866,000)	\$ 35,559,957	\$ 41,425,957

TEMPLE CITY UNIFIED SCHOOL DISTRICT
BOND BUILDING FUND – MEASURE S
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and *Audits of State and Local Governmental Units* issued by the American Institute of Certified Public Accountants (AICPA).

Fund Structure

The Statement of Revenues, Expenditures, and Changes in Fund Balance is a statement of financial activities of the Bond Building Fund – Measure S related to the current reporting period. Expenditures of the various funds frequently include amounts for land, buildings, equipment, retirement of indebtedness, and transfers to other funds. Consequently, these statements do not purport to present the result of operations of the net income or loss for the period as would a statement of income for a profit-type organization.

Basis of Accounting

The Bond Building Fund – Measure S of the Temple City Unified School District (District) is maintained on the modified accrual basis of accounting. As such, revenues are recognized when they become susceptible to accrual, which is to say, when they become both measurable and available to finance expenditures of the current period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered).

Cash in the County Treasury is recorded at cost, which approximates fair value, in accordance with the requirements of GASB Statement No. 31.

Budget

The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual includes a column entitled “Final Budget”. The amounts in this column represent the most recent updated budget information provided by the District.

Fund Balance

As of June 30, 2014, the fund balance of the Bond Building Fund – Measure S is classified as follows:

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Capital Assets and Long-Term Debt

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with the Bond Building Fund – Measure S are determined by its measurement focus. The Bond Building Fund – Measure S is accounted for on a spending or “financial flow” measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered a measure of “available spendable resources”. Thus, the capital assets and long-term liabilities associated with the Bond Building Fund – Measure S are accounted for in the basic financial statements of the District.

TEMPLE CITY UNIFIED SCHOOL DISTRICT
BOND BUILDING FUND – MEASURE S
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount revenues and expenditures/expenses during the report period. Actual results could differ from those reported.

NOTE 2 – DEPOSITS – CASH IN COUNTY TREASURY

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Los Angeles County Treasury as part of the common investment pool. The fair value of the District's Measure S Bond Building Fund deposits in this pool as of June 30, 2014, as provided by the County Treasurer, was \$36,611,412. The District is considered to be an involuntary participant in the external pool. Interest is deposited in the participating funds. The County is restricted by Government Code Section 53635, pursuant to Section 53601, to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements.

NOTE 3 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Excess of expenditures over appropriations, by major object accounts occurred in the following:

Contracted services and other operating expenditures	\$ 660,179
--	------------

The excess expenditures were due to the District not budgeting for bond issuance costs.

NOTE 4 – BONDED DEBT

2012 Measure S General Obligation Bond, 2013 Series A

On November 6, 2012, \$128,800,000 in general obligation bonds were authorized by an election held within the Temple City Unified School District. On August 7, 2013, \$39,998,164 of the general obligation bonds were sold under Proposition 39/Measure S 2012, which provides that proceeds of the bonds will be used to finance the renovation, construction, and acquisition of classrooms and school facilities, upgrade science labs and computer systems, repair or replace old and worn-out roofs, restrooms, floors, walkways, heating, lighting, plumbing, water and electrical systems, upgrade instructional technology in classrooms, upgrade and expand wireless systems, telecommunications, internet and network connections, make other District-wide basic health and safety upgrades as needed, and to pay certain cost of issuance associated with the Bonds. The Bonds are general obligations of the District payable solely from ad valorem taxes.

The outstanding related bonded debt for the District for Measure S, 2013 Series A at June 30, 2014, is:

Date of Issue	Interest Rate	Maturity Year	Amount of Original Issue	Issued Current Year	Redeemed Current Year	Outstanding June 30, 2014
8/7/2013	4.0%-6.5%	2043	<u>\$ 39,998,164</u>	<u>\$ 39,998,164</u>	<u>\$ -</u>	<u>\$ 39,998,164</u>

TEMPLE CITY UNIFIED SCHOOL DISTRICT
BOND BUILDING FUND – MEASURE S
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 4 – BONDED DEBT (CONTINUED)

2012 Measure S General Obligation Bond, 2013 Series A (Continued)

The annual requirements to amortize the bonds payable, outstanding as of June 30, 2014, is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2015	\$ 495,000	\$ 1,719,752	\$ 2,214,752
2016	525,000	1,729,100	2,254,100
2017	625,000	1,708,100	2,333,100
2018	490,000	1,683,100	2,173,100
2019		1,663,500	1,663,500
2020-2024	1,200,000	8,252,750	9,452,750
2025-2029	748,720	10,765,263	11,513,983
2030-2034	2,002,622	14,385,861	16,388,483
2035-2039	9,911,822	11,910,332	21,822,154
2040-2044	24,000,000	4,166,375	28,166,375
	<u>\$ 39,998,164</u>	<u>\$ 57,984,133</u>	<u>\$ 97,982,297</u>



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

RONALD A LEVY, CPA
CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES

433 N. CAMDEN DR, STE 730
BEVERLY HILLS, CA 90210
TEL: 310.273.2745
FAX: 310.670.1689
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES

5800 E. HANNUM, SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

**INDEPENDENT AUDITOR'S 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
The Citizens' Oversight Committee
Temple City Unified School District
Temple City, 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 Bond Building Fund – Measure S (Fund) of the Temple City Unified School District (District) as of and for the eleven months ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Fund's financial statements, and have issued our report thereon dated December 4, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 entity'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 the District's financial statements are free from 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 determination of financial statement amounts. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Moss, Levy & Hartzheim, LLP
Culver City, California
December 4, 2014

TEMPLE CITY UNIFIED SCHOOL DISTRICT
BOND BUILDING FUND – MEASURE S
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Eleven Months Ended June 30, 2014

There were no findings and questioned costs related to the financial audit of the Bond Building Fund – Measure S for the eleven months ended June 30, 2014.

TEMPLE CITY UNIFIED SCHOOL DISTRICT

**PROPOSITION 39 FUNDING
PERFORMANCE AUDIT – MEASURE S**

For the Eleven Months Ended
June 30, 2014

TEMPLE CITY UNIFIED SCHOOL DISTRICT
PROPOSITION 39 FUNDING
PERFORMANCE AUDIT – MEASURE S
For the Eleven Months Ended June 30, 2014

TABLE OF CONTENTS

Independent Auditor’s Report	1
Objectives	2
Scope of the Audit	2
Background Information.....	2
Procedures Performed.....	3
Conclusion.....	3



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

RONALD A LEVY, CPA
CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES

433 N. CAMDEN DR, STE 730
BEVERLY HILLS, CA 90210
TEL: 310.273.2745
FAX: 310.670.1689
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES

5800 E. HANNUM, SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

The Board of Education
The Citizens' Oversight Committee
Temple City Unified School District
Temple City, California

We have conducted a performance audit of the Measure S 2012 General Obligation Bonds of the Temple City Unified School District (District)'s compliance with the performance requirements for Proposition 39, as incorporated in Article 13A of the California Constitution and Education Code Section 15264 et seq., during the eleven months that ended on June 30, 2014. 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 performance audit.

We conducted this performance audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to performance audits contained in *Government Audit Standards*, issued by the Comptroller General of the United States, and the performance requirements for the Proposition 39 Measure S General Obligation Bond under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution. 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.

The attached performance audit report as referenced in the table of contents presents the objectives, scope, and methodology of the audit. The performance audit report also includes the results of our performance audit and conclusion.

We have audited the financial statements of the Measure S 2012 General Obligation Bonds for the eleven months ended June 30, 2014 and have issued our report thereon dated December 4, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the performance requirements for the Proposition 39 Measure S General Obligation Bond under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution.

In our opinion, the Measure S 2012 General Obligation Bonds complied, in all material respects, with the aforementioned requirements during the eleven months that ended on June 30, 2014. This report is intended solely for the information and use of the District's Governing Board, the Measure S Citizen Oversight Committee, management, others within the entity, and the taxpayers of the District and is not intended to be and should not be used by anyone other than these specified parties.

Moss, Levy & Hartzheim, LLP
Culver City, California
December 4, 2014

TEMPLE CITY UNIFIED SCHOOL DISTRICT
PROPOSITION 39 FUNDING
PERFORMANCE AUDIT – MEASURE S
For the Eleven Months Ended June 30, 2014

OBJECTIVES

The objectives of our Performance Audit were to:

- Document the expenditures charged to the voter approved 2012 General Obligation Bonds.
- Determine whether all expenditures for the eleven months ended June 30, 2014, charged to the Building Fund Measure S have been made in accordance with project budgets and guidelines.
- Note any incongruities or system weaknesses and provide recommendation for improvements.
- Provide the District Board and the Measure S Citizens' Oversight Committee with a performance audit as required under the provisions of the California Constitution and California Education Code.

SCOPE OF THE AUDIT

The scope of our Performance Audit covered the period from August 7, 2013 through June 30, 2014. The expenditures tested included all object and project codes associated with the Bond Projects. The propriety of expenditures for capital projects and maintenance projects funded through other state or local funding sources were not included within the scope of our audit. Expenditures incurred subsequent to June 30, 2014, were not reviewed or included within the scope of our audit.

BACKGROUND INFORMATION

On November 6, 2012, \$128,000,000 in general obligation bonds were authorized by an election held within the Temple City Unified School District (District). A Citizens' Oversight Committee was appointed on December 12, 2012, to comply with the California Constitution and Education Code. The purpose of the Committee is to inform the public at least annually, regarding the appropriate use of the bond proceeds. On August 7, 2013, the first series of bonds in the amount of \$39,998,164 were issued. The total proceeds from the Bond issuance were received by the District (less the original bond issuance costs) and are to be used to finance the renovation, construction, and acquisition of classrooms and school facilities, upgrade science labs and computer systems, repair or replace old and worn-out roofs, restrooms, floors, walkways, heating, lighting, plumbing, water and electrical systems, upgrade instructional technology in classrooms, upgrade and expand wireless systems, telecommunications, internet and network connections, and make other District-wide basic health and safety upgrades as needed. California Constitution, Article XIII A, Section 1 (b) (3) requires an annual performance audit be conducted to ensure that the proceeds of the bonds deposited into the Measure S Bond Building Fund have been expended only on the specific projects publicized by the District.

TEMPLE CITY UNIFIED SCHOOL DISTRICT

PROPOSITION 39 FUNDING

PERFORMANCE AUDIT – MEASURE S

For the Eleven Months Ended June 30, 2014

PROCEDURES PERFORMED

We obtained the general ledger and the project expenditure summary reports and detail prepared by the District for the eleven months ended June 30, 2014 for the Building Fund - Measure S Bond. Within the eleven months audited, we obtained the actual invoices and other supporting documentation for selected expenditures to ensure compliance with Proposition 39/Measure S 2012 funding. We performed the following procedures:

- We reviewed the School Plan Bond Project publicized list of intended projects.
- We selected a sample of expenditures for the eleven months ended June 30, 2014 and reviewed supporting documentation to ensure that such funds were properly expended on the authorized bond projects. Our sample included 24 warrants totaling \$3,132,583. This represents 74% of total expenditures of \$4,261,631; this did not include expenditures for bond issuance costs.
- We compared total project expenditures to budgets, to determine if there were any expenditures in excess of appropriations.
- We verified that funds were used for the renovation, construction, and acquisition of classrooms and school facilities at various schools in the District and we verified that funding was not used for salaries of school administrators or other operating expenses of the District.

CONCLUSION

Based upon the procedures performed, we found that for the items tested, the Temple City Unified School District has properly accounted for the expenditures of the Proposition 39/Measure S 2012 General Obligation Bonds. Further, it was noted that the funds were not used for salaries of school administrators or other operating expenditures.