



Los Alamitos Unified School District
2008 Measure K Citizens' Oversight Committee
ANNUAL REPORT FOR 2009
February 2010

INTRODUCTION

The Los Alamitos Unified School District (the "District"), which serves the cities of Los Alamitos and Seal Beach and the communities of Rossmoor and Surfside and other unincorporated areas of Orange County, is the recognized leader in providing top quality education to Orange County students.

ALL (nine) of the District's eligible schools have been recognized as California Distinguished Schools multiple times. Seven have been named National Blue Ribbon Schools. In 2008 Los Alamitos High School was recognized as one of the top 400 high schools in the nation. Weaver Elementary School is the second highest scoring elementary school in Orange County on statewide assessments. Los Alamitos Unified School District students regularly win honors in county, state, and national competitions, including:

- 20 National Merit Scholars in 2008
- Military Academy appointments
- Academic and athletic scholarships
- Sunset League athletic championships
- CIF championships
- National championships by the high school song leaders
- Sweepstakes championships by the marching band
- Model United Nations, and speech and debate tournaments

In addition, students from the District schools volunteer thousands of hours each year to community and environmental causes.

The achievements have been accrued by the District as a result of the long history of visionary leadership from the Board of Education for the District (the "Board"), as well as from staff members, parents, and members of the District communities. During its long history, the District has benefited from a community which supports its educational institutions by establishing high standards for academic achievement, while at the same time providing the means required to meet and even to surpass those expectations.

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Although maintained well, the average age of District schools is almost 50 years. Los Alamitos Elementary School, the oldest District school, has been serving students and the community for more than 57 years.

In order to provide local students with the same classrooms and school facilities as other California school districts, major repairs, upgrades, and classroom construction are necessary to ensure these buildings will remain functional for future generations.

The District's Board of Education responded on August 5, 2008 by authorizing placement on the November 2008 ballot Measure K, a general obligation school construction bond. If approved, Measure K would provide \$126 million for a wide array of District facility needs with every campus to receive improvements by having classrooms and facilities repaired, upgraded and modernized as necessary, along with \$2 million for technology needs and \$2 million for athletic projects. The number of projects that can be completed with the bond's funds is highly dependent upon construction costs and the amount of State of California matching funds.

Measure K was presented to the voters through the state's Proposition 39 program under which a measure is passed with 55 percent voter approval. On November 4, 2008, Measure K was passed with 62.2% voter approval.

Proposition 39 includes a number of requirements the sponsoring school district must meet before a measure can go before the voters. The Los Alamitos Unified School District had to provide in advance of the election a complete and detailed list of all projects to be undertaken with bond funds. Proposition 39 also includes a number of requirements the sponsoring school district must meet after a measure is approved.

CITIZENS' OVERSIGHT COMMITTEE

Proposition 39 requires the sponsoring school district of an approved measure to establish a Citizens' Oversight Committee to oversee, monitor and inform the public concerning the expenditure of general obligation bond revenues. The Citizens' Oversight Committee must provide annually a report of how bond funds were used in the past year. This is the Los Alamitos Unified School District Measure K Citizens' Oversight Committee's annual report for the fiscal year ended June 30, 2009.

The committee is to consist of at least seven members to serve for a term of two years without compensation, and for no more than two consecutive terms.

The committee must include:

- A. One member who is active in a business organization representing the business community located within the school district.
- B. One member active in a senior citizens' organization.

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- C. One member who is a parent or guardian of a child enrolled in the school district.
- D. One member who is both a parent or guardian of a child enrolled in the school district and active in a parent-teacher organization; and
- E. One member who is active in a bona fide taxpayer's organization.

At the May 12, 2009 meeting of the Board of Education, the Board received a report and appointed the following individuals to the Los Alamitos Unified School District School Facilities Improvement District No. 1 Citizens' Bond Oversight Committee:

<u>Member</u>	<u>Represent</u>	<u>Term Ends</u>
Chuck Anderson	At-Large Community Member	2010
Fabiana Frasca	Parent of School District Student	2010
Diana D. Hill	Chairperson; Business Representative	2011
Lorraine Navarro	Active PTA/Site Council Member	2010
Russell Triplett	Vice Chair; At-Large Community Member	2011
Charles A. Woodfin	Active Member Senior Citizens Group	2011
Dean Zarkos	Member of Taxpayer Organization	2011

The Los Alamitos Unified School District's School Facilities Improvement District No. 1 Citizens' Bond Oversight Committee met on the following dates:

- [June 25, 2009](#)
- [September 17, 2009](#)
- [December 3, 2009](#)

It is planned that at the April 20, 2010 regular meeting of the Board of Education, the Committee will present the 2009 Annual Report of the Citizens' Oversight Committee.

EXPENDITURES

The California Constitution specifically limits the expenditures of bond revenues to: construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities.

The issuance of the first \$27 million of the \$126 million authorized with the passage of Measure K was deposited in the Orange County Treasurer's Office on January 29, 2009.

As disclosed in the Proposition 39-required annual independent auditor's report, the total amount expended during the 2008-09 fiscal year was \$1,275,980.91.

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An itemized list of the expenditures was provided by the Los Alamitos Unified School District accounting staff as additional supporting documentation to the annual audit. The independent accounting firm of Vavrinek, Trine, Day & Company prepared the audit report, *Los Alamitos Unified School District Proposition 39 Review of Election 2008, Series 2009 General Obligation Bonds with Independent Auditors' Report on Applying Agreed-Upon Procedures, June 30, 2009.*

These funds were used for modernization work at McGaugh Elementary School and planning and design of modernization projects for Los Alamitos Elementary School and McAuliffe Middle School.

For McGaugh Elementary School, the funds were used for the following categories: site preparation, including engineering, environmental review and testing; planning, including architects and Division of State Architect review; construction, including construction manager, temporary facilities and utilities. In addition, there were costs for State of California required inspections and furniture and equipment.

For Los Alamitos Elementary School and McAuliffe Middle School modernizations, the funds were used for the following categories: Site Preparation, Planning, including architects and Division of State Architect. As of June 30, 2009, no construction had begun at either of the modernization sites.

AUDIT

Proposition 39 requires that the sponsoring school district, of an approved measure, conduct an annual independent performance audit to ensure that bond funds have been expended only on the specific projects included on the list of projects the district was required to provide before Measure K was presented to the voters.

Proposition 39 also requires that the school district conduct an annual independent financial audit of the proceeds from the sale of the bonds until all of the proceeds have been expended for the school facilities projects.

The annual audit of the Los Alamitos Unified School District's Measure K bond expenditure was conducted by Vavrinek, Trine, Day & Co., an independent auditing firm. In the firm's report of that audit it states, "In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Building Fund of the District at June 30, 2009, and the changes in financial position thereof for the year then ended in conformity with accounting principals generally accepted in the United States of America."

Vavrinek, Trine, Day & Co. also conducted a review of the expenditures for the period ended June 30, 2009, and their review did not reveal any items that were paid from the general obligation bond funds that did not comply with the purpose of the Bonds that were approved by the registered voters of the District on November 4, 2008.

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The audit report was presented by an accountant of Vavrinek, Trine, Day & Co. for review to the Citizens' Oversight Committee at its December 3, 2009 meeting. This report is available upon request at the Los Alamitos Unified School District's Business Office, 10293 Bloomfield Street, Los Alamitos, California.

WEBSITE

Proposition 39 requires the sponsoring school district of an approved measure to establish a website dedicated to bond matters. All documents received by the Citizens' Oversight Committee and all reports issued by the Committee are a matter of public record and are made available on the District's website.

That website can be found at the Los Alamitos Unified School District homepage at www.losal.org. By clicking on "Bond Information", visitors will find all available documents presented to the committee, including:

- Meeting agendas
- Meeting minutes. Minutes of a meeting cannot be provided until they are approved by the Committee.
- The "Project List" of all bond projects required prior to Measure K going before the voters
- California Education Code Provisions for Citizens' Oversight Committees
- Reports and other documents prepared and presented to the Committee

CONCLUSIONS

The Los Alamitos Unified School District's Measure K Citizens' Oversight Committee has met and reviewed the report of the audit of bond expenditures conducted by Vavrinek, Trine, Day & Co. for the fiscal year ending June 30, 2009. The report and the Citizens' Oversight Committee website can be found on the Los Alamitos Unified School District's webpage at www.losal.org.

The Oversight Committee finds the Los Alamitos Unified School District to be in compliance with the requirements of Article XIII A, Section 1 (b)(3) of the California Constitution.

Diana D. Hill, Committee Chair
Russell Triplett, Committee Vice Chair