



Los Alamitos Unified School District
Citizens' Bond Oversight Committee for the 2008 Measure K
ANNUAL REPORT FOR 2015
March 2016

INTRODUCTION

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

All of the District's nine schools have been recognized as California Distinguished Schools multiple times. Eight have been named National Blue Ribbon Schools. Los Alamitos Unified School District students regularly win honors in county, state, and national competitions, including:

- 12 National Merit Semi-Finalists
- Military Academy appointments
- Academic and athletic scholarships
- Reigning Show Choir National Champions
- Multiple Sunset League athletic championships
- Reigning CIF Boys Tennis Champions
- American High School Track Record for Mile Medley Relay
- Reigning National and World Champions in Song and Cheer
- Sweepstakes championships by the marching band
- Model United Nations, and speech and debate tournaments
- All School California Distinguished Schools
- All Secondary Schools Gold Ribbon Schools for the State of California
- Over 1,000,000 views on our school YouTube Channels

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

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standards for academic achievement, while at the same time providing the means required to meet and even to surpass those expectations.

Although maintained well, the average age of District schools was almost 50 years. Los Alamitos Elementary School, the oldest District school, had been serving students and the community for more than 63 years before being modernized.

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. As approved, Measure K provided \$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.

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 a strong 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 calendar year 2015.

The committee is to consist of seven members to serve for a term of four years without compensation.

The committee must include:

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

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- B. One member active in a senior citizens' organization.
- 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.

The committee is currently made up of the following individuals:

<u>Member</u>	<u>Represent</u>
Chuck Anderson	At-Large Community Member
Jim Arakawa	Active PTA/Site Council Member
Fabiana Frasca	Parent of School District Student
Marco Navarro	Business Representative
Nancy Nien	Chairperson; Member of Taxpayer Organization
James F. Oliver	Active Member of Senior Citizens Group
Russell Triplett	Vice-Chairperson; At-Large Community Member

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

- March 18, 2015
- October 14, 2015
- January 27, 2016
- April 6, 2016

It is planned that at the May 10, 2016 regular meeting of the Board of Education, the Committee will present the 2015 Annual Report of the Citizens' Oversight Committee.

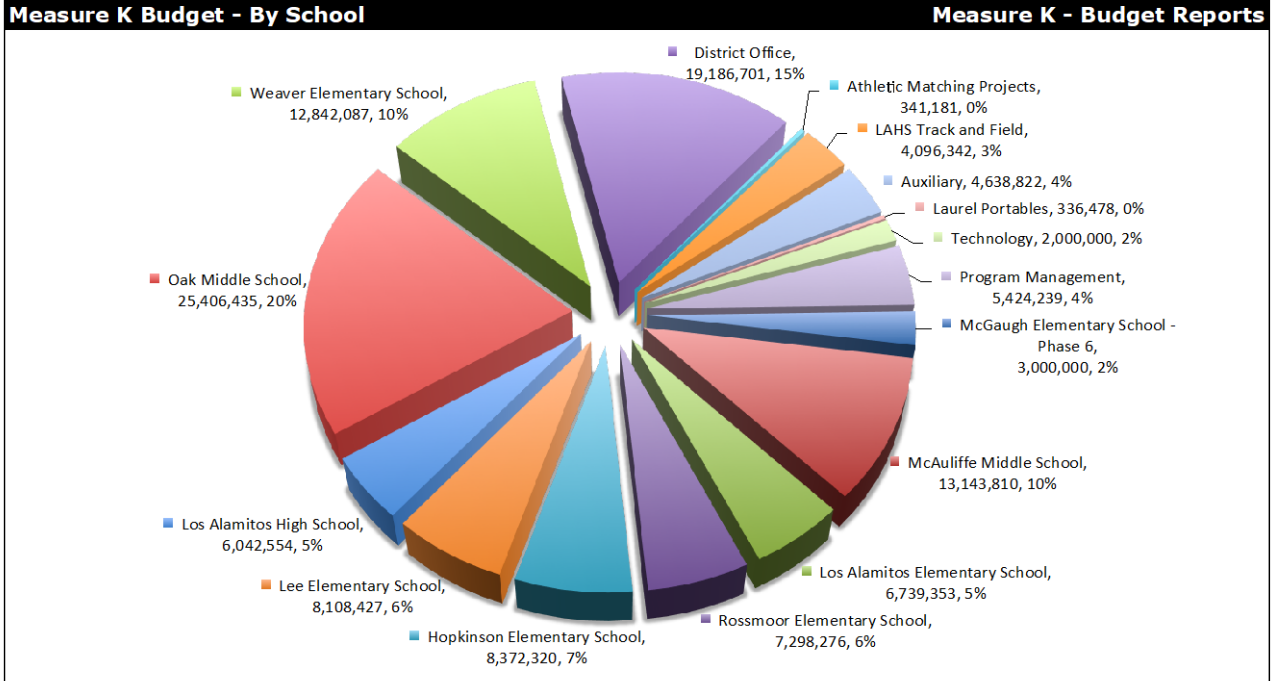
BUDGET

Following are two charts which represent the current budgets expressed both by school and by expense categories as they stand on December 31, 2015:

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Fiscal Year 2015-2016
Last Update December 31, 2015

Measure K - Comprehensive Modernization Program
Los Alamitos Unified School District



School / Project	Actual Measure K Budget
McGaugh Elementary School - Phase 6	3,000,000
McAuliffe Middle School	13,143,810
Los Alamitos Elementary School	6,739,353
Rossmoor Elementary School	7,298,276
Hopkinson Elementary School	8,372,320
Lee Elementary School	8,108,427
Los Alamitos High School	6,042,554
Oak Middle School	25,406,435
Weaver Elementary School	12,842,087
District Office	19,186,701
Athletic Matching Projects	341,181
LAHS Track and Field	4,096,342
Auxiliary	4,638,822
Laurel Portables	336,478
Technology	2,000,000
Program Management	5,424,239
Total	126,977,025

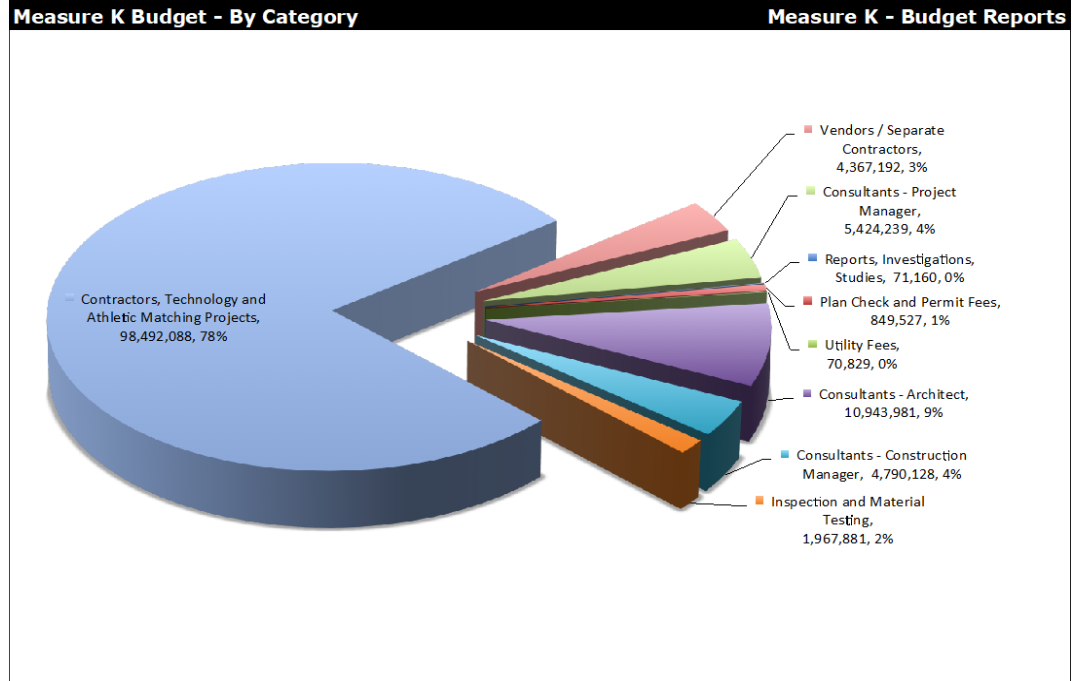
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Fiscal Year 2015-2016

Last Update December 31, 2015

Measure K - Comprehensive Modernization Program

Los Alamitos Unified School District



Category	Approved Budget
Reports, Investigations, Studies	71,160
Plan Check and Permit Fees	849,527
Utility Fees	70,829
Consultants - Architect	10,943,981
Consultants - Construction Manager	4,790,128
Inspection and Material Testing	1,967,881
Contractors, Technology and Athletic Matching Projects	98,492,088
Vendors / Separate Contractors	4,367,192
Consultants - Project Manager	5,424,239
Total	126,977,025

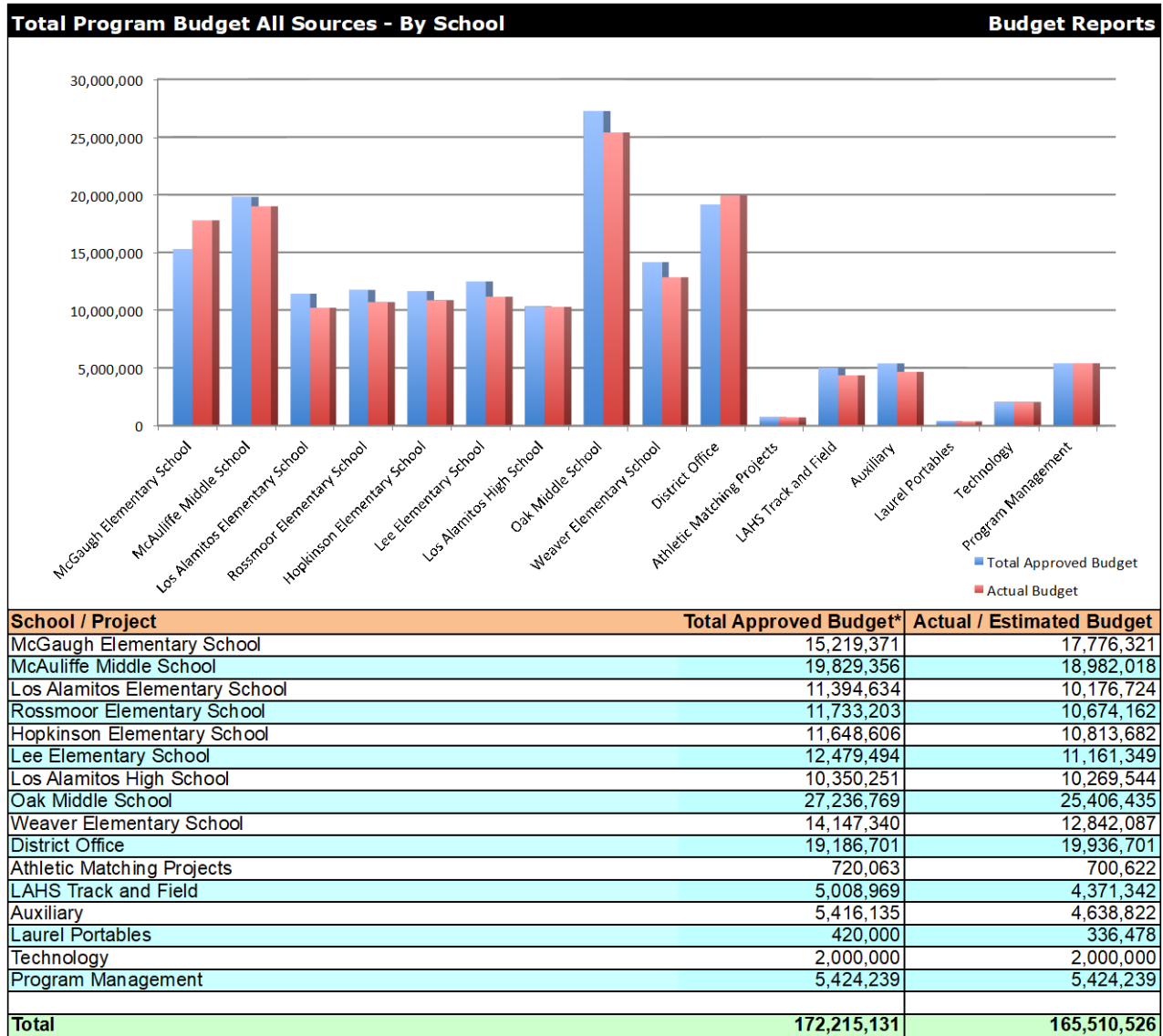
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BUDGET BY TOTAL PROGRAM

Because some projects have other revenue sources besides Measure K that have helped complete them, including State Bond Funds, Deferred Maintenance, or local donations, the following chart shows “Total” Budget from all sources, both at the time of approval and actual at completion of the project.

Fiscal Year 2015-2016
Last Update December 31, 2015

Measure K - Comprehensive Modernization Program
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* Total Approved Budget Includes all sources

** Remaining Funds from Athletic Matching Projects were allocated to Soft Ball Team Rm within LAHS Project and to Track and Field Project

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REVENUE

The District has completed the sale of bonds until 2024, at which time the remaining authorization may be sold. The only revenue this year was from interest at \$54,106.

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.

As disclosed in the Proposition 39-required annual independent auditor's report, the total amount expended during the 2014-15 fiscal year was \$16,147,387. 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, Building Fund (Measure K), Financial Audit and Performance Audits, June 30, 2015*.

These funds were used for modernization work at Weaver Elementary School, Oak Middle School, and the District Offices.

For Weaver Elementary School, Oak Middle School, and District Offices, 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.

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TIMELINE

Below is a table summarizing the timelines for projects under Measure K:

Site	Begin Architectural Drawings	Submit Drawings to DSA/Projection of when Contractor Selection Process will be Completed	Projected Start Date of Construction at Site	Projected Construction Completion
McGaugh Elementary (Phase VI)	December 2008	June 2009	September 2009	January 2010
McAuliffe MS	December 2008	June 2009	June 2010	August 2011
LAE	December 2008	June 2009	June 2010	August 2011
Rossmoor Elementary	December 2009	June 2010	June 2011	August 2012
Hopkinson Elementary	December 2009	June 2010	June 2011	August 2012
Lee Elementary	December 2010	June 2011	June 2012	August 2013
LAHS Gym	December 2010	June 2011	June 2012	January 2013
Oak MS	December 2011	June 2012	April 2013	November 2014
Weaver Elementary	December 2011	June 2012	June 2013	September 2014
LAHS Track & Field	January 2011	July 2012	May 2013	November 2013
District Office(s)	December 2012	March 2014	July 2014	October 2015

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 (Measure K) of the Los Alamitos Unified School District as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles 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, 2015, and their review did not reveal any items that were paid from the general

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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.

The audit report was presented by an accountant of Vavrinek, Trine, Day & Co. for review to the Citizens' Bond Oversight Committee at its January 27, 2016 meeting. This report is available online or upon request at the Los Alamitos Unified School District's Business Office located at 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 AND THE FUTURE

The Los Alamitos Unified School District's Measure K Citizens' Bond 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, 2015. The report and the Citizens' Bond 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.

As all construction for Measure K is complete, the Oversight Committee wanted to take this opportunity to thank the District for getting so much more than was promised, accomplished through efficient and effective management of the construction projects.

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The Committee also recognizes that there are still additional requests for many things that many people believe still need to be accomplished in the District, such as:

- New Performing Arts Center
- Additional Science Classrooms
- Improved Aquatics Center
- Additional Gymnasium at the High School
- Gymnasium at McAuliffe Middle School
- Multi-Purpose Rooms at Elementary Schools
- Improved Parent/Bus Drop-Off/Additional Parking at All Sites
- Additional Shade Structures
- Replace Playgrounds

and the Committee calls upon the Citizens of the Community to consider when they will seek to fund these additional needs for the schools.

Nancy Nien, Committee Chair
Russell Triplett, Committee Vice-Chair