

LAS VIRGENES UNIFIED SCHOOL DISTRICT

ANNUAL REPORT OF THE MEASURE G
CITIZENS' BOND OVERSIGHT COMMITTEE

TO THE BOARD OF TRUSTEES

FOR THE YEAR ENDED DECEMBER 31, 2012

**MEASURE G CITIZENS' BOND OVERSIGHT COMMITTEE REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012**

Board of Trustees (*the "Board"*)
Las Virgenes Unified School District (*the "District"*)
Calabasas, California

Dear Members of the Board:

The Measure G Citizens' Bond Oversight Committee (*the "Measure G Committee" or the "Committee"*) respectfully submits its fifth annual report to the Board, for the year ended December 31, 2012:

- I. **The Establishment and Operation of the Committee:** The Measure G Committee was established by the Board, on October 24, 2006, by the adoption and approval of Resolution No. 06-06, which resolution also adopted an Ethics Policy Statement and Bylaws for the Committee.

- II. **Purposes of Committee and Limitations of Report:** As stated in its Bylaws, the Measure G Committee was established by the Board to satisfy the accountability requirements of Prop 39 with regard to the Measure G Bonds, approved at the election conducted June 6, 2006 (*the "Measure G"*), of up to \$128,000,000 (*the "Bond Proceeds"*). This report is limited by various material restrictions on the Committee's legal capacity and activities, as stated in its Bylaws, as follows:
 - A. The Measure G Committee does not have independent legal capacity from the District;
 - B. May only receive copies of reports and documents which have been previously presented to the Board and which are public records; and
 - C. Only has duties and can only engage in activities that are confined specifically to the Bond Proceeds generated under Measure G, (and as otherwise provided for in its Bylaws), *and this report is so limited.*

- III. **Summary of Measure G Committee's Proceedings and Activities For the Preceding Year:**
 - A. **All Required Meetings Held:** The Committee hereby reports that it has met all of the requirements contained in its Bylaws to hold regular public meetings and that all of its business and member votes (including, but not limited to, with regard to the approval and adoption of this report), were taken with the required quorum of a majority of the Committee members. All of the following meetings were open to the public and held within the boundaries of the District and, on information and belief, were duly

noticed by the District and in accordance with the *Ralph M. Brown Act*,
Government Code Section 54590 *et seq*;

<u>Date</u>	<u>Place</u>
January 12, 2012	District Office
May 29, 2012	District Office
October 11, 2012	District Office
December 6, 2012	District Office

B. **Summary of Authorized Activities of the Committee:** Attached hereto as **Exhibit "1"** and incorporated herein by this reference are true and correct copies of the minutes of the meetings of the Committee (*the "Minutes"*). The Minutes provide some of the details of the actions and activities of the Committee during the past year. With regard to any reference to any reports and documents received and reviewed by the Committee, the District has indicated that all such documents were provided by the District, with an indication that they had been presented to the Board and were a public record. In accordance with the Committee's Bylaws, the following is a summary of these activities, all of which were conducted at the Committee's public meetings:

1. Receiving, reviewing, discussing and making inquiries with regard to that certain "Agreed Upon Procedures" audit of Bond Proceeds expenditures presented to the Board and provided by the District entitled "Las Virgenes Unified School District, General Obligation Bonds, Measure G, Financial And Performance Audits, dated as of June 30, 2011, prepared for the Board by Vavrinek, Trine, Day & Co., LLP, Certified Public Accountants, (*the "Audit Accountant"*) constituting the District's annual independent performance audit and annual independent financial audit, required by Article XIII A of the California Constitution (*the "2012 Audit Report"*).
2. Meeting with the Audit Accountant regarding the 2012 Audit Report, at which time it was presented and explained to the Committee and the Committee asked questions regarding the same.
3. On an ongoing basis, from time to time, receiving, reviewing, discussing and making inquiries with regard to various reports, documents and other public records relating to the expenditure of Bond Proceeds, including, but not limited to, various line item expenditure reports;

4. Inspecting and/or receiving progress and status reports on projects and school facilities and grounds for which Bond Proceeds have been or will be expended.
5. Reviewing efforts by the District to maximize Bond Proceeds by implementing various cost-saving measures;
6. Reviewing Bylaws and responsibilities of the Committee;
7. Reviewing project lists and details; priorities lists; campus and proposed plans; interim financial and Bond Proceeds expenditure reports; and County data reports on expenditures;
8. Receiving briefings from the District, at public meetings, on current Measure G projects, and plans and expenditures;
9. Receiving confirmation and assurances from the District, at public meetings, that the District had satisfactorily addressed certain issues raised by the Committee with regard to various expenditures of Bond Proceeds;
10. Advertising and holding public meetings, in a continuing effort to inform the public.

IV. **Report on Duties of Committee:** Under its Bylaws, in addition to reporting on the activities it engaged in during the year, the Measure G Committee has the duty to report, and does hereby report, to the Board, on the following:

A. **Informing the Public:** The Measure G Committee hereby reports that it has discharged its duty to inform the public concerning the District's expenditure of Bond Proceeds, in accordance with Section 3.1 of its Bylaws, by, among other things, giving the required notice of its meetings and holding them in public; by preparing and providing this report to the Board, at a meeting held in public, and by posting this report to the District website, along with a copy of the 2012 Audit Report from the Audit Accountant; and by engaging in the Activities described above and immediately below; and

B. **Committee's Report on its Review of Expenditures:** As a result of holding its required meetings; of preparing and providing this report; and as a result of engaging in the Activities described above (and in reliance on the 2012 Audit Report and the other expenditure documents, reports, information and confirmations provided by the District):

The Measure G Committee hereby reports that, to the best of its knowledge, information and belief, through June 30, 2012:

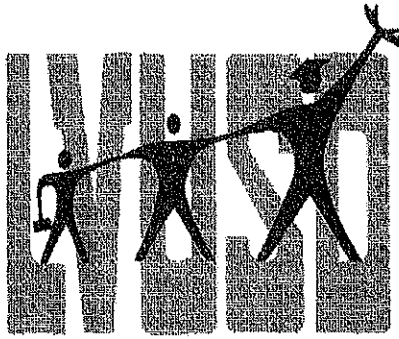
- (1) **The Bond Proceeds were expended only for the purposes set forth in the Measure G;**
- (2) **No Bond Proceeds were used for any teacher or administrative salaries or other operating expenses; and**
- (3) **The District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution.**

Respectfully submitted,

MEASURE G CITIZEN'S OVERSIGHT COMMITTEE

**By: _____
Sarah Reines and Alicia Weintraub, Co-Chairs
As of December 31, 2012**

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**LAS VIRGENES UNIFIED SCHOOL DISTRICT
MEMORANDUM**

TO: Measure G Oversight Committee Meeting Minutes
FROM: Donald M. Zimring, Ph.D.
DATE: January 17, 2012
SUBJECT: Measure G Meeting Minutes – Meeting of January 12, 2012

Members Present: Jeffrey Costell, Interim Chair; Lesli Petersil, Member; Carlos Cojulun, Member; Lydia Gable, Member; Pam Evans, Member; Lissa Shotty, Member; and Donald Zimring, Superintendent of Schools.

Interim Chair Costell convened the meeting at 4:05 p.m.

Approval of Minutes

Minutes from the September 15, 2011 meeting were approved with the following correction – Lissa Shotty had been reported present at the September 15 meeting, but was absent; Lydia Gable had been reported absent from the September 15, meeting but was present.

Final Review – Annual Report to the Board of Education

Committee members discussed and approved the final language for the annual report to the Board of Education relative to Measure G expenditures for the fiscal year 2010/2011.

Review of Revised Measure G Audit Report

Members reviewed the revised audit report and accepted it.

Review of Quarterly Update – Measure G Expenditures

Committee members reviewed the quarterly update of Measure G expenditures. Committee member Pamela Evans asked staff to pass along the committee's desire that the project be updated so that the quarterly report did not represent a continual deficit position. Specifically, committee members are seeking an updated project list that accurately reflects the current Measure G balances.

Construction Update - Tour of Performing Arts Education Center

Committee members participated in a tour of the Agoura High School Performing Arts Education Center currently under construction. Everyone expressed their pleasure with the project.

Review of Handout Articles

Dr. Zimring had the members review two handout articles, one dealing with a new requirement that oversight committees review annual audits (for the record, this oversight committee has always done that); the second article dealt with an L.A. Times report on the absence of communication and collaboration between the City of Los Angeles and the Los Angeles Unified School District in the bungled efforts to build a park, which in turn conflicted with a school site at the same location.

Review of Board Action – Continuance of Service on Statutory Committee pending Appointment of New Members

Dr. Zimring reported that the Board of Education unanimously approved at their January 10, 2012 meeting, language recommended by bond counsel allowing current committee members to continue in their roles until new appointments are made. Dr. Zimring stated that each of the committee members will be receiving a letter asking for their continued service, and expressed his appreciation on behalf of the Board for the committees' efforts.

Committee Members approved May 10, 2012 at 5:30 p.m. for their next meeting.

Interim Chair Jeff Costell adjourned the committee meeting at 5:30 p.m.

DMZ:dj

LAS VIRGENES UNIFIED SCHOOL DISTRICT

MEASURE G OVERSIGHT COMMITTEE

May 29, 2012

Members Present:

Alicia Weintraub
Sarah Reines
Rich Gupta
Kim Hamilton
Jay Esban
Mathy Wasserman
Carlos Cojulun

Also Present:

Jeff Costell - Interim Chair Person
Donald Zimring - District Superintendent
Cindy Iser - Board of Education
Karen Kimmel - Assistant Superintendent - Business
David Casnocha - Stradling, Yocca, Carlson, Rauff

Interim Chair Person Jeff Costell called the meeting to order at 4:30 pm.

Welcome New Committee Members

Don Zimring welcomed and introduced the new members of the committee.

Introduction of Prop 39 Bond Requirements/Review of Bylaws/Review of Committee Responsibilities

The district's bond counsel, Dave Casnocha from Stradling, Yocca, Carlson, Rauff reviewed the Prop 39 bond requirements with the new members. He also reviewed the bylaws and purpose and responsibilities of the committee.

Election of Committee Chair

The committee elected Alicia Weintraub and Sarah Reines as co-chair persons for the committee.

Status of Bond Projects

Don Zimring presented a project update PowerPoint. In his presentation, he reviewed projects that have been completed as well as current projects and future projects.

Dr. Zimring stated that the two performing arts education centers (AHS/CHS) are currently under construction and should be completed and ready for occupancy in January 2013.

**Measure G Oversight Committee
May 29, 2012**

Measure G District Summary Report

Don Zimring reviewed the current summary report with the committee members.

"State of Committee" Report by Past Chair

Jeff Costell gave a background and review of past meetings reflecting on the committee's goals and purpose. He thanked everyone for their support during his term on the committee.

Establishment of Meeting Dates

The committee established the following dates for meeting for 2012/13:

Thursday, October 4, 2012
Thursday, December 6, 2012
Thursday, February 7, 2013
Thursday, May 2, 2013

The committee established that the meetings would begin at 6:30pm and would be held at the Las Virgenes Unified School District Office.

The meeting adjourned at 6:30pm

MEASURE G OVERSIGHT COMMITTEE

MINUTES
October 11, 2012

Members Present:

Carlos Cojulun
Rich Gupta
Jay Esban
Sarah Reines
Alicia Weintraub

Members Absent:

Kim Hamilton
Mathy Wasserman

Guests:

Dan Stepenosky - Superintendent
Cindy Iser -- President -- Board of Education
Karen Kimmel -- Assistant Superintendent-Business Services
Dan Dieffenbach

The meeting was called to order at 6:41pm.

Dan Stepenosky thanked everyone for their attendance and for representing the committee. Committee member introduced themselves and stated their capacity in representing the committee.

Measure G District Summary Report

Karen Kimmel presented the Measure G Summary Report. Karen explained the report stating that the front page represented the overall commitments of the bond while the following pages showed overall commitments by school site. Committee members reviewed the report with questions regarding the district outsourcing of the management of our construction projects. Mrs. Iser explained that because of the complexity of these large scale (remodel of LCMS and two performing arts education centers), the Board of Education felt it was in the district's best interest to hire an owner-representative to oversee these construction projects as their expertise in large construction projects would be beneficial to the district.

There was also a question regarding the salary of the newly hired theater manager position. It was explained that at the present time, this could be charged to the bond as this position would be instrumental in making the performing arts education centers operational.

Two items (books and a magazine subscription) were questioned as chargeable expenses to the bond funds. Staff will investigate these two items for clarification.

District/State Budget

Karen Kimmel gave a report of the current status of the state budget and how it has affected the district budget. She stated that over the past five years the district has had to make approximately \$4.5 million in cuts (i.e. 40-50 less teachers; class size reduction now at 22:1 in grades K-3; shrinking sections at the high school; reduction in administration).

There were discussions regarding the new Foundation (T.H.E.) and their mission to expand to the community for future funding.

Staff discussed how Proposition 30 and 38 would impact the district and budget implications.

Status of Bond Projects

Karen Kimmel presented an overview of the ongoing performing arts education centers projects. She stated that the projects were progressing well and that the major construction would be completed in November with work focused on the furniture, fixtures, and equipment. Ms. Kimmel informed the committee that there would be an upcoming grand opening the weekend of January 25-26. Additionally, there are public tours of the PAEC's on the first Wednesday and Thursday of the month.

Ms. Kimmel also informed the committee that the Lindero Canyon Middle School Project was completed and the district was able to realize an approximate \$1 million savings overall.

Upcoming potential projects that were discussed were the repurposing/remodeling of the G Building at Agoura High School and a major wireless project for all schools.

Schedule of Audit Report

Each year, the district's auditors present the annual Measure G Audit Report to the committee members for review. This will take place at the December 6, 2012 meeting.

Refinance of Bonds

Karen Kimmel distributed a report to the committee describing a refinancing opportunity of the 2004 Measure R Bonds. This refinancing will not have an impact on the district but would provide a savings to the taxpayers. The committee showed consensus in support of this positive decision.

The next meeting will be held on Thursday, December 6, 2012, at 6:30 pm at the District Office.

The meeting adjourned at 7:54pm.

MEASURE G OVERSIGHT COMMITTEE

MINUTES

December 6, 2012

Members Present:

Dan Dieffenbach
Jay Esban
Kim Hamilton
Sarah Reines
Alicia Weintraub

Members Absent:

Rich Gupta
Mathy Wasserman

Guests:

Dan Stepenosky – Superintendent
Karen Kimmel – Assistant Superintendent- Business
Royce Townsend – Vavrinek, Trine, Day & Co., Inc. – Auditor

The meeting was called to order by Co-Chair Person Alicia Weintraub.

Annual Measure G Audit Report

Royce Townsend, representative from Vavrinek, Trine, Day & Co., Inc., presented the Measure G Audit Report. In his review, Mr. Townsend stated that the audit report is broken down into two audits; i.e., Financial Audit and Performance Audit, which meets the requirements of the Government Auditing Standards. The financial portion represents the auditing of the actual financial statements relating to the Building Fund (Measure G) while the performance portion represents an audit of the District's Building Fund's internal control over the financial reporting and compliance.

Mr. Townsend explained the auditing process stating that they do not look at every single transaction but rather use a sampling methodology whereby they test a majority (approximately 85%) of the transactions. Therefore, their responsibility is to determine if they can issue an "unqualified" opinion of the financial statements. Mr. Townsend expressed that upon completion of the report, there were no significant findings discovered during the course of the audit, and they have issued an "unqualified" opinion.

Mr. Townsend was available for questions from the committee and offered his contact information should committee members have subsequent questions at a later time.

Measure G District Summary Report

Karen Kimmel presented the summary report. She began by stating that two expenditures from the previous report (books \$895 and magazines \$148) were removed from the Measure G funds and charged appropriately to other funds. Committee members reviewed the report. One

concern that was expressed was the expenditure for two new grand pianos for the new Performing Arts Education Centers. Ms. Kimmel explained that extensive cost/value research was done prior to the purchase and when these models (soon to be discontinued) became available, it was imperative that they be purchased immediately so that they could obtain them at the best value possible. Karen further explained that the Board of Education approved a specific budget for furniture, fixtures, and equipment for each site. She assured the committee that every transaction is reviewed prior to any expenditure being made.

Ms. Kimmel also pointed out that with the completion of the Lindero Canyon Middle School renovation and remodel, the district was able to realize a savings of over \$957,000 in the cost of construction. The entire project came in \$1.9 million under budget and per the contract, the savings was split between the contractor and the district.

District/State Budget Update

Karen Kimmel gave a brief synopsis of the effect on the district budget with the passage of Proposition 30. She stated that the passage has staved off further cuts for this year, but it hasn't solved the budget problem for the long term. Because of its passage, the district was able to take back potential furlough days that were placed on the district calendar for this year in the event the proposition did not pass. Karen stated that the district will continue to be very conservative in its budget planning and layer in more cuts and revisions as necessary.

Ms. Kimmel also reported that the Governor will be proposing his budget for next year in January. The Governor is proposing to fund school districts on a weighted student formula model meaning that districts would be funded based on demographics. This could prove to be detrimental to our school district due to our socioeconomic demographics as well as our small population of English language learners.

Status Report – Bond Projects

As stated previously, Lindero Canyon Middle School is now complete and the district realized an estimated savings in construction costs of over \$957,000.

Karen Kimmel stated that the Performing Arts Education Centers should be completed by the end of December; we are currently working on the furniture, fixtures, and equipment. There is a grand opening event planned for Friday, January 25 and Saturday, January 26 with a ribbon cutting along with an opening performance on January 25, and on January 26 more than 15 different performances being offered. All committee members are invited to this event.

Ms. Kimmel reported that the district is about to embark on a district wide wireless project. This will be a 10-month project in which wireless capabilities will be placed in every classroom in the district.

There was a question expressed about where future bond dollars would be allocated. Ms. Kimmel explained that this is basically the decision of the Board. At this time, they want to wait until our large construction projects are completed and then take a look at the available funds later in the year.

A question arose regarding the unissued bonds. Ms. Kimmel stated that at the present time, the district would not be issuing any further bonds. The Board remains committed to maintaining their promises to the taxpayers. The district was successful in refinancing an older series in order to take advantage of a better interest rate.

Next Meeting:

The next meeting of the Measure G Oversight Committee will be on February 7, 2013 at 6:30pm.

Future meetings:

February 7, 2013

May 2, 2013.

The meeting was adjourned at 7:50 pm.