

## Caldwell Flores Winters, Inc.

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SCHOOL DISTRICT

Measure "O" Bond Oversight Committee Update

# Program Overview

- Phase I of the program is complete and focused on addressing academy level needs at the grade 6-8 middle schools
- Phase II is underway and focuses on improvements at the grade 3-5 schools, starting with Walnut Elementary School, as well as continued technology efforts
- Improvements underway at Walnut Elementary are a combination of interior classroom and support facilities upgrades and exterior site improvements
- To date, the District has issued approximately \$13.9 million in Measure "O" bonds, leaving approximately \$17 million in remaining authorization

















Walnut Elementary Improvements



## District Bond Authorizations

		Debt Summary			
Series	Issue Date	Amount Sold	Actual 2015-16 Tax Rate	Actual 2016-17 Tax Rate	Actual 201 <i>7-</i> 18 Tax Rate
sure "K" - \$16 <i>N</i>	lillion Authorization				
2000A	September 28, 2000	\$11,046,713	\$14.55	\$16.41	\$16.02
2001A	November 29, 2001	2,267,884	3.41	3.43	3.45
2002A	September 5, 2002	2,684,699	3.34	3.39	3.77
	Total:	\$15,999,295			
	Remaining Authorization:	<b>\$0</b>	\$21.30	\$23.23	\$23.24
sure "O" - \$31 <i>N</i>	Nillion Authorization				
2012A	December 27, 2012	\$6,495,425	\$1.74	\$1.57	\$1.55
2015B	March 24, 2015	3,700,000	2.42	2.39	2.44
2017C	March 30, 2017	3,740,000	-	-	3.35
	Total:	\$13,935,425			
	Remaining Authorization:	\$17,064,575	\$4.16	\$3.96	\$7.34
		TOTAL TAX RATE:	\$25.46	\$27.19	\$30.58

- The Total Tax Rate for all outstanding bonds estimated to voters in 2012 was \$33.00
- □ The District has the capability to issue additional bonds as the current tax rate is \$30.58



# **Expenditures Overview**

- As of June 30, 2017, approximately \$11.2 million has been expended for Phase I and Phase II improvements
- Of this amount, approximately \$9.6 million was expended using Measure "O" funds
- Expenditures are presented in two general categories to include interior facilities improvements and exterior campus improvements at the sites
- Deferred maintenance and energy management improvements have been recategorized from Districtwide to Imperial and Washington for reporting purposes to reflect completed improvements during Phase I



# Phase I Program Expenditures (as of June 30, 2017)

Project	Budget	2012 - 2013	2013 - 2014	2014-2015	2015-2016	2016-2017	Total
Imperial Middle School							
Classroom Improvements/Science Labs/Academy Center	\$1,980,864	\$56,945	\$192,073	\$1,041,408	\$425,216	\$25,734	\$1,741,377
Campus Entry/Safety & Courtyards		\$25,030	\$470,275	\$4,647	\$5,173	\$0	\$505,126
Deferred Maintenance & Energy Management	\$47,149	\$19,350	\$27,799	\$0	\$0	\$0	\$47,149
Total	\$2,535,819	\$101,326	\$690,148	\$1,046,055	\$430,389	\$25,734	\$2,293,652
Washington Middle School							
Classroom Improvements/Academy Center	\$2,278,764	\$41,346	\$240,338	\$1,189,862	\$483,393	\$16,485	\$1,971,424
Campus Entry/Drop-off/Site Outdoor Lighting/Kitchen Lighting	\$235,245	\$13,809	\$158,937	\$0	\$2,434	\$0	\$175,179
Deferred Maintenance & Energy Management	\$47,149	\$19,350	\$27,799	\$0	\$0	\$0	\$47,149
Total	\$2,561,159	\$74,504	\$427,074	\$1,189,862	\$485,827	<i>\$16,485</i>	\$2,193,752
Districtwide							
Technology							
Equipment	\$938,705	\$842,952	\$52,749	\$39,653	\$0	\$0	\$935,354
Wiring	\$77,226	\$0	\$77,226	(\$45,200)	\$0	\$0	\$32,026
Lease payments	\$646,398	\$0	\$328,645	\$317,754	\$0	\$0	\$646,398
Roofing	\$845,089	\$509,039	\$336,050	\$0	\$0	\$0	\$845,089
Total	\$2,507,419	<i>\$1,351,991</i>	<i>\$794,670</i>	<i>\$312,207</i>	<i>\$</i> 0	<i>\$</i> 0	\$2,458,868
Program Reserve							
Program Reserve	\$382,085						
*GRAND TOTAL	\$7,986,482	\$1,527,821	\$1,911,892	\$2,548,125	\$916,216	\$42,219	\$6,946,273

### \*Notes:

- 1 The budget will be updated on an ongoing basis
- ${\bf 2}\ {\bf Total}\ program\ expenditures\ include\ a\ combination\ of\ funding\ sources:$

	2012-13	2013-14	2014-15	2015-16	2016-17	Total
Measure "O"	\$1,123,315	\$1,911,892	\$1,621,719	\$681,561	\$46,880	\$5,385,367
Measure "K"	\$404,507	\$0	\$576,805	\$234,655	\$0	\$1,215,967
Special Reserve Fund 40	\$0	\$0	\$349,600	\$0	(\$4,662)	\$344,938
Total	\$1,527,821	\$1,911,892	\$2,548,125	\$916,216	\$42,219	\$6,946,273

- 3 Non-program expenditures include a total of \$2,083,492 as follows:
  - a. \$578,308 of other non-program related expenses (e.g., cost of issuance, county election costs, and other non-program expenses)
  - b. \$1,505,184 income and expenditure posting for technology



# Phase II Program Expenditures (as of June 30, 2017)

Project	Budget	2014-2015	2015-2016	2016-2017	Total
Wolanut Flamouton, School					
Walnut Elementary School  Classroom Improvements/21st Century FF&E	\$5,776,182	\$15,656	\$624,326	\$3,180,862	\$3,820,844
Site Improvements and Upgrades/Remediate Lunch Area	\$405,637	\$14,236	\$391,401	\$0	
Walnut Elementary School Total	\$6,181,818	\$29,892	\$1,015,727	\$3,180,862	\$4,226,480
Program Reserve					
Program Reserve	\$618,182				
*GRAND TOTAL	\$6,800,000	\$29,892	\$1,015,727	\$3,180,862	\$4,226,480

#### \*Notes:

- 1 The budget will be updated on an ongoing basis
- 2 The above report excludes a total of \$565,324 of other non-program related expenses (e.g., cost of issuance, and other non-program districtwide expenses)



## FY16-17 Financial & Performance Audit

- Measure "O" funds are audited annually by an independent accounting firm
- A Financial and Performance Audit was prepared by the independent accounting firm, Vavrinek, Trine, Day & Co., LLP
- Key findings of the firm's audit reports include:
  - The report disclosed no instances of noncompliance or other matters that are required to be reported regarding the Measure "O" Building Bond Fund
  - The results of the firm's tests indicate that, in all significant respects, the District has properly accounted for the expenditures held in the Measure "O" Building Fund and that such expenditures were made for authorized bond projects



VALUE THE DIFFERENCE

#### INDEPENDENT AUDITORS' REPORT

Governing Board and Citizens Oversight Committee La Habra City School District La Habra, California

#### Report on the Financial Statements

We have audited the accompanying financial statements of the La Habra City School District's (the District), Building Fund (Measure O), as of and for the year ended June 30, 2017, and the related notes to the 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 statement 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 auding standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government nutring Standards, issued by the Compilorel 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 of 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 financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles 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.

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# Annual Report to the Community

- A draft Annual Report to the community has been prepared for the Committee's review and approval that includes:
  - A summary of the Measure "O" bond and its issuance status, and reference to Committee website
  - program status of report and review accomplishments
  - A summary of the conclusions provided in the Financial and Performance audits
  - A report on expenditures through Fiscal Year 2016-17
- Upon the Committee's approval, the Annual Report should be presented to the District's Board in April 2018 by a representative of the Committee and made available to the public

#### La Habra City School District

### March 2018

## Measure "O" Citizens' Oversight Committee **Annual Report to the Community**







Walnut Elementary School Typical Classroom (Left) and Media Center (Right

The Measure "O" Citizens' Oversight Committee (Committee) Measure "O" Citizens' Oversight Committee is pleased to report the status of the La Habra City School District's (District) facilities program. Measure "O" is a \$31 million General Obligation Bond approved by voters in Linda Gonzales November 2012. To date, the District has issued approximately Parent Representative Member \$13.9 million in Measure "O" bonds, leaving approximately \$17 Apita Lomeli million in remaining authorization.

The District's adopted facilities program provides specific PTA, PTSA, School Site Council Parent parameters for the implementation of projects that are phased 🖁 Representative Member over time. Phase I of the plan is complete and focused on Vincent Sinohui addressing academy level needs at the 6-8 middle schools. Key Business Organization Member accomplishments included the modernization of academy and accomplishments included the modernization of declaring the Vacant science classrooms at Washington and Imperial Middle Schools, Community-at-Large Member distribution of over 2 000 iPads to students and teachers electronic marquees and courtyard safety improvements at 🖁 Vacant Washington and Imperial Middle Schools, and roofing repairs/ Senior Citizens' Organization Member replacements at five school sites. Phase II is underway and Application for vacant positions focuses on improvements at the grade 3-5 schools, starting currently available at: with Walnut Elementary School, as well as continued

All projects are consistent with the project list provided to voters by the District's Board of Education. The Committee continues to meet to review progress and expenditures to ensure all funds have been spent as promised to voters.

This report shares program progress and financial information. Ofelia Hanson, Member We thank the La Habra community for their support and hope ! John A. Dobson, Membe that the community will find this report informative

Measure "O" Citizens' Oversight Committee

Parent Representative Member

La Habra City School District Dr. Joanne Culverhouse Superintendent

Board of Education Ida MacMurray, President Cynthia Aguirre, Clerk/Vice President Sandi Baltes, Member



## The Look Ahead.....What's Next?



- Committee to present Annual Report to the Board in April 2018
- Work to continue at Walnut ElementarySchool
- □ The Committee will meet again in October 2018 to review progress and financial activity for Fiscal Year 2017-18

