

LA HABRA CITY SCHOOL DISTRICT  
 Minutes of the Bond Oversight Committee Annual Audit Meeting  
 500 N. Walnut St.  
 La Habra, CA 90631  
 February 26, 2014

<b>Meeting Began</b>	The Bond Oversight Committee Orientation Meeting began at 4:45 p.m. in the District Office Curriculum.
<b>Board Members</b>	<p><b>Bond Committee Members Present:</b> Juana Avila          Dan Casey          Morrison Clements          Anita Lomeli</p> <p><b>Bond Committee Members Absent:</b> Nancy Landa          Mark Lawton          Guillermo Tello</p>
<b>Administrators</b>	<b>Administrators Present:</b> Susan Belenardo, Superintendent Karen Kinney, Chief Business Official
<b>Others</b>	<b>Others Present:</b> Trevor Goller, Caldwell Flores Winters
<b>Approval of Minutes from January 23, 2013</b>	The minutes of the Orientation Meeting of January 23, 2014 were unanimously approved by the Committee on a motion made by Dan Casey, and a second to the motion made by Anita Lomeli. <sup>1</sup>
<b>Review and approval of Performance Audit</b>	<p>Chief Business Official, Karen Kinney, provided a review of the Performance Audit by Jeanette L. Garcia &amp; Associates. Karen explained that the District’s management is responsible for the District’s compliance with laws and regulations. The performance audit determined that the proceeds from the sale of the bonds are used only for 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, and not for any other purpose, including teacher and administrator salaries and other school operating expenses. The District has also met proper bidding procedures and maintained compliance with budget restraints per the Oversight Committee. The bond monies have only been used on projects which were voter approved. Karen explained that all funding was received in 2012 and the next bond sale will be in 2016.</p> <p>On a motion made by Dan Casey, and a second to the motion made by Anita Lomeli, Committee members acknowledge that they have received and reviewed the performance audit as attached to these minutes.<sup>2</sup></p>
<b>Review and approval of Financial Audit</b>	Chief Business Official, Karen Kinney, provided a review of the Financial Audit by Jeanette L. Garcia & Associates. She stated the important piece of this part of the audit is the statement of the auditor’s letter. It is the opinion of the auditors that the financial statements referred to in the report present fairly, in all material respects, the transactions of the 2012 Election Series A General Obligation Bond, Building Fund, of the La Habra City School District, as of and for the years ended June 30, 2013, in accordance with the accounting principles generally accepted in the

	<p>United States of America. Karen reviewed the balance sheet showing assets as of June 30, 2013. There was 5.4 million in the County Treasury, and \$230,000 in accounts payable with \$19,000 due to other funds. The total liabilities fund balance was 5.4 million. Karen also reviewed the revenues and expenditures for fiscal year ending June 30, 2013. Total expenditures were 1.1 million and total revenues of \$159,263. The fund balance beginning June 30, 2013 was at 5.1 million. The District maintains substantially all of its cash in the Orange County Treasury as part of the education investment pool. The County pools these funds with those of other districts in the County and invests and keeps the money safe. Under Notes to Financial Statements the auditors showed an interest of \$1,618 was received as an accounts receivable. Karen reviewed the amortization schedule on page 9 and explained how the assessor's office will be paying back the bond proceeds as they collect the money on property taxes. The District still has the roofing project commitment of \$266,430. Ms. Lomeli addressed the typographical error on page 9 for the year ending 3033 to be corrected to read 2033, error of dates 3034-3038 and 3039 to read 2034-2038 and 2039.</p> <p>Committee members questioned purpose of their positions and their tasks. Dr. Belenardo explained the purpose for the Committee is to ensure that the funds are being spent in accordance to what the voters approved. The auditors will review the expenditures and the Committee will approve the auditors' findings. The Committee is not held accountable for approving the financial numbers or materials. By approving the report the Committee is saying that an audit was completed by a legitimate firm and that no findings were found by the auditors. Committee members asked that all items needed for approval be sent to them prior to the meeting so that they are able to review.</p> <p>On a motion made by Morrison Clements, and a second to the motion made by Anita Lomeli, Committee members acknowledge that they have received and reviewed the financial audit as attached to these minutes.<sup>3</sup></p>
<p><b>Review and approval of Annual Report to the Community</b></p>	<p>Trevor Goller of Caldwell Flores Winter, Inc. reviewed the draft Measure O Citizens Oversight Committee Annual Report to be sent out to community members. A few minor changes were recommended. Trevor will make the changes to the report to be reprinted and sent out.</p> <p>On a motion made by Dan Casey, and a second to the motion made by Anita Lomeli, Committee members unanimously approved the Measure O Citizens Oversight Committee Annual Report to the Community with the revised changes as attached to these minutes.<sup>4</sup></p>
<p><b>Other Business</b></p>	<p>None</p>
<p><b>Adjournment</b></p>	<p>Orientation adjourned at 5:50 p.m. Next Bond Oversight Committee Member meeting is planned for late August or September, exact date to be announced.</p> <p>On a motion made by Morrison Clements, and a second to the motion made by Dan Casey, Committee members unanimously agreed to adjourn the meeting.</p>

**Minutes  
Approved:**

At subsequent Committee meeting.

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Susan Belenardo  
Superintendent

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<sup>1</sup> Approval of Minutes

<sup>2</sup> Performance Audit

<sup>3</sup> Review Audit

<sup>4</sup> Annual Report to the Community