

Measure H Construction Bond Program

Annual Report: March 2017 – February 2018



Anaheim Union High School District

Citizens' Bond Oversight Committee

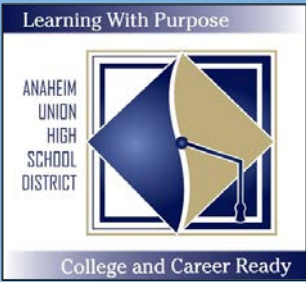


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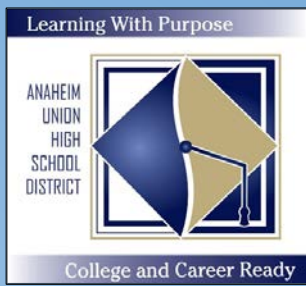
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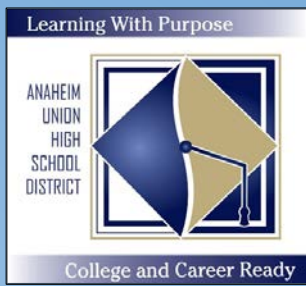


Executive Summary

The following is a summary of the Committee's activities from March 2017 through February 2018.

The Committee met three times during this period and made site visits to Cypress High School and Dale Junior High School. The Committee met on the following dates.

- ❖ May 4, 2017
 - ❖ September 28, 2017
 - ❖ January 16, 2018
-
- On March 7, 2017, we presented the Committee's Annual Report (September 2016 – February 2017) to the Board of Trustees in public session
 - On January 16, 2018, we received and reviewed the Financial and Performance Audit for the year ending June 30, 2017, that was prepared by Vavrinek, Trine, Day & Co, LLP
 - On January 16, 2018, we received a presentation on "Citizen Bond Oversight and Accountability" and an update on the "Bond Financing Plan", that was presented by Government Financial Strategies
 - We received design and construction project updates for Wave I and Wave II Measure H projects
 - We received and reviewed project budgets
 - We received and reviewed the Wave II project list and preliminary budgets

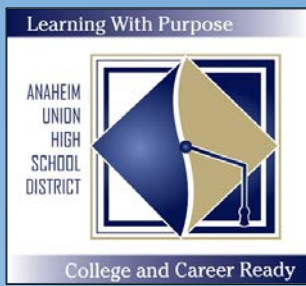


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- We received and reviewed the expenditure reports related to the Anaheim Union High School District (Orange County, California) General Obligation Bond, Election of 2014 - Series 2015, Wave I projects

❖ SITE VISITS

- On April 4, 2017, we attended the Grand Opening of the Katella High School – DROPS Site Improvement project
- On May 4, 2017, we visited Cypress High School in anticipation of the site improvement project at that school
- On January 16, 2018, we visited Dale Junior High School and Polaris in anticipation of the new construction and modernization project



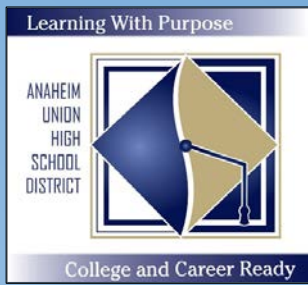
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Based on our review of the Financial and Performance Audit Report dated June 30, 2017, project updates and site visits, we are confident the AUHSD is expending the bond proceeds only for the purposes as set forth in the Measure H Bond Program and not for other purposes. We are satisfied with efforts being made to complete all projects as planned and in a cost-effective manner, and will continue to diligently monitor those efforts.

The Anaheim Union High School District Board of Education established the Citizens' Oversight Committee (COC) by Resolution No. 2014/15-B-02. The Committee is established under the guidelines of Measure H Bond election. Measure H was approved by the voters on November 4, 2014 and authorized the issuance of \$249,000,000 in general obligation bonds for capital improvement projects throughout the District.

Purpose

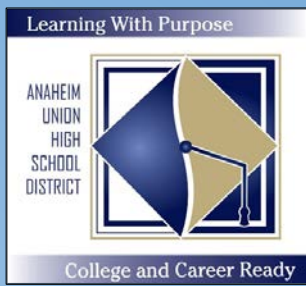
The purpose of the COC is to inform the public, at least annually in public session, concerning the expenditure of bond proceeds as approved by the voters on November 4, 2014. Bond proceeds may be expended only on capital improvement projects as defined by Exhibit B of Resolution No. 2014/15-B-02.



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Membership

Name	Representative Group	Reappointment Date	2 nd Term Completion
Carolyn Cavecche (Chairperson)	Member Active in a Bonafide Taxpayer Organization	March 7, 2017	March 2019
Steve Hwangbo	Parent	March 7, 2017	March 2019
Larry Larsen	Member Active in a Senior Citizens' Organization	October 13, 2016	October 2018
Robert Nelson	Member At-Large	March 7, 2017	March 2019
Patricia Rich	Member At-Large	October 13, 2016	October 2018
Rick Tkach	Parent	March 7, 2017	March 2019
Alan Walker	Member Active in a Business Organization	October 13, 2016	October 2018



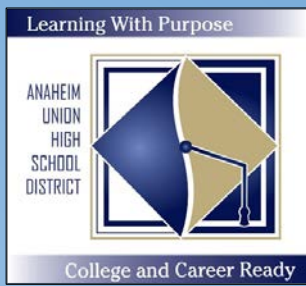
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Committee Activities

The COC actively reviews Measure H expenditures, annual financial and performance audits, financial statements, and staff reports regarding Bond sales, use of the proceeds, and progress of various capital projects that are funded by Measure H proceeds.

The specific activities of the COC includes the following:

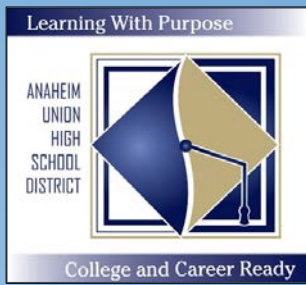
1. Review and approval of the Committee Bylaws
2. Review of current projects in the Facilities Master Plan, including updates
3. Visits to construction sites
4. Attend regular meetings as a committee
5. Review of various reports and information including:
 - Annual performance and financial audits
 - Quarterly expenditure reports
 - Construction project updates
 - Planning status of future construction projects utilizing Measure H Bond funds
 - Various staff reports



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Committee Activities (continued)

6. Review of bond series issuance details
7. Review of efforts of the District to maximize bond revenues by accessing state matching funds and implementing cost-savings measures
8. Adherence to the Brown Act requirements of publicized and open meetings



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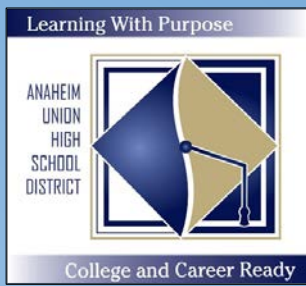
June 2015 – January 2018 Measure H Expenditure Summary

Bond Series 2015 Proceeds	\$64,171,602.61
Expenditures as of January 31, 2018	<u>\$36,401,529.37</u>
Balance Bond Series 2015	\$27,770,073.24

The following is the detail summary of the Measure H Expenditures as of January 31, 2018:

A. PPM, Design, Inspection, and Testing	\$5,001,784.79
A1. Construction	\$5,226,712.48
A2. District Project Management	\$139,984.57
B. 21 st Century Furniture	\$5,610,246.35
C. 2012 Certificate of Participation Payoff	\$19,883,505.98
D. Bond Administration Costs and Interest Expense	\$539,295.20

TOTAL EXPENSES: \$36,401,529.37



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Conclusion

Based on the listed activities, the COC advises the public that the Anaheim Union High School District is in compliance with Education Code Sections 15100 *et seq.*, 15264 *et seq.*, Government Code Section 53506, and Article XIII A, Section 1(b)(3) of the California Constitution. Bond proceeds have been expended on projects set forth in the ballot measure. No bond proceeds have been used for teachers or administrative salaries or other school operating expenditures. Audits have been performed as prescribed by law.

Additional Information:

Meeting minutes, program reports, bylaws, audits, and additional Information can be found on the District's website: www.auhsdblueprint.us (Citizens' Oversight Committee tab).