

MAGNOLIA SCHOOL DISTRICT
CITIZENS' OVERSIGHT COMMITTEE
FOR BOND MEASURE I
FISCAL YEAR 2012-2013

ANNUAL REPORT

THIS REPORT IS HEREBY ADOPTED BY THE **MAGNOLIA SCHOOL DISTRICT CITIZENS' OVERSIGHT COMMITTEE** PURSUANT TO EDUCATION CODE SECTION 15280(b) AND MADE AVAILABLE TO THE PUBLIC IN CONFORMANCE WITH SUCH SECTION. THIS REPORT COVERS THE PERIOD OF JULY 1, 2012 TO JUNE 30, 2013, AND CERTAIN RELATED MATTERS.

I. CURRENT MEMBERSHIP OF THE MAGNOLIA SCHOOL DISTRICT CITIZENS' OVERSIGHT COMMITTEE:

As of the June 20, 2013 School Board meeting, The Magnolia School District Citizens' Oversight Committee (COC) for Measure I includes the following individuals:

- ❖ Leonard Lahtinen (Senior)
- ❖ Daisy Tan (District Parent)
- ❖ Alyson Crockett (PTA Parent)
- ❖ Jasmine LaBurn (Howard Jarvis Taxpayer Organization)
- ❖ Gary Shields (Community Member at Large)
- ❖ Phyllis Greenberg (Community Member at Large)
- ❖ VACANT , (Business Community)

At the November 13, 2012 COC Meeting, Phyllis Greenberg was welcomed to the COC as a Community Member-At Large.

The District continues to seek interested parties to fill one vacant position:

- ❖ Business Representative of the District Community

We continue to actively seek a member active in a business organization representing the business community in the Magnolia School District boundary.

II. ACTIVITIES OF THE MAGNOLIA SCHOOL DISTRICT CITIZENS' OVERSIGHT COMMITTEE:

The Magnolia School District Citizens' Oversight Committee (COC) met at the District Office on various dates during the 2012-2013 fiscal year to receive information, discuss information received, provide recommendations to the Magnolia School District, update COC information and for various other purposes. A list of the meetings of the Citizens' Oversight Committee during the 2012-2013 fiscal year is shown below:

| <u>Date of Meeting/Activity</u> | <u>Location of Meeting/Activity</u> | <u>Minutes of Meeting/Activity</u> |
|---------------------------------|--|---|
| November 13, 2012: 9:30 AM | Magnolia School District 2705 W. Orange Ave. Anaheim, CA 92804 Board Room | A copy of the minutes of the COC meeting of November 13, 2012, is on file with the Magnolia School District's Business Office. The minutes are also available on the MSD website as listed below. |
| May 14, 2013: 9:30 AM | Magnolia School District 2705 W. Orange Ave. Anaheim, CA 92804 Board Room | |

For more complete descriptions of actions by the Magnolia School District Citizens' Oversight Committee (COC) please see Minutes of the corresponding meeting posted on the MSD website. All approved Minutes, once finalized, are posted on the MSD website:

<http://www.msd.k12.ca.us> Measure I

III. CITIZENS' OVERSIGHT COMMITTEE (COC) FINDINGS FOR FISCAL YEAR 2012/2013

In order to comply with the requirements of Proposition 39, the COC needs to make certain findings as to activities of the COC and the use and expenditure of Measure I Bond proceeds. The COC hereby finds and determines as follows:

1. COC has met regularly

The meetings of the COC are described above. Minutes of the COC meetings are on file with the School District and are posted on the MSD website at:

<http://www.msd.k12.ca.us> Measure I

Such meetings have been conducted in accordance with State laws for open meetings.

2. COC has received reports, updates, and information on the expenditures of the Measure I Series A Bond funds, and reviewed project expenditures made on projects authorized under Measure I.
3. The COC visited a school/project site.

The COC visited Salk Elementary School on 5/14/2013 to view the completion of site work, which focused on Phase II Restroom Renovations.

Measure I Series A Bond funds have been expended on the identified projects authorized by Voter approved Measure I Ballot Language (Education Code Section 15278(b)(1)).

Based on the documentation and information provided to the COC, as referenced herein, the COC has found, pursuant to Education Code Section 15278(b)(1) that the expenditures of Measure I Series A Bond funds by the School District have been made on costs, expenses, construction, acquisition, and installation costs of projects authorized by Measure I.

4. No Measure I monies have been spent on non-construction related certificated teacher/administrator salaries or other school operating expenses (Education Code Section 15278(b)(2)).

Based on the documentation and information provided to the COC, as referenced herein, the COC has found, pursuant to Education Code Section 15278(b)(2) that the School District has not expended Measure I Series A Bond funds on teacher/administrator salaries or other school operating expenses.

5. 2011-2012 Audit Reports were reviewed, received and filed with the COC.

The required annual performance and financial audits for Fiscal Year 2011-2012 were performed by the accounting firm of Christy White, A Professional Accountancy Corporation. The audit reports were subsequently reviewed, received and filed by action of the COC.

A copy of the audit report can be found on the MSD website at <http://www.msdk12.ca.us> Measure I. The COC notes that the audits did not report any irregularities or failures to comply with statutory and Constitutional requirements (i.e. the audits are "clean"). However, there was one "Finding", #2012-1: Citizens' Oversight Committee Membership Composition, noting two vacant positions of the seven (7) required by Education Code section 15282. As of June 30, 2012, the committee lacked a member of a business organization, and an at-large member of the community to meet the requirement of at least seven members. It is noted that at the July 11, 2012 meeting of the Magnolia School District Board of Trustees, the Board took action to approve Phyllis Greenberg, to fill the vacant position of an at-large member of the community. The District is continually seeking to obtain a member of the local business community.

6. The COC has received all necessary and requested technical and administrative assistance from the School District (Education Code Section 15280).

Under the requirements of Education Code Section 15280, the School District is required to provide the COC with all necessary technical and administrative assistance without expending Measure I Series A Bond funds. The School District has made presentations to the COC, provided documents and information as set forth herein, and has provided necessary and requested architectural, construction management, legal and planning support and assistance to the COC. Based on the foregoing, and the documentation and information provided to the COC, as referenced herein, the COC has found that the School District has provided all necessary and requested technical and administrative assistance without expending Measure I Series A Bond funds.

7. The MSD website is operating and includes all required documentation and information (Education Code Section 15280(b)).

The District's internet website is operated and maintained by the School District Board on behalf of the COC and is currently located at:

<http://www.msdk12.ca.us/> Measure I

Information relating to the COC, its activities and documents can be viewed at the MSD website. This includes minutes of the COC meetings, the 2011-2012 audit report, and will include this Annual Report following its adoption.

8. Based on the foregoing, the Magnolia School District is in compliance with the requirements of Article XIII A 1(b)(3) of the California Constitution.

IV. CONTACT INFORMATION:

Comments, questions and suggestions can be forwarded to the COC through the School District at the following address:

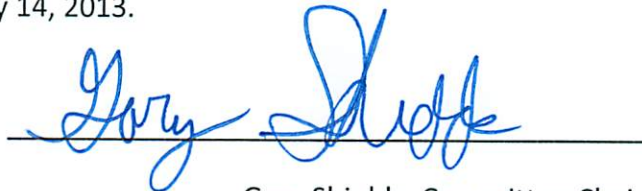
Magnolia School District
2705 W. Orange Ave.
Anaheim, CA 92804

Attention: Kevin Smith, Chief Business Officer – Business & Support Services
Telephone: (714) 761-5533 ext. 313
Fax: (714) 252-1161

Or on the MSD website by email ksmith@msd.k12.ca.us

Dates, times and location(s) of future COC meetings can be found on the MSD website. Members of the public are invited to attend such meetings.

ADOPTED, SIGNED, AND APPROVED BY THE MAGNOLIA SCHOOL DISTRICT CITIZENS' OVERSIGHT COMMITTEE ON May 14, 2013.



Gary Shields, Committee Chair