

Citizens' Bond Oversight Committee Meeting



***February 7, 2011 – 4:00 p.m.
District Office Boardroom***

AGENDA

- | | | |
|-----|---|---------------------|
| 1. | Call to Order | Charlie Christensen |
| 2. | Approval of Agenda | Group |
| 3. | Minutes of the October 4, 2010 meeting | Charlie Christensen |
| 4. | Project Updates | Paul Speed |
| | a. Somerset Modernization | |
| | b. Stockard Coffee Modernization | |
| | c. C.F. Brown Modernization | |
| | d. Standiford Modernization | |
| 5. | Performance Audit & Financial Report | John Halverson |
| 6. | Four Two-year Terms Expiring February 2011 | John Halverson |
| | At Large Representative – DeeAnn Alcamo | |
| | Business Representative – Charles Christensen | |
| | Taxpayer's Association – Mike Rego | |
| | Parent/PTO/SSC Member – Mike Grgich | |
| 7. | Form 700 – Ethics: Conflicts of Interest | Naomie Rodrigues |
| 8. | Open Discussion/Questions | Group |
| 9. | Next Meeting Date – April 2011 | Group |
| 10. | Adjourn | |

SYLVAN UNION SCHOOL DISTRICT CITIZENS' BOND OVERSIGHT COMMITTEE

MINUTES

October 4, 2010
4:00 p.m.
District Office Boardroom

Members Present: Charlie Christensen, Mike Rego, Norma Vance, George Pugh, Mike Grgich (arrived during the Refinance & G.O. Bonds item)

Members Absent: Deeann Alcamo.

Staff Present: Dr. John A. Halverson, Naomie Rodrigues.

Audience Present: None.

Call to Order: The meeting was called to order at 4:05 p.m.

Adoption of Agenda: The motion was made by Mrs. Vance, seconded by Mr. Rego, adopting the Agenda.

AYES: Christensen, Pugh, Rego, Vance

NOES: None

ABSENT: Alcamo, Grgich

Minutes Approval: The motion was made by Mr. Rego, seconded by Mrs. Vance, to approve the minutes of the May 24, 2010 meeting

AYES: Christensen, Pugh, Rego, Vance

NOES: None

ABSENT: Alcamo, Grgich

Welcome New CBOC Member: Dr. Halverson welcomed the new Parent Group representative George Pugh to the CBOC Committee.

Refinance & G.O. Bonds: Dr. Halverson shared the Board of Trustees is contemplating refinancing the 1988 bonds. The bond currently has \$4.8M outstanding and was refinanced in 2002. There would be a savings of \$390,000 but would cost \$110,000 to refinance. This would result in \$6.40 savings per household for the remaining seven years of the bond.

Mr. Mike Grgich arrived and joined meeting already in progress.

MINUTES

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October 4, 2010
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***Project
Update:***

Somerset Modernization Project – Dr. Halverson shared that during Phase 1, the dry rot in the 50's and 60's buildings have been fixed. New foam design has been added to match the new building. Stucco and painting has been completed. The computer lab has been moved to the 60's building. The restrooms and classroom entries are now ADA compliant. The work on the 20's and 30's buildings has begun today.

CF Brown Modernization Project – The plans are at DSA for review and they will begin to review by the end of October.

Standiford Modernization Project – Still in the design phase.

Stockard Coffee Modernization Project – Still in the design phase.

***Discussion/
Questions:***

Mr. Christensen asked about enrollment. Dr. Halverson responded that we are stable and not in declining enrollment at this time.

Mr. Pugh asked about the status of portables. Dr. Halverson advised there is bond money budgeted for the possibility of permanent classrooms.

Mr. Grgich asked about the bond sales and monies left. Dr. Halverson shared we have sold \$22M in bonds when we began and recently sold another \$12M and we have \$6M left to be sold when needed.

***Next
Meeting:***

The next meeting will be scheduled for January and Naomie will send an email to all members with potential available dates in January.

Adjournment:

The meeting was adjourned by Mr. Christensen at 4:32 p.m.

WITNESS:

Charlie Christensen, Chairperson

Date

SYLVAN UNION SCHOOL DISTRICT

**GENERAL OBLIGATION BONDS
AGREED-UPON PROCEDURES**

JUNE 30, 2010



**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

Board of Directors
Sylvan Union School District
Modesto, California

We have performed the procedures enumerated below, which were agreed to by the management of the Sylvan Union School District, solely to determine whether the internal controls and procedures developed and implemented by the District are appropriate to protect, control, and account for the General Obligation Bond funds authorized at an election of the registered voters of the District held on November 7, 2006. The Bonds were authorized at an issuance of \$22,000,000 principal amount for the purpose of financing the addition and modernization of school facilities. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report.

Procedures Performed

1. Verify that the funds were accounted for separately in the accounting records to allow for accountability.
2. Verify that the net funds from the sale of the General Obligation Bonds were deposited in total into the District's accounts.
3. Verify that the internal controls and procedures for the accounts of the Bond funds are sufficient to protect and control the funds.
4. Verify that the funds expended complied with the purpose that was specified to the registered voters of the District in the November 7, 2006, election.
5. Verify that the State and District policies were followed in the awarding of bids and expenditure of the funds.

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

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Stated Findings

I. Financial Summary

1. Revenue

	<u>Amount</u>
Remaining funds from previous bond issuance	\$ 204,099
General Obligation Bonds were issued and sold	33,996,169
Interest earned through June 30, 2010	1,875,083
Transfer from County School Facilities Fund	<u>3,408,310</u>
 Total available for projects	 <u>39,483,661</u>

2. Analysis of Expenditures

Services	11,000
Capital outlay	19,317,044
State School Building Fund	2,851
County School Facilities Fund	<u>2,355,196</u>
 Total expenditures for projects	 <u>21,686,191</u>
 Total available	 <u><u>\$ 17,797,470</u></u>

3. Total unspent funds as of June 30, 2010, were \$17,797,470.

II. Compliance Summary

1. The General Obligations Bond funds were accounted for in the Building Fund of the District.
2. The net proceeds from the sale of the General Obligation Bonds were deposited into the appropriate accounts.
3. All areas to which we applied our procedures appeared to have appropriate internal controls and procedures in place to protect and control the General Obligation Bond funds.
4. Our review of the expenditures for the period July 1, 2009 through June 30, 2010, revealed no items that were paid from the General Obligation Bond funds that did not comply with the purpose of the Bonds that were approved by the registered voters of the District on November 7, 2006.
5. Our review of the awarding of contracts and the disbursement of funds revealed no exceptions to the policies of the State and the District.

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

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We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the District's Internal Control System. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended for the use of the Sylvan Union School District, and should not be used by those who have not agreed to the procedures and have taken responsibility for the sufficiency of the procedures for their purpose.

Vannoy, Eric, Day & Co., LLP

Fresno, California
November 22, 2010