

**SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 3 (LEMOORE AREA)
WEST HILLS COMMUNITY COLLEGE DISTRICT
CITIZENS' BOND OVERSIGHT COMMITTEE**

Date: January 31, 2011

To: Members of the Board of Trustees
West Hills Community College District

Subject: Annual Report to the Board of Trustees

As Chairperson of the West Hills Community College District Citizens' Bond Oversight Committee I am pleased to submit this annual report to the Board of Trustees of the West Hills Community College District. As stated in the West Hills Community College District Citizens' Bond Oversight Committee Bylaws, Section 3.3. (a); this annual report states whether or not the West Hills Community College District (WHDCCD) is in compliance with Article XIII A, Section 1(b) (3) of the California Constitution. It also summarizes the major topics dealt with by the Committee since the inception of the School Facilities Improvement District No. 3 (Lemoore Area) bond.

Once again, I would like to thank my fellow Committee members for their time and efforts in overseeing the WHCCD's long-term construction and facilities improvement project. I also wish to thank those staff members of the WHCCD who have continued to work with us to set up the processes to ensure that independent oversight of the projects is possible.

As the voice of the Committee, I would like to state that the Committee looks forward to continuing its efforts to ensure that SFID-3 bond revenues are spent judiciously and to keep the community informed on the progress of the projects.

Respectfully submitted,

Les Brown, Chairperson
School Facilities Improvement District No. 3 (Lemoore Area)
West Hills Community College District
Citizens' Bond Oversight Committee

**SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 3 (LEMORE AREA)
WEST HILLS COMMUNITY COLLEGE DISTRICT
CITIZENS' BOND OVERSIGHT COMMITTEE**

Annual Report

July 1, 2009 – June 30, 2010

I. Description of School Facilities Improvement District No. 3 (Lemoore Area):

In the November 4, 2008 general election, the West Hills Community College District (WHCCD) succeeded in obtaining authorization from the Lemoore area's voters to issue \$31,000,000 in general obligation bonds. The School Facilities Improvement District No. 3 (Lemoore Area) (SFID-3) was a facilities and equipment bond measure on the ballot. Proceeds from the sale of the bonds were to be used for financing the long-term construction and facilities improvement projects at West Hills College – Lemoore (WHC-L).

II. Citizens' Bond Oversight Committee:

The following persons held positions on the Citizens' Bond Oversight Committee (the Committee), which were appointed by the WHCCD Board of Trustees:

Lynda Lahodny	Support of a Community College
Les Brown, Chair	Senior Citizen's Representative
Salli Day	Local Business Representative (end Dec 8, 2010)
Maureen Azevedo	Local Business Representative (Jan 25, 2011)
Tom Hernandez, Vice Chair	At-Large Representative
James (Buddy) Brooks	At-Large Representative
Donna Elliott	At-Large Representative
Linda Balcazar	Student Representative
VACANT	Taxpayer's Organization

The Committee does not make decisions regarding the use of SFID-3 funds, but it does inform the public of bond revenue expenditures. To carry out its stated purpose, the following duties are set forth in the Committee Charter:

Inform the public concerning information regarding the WHCCD's expenditures of revenues received from the sale of SFID-3 approved bonds.

Review expenditures to ensure that the bond proceeds are expended only for purposes set forth in the ballot.

Ensure that no bond proceeds are used for teacher or administrative salaries or other operating expenses.

The Committee shall present to the WHCCD Board of Trustees an Annual Report in written format which shall include a statement indicating whether the WHCCD is in

compliance with the requirements of Article XIIA, Section 1(b) 3 of the California Constitution; and a summary of the Committee's proceedings and activities of the proceeding fiscal year.

III. Meetings:

The Committee held its annual organizational meeting on January 26, 2011 at which time Linda Balcazar and Donna Elliott were re-elected to their respective positions for a two year term. The following issues were discussed:

- Approval of the December 8, 2010 meeting minutes
- Re-election of members; which drew lots to serve an initial one year term
- Review of Audit Report Dated June 30, 2010
- Review of Draft Annual Report
- SFID-3 Facility Project Update
- SFID-3 Series B sales

The Committee has met semi-annually at the West Hills College – Lemoore (WHC-L) Administration building conference room. Project updates are provided at each meeting along with financial reports by WHCCD staff, along with performance presentations from WHCCD consultants on topics of project planning, execution and completion. Agendas are developed from Committee member's request for data and staff input.

The dates for the semi-annual Committee meetings for the 2009 / 2010 fiscal year were established per the December 9, 2009 meeting; where the meeting dates were set on the second Wednesday of every sixth month. The meeting time was at 4:00 p.m. The 2009 / 2010 meeting dates were:

- December 9, 2009
- June 23, 2010
- December 8, 2010

At the December 8, 2010 meeting the Committee voted to change the meeting schedule to the second Wednesday every fourth month beginning January 26, 2011 with the meeting time remaining at 4:00 pm. This will accommodate more frequent updates, timely review of reports and schedule the annual meeting in January. The 2010/2011 meeting dates are scheduled to be:

- January 26, 2011
- May 11, 2011
- September 14, 2011

All agendas and minutes are posted at the WCH-L office bulletin board. Meetings are held in accordance with the Ralph M. Brown Act (Open Meeting Laws).

IV. Activities of the Committee:

The following are activities that the Committee regularly participates in:

- Approval of minutes from prior Committee meetings

The Committee reviews budget, construction project analysis reports and reconciliation for SFID-3 revenues presented by Mr. Kevin Cobb, Principal Architect of AP Architects

The financial reports for SFID-3 revenues are presented by Mr. Ken Stoppenbrink, VP Business Service WHCCD

The Committee takes periodic tours of the construction projects. In this manner, they are able to see what the details as to what has been reported upon. Any questions or concerns can be discussed on the sites so that a full understanding of all projects is achieved

Any changes in the status or budgets of the projects are discussed openly and fully to the satisfaction of the Committee.

V. Establishment of Committee Member Terms:

Establishment of terms for Committee Members as well as voting for continuation of membership or replacement of members due to expiration of term or resignation of members is the duty of the WHCCD Board of Trustees. All original Committee Members drew lots to determine the initial terms of their membership; lots were for one (1) or two (2) year assignments. The Committee Bylaws state that all members may serve a maximum of two consecutive terms.

For the 2009 / 2010 fiscal year, terms for the current members and dates appointed by the WHCCD Board of Trustees were as follows:

<u>Member</u>	<u>Term</u>	<u>Expiration of Current Term</u>	<u>Date Appointed</u>
Les Brown	First term	January 11, 2012	December 9, 2009
Tom Hernandez	First term	January 11, 2012	December 9, 2009
Lynda Lahodny	First term	January 11, 2012	December 9, 2009
James Brooks	First term	January 11, 2012	December 9, 2009
Linda Balcazar	First term	January 9, 2013	December 9, 2009
Donna Elliott	First term	January 9, 2013	December 9, 2009
Maureen Azevedo	First term	January 9, 2013	January 25, 2011
Salli Day	First term	December 8, 2010	December 9, 2009

VI. Projects

There are currently 25 various capital improvement projects ranging from utility upgrades to new construction of campus facilities budgeted through SFID-3 funds. As of December 31, 2010 the following SFID-3 projects have been completed:

Switch Maintenance
Switch Replacement

VII. Audit:

As dictated by state law, the SFID-3 bond requires a financial and performance audit which examines the usage of the bond funds. The firm of Vavrinek, Trine, Day & Company, LLP audited the SFID-3 bond program for the fiscal year 2008 / 2009 ending June 30, 2008 the fiscal year 2009 / 2010 ending June 30, 2009.

The audit report fiscal year 2008 / 2009 was presented to the Committee during their June 23, 2010 meeting and the audit report for the fiscal year 2009 / 2010 was presented to the Committee during their January 26, 2011 meeting. Both audits were supportive of the program and its management.

The auditor's report gave an unqualified opinion that the financial statements fairly presented, in all material respects, the financial position and changes of the SFID-3 bond fund in conformity with accounting principles and generally accepted accounting standards.

In regards to the performance audit, the auditor's report noted no instances of noncompliance with the terms of Prop 39 for SFID-3. Nothing examined came to auditor's attention to indicate that WHCCD didn't implement appropriate management controls to ensure the bond proceeds are administered economically, efficiently and effectively.

VIII. Statement of Compliance:

Based on the information provided by WHCCD, the Committee finds that as of this reporting from the inception of the SFID-3 through June 30, 2010, that WHCCD is in compliance with the standards of Article XIII A Section 1(b) 3 of the California State Constitution and the terms of the original bond ballot.

Respectfully submitted,

Les Brown, Chairperson
School Facilities Improvement District No. 3 (Lemoore Area)
West Hills Community College District
Citizens' Bond Oversight Committee