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CITIZENS' BOND OVERSIGHT COMMITTEE (CBOC)

REGULAR MEETING

Wednesday, March 27, 2013 at 6:00 PM

| CBOC Members | LTUSD Staff Members Present | Consultants Present | Guests Present |
|--|--|----------------------------|-----------------------|
| David Kelly Tracy Thomas Harold Singer Pat Martin Kelly Lancellotti Ruth Rich | James Tarwater Debra Yates Steve Morales Ami Chilton Ivone Larson Lia Story | | |

1. Call to Order

- Pat Martin called the meeting to order at 6:00 pm.

2. Pledge of Allegiance

- The pledge was said after meeting was called to order.

3. Introductions

- Debra Yates introduced everyone around in attendance.

4. Elect Officers

- Kelly Lancellotti makes a motion to elect Casey Blann as Chair and Pat Martin as Vice Chair. David Kelly seconds the motion. Motion unanimously passes.

5. Communications From The Public

- There were no communications from the public.
- Pat Martin makes a motion to move agenda item 8 (tour) to the end of the meeting. No one is opposed. Item 8 has been moved.

6. Approval of Minutes of January 16, 2013 Meeting

- David Kelly makes a motion to approve the minutes. Kelly Lancellotti Seconds. Meeting minutes are unanimously approved.

7. Approve Measure G Auditor's Report for the Year End June 30, 2012

- Debra Yates shares that we again had an absolutely spotless audit. She refers to page 19 and the "summary of findings and recommendations" to which there are none. She also shares that the team works very hard to ensure that there are no findings. Debra goes back to the report and summarizes key pages including page 5 which is a recap of the year. She explains a revenue change of \$38,409.00. Measure G ended the year with a very healthy cash position. Debra went on to review pages 11, 12, and 13 that detail expenditures. Dr. Martin asked for clarification on "interim housing" on page 11. It was explained that these are storage units for holding items during modernization. Harold asks for clarification as to why there are salaries and

benefits this year and not last year. Debra explains the reason for the change is that we went from a consultant firm to hiring our own bond person. Harold also questioned the last year's principal paid \$88 million and this year 64 million. The interest also went from 71 million to 134 million. **ACTION ITEM:** Deb and Ami will follow up on this question and report findings back to the group. It is possible that last year's audit was broader than this year's.

- Harold makes a motion to approve the Year-end audit. David seconds the motion. Motion unanimously passes.
- **ACTION ITEM FOLLOW UP from 3/29/13:**
As follow up to the question raised at the 3/27/13 CBOC meeting regarding the discrepancy between the GOB Principal listed on the 2011 and 2012 Audit Reports, I am forwarding the response we received from our Auditor.

To summarize:

- 1) Both audit reports include only Measure G related General Obligation Bonds (GOBs) sold as of the date of the audit period.
- 2) The "Total" column and "Grand Total" accurately reflects the total Principal and Interest amounts on both the 2011 and 2012 reports.
- 3) Accreted interest was included in the Principal column in the 2011 report. However, methodology was changed for the 2012 report, which now reflects accreted interest in the Interest column.

With this information, it is reasonable to say that the 2012 Audit Report provides a more accurate depiction of the GOB designation between Principal and Interest. Barring further questions or clarification needed, the 2012 Audit Report will not be brought back to the CBOC for further discussion or action.

8. Schedule / Preparation of the Fourth Annual Report to the Community

- Ami and Lia will prepare the report and mail out to the members who will provide feedback. We will bring the final report to the committee at our next CBOC meeting on June 19, 2013 for approval. Debra refers to the New Member binders that were handed out prior to meeting being called to order. The last three reports are in it for their review.

9. Review Measure G Projects, Budgets and Expenditure Reports

- Deb, Steve and Ami go over our current status. We are on solid ground. There was a slight increase to the blue and gold gym. We are moving up the Bond list. We are within the bond authority list. Most of our money is in hand. Ami indicated that new members can always pop in and review with her. There were no questions or discussion.

10. Next Meeting

- The next meeting is scheduled for June 19, 2013. Location to be determined, but Bijou is likely. Debra indicates that it is important to have a quorum so that we can approve the Fourth Annual Report to the community.

11. Adjourn

- Pat Martin closes the meeting at 6:30 pm. The tour is open for anyone who wants to stay.