

Los Alamitos Unified School District

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Sherry Kropp, Ed.D.
Superintendent

September 23, 2015

The Honorable Glenda Sanders
Presiding Judge
Orange County Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

Re: Los Alamitos Unified School District's Response to the 2014-15 Orange County Grand Jury Report, "Mello-Roos: Perpetual Debt Accumulation and Tax Assessment Obligation"

To the Honorable Glenda Sanders:

In accordance with California Penal Code section 933.05, the Orange County Grand Jury has requested that the Los Alamitos Unified School District responds to Findings and Recommendation in the 2014-15 Orange County Grand Jury Report entitled, "Mello-Roos: Perpetual Debt Accumulation and Tax Assessment Obligation."

Finding 1: There is a lack of transparency to homeowners relative to how CFD funds are being used.

Response to Finding 1: The Los Alamitos Unified School District disagrees completely with this Finding. All of the information related to CFDs is accessible at the school district's office.

Finding 2: There does not seem to be appropriate oversight and auditing of CFDs and special tax expenditures within the County of Orange.

Response to Finding 2: The Los Alamitos Unified School District disagrees completely with this Finding. The Los Alamitos Unified School District believes there is sufficient oversight and auditing of its CFDs.

Finding 3: While the assumption is that the CFD debt would be repaid in a finite period of time, there is a mechanism available to controlling entities to extend debt obligations and thereby extend the CFD special tax in perpetuity.

Response to Finding 3: The Los Alamitos Unified School District disagrees completely with this Finding. The Los Alamitos Unified School District has issued Certificates of Participation that will be paid in full in 2024.

Recommendation 1: Each local agency that established the CFD should create an oversight committee and an audit committee to provide for an independent, transparent view of the manner in which CFD funds are being expended.

Response to Recommendation 1: The Los Alamitos Unified School District sees no need to create an oversight committee or an audit committee. Information about the CFD is available from the school district upon request. Therefore, the recommendation will not be implemented.

Recommendation 2: Audit report information, as delineated in California Government Code, 1982 Section 53343.1, should be made available to the CFD taxpayers on a website after each fiscal year for each CFD number.

Response to Recommendation 2: All information is available from the Los Alamitos Unified School District upon request. Therefore, this recommendation has been implemented.

If you have any further questions or need additional information, please contact Patricia Meyer at (562) 799-4700 Ext. 80449.

Sincerely,



Patricia L. Meyer
Deputy Superintendent

c: Orange County Grand Jury ✓
700 Civic Center Drive West
Santa Ana, CA 92701

Ronald D. Wenkart, Esq.
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Sherry Kropp, Ed.D.
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