

## 2013-14 Citizens' Bond Oversight Committee Report to Board

The members of the Citizens' Bond Oversight Committee (CBOC) for the Covina-Valley Unified School District are pleased to publish their annual report. We are proud that we are able to continue to provide evidence to the taxpayers of the positive impact the revenue from the bond monies has had on the District and our community.

The CBOC is committed to the vision and goals of the Covina-Valley Unified School District's Board of Education and Leadership Team. There is still much to do. We urge you to get involved, support our schools, and join us in "Creating Extraordinary Futures!"

### Independent Financial Audit

In accordance with the provisions of Proposition 39, AB 1908, and Education Code Section 15278, an independent financial and performance audit of Measure C and CC expenditures is conducted each year by a qualified Certified Public Accounting (CPA) firm. The auditor's report is presented to the Citizens' Bond Oversight Committee, as well as the Board of Education. It was the recommendation of the audit firm that the records for Measure C and CC receive an unmodified opinion and that they were free of material misstatement. For the 2013-14 fiscal year, the audit was conducted by Vavrinek, Trine, Day & Co., LLP.

The following is a financial summary for 2013-14:

<b>Measure CC Revenues, Expenditures and Changes</b>	<b>Amount</b>
Beginning Fund Balance	\$29,480,514
<b>REVENUE</b>	
Interest Income	\$160,178
Other Local Income	\$518
<b>EXPENDITURES</b>	
Salaries and Benefits	\$29,162
Supplies	\$1,529,490
Services	\$880,542
Capital Outlay	\$1,967,196
Debt Service	\$157,500
Net Change in Fund Balance	(\$4,403,194)
Ending Fund Balance	\$25,077,320

<b>Measure C Revenues, Expenditures and Changes</b>	<b>Amount</b>
Beginning Fund Balance	\$1,308,130
<b>REVENUE</b>	
Interest Income	\$16,620
Other Local Income	\$17,700
<b>EXPENDITURES</b>	
Supplies	(\$133)
Services	\$39,705
Capital Outlay	\$1,301,656
Net Change in Fund Balance	(\$1,306,908)
Ending Fund Balance	\$1,222

*Net change in fund balance represents a spending down of the beginning fund balance of the fund. The beginning fund balance is made up of the net financial activities of all prior years of the fund, including the receipt of bond proceeds, interest, and other income, less bond project expenditures. Unlike most governmental funds, which usually show revenues equal to expenditures each year (a break-even position), a bond building fund will show net expenditures in excess of revenues in most years, as the District spends down the proceeds of bonds sold in prior years.*

The District ended the year with \$25,077,320 in the Building Fund. Of this amount, there were outstanding contractual commitments of \$24,692,001 for construction projects.

### **2014-15 CBOC Performance Report to the Public**

During the 2014-15 fiscal year, the Citizens' Bond Oversight Committee (CBOC) has met the following requirements:

December 15, 2014	Measure C and CC Audit Report presented to Board of Education
March 2015	Received copies of the Measure C and CC Audit Report
April 20, 2015	Board appointed two new members to the CBOC
April 27, 2015	Citizens' Bond Oversight Committee Meeting
May 18, 2015	Published Annual Report to Community

In accordance with Education Code, the Committee has monitored all expenditures of Measure C and CC bond monies to ensure that all bond revenue is spent on the projects and debt refinancing as listed in the Measure C and CC bond language. The Committee has also monitored the progress of construction projects and use of bond proceeds and believes that all bond proceeds to date have been spent in accordance with the Measure C and CC bond specifications. The Committee is issuing this update to inform the public that all bond proceeds to date have been spent in accordance with the bond specifications.

The complete audit report is available at the District Office and on the District website at [www.cvusd.k12.ca.us](http://www.cvusd.k12.ca.us).