

**2011-12 Annual Report of the Citizens' Bond Oversight Committee  
for the Covina-Valley Unified School District**

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!"

The CBOC has some GREAT NEWS to share with you – the taxpayer!

In the Fall of 2011, the District took advantage of significantly low interest rates to refinance prior Series A Bonds from the 2001 Measure K Bond Election. **The District saved taxpayers \$1,623,547.53 over the repayment term.**

**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 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. For the fiscal year 2010-11, the audit has been conducted by Nigro & Nigro, PC.

The following is a financial summary for 2010-11:

Beginning Fund Balance	<u>\$14,714,613</u>
<i>Revenues</i>	
Interest Income	161,547
Other Revenues	8,397
Interfund Transfers In	<u>2,714,573</u>
Total revenues	<u>2,884,517</u>
<i>Expenditures</i>	
Bond projects	6,515,129
Payments on Debt Service	315,325
Interfund Transfers	<u>753,613</u>
Total Expenditures	<u>7,584,067</u>
<i>Net change in Fund Balance</i>	<u>(4,699,550)</u>
Ending Fund Balance	<u>\$ 10,015,063</u>

*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 \$10,015,063 in the Building Fund. Of this amount, there were outstanding contractual commitments of \$4,420,231 for construction projects.

**2011-12 CBOC Performance Report to the Public**

Since the publication of the Annual Performance Report in February 2011, the Citizens' Bond Oversight Committee (CBOC) has met the following requirements:

- February 15, 2011 .....Published Annual Report to Community with Independent Financial Audit and Performance Report
- May 25, 2011 .....Citizens' Bond Oversight Committee meeting  
Toured campus facilities with progress of projects report
- October 17, 2011 ..... Board appointed one new and six ex-officio members to the CBOC  
(two-year term ending October 2013)
- January 18, 2012 .....Citizens' Bond Oversight Committee meeting  
(audit report)
- February 2012.....Published Report to Community with Independent Financial
- June 11, 2012 .....Citizens' Bond Oversight Committee tour of facilities

In accordance with Education Code, the Committee has monitored all expenditures of Measure C bond monies to ensure that all bond revenue is spent on the projects and debt refinancing as listed in the Measure C 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 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).