

MEASURE C

2009-2010
Citizens' Bond Oversight Committee
Report to the Public

MEASURE C OVERSIGHT COMMITTEE MEMBERS

The Citizens' Bond Oversight Committee was comprised of the following members as of June 30, 2010.

Name	Title	Representation
Edward A. Velasquez	Chairperson	Parent of Child in District, PTO
Michael K Wubker, Sr.	Vice Chairperson	Parent of Child in District
Carlos D. Bravo	Member	Community at-large
Karen Coleman	Member	Taxpayers' Association
Kenneth Galasso	Member	Business Community
Brandy Segal	Member	Parent of Child in District, PTO
Matthew Slowik	Member	Community at-large
Luis A. Vaquera	Member	Parent of Child in District, PTO
Sherman D. Van Vleet	Member	Senior Citizen Community

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BACKGROUND ON MEASURE C

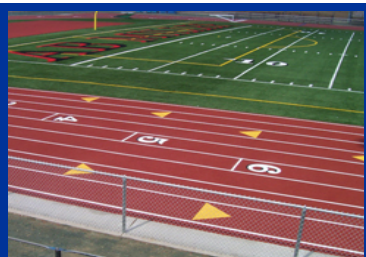
In June 2006, the voters of the Fontana Unified School District approved Measure C, a \$275 million bond measure designed to pay off existing debt from building new schools, build more schools, and provide for libraries, multi-purpose rooms and athletic facilities for existing schools in the District.

Because Measure C was an election under Proposition 39, the District is obliged to establish a Citizens' Bond Oversight Committee. The committee must be comprised of voters who represent parents, parent-teacher organizations, the business community, senior citizens, taxpayer associations, and the community at-large. This committee reviews expenditure reports to ensure that: a) bond proceeds are expended only for the purposes set forth in the ballot measure, and b) no bond proceeds are used for any teacher or administrator salaries or operating expenses.

WHAT VOTERS APPROVED

Measure C included the provision that "the proceeds of the sale of the Bonds shall only be used for the purposes set forth in the ballot measure and not for any other purpose, including teachers and administrators salaries and other school operating expense." The Measure assures voters that the proceeds from the sale of the bonds will go to:

- Repairing, upgrading, and/or replacing obsolete classrooms, instructional facilities, sites and utilities;
- School safety improvements such as traffic flow and handicapped accessibility, etc;
- Refinancing existing lease obligations, replacing interim obligations, and increasing funds for maintenance of buildings;
- Expanding classroom and facility capacity to reduce overcrowding;
- Purchasing computers and land for new schools; and
- Building energy efficient libraries, labs, facilities, and elementary, middle, and high schools



A.B. Miller High School Stadium
New synthetic surface was installed for the football field and an all-weather surface for the track. New lights and bleachers were installed.



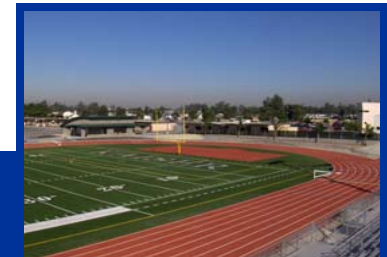
Live Oak Elementary School
The school had improvements to handicap accessibility to satisfy state requirements. The school also received new carpet, lights, fire alarm system and paint.



Citrus Continuation High School
The official groundbreaking for the new facility was held on November 4, 2009. Construction is ongoing, the school will open in 2011.



Jurupa Hills High School
Construction completed on the over 265,000 square foot high school. The school will open at the start of the 2010-11 school year.



Kaiser High School Stadium
New team rooms, storage facility and concession stands were built. New lights and scoreboard were also installed at this facility.

What Voters Approved, continued

Although there is no way we could complete all the projects with the funds available, the District, through the Citizens' Bond Oversight Committee, must ensure that the funds are only used for these purposes.

OVERSIGHT COMMITTEE ACTIVITIES

The Committee met twice during the 2009/10 fiscal year. At each meeting, the Committee received bond project updates and bond fund financial reports from District staff. In addition, the committee received and discussed reports on bond fund cash flow projection, Bond Anticipation Notes, selling Series C in general obligation bonds, and Quality School Construction Bonds. The Committee also toured the Jurupa Hills High School construction site.

MEASURE C AUDIT REPORT

MEASURE C REVENUE—JULY 1, 2009 TO JUNE 30, 2010	
JULY 1, 2009 BALANCE	\$ 42,881,558
PROCEEDS FROM BOND ANTICIPATION NOTES	\$ 94,997,120
PREMIUM ON BOND ANTICIPATION NOTE ISSUANCE	\$ 7,622,952
INTEREST EARNINGS	\$ 1,093,482
OTHER LOCAL REVENUE	\$ 239
	\$ 146,595,351
MEASURE C EXPENDITURES—JULY 1, 2009 TO JUNE 30, 2010	
PROJECT EXPENDITURES	\$ 55,952,248
INTERFUND TRANSFERS OUT	\$ 44,860
SERVICES & OTHER OPERATING EXPENSES	\$ 6,617
MATERIALS & SUPPLIES	\$ 772,499
DEBT SERVICE—INTEREST	\$ 1,136,000
DEBT SERVICE—ISSUANCE	\$ 806,771
	\$ 58,718,995
FUND BALANCE—JUNE 30, 2010	\$ 87,876,356

Nigro & Nigro, CPAs issued the following overall finding on the use of Measure C funds for the period of July 1, 2009 to June 30, 2010: "The proceeds from the sale of Measure 'C' Bonds were only used for the purposes set forth in the ballot measure and not for any other purpose, such as teacher and administrator salaries."

MEASURE C PROJECTS

- Jurupa Hills High School
- Citrus Continuation High School
- Football Stadium A.B. Miller High School
- Football Stadium Kaiser High School
- Kathy Binks Elementary School
- Beech Avenue Elementary School
- Ted J. Porter Elementary School Building Addition
- North Tamarind Elementary School Building Addition
- South Tamarind Elementary School Building Addition
- Fontana Middle School Building Addition
- Cypress Elementary School Modernization
- Live Oak Elementary School Modernization
- Maple Elementary School Modernization
- Oleander Elementary School Modernization
- Virginia Primrose Elementary School Modernization
- Elementary School #29, Merrill & Alder, Purchased Site
- Certificates of Participation—Paid Off
- Security /Surveillance Cameras Installed
- Middle School #8.75, Walnut & Highland, Purchased Site
- Elementary School #33, Curtis & Catawba, Purchased Site
- Elementary School #36, Arboretum @ North Fontana—Environmental Assessment

CERTIFICATION OF BOND EXPENDITURES

The Citizens' Bond Oversight Committee, based on the review of the annual financial and performance audit report and information received at Bond Oversight Committee meetings, certifies that the bond proceeds for the 2009/10 fiscal year were expended only for the purposes set forth in the ballot measure and that no bond proceeds were expended for any teacher or administrator salaries or other operating expenses.

BOND ISSUANCE HISTORY

Series	Issued	Amount
Series A 2006	8/10/2006	\$ 90,000,000
Series B 2006	3/11/2008	\$ 70,585,909
Bond Anticipation Notes	1/7/2010	\$ 94,997,120
		\$ 255,583,029



Fontana Middle School

The two-story wing addition included 10 classrooms: 4 larger labs and 6 standard classrooms.



Cypress Elementary School

Modernization included ADA accessibility, abatement of asbestos and lead, fire alarms, seismic retrofit of ceilings and moveable walls, as well as additional safety upgrades.



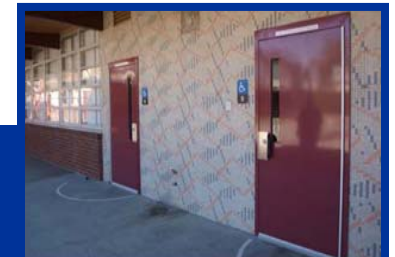
Ted J. Porter Elementary School

Two new buildings consisting of 15 classrooms and restrooms for staff and students were added.



North Tamarind Elementary School

The school received a six room addition, including 4 standard classrooms, a Library/Media Center, and one portable restroom building.



Oleander Elementary School

Modernization included ADA accessibility, including replacement of doors and countertops, as well as additional safety upgrades.