

CAJON VALLEY UNION SCHOOL DISTRICT

**PROPOSITION D BUILDING FUND (21-39)
PROPOSITION C BUILDING FUND (21-00)
GENERAL OBLIGATION BONDS**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

JUNE 30, 2015

**CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION D BUILDING FUND (21-39)
PROPOSITION C BUILDING FUND (21-00)
GENERAL OBLIGATION BONDS
TABLE OF CONTENTS**

INTRODUCTION

Page

Introduction and Citizens' Oversight Committee Member Listing

Independent Auditor's Report

2

Balance Sheet

4

Statement of Revenues, Expenditures, and Changes in Fund Balance

5

6

OTHER INDEPENDENT AUDITORS' REPORTS

Notes to the Financial Statements

Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards

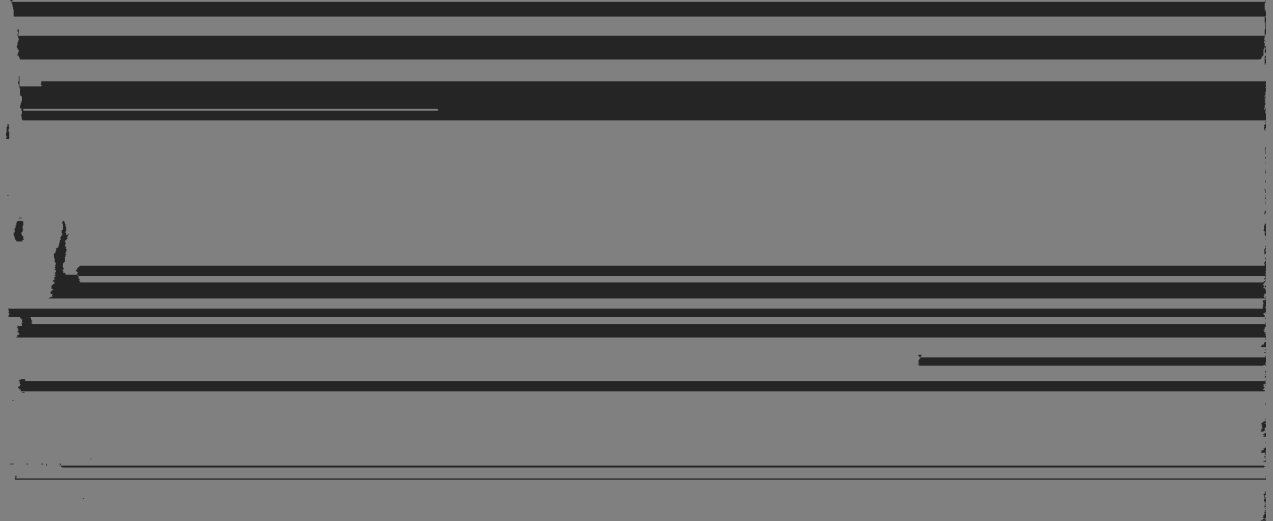
Independent Auditors' Report on Performance

INDEPENDENT AUDITOR'S REPORT

**Governing Board Members and
Citizens' Bond Oversight Committee
Cajon Valley Union School District
El Cajon, California**

Report on Financial Statements

We have audited the accompanying financial statements of Proposition D Building Fund (21-39) and Proposition C Building Fund (21-00) of Cajon Valley Union School District, which comprise the balance

The table content is completely redacted with black bars.

sheet as of June 30, 2015, and the related statements of revenues, expenditures, and changes in fund balance for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Emphasis of Matter

As discussed in Note B, the financial statements present Building Fund (21-39) and Building Fund (21-00) which is specific to Proposition D and C respectively, and is not intended to present fairly the

[REDACTED]

financial position and results of operations of Cajon Valley Union School District in conformity with

[REDACTED]

FINANCIAL STATEMENTS

**CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION D BUILDING FUND (21-39)
PROPOSITION C BUILDING FUND (21-00)**

Balance Sheet
June 30, 2015

ASSETS	<u>Proposition D Building Fund (21-39)</u>	<u>Proposition C Building Fund (21-00)</u>	<u>Total</u>
Cash in county treasury	\$ -	\$ 21,078,811	\$ 21,078,811
Accounts receivable		18,306	18,306
Due from other funds		161,811	161,811
TOTAL ASSETS	\$	\$ 21,258,928	\$ 21,258,928
LIABILITIES AND FUND BALANCE			
Accounts payable	\$	\$ 2,202,560	\$ 2,202,560
Due to other funds		3,780	3,780
TOTAL LIABILITIES		2,206,340	2,206,340
FUND BALANCE			
		19,052,588	19,052,588
TOTAL LIABILITIES AND FUND BALANCE	\$	\$ 21,258,928	\$ 21,258,928

PROPOSITION D BUILDING FUND (21-39)
PROPOSITION C BUILDING FUND (21-00)
Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended June 30, 2015

	Proposition D Building Fund (21-39)	Proposition C Building Fund (21-00)	Total
REVENUES			
Interest income		82,910	82,910
E rate reimbursement		399,079	399,079
TOTAL REVENUES		481,989	481,989
EXPENDITURES			
Classified salaries		203,162	203,162
Employee benefits		73,603	73,603
Other operating expenses:			
Mileage		187	187
Contracted services		53,258	53,258
Capital outlay:			
Architect fees		677,899	677,899
DSA fees		67,450	67,450
Planning costs		136,914	136,914
Miscellaneous fees		10,597	10,597
Main construction	349,685	27,533,752	27,883,437
Construction tests		387,598	387,598
Inspections		284,836	284,836
Other construction costs		830,696	830,696
Land improvements	\$	123,740	123,740
Computer equipment-noncapitalized		8,184	8,184
Computer equipment-capitalized		1,816,207	1,816,207
Other equipment		152,539	152,539

**CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION D BUILDING FUND (21-39)**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Notes to the Financial Statements
Year Ended June 30, 2015

A. Definition of the Fund

In August 2008, Building Fund (21-39) was formed to account for property acquisition and construction of new schools as well as renovation of current schools for the Cajon Valley Union School District. The fund is financed by the proceeds of general obligation bonds issued under the General

[REDACTED]

[REDACTED]

[REDACTED]

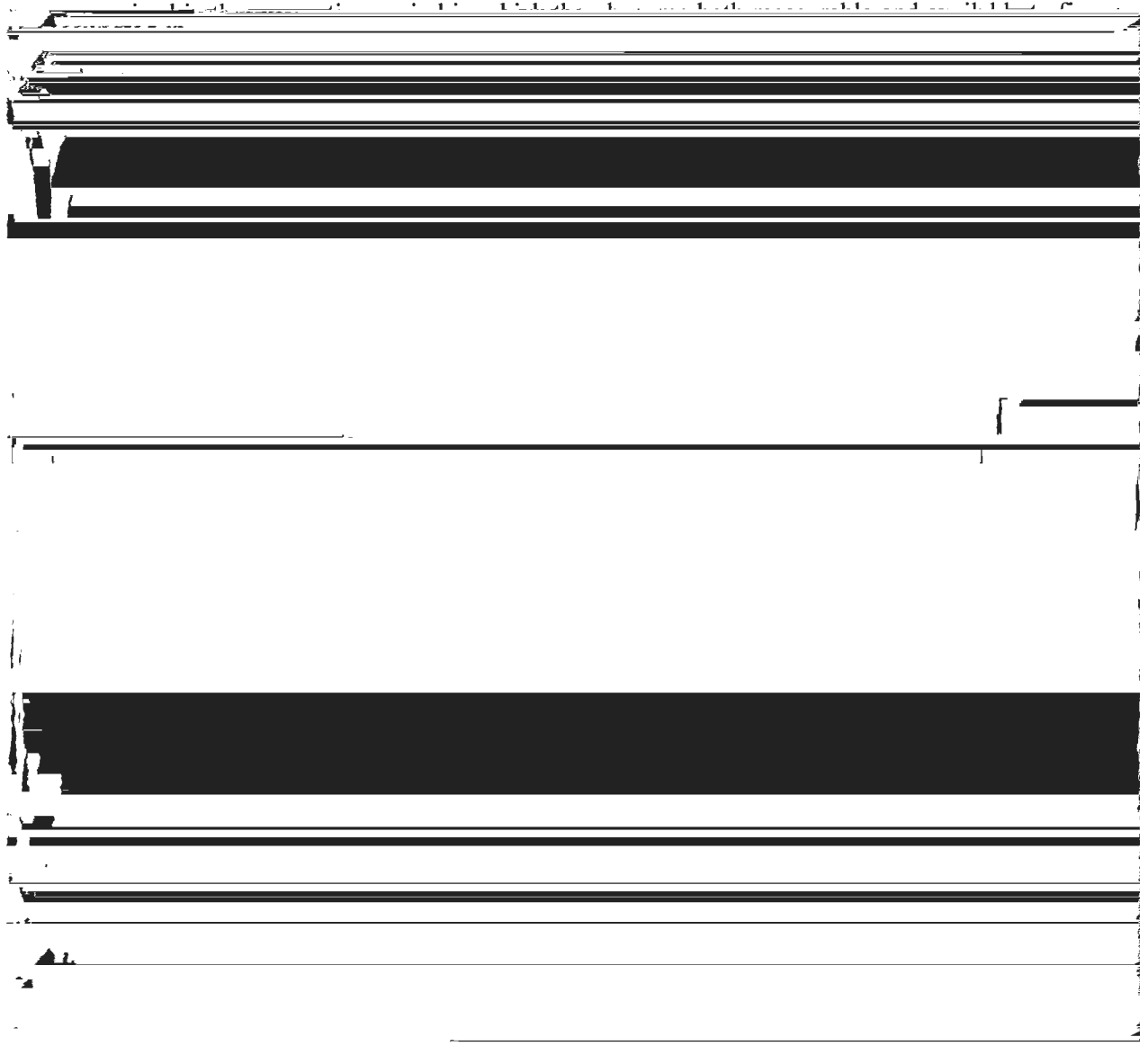
[REDACTED]

[REDACTED]

[REDACTED]

CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION D BUILDING FUND (21-39)
PROPOSITION C BUILDING FUND (21-00)
Notes to the Financial Statements, Continued
Year Ended June 30, 2015

The Building Funds are maintained on the modified accrual basis of accounting. Revenues are



expenditures of the current fiscal period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered). With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources



CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION D BUILDING FUND (21-39)
PROPOSITION C BUILDING FUND (21-00)
Notes to the Financial Statements, Continued
Year Ended June 30, 2015



§53648 et.seq. The funds maintained by the county are either secured by federal depository insurance or are collateralized.

Information regarding the amount of dollars invested in derivatives with San Diego County Treasury was not available.

Receivables and Payables

CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION D BUILDING FUND (21-39)
PROPOSITION C BUILDING FUND (21-00)
Notes to the Financial Statements, Continued
Year Ended June 30, 2015

Unrestricted Fund Balance represents amounts which are unconstrained in that they may be spent

**CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION D BUILDING FUND (21-39)
PROPOSITION C BUILDING FUND (21-00)**

Year Ended June 30, 2015

2. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit Risk is the risk that an issuer or their counterparty to an investment will not fulfill its obligations. The county is restricted by Government Code Section 53635 pursuant to Section 53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. The San Diego County Investment Pool is rated AA+ by Standard & Poors.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. At year end, the District's Building Funds (21-39) and (21-00) were not exposed to custodial credit risk.

c. Concentration of Credit Risk

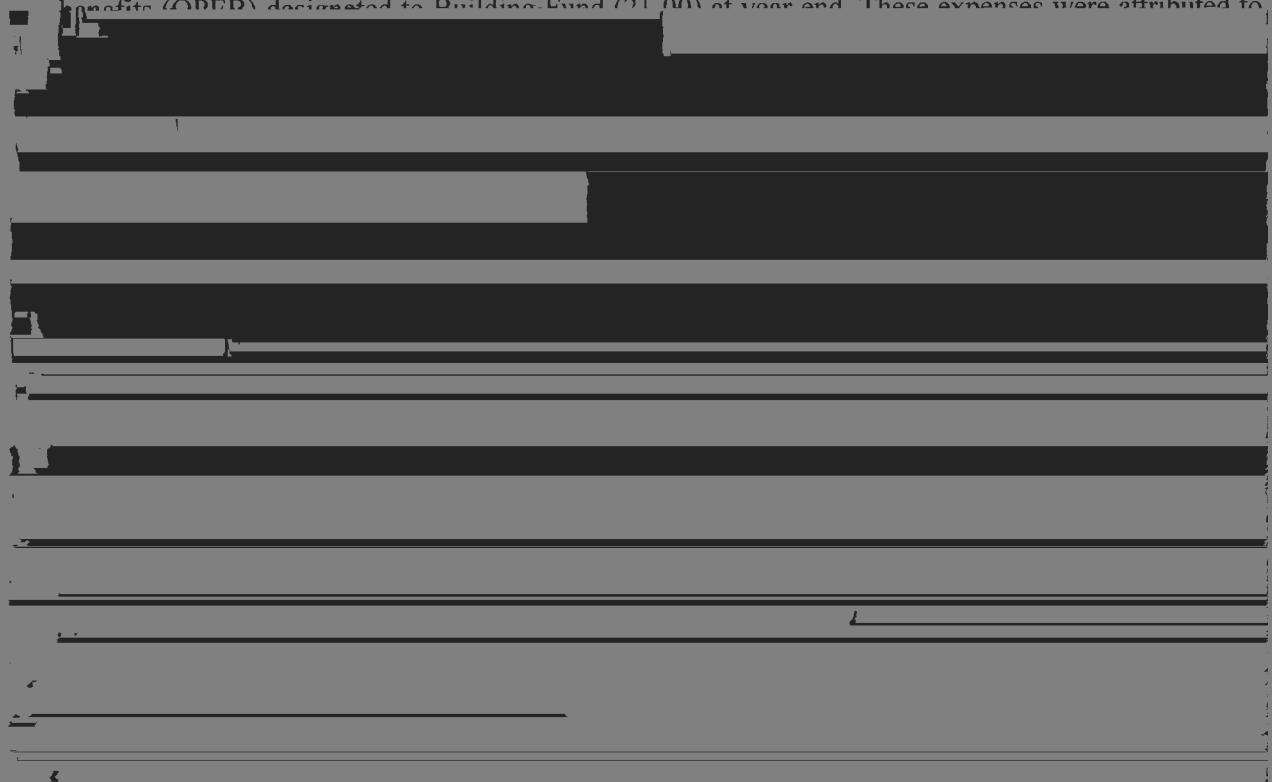
CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION D BUILDING FUND (21-39)
PROPOSITION C BUILDING FUND (21-00)
 Notes to the Financial Statements, Continued
 Year Ended June 30, 2015

F. Interfund Transactions

Interfund receivable and payable balances at June 30, 2015 are as follows:

	Proposition C (21-00)
Due From Other Funds - General Fund	\$ 101,811
Due To Other Funds - General Fund	\$ 3,780

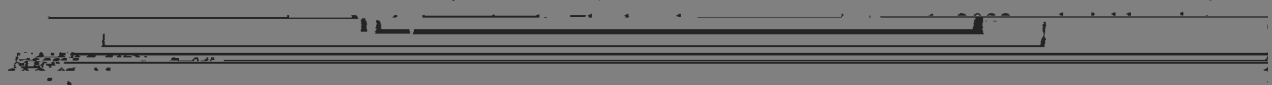
The amount due from the General Fund is for reimbursement of construction costs and fees and the amount due to the General Fund is for reimbursement of the portion of other post-employment benefits (OPEB) designated to Building Fund (21-00) at year end. These expenses were attributed to



the work necessary for the bond projects and in conjunction with the Bond Project List as listed in the full text of the ballot measure.

G. General Obligation Bonds

In July 2008, the District issued \$35,000,000, Series A General Obligation Bonds in order to finance the construction of new schools, classrooms, and instructional facilities in addition to financing the



CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION D BUILDING FUND (21-39)
PROPOSITION C BUILDING FUND (21-00)
Notes to the Financial Statements, Continued
Year Ended June 30, 2015

The table content is almost entirely obscured by black redaction bars. Only a few faint lines of text are visible at the top and bottom of the page, but the majority of the data is hidden.

CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION D BUILDING FUND (21-39)
PROPOSITION C BUILDING FUND (21-00)
Notes to the Financial Statements, Continued
Year Ended June 30, 2015

The annual requirements to amortize the general obligation bonds payable outstanding as of June 30, 2015 is as follows:

Year Ending June 30,	Principal	Accreted Interest	Interest	Total
2016	\$ 4,287,898	\$	\$ 4,737,148	\$ 8,520,046
2017	3,730,194		4,274,295	8,004,489
2018	3,890,882	17,519	4,117,388	8,025,789
2019	4,323,257	102,461	3,925,829	8,351,547
2020	2,982,864	141,482	3,760,752	6,885,098
2021-2025	19,716,516	1,597,135	16,742,040	38,055,691
2026-2030	27,614,460	5,380,386	12,487,047	45,481,893
2031-2035	27,143,915	511,085	6,308,326	33,963,326
2036-2040	15,755,000		2,032,622	17,787,622
2041-2045	2,885,000		52,290	2,937,290
Totals	\$ 112,324,986	\$ 7,750,068	\$ 57,937,737	\$ 178,012,791

Note: Amounts represented in the repayment schedule of accreted interest are reflective of 100% of amounts to be repaid. Amounts represented as accreted interest in the debt summary are reflective of amounts that have been accrued as of June 30, 2015.

\$

OTHER INDEPENDENT AUDITORS' REPORTS

**WILKINSON HADLEY
KING & CO. LLP**
CPAs AND ADVISORS

P. Robert Wilkinson, CPA
Brian K. Hadley, CPA

Aubrey W. King, CPA
Kevin A. Sproul, CPA

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***

**Governing Board Members and
Citizens' Bond Oversight Committee
Cajon Valley Union School District
El Cajon, California**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Proposition D

[REDACTED]

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cajon Valley Union School District's financial

statements are free from material misstatement, we performed tests of its compliance with certain

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

WILKINSON HADLEY KING & CO. LLP

P. Robert Wilkinson, CPA

Aubrey W. King, CPA

Phil H. Sproul, CPA

INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

Kevin A. Sproul, CPA

**Governing Board Members and
Citizens' Bond Oversight Committee
Cajon Valley Union School District
El Cajon, California**

We have audited the financial statements of the Proposition D Building Fund (21-39) and Proposition C Building Fund (21-00) of Cajon Valley Union School District as of and for the fiscal year ended June 30, 2011.

All purchase requisitions are reviewed for proper supporting documentation. The Project Manager or appropriate Director submits back up information to the Construction Accountant to initiate a purchase requisition. The Long-Range Planning Director verifies that the requested purchase is an allowable project cost in accordance with the Proposition D and C ballots initiative approved by local voters, as well

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

We noted no instances where the District was out of compliance with respect to contracts and bidding procedures.

Citizens' Oversight Committee

Procedures Performed:

[REDACTED]

FINDINGS AND RECOMMENDATIONS

CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION D BUILDING FUND (21-39)
PROPOSITION C BUILDING FUND (21-00)
Schedule of Findings and Responses
Year Ended June 30, 2015

There were no findings to report.

CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION D BUILDING FUND (21-39)
PROPOSITION C BUILDING FUND (21-00)
Summary Schedule of Prior Audit Findings
Year Ended June 30 2015

There were no findings reported for the year ended June 30, 2014.

