

CAJON VALLEY UNION SCHOOL DISTRICT

**PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)
GENERAL OBLIGATION BONDS**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

JUNE 30, 2019

**CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)
GENERAL OBLIGATION BONDS
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**CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION 39 GENERAL OBLIGATION BONDS
PROPOSITION C AND PROPOSITION EE
INTRODUCTION AND CITIZENS' OVERSIGHT COMMITTEE MEMBER LISTING**

On February 5, 2008 the Cajon Valley Union School District was successful in obtaining authorization from District voters to issue up to \$156,500,000 in General Obligation Bonds pursuant to a 55% vote in Proposition D, a Bond election. The General Obligation Bonds are considered Proposition 39 bonds.

On November 8, 2016 the Cajon Valley Union School District was successful in obtaining authorization from District voters to issue up to \$20,000,000 in General Obligation Bonds (Ed-Tech Bonds) pursuant to a 55% vote in Proposition EE, a Bond election. The General Obligation Bonds are considered Proposition 39 bonds.

The passage of Proposition 39 in November 2000 amended the California Constitution to include accountability measures. Specifically, the District must conduct an annual, independent performance audit to ensure that funds have been expended only on the specific projects listed as well as an annual, independent financial audit of the proceeds from the sale of the bonds until all of the proceeds have been expended.

Upon passage of Proposition 39, an accompanying piece of legislation, AB 1908, was also enacted which amended the Education Code to establish additional procedures which must be followed if a District seeks approval of a bond measure pursuant to the 55% majority authorized in Proposition 39 including formation, composition and purpose of the Citizens' Bond Oversight Committee, and authorization for injunctive relief against improper expenditure of bond revenues.

By approval of Proposition C (a re-authorization measure) on November 6, 2012, with at least 55 percent of the registered voters voting on the measure, the District was authorized to issue and sell bonds of up to \$88.4 million in aggregated principal at interest rates not in excess of the legal limit and to provide financing for the specific school facilities projects listed in the Bond Project List, subject to all the accountability requirements as specified.

The Bonds may be issued under the provisions of the California Education Code (starting at Section 15100), under the provisions of the California Government Code (starting at Section 53506), or under any other provision of law authorizing the issuance of general obligation bonds by school districts. The Bonds may be issued in series by the District from time to time, and each series of Bonds shall mature within the legal limitations set forth in the applicable law under which the Bonds are issued.

District voters previously approved Proposition D at an election held in the District on February 5, 2008. However, due to State law limitations imposed on the issuance of bonds under Proposition D, the District estimated that it would be unable to issue any additional Proposition D Bonds in the immediate future. The Governing Board of the District found and determined that there continued to be an urgent need in the District for the completion of the educational projects approved by District voters under Proposition D, and that no other District resources were available to finance such projects. As the Proposition C Bonds are issued, the Board of Trustees of the District has covenanted that it will cancel and shall not authorize the issuance of Proposition D Bonds in a like amount so that the total bonds issued under both measures shall not exceed the \$156,500,000 originally authorized under Proposition D.

**CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION 39 GENERAL OBLIGATION BONDS
PROPOSITION C AND PROPOSITION EE
INTRODUCTION AND CITIZENS' OVERSIGHT COMMITTEE MEMBER LISTING**

The Cajon Valley Union School District Proposition C and Proposition EE Citizens' Oversight Committee as of June 30, 2019 was comprised of the following members:

Deanne Markle	Member
Steve Devan	Member
Peter Lupo	Member
Victor Garcia	Member
Susan Holtz	Member
Robert Kiesling	Member
Sheri Runyen	Member



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

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

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 C Building Fund (21-00) and Proposition EE Building Fund (21-10) of Cajon Valley Union School District, which comprise the balance sheet as of June 30, 2019, 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Proposition C Building Fund (21-00) and Proposition EE Building Fund (21-10) of Cajon Valley Union School District as of June 30, 2019, and the result of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and other required supplementary information as identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, as required by the *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2020 on our consideration of Cajon Valley Union School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cajon Valley Union School District's internal control over financial reporting and compliance.

Wilkinson Hadley King & Co., LLP

El Cajon, California
March 27, 2020

FINANCIAL STATEMENTS

**CAJON VALEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2019**

This section of Cajon Valley Union School District's Proposition C Building Fund (21-00) and Proposition EE Building Fund (21-10) annual financial and performance report presents our discussion and analysis of the bond programs during the fiscal year that ended on June 30, 2019. Please read it in conjunction with the District's Proposition C Building Fund (21-00) and Proposition EE Building Fund (21-10) bond financial statements and performance audit, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The fund balance for Proposition C Building Fund (21-00) and Proposition EE Building Fund (21-10) amounted to \$19,187,883 and \$1,038,682 as of June 30, 2019, respectively.
- Revenues and other financing sources for Proposition C Building Fund (21-00) and Proposition EE Building Fund (21-10) were \$530,876 and \$74,398, respectively during the year ended June 30, 2019, while total expenditures and outgo were \$4,622,793 and \$3,293,226, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – Management Discussion and Analysis (this section), the Proposition C Building Fund (21-00) and Proposition EE Building Fund (21-10) bond financial statements, and the performance audit required by state law.

The District accounts for Proposition C Building Fund (21-00) and Proposition EE Building Fund (21-10) bond activity in the District's Building Fund. The Building Fund is a governmental fund type accounted for on a modified accrual basis of accounting that does not include fixed assets nor long-term liabilities.

FINANCIAL ANALYSIS OF THE PROPOSITION C (21-00) AND PROPOSITION EE (21-10) BOND BUILDING FUND

Balance Sheet: The District's Proposition C Building Fund (21-00) and Proposition EE Building Fund (21-10) fund balances as of June 30, 2019 were \$19,187,883 and \$1,038,682, respectively. The \$19,546,411 million and \$1,025,266 of cash and cash equivalents represent cash held in the county treasury for purposes associated only with the bond authorization approved by the voters. It has been determined that Proposition C Building Fund (21-00) and Proposition EE Building Fund (21-10) cannot be used for Routine Restricted Maintenance expenditures in the General Fund. Table 1 compares the balance sheet for June 30, 2018 and June 30, 2019.

**CAJON VALEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2019**

Table 1

	June 30, 2019 Proposition C (21-00)	June 30, 2018 Proposition C (21-00)	Change	Percent Change
Assets				
Cash and cash equivalents	\$ 19,546,411	\$ 23,316,209	\$ (3,769,798)	-16.17%
Accounts receivable	148,131	-	148,131	0.64%
Total Assets	\$ 19,694,542	\$ 23,316,209	\$ (3,621,667)	-15.53%
Liabilities				
Accounts payable	\$ 504,203	\$ 24,953	\$ 479,250	1920.61%
Due to other funds	2,456	11,456	(9,000)	-78.56%
Total Liabilities	506,659	36,409	470,250	1291.58%
Fund Balance				
Restricted for capital projects	19,187,883	23,279,800	(4,091,917)	-17.58%
Total Liabilities and Fund Balance	\$ 19,694,542	\$ 23,316,209	\$ (3,621,667)	-15.53%
	June 30, 2019 Proposition EE (21-10)	June 30, 2018 Proposition EE (21-10)	Change	Percent Change
Assets				
Cash and cash equivalents	\$ 1,025,266	\$ 4,257,510	\$ (3,232,244)	-75.92%
Accounts receivable	13,416	-	13,416	0.32%
Total Assets	\$ 1,038,682	\$ 4,257,510	\$ (3,218,828)	-75.60%
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	0.00%
Total Liabilities	-	-	-	0.00%
Fund Balance				
Restricted for capital projects	1,038,682	4,257,510	(3,218,828)	-75.60%
Total Liabilities and Fund Balance	\$ 1,038,682	\$ 4,257,510	\$ (3,218,828)	-75.60%

**CAJON VALEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2019**

Fund Balance (or Changes in Fund Balance). The interest income reported represents funds earned on the cash held by the county treasurer. The total expenditures of \$4,622,793 million and \$3,613,911 million represent only Proposition C Building Fund (21-00) and Proposition EE Building Fund (21-10) authorized expenditures. Table 2 shows a comparison of income, expenses, and changes in fund balance for the years ended June 30, 2019 and June 30, 2018.

Table 2

	June 30, 2019 Proposition C (21-00)	June 30, 2018 Proposition C (21-00)	Change	Percent Change
Revenue				
Interest	\$ 516,911	\$ 175,733	\$ 341,178	194.15%
Other State Revenue	13,965	-	13,965	100.00%
Other Local Revenue	-	8,865	(8,865)	-100.00%
Total Revenue	530,876	184,598	346,278	187.58%
Expenses				
Salaries and Benefits	264,650	266,116	(1,466)	-0.55%
Other Operating Expenses	34,210	48,916	(14,706)	-30.06%
Capital Outlay	4,323,933	3,298,879	1,025,054	31.07%
Total Expenses	4,622,793	3,613,911	1,008,882	27.92%
Other Sources				
Transfers In	-	2,992,789	(2,992,789)	100.00%
Bond Proceeds	-	17,505,000	(17,505,000)	100.00%
Total Other Sources	-	20,497,789	(20,497,789)	100.00%
Change in Fund Balance	(4,091,917)	17,068,476	(21,160,393)	-123.97%
Fund Balance Beginning	23,279,800	6,211,324	17,068,476	274.80%
Fund Balance Ending	\$ 19,187,883	\$ 23,279,800	\$ (4,091,917)	-17.58%

	June 30, 2019 Proposition EE (21-10)	June 30, 2018 Proposition EE (21-10)	Change	Percent Change
Revenue				
Interest	\$ 74,398	\$ 53,271	\$ 21,127	39.66%
Total Revenue	74,398	53,271	21,127	39.66%
Expenses				
Capital Outlay	3,293,226	1,494,410	1,798,816	120.37%
Total Expenses	3,293,226	1,494,410	1,798,816	120.37%
Other Sources				
Bond Proceeds	-	-	-	0.00%
Total Other Sources	-	-	-	0.00%
Change in Fund Balance	(3,218,828)	(1,441,139)	(1,777,689)	123.35%
Fund Balance Beginning	4,257,510	5,698,649	(1,441,139)	100.00%
Fund Balance Ending	\$ 1,038,682	\$ 4,257,510	\$ (3,218,828)	-75.60%

**CAJON VALEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)
Management’s Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2019**

Long-Term Debt Comparison: At the end of the year Proposition C Building Fund (21-00) had \$113,889,627 in outstanding long-term debt and Proposition EE Building Fund (21-10) had \$4,444,865 in outstanding long-term debt. Table 3 shows a comparison of long-term debt items for the years ended June 30, 2018 and June 30, 2019.

Table 3

	June 30, 2019 Proposition C (21-00)	June 30, 2018 Proposition C (21-00)	Change	Percent Change
General Obligation Bonds	\$ 106,407,754	\$ 110,731,011	\$ (4,323,257)	-3.90%
GO Bond Premiums	4,244,722	4,321,063	(76,341)	-1.77%
Accreted Interest	3,237,151	2,762,540	474,611	17.18%
Total Long-Term Debt	<u>\$ 113,889,627</u>	<u>\$ 117,814,614</u>	<u>\$ (3,924,987)</u>	<u>-3.33%</u>

	June 30, 2019 Proposition EE (21-10)	June 30, 2018 Proposition EE (21-10)	Change	Percent Change
General Obligation Bonds	\$ 4,100,000	\$ 6,000,000	\$ (1,900,000)	-31.67%
GO Bond Premiums	344,865	504,680	(159,815)	-31.67%
Total Long-Term Debt	<u>\$ 4,444,865</u>	<u>\$ 6,504,680</u>	<u>\$ (2,059,815)</u>	<u>-31.67%</u>

Over the course of the year as conditions change, the budgets of the Proposition C Building Fund (21-00) and Proposition EE Building Fund (21-10) program are reviewed by staff. When changes occur that are outside of the Board approved allocations, staff will prepare an item for Board approval. The item is reviewed first by the District’s Citizens’ Oversight Committee and forwarded to the Board with their recommendation. Staff will address the entire program and recommend budget revision for the entire program. When staff recommends a budget revision, they will demonstrate how new allocations are accommodated within that limitation. The original budget of the program had contingencies for construction changes and a program reserve for unexpected changes. With revisions to the program budget, these amounts will be adjusted. Each year, on a single year basis, staff prepares an annual budget. This amount is used to track expenditures in any single year. The budget reported is then utilized to compare against actual expenditures. It is not uncommon that expenditures may occur more quickly than expected and an annual budget revision is not completed. In this case one might have a discrepancy in the fiscal year annual budget, while the overall program budget is within its limits.

**CAJON VALEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2019**

**FACTORS BEARING ON THE PROPOSITION C (21-00) AND PROPOSITION EE (21-10)
BOND BUILDING FUND'S FUTURE**

The District's Proposition C Building Fund (21-00) will continue construction with respect to unfinished capital projects. Some of these projects include new modular classroom buildings at Johnson and Naranca Elementary Schools. Proposition EE Funds (21-10) will continue to be used for the procurement of classroom technology.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's Proposition C Building Fund (21-00) and Proposition EE Building Fund (21-10) bond finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Sharon Dobbins, Director, Long-Range Planning, Cajon Valley Union School District.

CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)
Balance Sheet
June 30, 2019

	Proposition C Building Fund (21-00)	Proposition EE Building Fund (21-10)	Total
ASSETS			
Current Assets			
Cash in county treasury	\$ 19,546,411	\$ 1,025,266	\$ 20,571,677
Accounts receivable	148,131	13,416	161,547
Total Current Assets	<u>19,694,542</u>	<u>1,038,682</u>	<u>20,733,224</u>
TOTAL ASSETS	<u>\$ 19,694,542</u>	<u>\$ 1,038,682</u>	<u>\$ 20,733,224</u>
LIABILITIES & FUND BALANCE			
Current Liabilities			
Accounts payable	\$ 504,203	\$ -	\$ 504,203
Due to other funds	2,456	-	2,456
Total Current Liabilities	<u>506,659</u>	<u>-</u>	<u>506,659</u>
Total Liabilities	<u>506,659</u>	<u>-</u>	<u>506,659</u>
Fund Balance			
Restricted for capital projects	<u>19,187,883</u>	<u>1,038,682</u>	<u>20,226,565</u>
Total Fund Balance	<u>19,187,883</u>	<u>1,038,682</u>	<u>20,226,565</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 19,694,542</u>	<u>\$ 1,038,682</u>	<u>\$ 20,733,224</u>

The accompanying notes to the financial statements are an integral part of this statement.

CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)
Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended June 30, 2019

	Proposition C Building Fund (21-00)	Proposition EE Building Fund (21-10)	Total
REVENUES			
Other state revenues	\$ 13,965	\$ -	\$ 13,965
Interest income	516,911	74,398	591,309
TOTAL REVENUES	<u>530,876</u>	<u>74,398</u>	<u>605,274</u>
EXPENDITURES			-
Current expenditures:			
Classified salaries	181,253	-	181,253
Employment taxes and employee benefits	83,397	-	83,397
Audit fees	6,840	-	6,840
Mileage reimbursement	187	-	187
Professional consulting services	27,183	-	27,183
Capital Outlay:			
Architect fees	609,527	-	609,527
Construction costs	3,168,059	-	3,168,059
Capitalized equipment	-	3,293,226	3,293,226
DSA fees	57,000	-	57,000
Inspections	13,406	-	13,406
Land improvements	374,184	-	374,184
Planning costs	18,528	-	18,528
Preliminary tests	83,229	-	83,229
TOTAL EXPENDITURES	<u>4,622,793</u>	<u>3,293,226</u>	<u>7,916,019</u>
DEFICIENCY IN REVENUES UNDER EXPENDITURES	<u>(4,091,917)</u>	<u>(3,218,828)</u>	<u>(7,310,745)</u>
NET CHANGE IN FUND BALANCE	(4,091,917)	(3,218,828)	(7,310,745)
FUND BALANCE - BEGINNING OF YEAR	<u>23,279,800</u>	<u>4,257,510</u>	<u>27,537,310</u>
FUND BALANCE - END OF YEAR	<u>\$ 19,187,883</u>	<u>\$ 1,038,682</u>	<u>\$ 20,226,565</u>

The accompanying notes to the financial statements are an integral part of this statement.

CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)
Notes to the Financial Statements
Year Ended June 30, 2019

A. Definition of the Fund

Proposition C, was approved by local voters in November 2012. As Proposition C bonds are issued, an equal amount of Proposition D authorization is retired; therefore, no additional debt is incurred beyond the original Proposition D authorization. The Building Fund (21-00) was formed to account for revenues and expenditures under Proposition C.

Proposition C was placed on the November 2012 ballot giving voters the option to support re-authorization of the remaining bonds.

This \$88,400,000 re-authorization initiative:

- (1) Allows for completion of all bond projects without delay;
- (2) Minimizes project cost escalation;
- (3) Allows the voters who approved Proposition C to benefit from the projects;
- (4) Provides local construction jobs when they are needed most; and
- (5) Saves taxpayers millions of dollars in interest compared to issuing capital appreciation bonds.

Proposition EE was approved by local voters in November 2016. The Building Fund (21-10) was formed to account for revenues and expenditures under Proposition EE.

The \$20,000,000 authorized Proposition EE initiative allows for the District to use the bonds to provide for an ongoing source of funding for the evolving educational technology needs of its students and staff. In addition, the District intends to match as closely as possible the term of each series of bonds to the useful life of the technology equipment being financed. As such, the District anticipates that the amortization (or repayment period) of each series of bonds will be approximately three years and will in no case be in excess of five years. Bond proceeds will be expended to modernize, replace, renovate, acquire, install, equip, furnish, and otherwise improve educational technology equipment projects, supporting systems, and software within the District.

B. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB) and *Audits of State and Local Governmental Units* issued by the American Institute of Certified Public Accountants.

Fund Structure

The accompanying financial statements are used to account for the transactions of the Building Funds specific to Proposition C and Proposition EE as defined in Note A and are not intended to present fairly the financial position and results of operations of Cajon Valley Union School District in conformity with accounting principles generally accepted in the United States of America.

CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)
Notes to the Financial Statements
Year Ended June 30, 2019

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The Building Funds are maintained on the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become both measurable and available to finance 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 (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

Budgets and Budgetary Accounting

The Board of Trustees adopts an operating budget no later than July 1 in accordance with state law. This budget is revised by the Board of Trustees during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

Encumbrances

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated at June 30 since they do not constitute expenditures or liabilities.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Cash in County Treasury

In accordance with Education Code §41001, the District maintains a substantial amount of its cash in the San Diego County Treasury. The County pools these funds with those of other districts in the County and invests the cash. These pooled funds are carried at cost, which approximates fair value, in accordance with the requirements of GASB Statement No. 31.

CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)
Notes to the Financial Statements
Year Ended June 30, 2019

Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The county is authorized to deposit cash and invest excess funds by California Government Code §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

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables/payables. Accounts receivable are recorded net of estimated uncollectible amounts. There were no significant receivables that are not scheduled for collection within one year of year-end.

Fund Balances – Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the District’s governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund’s primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

**CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)**

Notes to the Financial Statements
Year Ended June 30, 2019

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Deferred Inflows and Deferred Outflows of Resources

Deferred outflows of resources is a consumption of net position that is applicable to a future reporting period. Deferred inflows of resources is an acquisition of net position that is applicable to a future reporting period. Deferred outflows of resources and deferred inflows of resources are recorded in accordance with GASB Statement numbers 63 and 65. At June 30, 2019 the District's Proposition C Building Fund (21-00) and Proposition EE Building Fund (21-10) did not have any Deferred Inflows or Deferred Outflows of Resources.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the CalPERS Schools Pool Cost-Sharing Multiple-employer Plan (CalPERS Plan) and additions to/deductions from the CalPERS Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined time frames. For this report, the following time frames are used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)
Notes to the Financial Statements
Year Ended June 30, 2019

Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles as defined by Governmental Accounting Standards Board (GASB) Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy is detailed as follows:

- Level 1 Inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.
- Level 2 Inputs: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 Inputs: Unobservable inputs for an asset or liability.

C. Fair Value Measurements

The District's investments attributed to Building Fund (21-00) and Building Fund (21-10) at June 30, 2019, categorized within the fair value hierarchy established by generally accepted accounting principles were as follows:

	Amounts	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs Level (3)
External investment pools measured at fair value				
San Diego County Treasury	\$ 20,571,677	\$ -	\$ 20,571,677	\$ -
Total investments by fair value level	<u>\$ 20,571,677</u>	<u>\$ -</u>	<u>\$ 20,571,677</u>	<u>\$ -</u>

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's investments in the pool is reported in the accounting financial statements as amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of the portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

The San Diego County Treasury is not registered with the Securities and Exchange Commission (SEC) as an investment company; however, the County Treasury acts in accordance with investment policies monitored by a Treasury Oversight Committee consisting of members appointed by participants in the investment pool and up to five members of the public having expertise; or an academic background in public finance. In addition, the County Treasury is audited annually by an independent auditor.

CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)
Notes to the Financial Statements
Year Ended June 30, 2019

D. Cash and Investments

1. *Cash in County Treasury*

The District maintains substantially all of its cash in the San Diego County Treasury as part of the common investment pool. As of June 30, 2019, the portion of cash in county treasury attributed to Building Fund (21-00) was \$19,546,411 and Building Fund (21-10) was \$1,025,266. The fair value of Building Fund (21-00) and Building Fund (21-10)'s portion of this pool as of that date, as provided by the pool sponsor, were \$19,546,411 and \$1,025,266 respectively. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

2. *Cash in Banks*

Cash balances in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation.

3. *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. At year end, the District's Building Fund (21-00) and Building Fund (21-10) were not exposed to credit risk.

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. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

**CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)**

Notes to the Financial Statements
Year Ended June 30, 2019

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counter party or the counterparty's trust department or agent but not in the District's name. At year end, the District's Building Fund (21-00) and Building Fund (21-10) were not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District's Building Fund (21-00) and Building Fund (21-10) were not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the county pool.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District's Building Fund (21-00) and Building Fund (21-10) were not exposed to foreign currency risk.

f. Investment Accounting Policy

The District is required by GASB Statement No. 31 to disclose its policy for determining which investments, if any are reported at amortized cost. The District's general policy is to report money market investments and short-term participating interest-earning investment contracts using a cost-based measure; however, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value.

All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposits are examples of nonparticipating interest-earning investment contracts.

General Authorizations

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

**CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)**

Notes to the Financial Statements

Year Ended June 30, 2019

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds, Notes, Warrants	5 Years	None	None
Registered State Bonds, Notes, Warrants	5 Years	None	None
U.S. Treasury Obligations	5 Years	None	None
U.S. Agency Securities	5 Years	None	None
Banker's Acceptance	180 Days	40%	30%
Commercial Paper	270 Days	25%	10%
Negotiable Certificates of Deposit	5 Years	30%	None
Repurchase Agreements	1 Year	None	None
Reverse Repurchase Agreements	92 Days	20% of Base	None
Medium-Term Corporate Notes	5 Years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 Years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Funds	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

E. Accounts Receivable

As of June 30, 2019 accounts receivable consisted of:

	<u>Proposition C Building Fund (21-00)</u>	<u>Proposition EE Building Fund (21-10)</u>	<u>Total</u>
Interest accrual	\$ 148,131	\$ 10,595	\$ 158,726
Insurance settlement	-	2,821	2,821
Total	<u>\$ 148,131</u>	<u>\$ 13,416</u>	<u>\$ 161,547</u>

F. Accounts Payable

As of June 30, 2019, accounts payable consisted of:

	<u>Proposition C Building Fund (21-00)</u>	<u>Proposition EE Building Fund (21-10)</u>	<u>Total</u>
Vendors payable	\$ 504,203	\$ -	\$ 504,203
Total	<u>\$ 504,203</u>	<u>\$ -</u>	<u>\$ 504,203</u>

**CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)**

Notes to the Financial Statements
Year Ended June 30, 2019

G. Due to Other Funds

As of June 30, 2019, due to other funds consisted of:

	Proposition C Building Fund (21-00)	Proposition EE Building Fund (21-10)	Total
Due to General Fund:			
For OPEB benefits	\$ 2,456	\$ -	\$ 2,456
Total	<u>\$ 2,456</u>	<u>\$ -</u>	<u>\$ 2,456</u>

H. 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 repair and renovation of existing schools. The bonds mature on August 1, 2032 and yield an interest rate of 3.00 to 4.80 %.

In May 2011, the District issued \$13,093,060, Series B General Obligation Bonds in order to finance the construction, rehabilitation or repair of public-school facilities, which may include interest payments during the construction period. The bond proceeds received by the District is part of an \$18,000,000 General Obligation Revenue Bonds of the California Qualified School Bond Joint Powers Authority (QSCB). The bonds mature on September 1, 2025 and yield an interest rate of 4%.

In August 2012, the District authorized the sale and issuance of General Obligation Bonds, 2008 Election, Series C, in the amount of \$19,999,932 consisting of \$12,000,000 in current interest serial bonds and \$7,999,932 in capital appreciation bonds. Proceeds from the sale of bonds will be used primarily for financing the renovation, construction, and improvement of school facilities. The current interest bonds are payable semiannually on each February 1 and August 1 of year commencing February 1, 2013 and mature August 1, 2032. The capital appreciation bonds accrete interest compounding semiannually on February 1 and August 1 of each year. Principal is payable August 1, commencing August 1, 2017, and matures August 1, 2030. The overall true interest cost is 4.14%.

In August 2013, the District issued \$31,200,000 of 2012 Election, Series A Bonds. The Series A Bonds were authorized at an election of the registered voters of the District held on November 6, 2012, which authorized a total of \$88,400,000 of Bonds to finance the repair and renovation of school facilities, increase student access to technology, improve energy efficiency, and reduce overall borrowing costs for the District (the "Authorization"). The Series A Bonds are the first series of bonds issued pursuant to the Authorization.

CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)
Notes to the Financial Statements
Year Ended June 30, 2019

In April 2015, the District issued \$20,000,000 of 2012 Election, Series C, General Obligation Reauthorization Bonds in order to finance the repair and renovation of school facilities, increase student access to technology, improve energy efficiency, and reduce overall borrowing costs for the District. The issue consisted of a) \$17,785,000 in Serial Bonds with interest rates ranging from 3.25% to 5.00% with annual maturities from August 2016 through August 2040, b) \$1,020,000 in Term Bonds with a stated interest rate of 5.00% due August 1, 2028, and c) \$1,195,000 in Term Bonds with a stated interest rate of 5.00% due August 1, 2030. Principal payments on the bonds are due August 1 of each year beginning August 1, 2016 while interest is payable semi-annually on February 1 and August 1 of each year through maturity.

In October 2015, the District issued \$17,880,000 of 2012 Election, Series D, General Obligation Reauthorization Bonds for the purpose of increasing student computer/technology access and continuing to finance the renovation, construction and improvement of school facilities. The issue consisted of serial bonds with interest rates ranging from 3.00% to 5.00% with annual maturities from August 2019 through August 2040. Principal payments on the bonds are due August 1 of each year beginning August 2019 while interest is payable semi-annually on February 1 and August 1 of each year through maturity.

In March 2017 the District issued \$6,000,000 of 2016 Election, Series A, General Obligation Ed-Tech Bonds for the purpose of increasing student computer/technology access and continuing to finance the renovation, construction, and improvement of school facilities. The issue consisted of \$6,000,000 in current interest bonds with an interest rate of 5.00% with annual maturities from August 2018 through August 2020. Principal payments on the bonds are due August 1 of each year beginning August 1, 2018 while interest is payable semi-annually on February 1 and August 1 of each year through maturity beginning August 1, 2017. Net proceeds of \$6,000,000 were deposited into Building Fund (21-10) after premium of \$531,242 less issuance costs of \$176,710 while remaining funds of \$354,532 were deposited into the Bond Interest and Redemption Fund to be utilized for subsequent debt service on the bonds.

In September 2017 the District issued \$17,505,000 of 2012 Election, Series E, General Obligation Bonds for the purpose of increasing student computer/technology access and continuing to finance the renovation, construction and improvement of school facilities. The issue consisted of \$17,505,000 in current interest bonds with interest rates ranging from 2.50% to 5.00% with annual maturities August 1 of each year beginning August 1, 2019 with interest payable semi-annually on February 1 and August 1 of each year through maturity date of August 1, 2038. Proceeds of \$17,505,000 were deposited into Building Fund (21-00). The bonds were issued at a premium of \$1,366,234 which was utilized to pay \$299,812 in cost of issuance with the remaining \$1,066,422 being deposited into the Bond Interest and Redemption Fund to be utilized as a reserve for debt service payments on the bonds.

**CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)**

Notes to the Financial Statements
Year Ended June 30, 2019

The outstanding bonded debt of Proposition C Building Fund (21-00) as of June 30, 2019 is as follows:

Proposition C Building Fund (21-00)					
Description	Date of Issuance	Interest Rate	Maturity Date	Amount Original Issue	Original Issue Premium
2008 - Series A	7/9/2008	3.00 - 5.00%	8/1/2032	\$ 35,000,000	\$ -
2008 - Series B	5/25/2011	4.00%	8/1/2025	13,093,060	-
2008 - Series C	8/1/2012	2.00 - 5.00%	8/1/2032	19,999,932	315,532
2012 - Series A	8/28/2013	4.00 - 5.00%	8/1/2037	31,200,000	1,170,176
2012 - Series C	4/4/2015	3.25 - 5.00%	8/1/2040	20,000,000	853,717
2012 - Series D	10/7/2015	3.00 - 5.00%	8/1/2040	17,880,000	1,091,241
2012 - Series E	9/20/2017	2.50 - 5.00%	8/1/2038	17,505,000	1,366,234
			Total	<u>\$ 154,677,992</u>	<u>\$ 4,796,900</u>

Proposition C Building Fund (21-00)					
Description	Amount Outstanding 7/01/2018	Current Year Increases	Current Year Decreases	Amount Outstanding 6/30/2019	Due Within One Year
2008 - Series A	\$ 1,255,000	\$ -	\$ 1,255,000	\$ -	\$ -
2008 - Series B	9,978,560	-	965,718	9,012,842	1,104,346
2008 - Series C	19,132,451	-	102,539	19,029,912	113,518
2008C - Premium	238,813	-	1,280	237,533	1,417
2008C - Accreted Int.	2,762,540	577,072	102,461	3,237,151	141,482
2012 - Series A	25,980,000	-	1,300,000	24,680,000	315,000
2012A - Premium	938,654	-	46,969	891,685	11,381
2012 - Series C	19,000,000	-	700,000	18,300,000	130,000
2012C - Premium	762,508	-	28,092	734,416	5,217
2012 - Series D	17,880,000	-	-	17,880,000	120,000
2012D - Premium	1,014,854	-	-	1,014,854	6,811
2012 - Series E	17,505,000	-	-	17,505,000	1,300,000
2012E - Premium	1,366,234	-	-	1,366,234	101,463
Total	<u>\$ 117,814,614</u>	<u>\$ 577,072</u>	<u>\$ 4,502,059</u>	<u>\$ 113,889,627</u>	<u>\$ 3,350,635</u>

The annual requirements to amortize the Proposition C general obligation bonds payable outstanding as of June 30, 2019 is as follows:

Proposition C Building Fund (21-00)					
Year Ended June 30,	Principal	Accreted Interest	Interest	Total	Premium Amortization
2020	\$ 3,082,864	\$ 141,482	\$ 3,943,982	\$ 7,168,328	\$ 126,289
2021	2,297,319	268,691	3,835,726	6,401,736	53,954
2022	2,610,180	391,671	3,744,668	6,746,519	67,969
2023	3,140,128	239,397	3,641,032	7,020,557	78,674
2024	3,548,060	296,046	3,516,043	7,360,149	93,122
2025-2029	20,705,288	5,781,715	15,452,742	41,939,745	671,463
2030-2034	31,178,915	511,085	10,526,245	42,216,245	1,135,706
2035-2039	29,775,000	-	5,033,429	34,808,429	1,539,589
2040-2044	10,070,000	-	388,425	10,458,425	477,956
Total	<u>\$ 106,407,754</u>	<u>\$ 7,630,087</u>	<u>\$ 50,082,292</u>	<u>\$ 164,120,133</u>	<u>\$ 4,244,722</u>

CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)

Notes to the Financial Statements
Year Ended June 30, 2019

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, 2019. Accreted interest is the process of systematically increasing the carrying amount of capital appreciation bonds to their estimated value at the maturity date of the bond. The District inputs the effective interest rate, using the present value, the face value, and the period of the bond and multiplies the effective interest rate by the book value of the debt at the end of the period.

The outstanding bonded debt of Proposition EE Building Fund (21-10) as of June 30, 2019 is as follows:

Proposition EE Building Fund (21-00)					
Description	Date of Issuance	Interest Rate	Maturity Date	Amount Original Issue	Original Issue Premium
2016 - Series A	3/16/2017	5.00%	8/1/2020	\$ 6,000,000	\$ 531,242
			Total	<u>\$ 6,000,000</u>	<u>\$ 531,242</u>

Proposition EE Building Fund (21-10)					
Description	Amount Outstanding 7/01/2018	Current Year Increases	Current Year Decreases	Amount Outstanding 6/30/2019	Due Within One Year
2016 - Series A	\$ 6,000,000	\$ -	\$ 1,900,000	\$ 4,100,000	\$ 2,000,000
2016A - Premium	504,680	-	159,815	344,865	168,227
Total	<u>\$ 6,504,680</u>	<u>\$ -</u>	<u>\$ 2,059,815</u>	<u>\$ 4,444,865</u>	<u>\$ 2,168,227</u>

The annual requirements to amortize the Proposition EE general obligation bonds payable outstanding as of June 30, 2019 is as follows:

Proposition EE Building Fund (21-10)					
Year Ended June 30,	Principal	Accreted Interest	Interest	Total	Premium Amortization
2020	\$ 2,000,000	\$ -	\$ 155,000	\$ 2,155,000	\$ 168,227
2021	2,100,000	-	52,500	2,152,500	176,638
Total	<u>\$ 4,100,000</u>	<u>\$ -</u>	<u>\$ 207,500</u>	<u>\$ 4,307,500</u>	<u>\$ 344,865</u>

CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)
Notes to the Financial Statements
Year Ended June 30, 2019

I. Construction Commitments

As of June 30, 2019, Proposition C Building Fund (21-00) and Proposition EE Building Fund (21-10) had the following commitments with respect to unfinished capital projects:

<u>Construction in Progress:</u>	<u>Commitment</u>	<u>*Expected Date of Final Completion</u>
Anza New Classrooms and Renovations	\$ 1,285,189	09/30/19
District Wide Solar	426,567	04/30/20
Flying Hills Relocatable	166,905	08/30/19
Hillsdale Field Lighting	32,977	09/30/19
Johnson New Classrooms and Renovations	5,066,729	08/31/20
Naranca New Classrooms and Renovations	615,257	10/31/20
Sidewalk Upgrades	17,375	06/30/20
Total Construction Commitments	<u>\$ 7,610,999</u>	

*Expected date of final completion subject to change.

J. Compensated Absences

As of June 30, 2019, the District had a compensated absences liability associated with employees charged to Proposition C Building Fund (21-00) as follows:

	Proposition C Building Fund (21-00)
Accrued Vacation Balances	<u>\$ 7,794</u>

K. Pension Plans

The following information presented below is the District's government-wide pension plan amounts for CalPERS. The bond fund is 0.595% of the District's total classified salaries for fiscal year ended June 30, 2019, which represents the June 30, 2018 measurement period for pension liability reporting.

**CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)**
Notes to the Financial Statements
Year Ended June 30, 2019

1. General Information About the Pension Plan

a. Plan Descriptions

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Classified employees are members of the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on their website.

b. Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 62 for normal benefits or at age 55 with statutorily reduced benefits. Employees hired prior to January 1, 2013 are eligible to retire at age 60 for normal benefits or at age 55 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. All members are eligible for death benefits after one year of total service.

The Plan's provisions and benefits in effect at June 30, 2019 are summarized as follows:

	<u>CalPERS</u>	
	<u>Before Jan. 1, 2013</u>	<u>On or After Jan. 1, 2013</u>
Hire Date		
Benefit Formula	2% at 55	2% at 62
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly For Life
Retirement Age	50-62	52-67
Monthly Benefits as a % of Eligible Compensation	1.1 - 2.5%	1.0 - 2.5%
Required Employee Contribution Rates (at June 30, 2018)	7.000%	7.000%
Required Employer Contribution Rates (at June 30, 2018)	18.062%	18.062%

c. Contributions – CalPERS

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The CalPERS Board retains the authority to amend contribution rates. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the fiscal year ended June 30, 2019 (measurement date June 30, 2018) the employee contribution rate was 7.00% and employer contribution rate was 18.062% of covered payroll.

**CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)**

Notes to the Financial Statements
Year Ended June 30, 2019

d. On Behalf Payments

The contributions made by the State during the fiscal year ended June 30, 2019 include amounts resulting from Senate Bill (SB) 90 settlement in which the State contributed an additional \$2.2 Billion on behalf of the Districts during the 2018-19 fiscal year in order to reduce contribution rates for Districts in 2019-20 and 2020-21. The contribution resulting from SB 90 made up 42% of the total contributions made by the State on behalf of the District. Consistent with the requirements of GASB 85, the District has recorded these contributions as revenue and expense in the fund financial statements (current financial resources measurement focus). Contributions reported for on behalf payments are based on the District's proportionate share of the State's contribution for the fiscal year.

Contributions made by the State on behalf of the District and the State's pension expense associated with District employees are as follows:

	CalPERS			
	Year Ended	On Behalf	On Behalf	On Behalf
	June 30,	Contribution	Contribution	Pension
		Rate	Amount	Expense
District Portion	2019	7.971%	\$ 2,723,521	-
Proposition C Bond Portion	2019	7.971%	13,965	-

e. Contributions Recognized

For the measurement period ended June 30, 2018 (fiscal year June 30, 2019), the contributions recognized were:

	District's Total	Proposition C
	Contributions	Building Fund
		(21-00)
		Contributions
Contributions - Employer	\$ 4,855,497	\$ 31,810
Contributions - State On Behalf	2,723,521	13,965
Total	\$ 7,579,018	\$ 45,775

2. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2019, (measurement period June 30, 2018), the District reported net pension liabilities for its proportionate shares of the net pension liability of the plan as follows:

	District's	Proposition C
	Proportionate	Building Fund
	Share of the Net	(21-00)
	Pension Liability	Proportionate
		Share of the Net
		Pension Liability
CalPERS	\$ 62,517,351	\$ 376,217

**CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)**

Notes to the Financial Statements
Year Ended June 30, 2019

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability for the Plan as of June 30, 2018 and June 30, 2019 was as follows:

	District's Proportion - CalPERS	Proposition C Building Fund (21-00)'s Proportion - CalPERS
Proportion June 30, 2018	0.2283%	0.0016%
Proportion June 30, 2019	0.2345%	0.0014%
Change in Proportion	0.0062%	-0.0002%

a. Pension Expense

For the measurement period ended June 30, 2018 (fiscal year June 30, 2019), pension expense was recognized as follows:

	District's Pension Expense CalPERS	Proposition C Building Fund (21-00)'s Share of Pension Expense
Change in Net Pension Liability (Asset)	\$ 8,004,656	\$ (4,791)
Employer Contributions to Pension Expense	6,203,812	31,810
(Increase) Decrease in Deferred Outflows of Resources		
Employer contributions subsequent to measurement date	(1,296,572)	(2,590)
Differences between actual and expected experiences	(2,570,897)	(15,130)
Changes in assumptions	1,279,101	9,761
Changes in proportionate share	(673,502)	1,352
Net difference between projected and actual earnings	3,065,011	18,927
Increase (Decrease) in Deferred Inflows of Resources		
Changes in assumptions	(521,098)	(3,218)
Changes in proportionate share	(23,303)	32,944
Net difference between projected and actual earnings	(1,652,675)	(11,279)
Total Pension Expense - CalPERS	<u>\$ 11,814,533</u>	<u>\$ 57,786</u>

**CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)**

Notes to the Financial Statements
Year Ended June 30, 2019

b. Deferred Outflows and Inflows of Resources

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to CalPERS pensions from the following sources:

	District		Proposition C Building Fund (21-00)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 6,203,812	\$ -	\$ 31,810	\$ -
Differences between actual and expected experience	5,043,242	-	31,188	-
Changes in assumptions	7,214,164	(521,096)	49,601	(3,217)
Change in proportionate share	2,438,073	(23,581)	2,704	(42,201)
Net difference between projected and actual earnings	<u>4,835,320</u>	<u>(4,573,954)</u>	<u>29,859</u>	<u>(30,534)</u>
Total - CalPERS	<u>\$ 25,734,611</u>	<u>\$ (5,118,631)</u>	<u>\$ 145,162</u>	<u>\$ (75,952)</u>

Pension contributions made subsequent to measurement date reported as deferred outflows of resources will be recognized as a portion of pension expense in the year ended June 30, 2019. The remaining amounts reported as deferred outflows or deferred inflows of resources will be recognized as an increase or decrease to pension expense over a five year period. Pension expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

District - CalPERS			
Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Effect on Expenses
2020	\$ 14,165,033	\$ (1,946,047)	\$ 12,218,986
2021	6,181,817	(1,401,928)	4,779,889
2022	4,015,466	(1,401,650)	2,613,816
2023	<u>1,372,295</u>	<u>(369,006)</u>	<u>1,003,289</u>
Total	<u>\$ 25,734,611</u>	<u>\$ (5,118,631)</u>	<u>\$ 20,615,980</u>

Proposition C Building Fund (21-00) - CalPERS			
Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Effect on Expenses
2020	\$ 79,213	\$ (23,874)	\$ 55,339
2021	36,414	(20,513)	15,901
2022	23,037	(20,514)	2,523
2023	<u>6,498</u>	<u>(11,051)</u>	<u>(4,553)</u>
Total	<u>\$ 145,162</u>	<u>\$ (75,952)</u>	<u>\$ 69,210</u>

**CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)**
Notes to the Financial Statements
Year Ended June 30, 2019

c. Actuarial Assumptions

The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following assumptions:

	<u>CalPERS</u>
Fiscal Year	June 30, 2019
Measurement Date	June 30, 2018
Valuation date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Wage Growth	1
Investment Rate of Return	7.15%
Post Retirement Benefit Increase	2
Mortality	3

1. Wage growth is a component of inflation for CalPERS assumptions
2. CalPERS post retirement benefit increases assumes 2.00% until PPPA floor on purchasing power applies, 2.50% thereafter
3. CalPERS mortality table was developed based on the CalPERS specific data. For more details on this table, please refer to the experience study report found on the CalPERS website

d. Discount Rate

The discount rate used to measure the total pension liability was 7.15% for CalPERS. The projection of cash flows used to determine the discount rate assumed the contributions from plan members, employers, and state contributing agencies will be made at statutory contribution rates. To determine whether the District bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rates are adequate, and the use of the District bond rate calculation is not necessary for the plan. The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The CalPERS discount rate was increased from 7.50% to 7.65% for measurement date June 30, 2015 (Fiscal year June 30, 2016) to correct for an adjustment to exclude administrative expenses. Subsequently CalPERS discount rate was decreased from 7.65% to 7.15% at measurement date June 30, 2017 (fiscal year June 30, 2018) to adjust for changes resulting from actuarially determined amounts.

**CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)**

Notes to the Financial Statements
Year Ended June 30, 2019

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The investment return assumption used in the accounting valuations is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65%. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of their regular Asset Liability Management (ALM) review cycle. CalPERS completed their ALM in 2018 with new policies in effect on July 2018. CalPERS conducts new ALM's every four years.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class*</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10**</u>	<u>Real Return Years 11+***</u>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

*In the basic financial statements, fixed income is included in Global Debt Securities; Liquidity is included in short-term investments; inflation assets are included in both Global Equity Securities and Global Debt Securities.

**An expected inflation of 2.00% is used for this period.

***An expected inflation of 2.92% is used for the period.

CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)
Notes to the Financial Statements
Year Ended June 30, 2019

e. Sensitivity to Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>District</u>	<u>Proposition C Building Fund (21-00)</u>
1% Decrease	6.15%	6.15%
Net Pension Liability - CalPERS	\$ 91,022,272	\$ 547,754
Current Discount Rate	7.15%	7.15%
Net Pension Liability - CalPERS	\$ 62,517,351	\$ 376,217
1% Increase	8.15%	8.15%
Net Pension Liability - CalPERS	\$ 38,868,437	\$ 233,903

f. Total Pension Liability, Pension Plan Fiduciary Net Position, and Net Pension Liability

<u>CalPERS - District Share</u>	<u>Increase (Decrease)</u>		
	Total	Plan	Net
	Pension Liability	Fiduciary	Pension
	(a)	Net Position	Liability
	(a)	(b)	(a) - (b)
Balance at June 30, 2018 (Previously Reported)	\$ 193,801,290	\$ 139,288,596	\$ 54,512,694
Changes for the year:			-
Adjustment for change in proportionate share	5,196,653	3,734,931	1,461,722
Service cost	5,094,342	-	5,094,342
Interest	14,456,814	-	14,456,814
Differences between expected and actual experience	4,344,517	-	4,344,517
Changes in assumptions	1,055,270	-	1,055,270
Contributions - Employer	-	4,855,500	(4,855,500)
Contributions - Employee	-	2,234,460	(2,234,460)
Net plan to plan resource movement	-	3	(3)
Net investment income	-	11,946,448	(11,946,448)
Benefit payments, including refunds of contributions	(9,503,388)	(9,503,388)	-
Other expenses	-	(411,639)	411,639
Administrative expenses	-	(216,764)	216,764
Net Changes	20,644,208	12,639,551	8,004,657
Balance at June 30, 2019	\$ 214,445,498	\$ 151,928,147	\$ 62,517,351

**CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)**
Notes to the Financial Statements
Year Ended June 30, 2019

CalPERS - Proposition C Building Fund (21-00) Share	Increase (Decrease)		
	Total	Plan	Net
	Pension Liability (a)	Fiduciary Net Position (b)	Pension Liability (a) - (b)
Balance at June 30, 2018 (Previously Reported)	\$ 1,354,542	\$ 973,534	\$ 381,008
Changes for the year:			-
Adjustment for change in proportionate share	(157,011)	(112,847)	(44,164)
Service cost	30,657	-	30,657
Interest	86,998	-	86,998
Differences between expected and actual experience	26,144	-	26,144
Changes in assumptions	6,350	-	6,350
Contributions - Employer	-	29,219	(29,219)
Contributions - Employee	-	13,447	(13,447)
Net investment income	-	71,891	(71,891)
Benefit payments, including refunds of contributions	(57,190)	(57,190)	-
Other expenses	-	(2,477)	2,477
Administrative expenses	-	(1,304)	1,304
Net Changes	(64,052)	(59,261)	(4,791)
Balance at June 30, 2019	\$ 1,290,490	\$ 914,273	\$ 376,217

Detailed information the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

L. Postemployment Benefits Other Than Pension Benefits

The following information presented below is the District’s government-wide liability for OPEB. The bond fund had 0.17% of the District’s total OPEB expense.

1. General Information About the Plan

Plan Description

The District’s defined benefit OPEB plan, CVESD Retiree Health Care Plan (the Plan) provides OPEB for retirees and their eligible dependents that meet eligibility requirements until age 65. Retirees and their eligible dependents in the plan are eligible for the same medical plans as active employees. The Plan is a single-employer defined benefit OPEB plan administered by the District. Authority to establish and amend the benefit terms and financing requirements lie with the District’s board of directors. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.

**CAJON VALLEY UNION SCHOOL DISTRICT
 PROPOSITION C BUILDING FUND (21-00)
 PROPOSITION EE BUILDING FUND (21-10)**

Notes to the Financial Statements
 Year Ended June 30, 2019

The District provides retiree medical (including prescription drug benefits) and dental benefits to eligible retirees and their eligible dependents until the retiree turns age 65. An eligible retiree is only eligible for the level of coverage (retiree only, retiree plus spouse, or retiree plus family) they are receiving at retirement. Retired employees pay the same cost for coverage as an active employee. This cost varies based on the plans and level of coverage enrolled in. Classified part-time employees are only eligible for District-paid retiree only medical and dental coverage but may elect and pay for dependent coverage. Employees in the management, supervisory and classified non-management units who are hired after July 1, 2015, will be eligible for retiree health/dental benefits for the retiring employee only. Family members can be covered by the retiree on a self-pay basis to retiree's age 65.

The District does not provide any retiree medical or dental benefits beyond age 65 except for certain management employees and supervisors who may continue on the Kaiser Senior Advantage Plan and receive a maximum District contribution equal to \$50 per month.

Employees who retired prior to December 1, 2006 are eligible for \$1,200 annual amount if they have waived medical benefits. No new retirees may elect this benefit in the future except an active employee who had waived coverage at December 1, 2006 and retires with this same coverage in place.

Eligibility for retiree health coverage requires retirement on or after age 55 with at least 10 years of District service. A surviving spouse can continue coverage upon the death of the retiree until they attain age 65 for the same rate the retiree would pay for single coverage.

Board members are not eligible for retiree health benefits.

The District participates in the Southern California Schools VEBA for its health plan coverage. The VEBA is considered a community-rated plan. Premium rates may vary by plans selected, coverage tier and Medicare eligibility. The District currently offers a Kaiser HMO, United Healthcare HMO plans with varying networks, United Healthcare PPO Plans for out-of-network retirees and SIMSA. The District also offers a self-insured Delta Dental Plan and a fully insured Met Life Dental DMO Plan. Current premiums range from \$565 per month for health care coverage to \$3,513 per month for health care coverage depending on which plan the employee is enrolled in. Dental plans range in premiums from \$14.24 per month to \$163.40 per month.

Employees Covered by Benefit Terms

At June 30, 2019, the following retirees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	203
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	<u>1,582</u>
Total number of participants	<u><u>1,785</u></u>

**CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)**
Notes to the Financial Statements
Year Ended June 30, 2019

2. Total OPEB Liability

The District's Total OPEB liability of \$54,107,853 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability on the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75% per annum
Salary Increases	3.00% per annum, in aggregate
Discount Rate	3.50% per annum
Healthcare Cost Trend Rates	7.00% decreasing to 5.00%
Retiree's Share of Costs	0.00%

The discount rate is the average, rounded to 5 basis points, of the range of 3-20 year municipal bond rate indices; S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO Index, and Fidelity GO 20 Year Bond Index.

Mortality rates are based on the most recent rates used by CalPERS and CalSTRS for pension valuations. The CalPERS mortality table was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB. The CalSTRS mortality table was developed based on CalSTRS specific data. The table includes mortality improvements set at 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of CalPERS actuarial experience study for the period July 1, 1997 through June 30, 2011 and the CalSTRS experience study for the period July 1, 2010 through June 30, 2015.

CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)
Notes to the Financial Statements
Year Ended June 30, 2019

Changes in Total OPEB Liability

	<u>District</u> <u>Total OPEB</u> <u>Liability</u>	<u>Proposition C</u> <u>Building Fund</u> <u>(21-00)</u> <u>Total OPEB</u> <u>Liability</u>
Balance at June 30, 2018	\$ 53,580,872	\$ 88,285
Changes for the year:		
Service cost	3,242,033	5,511
Interest	1,893,208	3,218
Differences between expected and actual experience	(1,925,272)	(3,273)
Changes in assumptions and other inputs	(402,339)	(684)
Benefit payments	(2,280,649)	(3,877)
Net Changes	<u>526,981</u>	<u>895</u>
Balance at June 30, 2019	<u>\$ 54,107,853</u>	<u>\$ 89,180</u>

There were no changes in benefit terms or assumptions and other inputs for the fiscal year ended June 30, 2019.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

	<u>1% Decrease</u> <u>(2.50%)</u>	<u>Discount Rate</u> <u>(3.50%)</u>	<u>1% Increase</u> <u>(4.50%)</u>
District's Total OPEB Liability	\$ 48,545,285	\$ 54,107,853	\$ 60,587,105
Proposition C Building Fund (21-00) Share	\$ 80,012	\$ 89,180	\$ 99,859

**CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)**

Notes to the Financial Statements
Year Ended June 30, 2019

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point-lower (5.50% decreasing to 4.00% per year) or 1-percentage-point higher (7.50% decreasing to 6.00% per year) than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
	5.50%	6.50%	7.50%
	decreasing to	decreasing to	decreasing to
	<u>4.00%</u>	<u>5.00%</u>	<u>6.00%</u>
District's Total OPEB Liability	\$ 48,325,692	\$ 54,107,853	\$ 59,696,427
Proposition C Building Fund (21-00) Share	\$ 79,650	\$ 89,180	\$ 98,391

3. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019 the District recognized OPEB expense of \$5,135,241 (\$8,729 of which is associated with employees paid from Proposition C Building Fund (21-00)). At June 30, 2019 the District reported deferred outflows and deferred inflows of resources related to the following sources:

	<u>District</u>		<u>Proposition C Building Fund</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions made subsequent to measurement date	\$ 1,446,751	\$ -	\$ 2,459	\$ -
Differences between expected and actuarial experience	-	(1,650,233)	-	(2,805)
Change in assumptions	-	(344,862)	-	(586)
Total	<u>\$ 1,446,751</u>	<u>\$ (1,995,095)</u>	<u>\$ 2,459</u>	<u>\$ (3,391)</u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense during the fiscal year ending June 30, 2020.

**CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)**

Notes to the Financial Statements
Year Ended June 30, 2019

M. Subsequent Events

2019 General Obligations Ed-Tech Bonds

In September 2019 the District issued \$7,000,000 2016 Election, Series B, General Obligation Ed-Tech Bonds for the purpose of increasing student computer/technology access and continuing to finance the renovation, construction, and improvement of school facilities. The issue consisted of \$7,000,000 in current interest bonds with interest rates of 5.00-5.50% with annual maturities from August 2021 through August 2023. Principal payments on the bonds are due August 1 of each year beginning August 1, 2021 while interest is payable semi-annually on February 1 and August 1 of each year through maturity beginning February 1, 2020. Net proceeds of \$7,000,000 were deposited into the Building Fund (21-10) after premium of \$813,896 less issuance costs of \$170,551 while remaining funds of \$643,345 were deposited into the Bond Interest and Redemption Fund to be utilized for subsequent debt service on the bonds.

REQUIRED SUPPLEMENTARY INFORMATION

**CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)**

Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Cajon Valley Union School District OPEB Plan
Last 10 Fiscal Years*

District - Total OPEB Liability	2019	2018
Service Cost	\$ 3,242,033	\$ 3,135,428
Interest	1,893,208	1,798,093
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(1,925,272)	-
Changes of Assumptions or Other Inputs	(402,339)	-
Benefit Payments	(2,280,649)	(2,204,590)
Net Change in Total OPEB Liability	526,981	2,728,931
Total OPEB Liability - Beginning	53,580,872	50,851,941
Total OPEB Liability - Ending	<u>\$ 54,107,853</u>	<u>\$ 53,580,872</u>
Covered Employee Payroll	\$ 114,650,000	\$ 113,000,000
Total OPEB Liability as a Percentage of Total Covered Employee Payroll	47.19%	47.42%
Proposition C - Total OPEB Liability	2019	2018
Service Cost	\$ 5,511	\$ 5,166
Interest	3,218	2,963
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(3,273)	-
Changes of Assumptions or Other Inputs	(684)	-
Benefit Payments	(3,877)	(3,632)
Net Change in Total OPEB Liability	895	4,497
Total OPEB Liability - Beginning	88,285	83,788
Total OPEB Liability - Ending	<u>\$ 89,180</u>	<u>\$ 88,285</u>
Covered Employee Payroll	\$ 194,900	\$ 198,000
Total OPEB Liability as a Percentage of Total Covered Employee Payroll	45.76%	44.59%

*This is a 10 year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

See Accompanying Notes to Required Supplementary Information.

CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)

Schedule of the District's Proportionate Share of the Net Pension Liability
California Public Employees' Retirement System
Last 10 Fiscal Years*

	Fiscal Year				
	2019	2018	2017	2016	2015
District					
District's proportion of the net pension liability (asset)	0.2345%	0.2281%	0.2214%	0.2140%	0.2150%
District's proportionate share of the net pension liability (asset)	\$ 62,517,351	\$ 54,512,695	\$ 43,714,141	\$ 31,532,006	\$ 24,400,237
District's covered employee payroll	\$ 31,263,260	\$ 29,328,348	\$ 26,803,139	\$ 23,789,294	\$ 22,599,266
District's proportionate share of the net pension liability (asset) as a percentage of it's covered payroll	199.97%	185.87%	163.09%	132.55%	107.97%
Plan fiduciary net position as a percentage of the total pension liability	70.85%	71.87%	73.90%	79.43%	83.38%
Proposition C Building Fund (21-00)					
Proposition C's proportion of the net pension liability (asset)	0.0014%	0.0016%	0.0017%	0.0018%	0.0020%
Proposition C's proportionate share of the net pension liability (asset)	\$ 376,217	\$ 376,217	\$ 326,421	\$ 260,905	\$ 228,120
Proposition C's covered employee payroll	\$ 188,140	\$ 204,947	\$ 200,143	\$ 196,840	\$ 211,283
Proposition C's proportionate share of the net pension liability (asset) as a percentage of it's covered payroll	199.97%	183.57%	163.09%	132.55%	107.97%
Plan fiduciary net position as a percentage of the total pension liability	70.85%	71.87%	73.90%	79.43%	83.38%

*This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal periods until 10 years of information is available.

See Accompanying notes to Required Supplementary Information.

CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)
Schedule of the District's Contributions
California Public Employees' Retirement System
Last 10 Fiscal Years*

	Fiscal Year				
	2019	2018	2017	2016	2015
District					
Contractually required contribution	\$ 6,203,812	\$ 4,907,239	\$ 4,073,121	\$ 3,175,368	\$ 2,800,238
Contributions	(6,203,812)	(4,907,239)	(4,073,121)	(3,175,368)	(2,800,238)
Contribution deficiency (excess)	<u>\$ -</u>				
District's covered employee payroll	\$34,127,561	\$31,596,413	\$29,328,348	\$26,803,139	\$23,789,294
Contributions as a percentage of covered employee payroll	18.178%	15.531%	13.888%	11.847%	11.771%
Proposition C Building Fund (21-00)					
Contractually required contribution	\$ 31,810	\$ 29,220	\$ 28,463	\$ 23,711	\$ 23,170
Contributions	(31,810)	(29,220)	(28,463)	(23,711)	(23,170)
Contribution deficiency (excess)	<u>\$ -</u>				
Proposition C's covered employee payroll	\$ 176,116	\$ 188,140	\$ 204,947	\$ 200,143	\$ 196,840
Contributions as a percentage of covered employee payroll	18.062%	15.531%	13.888%	11.847%	11.771%

*This is a 10 year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in the future fiscal years until 10 years of information is available.

See Accompanying Notes to Required Supplementary Information.

CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)
Notes to Required Supplementary Information
Year Ended June 30, 2019

Schedule of District's Proportionate Share - California Public Employees' Retirement System

1) Benefit Changes: In 2015, 2016, 2017, 2018, and 2019 there were no changes to benefits

2) Changes in Assumptions: In 2015 & 2017 there were no changes in assumptions. In 2016 the discount rate was changed from 7.50% to 7.65%. In 2018 the discount rate was changed from 7.65% to 7.15%. In 2019, demographic assumptions and inflation rate were changed in accordance with CalPERS experience study and review of Actuarial Assumptions December 2017, there were no changes to the discount rate in the period.

Schedule of District's Contributions - California Public Employees' Retirement System

The total pension liability was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2013, 2014, 2015, 2016, and 2017 and rolling forward the total pension liabilities to June 30, 2014, 2015, 2016, 2017, and 2018 (measurement dates). The financial reporting actuarial valuation as of June 30, 2014, June 30, 2015, June 30, 2016, June 30, 2017 and June 30, 2018 (measurement dates) used the following actuarial methods and assumptions, applied to all prior periods included in the measurement.

<u>Reporting Period</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>
Measurement Date	06/30/14	06/30/15	06/30/16
Valuation date	06/30/13	06/30/14	06/30/15
Experience Study	07/01/97-06/30/11	07/01/97-06/30/11	07/01/97-06/30/11
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.50%	7.65%	7.65%
Consumer Price Inflation	2.75%	2.75%	2.75%
Wage Growth (Average)	3.00%	3.00%	3.00%
Post-Retirement Benefit Increase	2.00% Simple	2.00% Simple	2.00% Simple

<u>Reporting Period</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>
Measurement Date	06/30/17	06/30/18
Valuation date	06/30/16	06/30/17
Experience Study	07/01/97-06/30/11	07/01/97-06/30/15
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.15%	7.50%
Consumer Price Inflation	2.75%	2.50%
Wage Growth (Average)	3.00%	3.00%
Post-Retirement Benefit Increase	2.00% Simple	2.00% Simple

The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table please refer to the April 2014 experience study report (based on demographic data from 1997 to 2011) available on CalPERS website.

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

1) Benefit Changes: In 2018, and 2019 there were no changes to benefits

2) Changes in Assumptions: In 2018 there were no changes in assumptions. Changes in assumptions for the fiscal year ended June 30, 2019 included an increase in the discount rate from 3.40% to 3.50% based on a change in bond buyer 20 bond index rate.

3) The following are the discount rates used for each period:

<u>Year</u>	<u>Discount Rate</u>
2018	3.40%
2019	3.50%

OTHER INDEPENDENT AUDITORS' REPORTS



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

Aubrey W. Mann, 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 C Building Fund (21-00) and Proposition EE Building Fund (21-10) of Cajon Valley Union School District, which comprise the balance sheet as of June 30, 2019, and the related statements of revenues, expenditures, and change in fund balance for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 27, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cajon Valley Union School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cajon Valley Union School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Cajon Valley Union School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

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 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wilkinson Freely King & Co., LLP

El Cajon, California
March 27, 2020

INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

**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 C Building Fund (21-00) and Proposition EE Building Fund (21-10) of Cajon Valley Union School District as of and for the fiscal year ended June 30, 2019 and have issued our report thereon dated March 27, 2020. Our audit was made in accordance with generally accepted auditing standards in the United States of America and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In connection with our performance audit, we performed an audit for compliance as required in the performance requirements for the Proposition C and Proposition EE General Obligation Bonds for the fiscal year ended June 30, 2019. The objective of the audit of compliance applicable to Cajon Valley Union School District is to determine with reasonable assurance that:

- The proceeds from the sale of the Proposition C and Proposition EE Bonds were only used for the purposes set forth in the ballot measure and not for any other purpose, such as teacher and administrative salaries.
- The Governing Board of the District, in establishing the approved projects set forth in the ballot measure to modernize, replace, renovate, construct, acquire, equip, furnish, and otherwise improve facilities of the District as noted in the bond project list.

In performing our audit of compliance, we performed procedures including but not limited to those listed as follows:

Internal Control Evaluation

Procedure Performed:

Inquiries were made of management regarding internal controls to:

- Prevent fraud, waste, or abuse regarding Proposition C and Proposition EE resources
- Prevent material misstatement in the Proposition C Building Fund (21-00) and Proposition EE Building Fund (21-10) financial statements
- Ensure all expenditures are properly allocated
- Ensure adequate separation of duties exists in the accounting of Proposition C and Proposition EE funds

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 C and Proposition EE ballot initiatives approved by local voters, as well as the Board approved budget, and that all expenditures are properly recorded by project and expense category. All requisitions are routed for review and electronic approval as follows: (1) Construction Accountant; (2) Assistant Superintendent of Business Services; (3) Long-Range Planning Director; (4) Account Analyst; and (5) Purchasing Director.

Once the purchase requisition has gone through the approval process, the Purchasing Department creates a purchase order, which is provided to the vendor who proceeds to provide the requested service or item.

When the invoice is received, the Construction Accountant verifies that the charges are consistent with the amounts on the approved contract/purchase order. The Director of Long Range Planning verifies the services were satisfactorily performed and/or the items were received and installed. Once the invoice has been signed and approved by the Director, the Construction Accountant processes the invoice through the accounts payable system of the District for payment. The checks and back-up documents are then audited by the San Diego County Office of Education's Commercial Warrant Audit Unit to ensure compliance with procurement regulations and good business practices before payment is released.

Results of Procedures Performed

The results of our audit determined the internal control procedures as implemented are sufficient to meet the financial and compliance objectives required by generally accepted accounting principles and applicable laws and regulations.

Tests of Expenditures

Procedures Performed:

We tested expenditures to determine whether Proposition C and Proposition EE funds were spent solely on voter and Board approved school facilities projects as set forth in the Bond Project Lists and language of the Proposition C and Proposition EE ballot measures. Our testing included a sample of vendors and payroll payments, totaling approximately \$4,026,194 or approximately 87% of total expenditures for Proposition C for the year and totaling approximately \$3,209,036 or approximately 97% of total expenditures for Proposition EE for the year.

Results of Procedures Performed:

We found no instances where expenditures tested were not in compliance with the terms of Proposition C and Proposition EE ballot measures and applicable state laws and regulations.

Tests of Contracts and Bid Procedures

Procedures Performed:

We reviewed the District's board minutes for approval of construction contracts and change orders, if any, to determine compliance with the District's policy and Public Contract Code provisions related to biddings and contracting.

Results of Procedures Performed:

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

Citizens' Bond Oversight Committee

Procedures Performed:

We have reviewed the minutes of the Citizens' Bond Oversight Committee meetings and have attended committee meetings to verify compliance with Education Code Sections 15278 through 15282.

Results of Procedures Performed:

We have determined the Cajon Valley Union School District's Proposition C and Proposition EE Citizens' Bond Oversight Committee and its involvement is in compliance with Education Code Sections 15278 through 15282.

Our audit of compliance made for the purposes set forth in the second and third paragraphs of this report above would not necessarily disclose all instances of noncompliance.

In our opinion, the District complied, in all material respects, with the compliance requirements for the Proposition C Building Fund (21-00) and Proposition EE Building Fund (21-10), for the fiscal year ended June 30, 2019.

This report is intended solely for the information and use of the District's Governing Board, the Proposition C and Proposition EE Citizens' Bond Oversight Committee, management, others within the entity, and the taxpayers of Cajon Valley Union School District and is not intended to be and should not be used by anyone other than these specified parties.

Wilkinson Hobbie King & Co., LLP

El Cajon, California
March 27, 2020

FINDINGS AND RESPONSES SECTION

CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)
Schedule of Findings and Responses
Year Ended June 30, 2019

There were no findings to report.

CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

There were no findings reported for the year ended June 30, 2018.

**CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)
GENERAL OBLIGATION BONDS
BOND PROJECT LIST
JUNE 30, 2019**

Bond proceeds will be expended to modernize, replace, renovate, construct, acquire, equip, furnish and otherwise improve the facilities of the District located at the following locations:

Anza Elementary - Built in 1960	Avocado Elementary - Built in 1970
Blossom Valley Elementary - Built in 1993	Bostonia Elementary - Built in 1995
Cajon Valley Home School	Cajon Valley Middle School - Built in 1953
Chase Elementary - Built in 1979	Community Day - Built in 2007
Crest Elementary - Built in 1956	Cuyamaca Elementary - Built in 1948
Emerald Middle - Built in 1958	Flying Hills Elementary - Built in 1959
Fuerte Elementary - Built in 1959	Greenfield Middle - Built in 1959
Hillsdale Middle - Built in 1995	Jamacha Elementary - Built in 1991
Johnson Elementary - Built in 1954	Lexington Elementary - Built in 1956
Los Coches Creek Middle - Built in 2006	Madison Avenue Elementary - Built in 1958
Magnolia Elementary - Built in 1952	Meridian Elementary - Built in 1949
Montgomery Middle - Built in 1974	Naranca Elementary - Built in 1957
Rancho San Diego Elementary - Built in 1986	Rios Elementary - Built in 1959
Sevick - Built in 1974	Vista Grande Elementary - Built in 1981
W.D. Hall Elementary - Built in 1960	

<u>Project Number</u>	<u>Project Name</u>	<u>School Name</u>
D-7501	Water Line Replacement	Meridian
D-7502	Security Camera Upgrades	Various
D-7503	Clock System Upgrades	Various
D-7504	Playground Upgrades	Various
D-7505	New Gymnasium/MPB	Greenfield
D-7506	Electrical Upgrades	Various
D-7507	New 2 Story Classroom/MPB	Cajon Valley
D-7508	HVAC	Various
D-7509	MPR Remodel	Flying Hills
D-7510	Modernization	Vista Grande
D-7511	Modernization	Rancho San Diego
D-7512	Technology Infrastructure	Various
D-7513	Reconstruction	Lexington
D-7515	New Gymnasium/MPB	Emerald
D-7516	New Gymnasium/MPB	Montgomery
D-7518	Erosion Control	Crest
D-7519	Fencing	Various
D-7522	Parking Lot Upgrades	Various
D-7524	Minor Renovations	Various

**CAJON VALLEY UNION SCHOOL DISTRICT
PROPOSITION C BUILDING FUND (21-00)
PROPOSITION EE BUILDING FUND (21-10)
BOND PROJECT LIST
(CONTINUED)
JUNE 30, 2019**

<u>Project Number</u>	<u>Project Name</u>	<u>School Name</u>
D-7525	Security Lighting	Various
D-7526	Sidewalk Upgrades	Various
D-7527	Window Replacement	Blossom Valley
D-7528	Educational Technology	Various
D-7529	New Classroom Buildings/Renovations	Magnolia
D-7530	New Classroom Buildings/Renovations	Various
D-7540	Lighting Retrofit	Various
EE Tech Bond	EE Tech Bond	Various