

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

FINANCIAL AUDIT

JUNE 30, 2009

**BUILDING FUND (21-39)-PROPOSITION D
GENERAL OBLIGATION BONDS
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INDEPENDENT AUDITOR'S REPORT

**Board of Directors and
Citizens' Oversight Committee
Cajon Valley Union School District
El Cajon, California**

We have audited the accompanying financial statements of Building Fund (21-39) of Cajon Valley Union School District as of and for the year ended June 30, 2009 as listed in the table of contents. These

FINANCIAL STATEMENTS

**BUILDING FUND (21-39)-PROPOSITION D
GENERAL OBLIGATION BONDS
BALANCE SHEET
JUNE 30, 2009**

ASSETS

Current Assets

Cash

24,000.00

Total

24,000.00

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

**FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2009**

| | |
|---|-------------------|
| REVENUES | |
| Interest income | \$ 688,944 |
| EXPENDITURES | |
| Classified salaries | 179,227 |
| Employee benefits | 70,925 |
| Other operating expenses: | |
| Mileage | 172 |
| Contracted services | 42,373 |
| Capital outlay: | |
| Site improvements | 3,154 |
| Architect fees | 147,593 |
| DSA fees | 4,930 |
| Preliminary tests | 9,225 |
| Planning costs | 8,208 |
| Other construction costs | 205,979 |
| Equipment | <u>52,284</u> |
| TOTAL EXPENDITURES | <u>724,070</u> |
| EXCESS OF EXPENDITURES OVER REVENUES | (35,126) |
| OTHER FINANCING SOURCES | |
| Proceeds from sale of bonds | <u>35,000,000</u> |
| NET CHANGE IN FUND BALANCE | 34,964,874 |
| FUND BALANCE, BEGINNING OF YEAR | <u>-</u> |

CAJON VALLEY UNION SCHOOL DISTRICT

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**CAJON VALLEY UNION SCHOOL DISTRICT
BUILDING FUND (21-39)-PROPOSTION D
GENERAL OBLIGATION BONDS
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2009

A. Definition of the Fund

In August 2008, Building Fund (21-39) was formed to account for property acquisition and construction of new schools as well as renovation of current schools for the Cajon Valley Union School District. The Building Fund (21-39) was established by the Board of Education on August 12, 2008. The Building Fund (21-39) was established to account for the acquisition and construction of new schools as well as the renovation of current schools for the Cajon Valley Union School District. The Building Fund (21-39) was established by the Board of Education on August 12, 2008.

**CAJON VALLEY UNION SCHOOL DISTRICT
BUILDING FUND (21-39)-PROPOSITION D
GENERAL OBLIGATION BONDS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009
(Continued)**

B. Summary of Significant Accounting Policies (Continued)

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

CAJON VALLEY UNION SCHOOL DISTRICT
BUILDING FUND (21-39)-PROPOSITION D
GENERAL OBLIGATION BONDS

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2009
(Continued)

B. Summary of Significant Accounting Policies (Continued)

Reservations of the ending fund balance indicate the portions of fund balance not appropriate for expenditure or amounts legally segregated for a specific future use. These amounts are not available

CAJON VALLEY UNION SCHOOL DISTRICT
BUILDING FUND (21-39)-PROPOSITION D
GENERAL OBLIGATION BONDS

(Continued)

C. Cash and Investments (Continued)

d. *Interest Rate Risk*

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

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 was not exposed to foreign currency risk.

f. *Investment Accounting Policy*

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

**JUNE 30, 2009
(Continued)**

SUPPLEMENTARY INFORMATION



Wilkinson Hadley King & Co. LLP
CPAs and Advisors

218 W. Douglas Avenue - El Cajon, CA 92020

P. Robert Wilkinson CPA

Andrew W. King CPA

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's Building Fund (21-39) financial statements are free of 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*.

CAJON VALLEY UNION SCHOOL DISTRICT

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

AGREED-UPON PROCEDURES

PERFORMANCE REPORT

JUNE 30, 2009



Wilkinson Hadley King & Co. LLP
CPAs and Advisors

P. Robert Wilkinson CPA

310 W. Douglas Avenue, Ft. Collins, CO 80520

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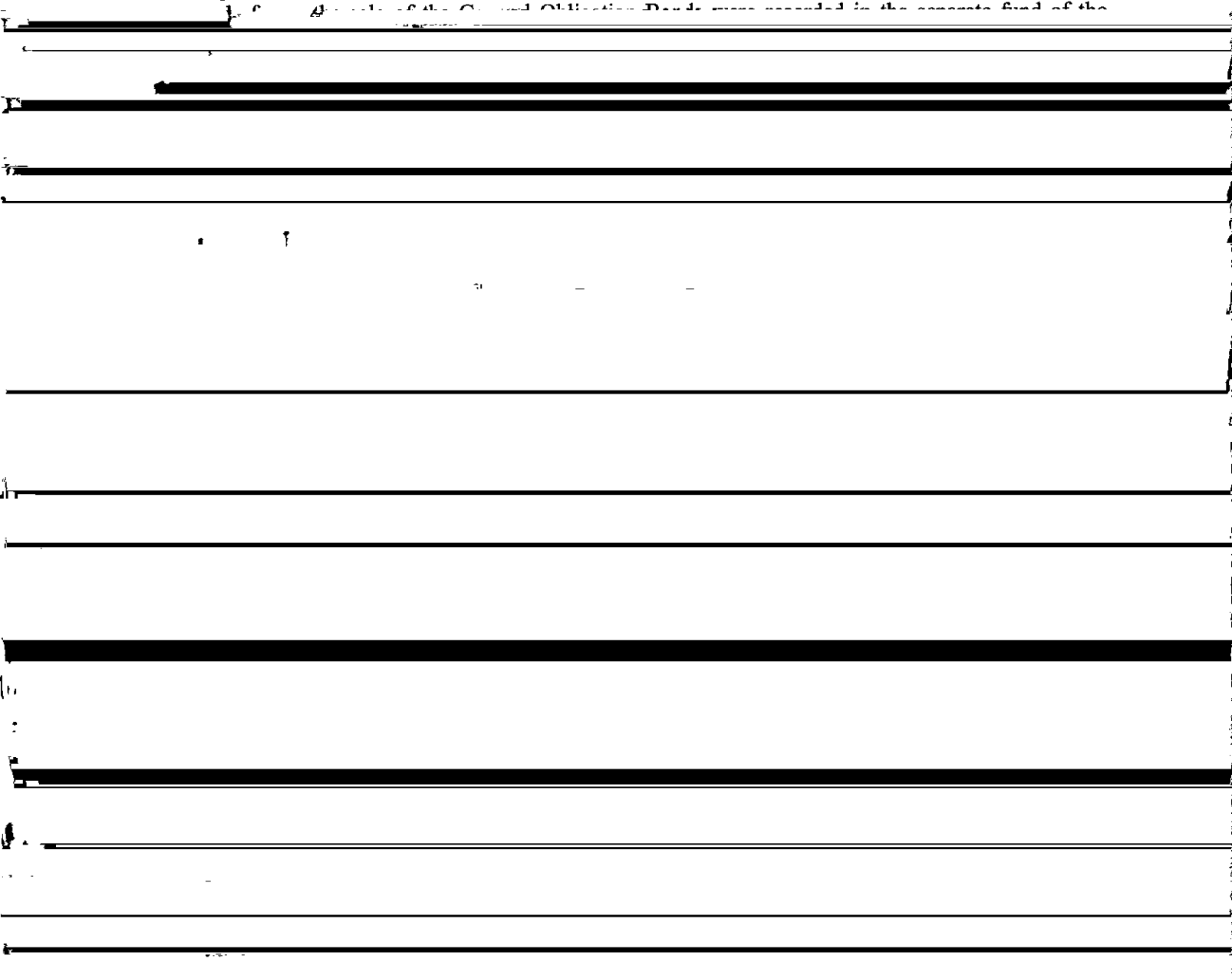
EXHIBITS

**CAJON VALLEY UNION SCHOOL DISTRICT
BUILDING FUND (21-39) PROPOSITION D
GENERAL OBLIGATION BONDS
AGREED-UPON PROCEDURES
JUNE 30, 2009**

Exhibit A

The Cajon Valley Union School District requested that the following agreed-upon procedures be performed:

- A. Verify that a separate Building Fund of the District has been established to account for the receipt of proceeds and expenditures of the funds for the period July 1, 2008 through June 30, 2009.
- B. Through examination of the bond issue settlement statement and accounting records, verify that the net



SUPPLEMENTARY INFORMATION

CAJON VALLEY UNION SCHOOL DISTRICT
BUILDING FUND (21-39) PROPOSITION D
GENERAL OBLIGATION BONDS
FINDINGS AND RECOMMENDATIONS
JUNE 30, 2009

Exhibit B

results were noted:

Agreed-Upon Procedure (A)

Procedure

**CAJON VALLEY UNION SCHOOL DISTRICT
BUILDING FUND (21-39) PROPOSTION D
GENERAL OBLIGATION BONDS
FINDINGS AND RECOMMENDATIONS
JUNE 30, 2009
(Continued)**

Agreed-Upon Procedure (D)

Procedure

For those items selected in Item C, verify that the District's normal purchasing (including quotation and bid requirements) and accounts payable policies and procedures were complied with.

Results

There were no exceptions noted.

CAJON VALLEY UNION SCHOOL DISTRICT
BUILDING FUND (21-39) PROPOSITION D
GENERAL OBLIGATION BONDS
BOND PROJECT LIST
JUNE 30, 2009

~~Bond proceeds will be expended to modernize, replace, construct, repair, finish 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 |

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

**BOND PROJECT LIST
JUNE 30, 2009**

Bond proceeds will also be expended to construct new classrooms, restrooms, computer labs, and other

**CAJON VALLEY UNION SCHOOL DISTRICT
BUILDING FUND (21-39) PROPOSITION D-GENERAL OBLIGATION BONDS
BOND PROJECT LIST
JUNE 30, 2009**

Original Bond Revised Bond

Receipts

| | | | | | | | | |
|---------------------------------|----|-------------|----|-------------|----|------------|----|-------------|
| Interest received | \$ | - | \$ | 688,944 | \$ | 688,944 | \$ | - |
| Proceeds from issuance of bonds | \$ | 156,500,000 | \$ | 156,500,000 | \$ | 35,000,000 | \$ | 121,500,000 |
| Total Receipts | \$ | 156,500,000 | \$ | 157,188,944 | \$ | 35,688,944 | \$ | 121,500,000 |