

**CONEJO VALLEY UNIFIED SCHOOL DISTRICT**



**SPECIAL MEETING OF THE MEASURE I**  
**INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE**  
**WEDNESDAY, JANUARY 16, 2019**  
**3:30 P.M. OPEN SESSION**

**AGENDA**

**LOCATION**

Conejo Valley Unified School District  
District Office Board Conference Room  
1402 E. Janss Road  
Thousand Oaks, CA 91362

**INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE**

**Chair: Tony Gitt, Senior Citizens' Organization representative (2019)**  
**Marshall Denninger, Parent / PTA representative (2019)**  
**Angela Dowling, Community At-Large representative (2020)**  
**Vice Chair: Silas Nesheiwat, Parent representative (2019)**  
**Greg Ramirez, Community At-Large representative (2020)**  
**Angie Simpson, Business Organization representative (2019)**  
**Vacant, Taxpayers' Association representative (2018)**

**ADMINISTRATIVE STAFF**

**Mark McLaughlin, Ed.D., Superintendent**  
**Victor Hayek, Ed.D., Deputy Superintendent, Business Services,**  
**and Senior Staff Liaison to the Committee**  
**Tim McCabe, Director, Planning and Facilities**  
**Dave Riccardi, Director, Maintenance and Operations**  
**David Hubbard, Interim Director, Technology Services**  
**Maria Odell, Senior Administrative Assistant, Business Services**  
**Nuria Becker, Administrative Assistant, Planning & Facilities**  
**Sue Blake, Administrative Assistant, Technology Services**

## HELPFUL INFORMATION

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**PERSONS WITH DISABILITIES REQUIRING SPECIAL ACCOMMODATIONS TO PARTICIPATE IN A COMMITTEE MEETING SHOULD CONTACT THE BUSINESS SERVICES OFFICE PRIOR TO THE MEETING - PHONE 805-497-9511, EXTENSION 206, OR EMAIL [MODELL@CONEJOUSD.ORG](mailto:MODELL@CONEJOUSD.ORG)**

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**If you are on the agenda to present a report and need to use a computer and audio equipment**, please contact the Business Services Office 24 hours prior to the meeting at 805-497-9511, extension 206, or email [modell@conejousd.org](mailto:modell@conejousd.org).

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**If you wish to address the Independent Citizens' Bond Oversight Committee**, it is necessary to complete a speaker form (blue) and hand it to the recording secretary. If you would like to make comments about items not on the agenda, a speaker form should be completed and *submitted prior to the Public Comments section* of the agenda. If you wish to address an agenda item, please complete and *submit your form prior to the Action section* of the agenda. Pursuant to the Brown Act, the Committee cannot enter into a formal discussion nor can a decision be made in regard to public comments. The Committee may provide a reference to staff or other resources of information, request staff to report back at a subsequent meeting, or direct staff to place an item on a future agenda. Public comments will be limited to three minutes. On those occasions where there is an unusually large number of speaker cards, the Committee Chairperson may make the decision to decrease the time. Please present your comments in a factual, respectful, and dignified manner that models how we expect our children to participate in the democratic process.

**If you wish to register your opinion on a topic but not speak**, please fill out a public written statement form (yellow) and hand it to the recording secretary. Committee members will review these forms following the meeting.

**Your input is greatly appreciated.** The information on the speaker cards will assist the Committee Chairperson in conducting the meeting and is needed for the official minutes. The information on the cards will become public record. Thank you for your cooperation and compliance with these guidelines. Please feel free to call the Business Services office if you have any questions (805-497-9511 x206).

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### REGULARLY SCHEDULED COMMITTEE MEETINGS 2018/2019

October 24, 2018  
January 23, 2019  
April 24, 2019  
July 24, 2019

### AGENDAS ARE POSTED AT THE FOLLOWING LOCATIONS

CVUSD District Office, 1400 E. Janss Road, Thousand Oaks, CA

*This serves as the main posting location pursuant to the Brown Act, Government Code §54954.2(a)*

#### Additional Locations

Newbury Park High School, 456 Reino Road, Newbury Park, CA  
Thousand Oaks High School, 2323 Moorpark Road, Thousand Oaks, CA  
Westlake High School, 100 N. Lakeview Canyon Road, Westlake Village, CA  
CVUSD District Operations Facility, 750 Mitchell Road, Newbury Park, CA  
District website: [www.conejousd.org](http://www.conejousd.org)

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**Ballot Language:** *To upgrade/maintain Conejo Valley schools with funding that cannot be taken by the State, shall Conejo Valley Unified School District upgrade all science/career training labs, update/maintain classroom technology and network infrastructure, provide safe, well maintained classrooms, repair/replace electrical, plumbing/roofing, repair, construct, acquire/equip sites/facilities, and improve school safety/security by issuing \$197 million in bonds, at legal rates, with citizens' oversight, annual audits, no money for administrators, and without increasing current tax rates?*

**AGENDA**  
**INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE**  
**WEDNESDAY, JANUARY 16, 2019**

**I. 3:30 P.M. SPECIAL SESSION**

**Opening Provisions**

- A. Call the Meeting to Order and Roll Call
- B. Pledge of Allegiance
- C. Announcements and Procedures
- D. Approval of the Agenda
- E. Public Comments

*Pursuant to the Brown Act, the Citizens' Bond Oversight Committee cannot enter into formal discussion with individuals making public comments to the Committee. The Committee cannot take action on any issues raised during public comments that are not on the meeting agenda. Individual Committee members may respond to public comments during the Individual Committee Member's Comments section of the agenda (I.E.3.).*

- F. Individual Committee Member Comments
- G. Administrative Staff Comments

**II. INFORMATION / DISCUSSION ITEMS**

*(For discussion only; no action is taken on information items)*

- A. Review of 2017-2018 financial audit by Vavrinek, Trine, Day & Co (*Attachment A*)

**III. ADJOURNMENT**

**NEXT MEETING**

January 23, 2019

**AGENDAS ARE POSTED AT THE FOLLOWING LOCATIONS**

CVUSD District Office, 1400 E. Janss Road, Thousand Oaks, CA

CVUSD Website: [www.conejousd.org](http://www.conejousd.org)

*This serves as the main posting sites pursuant to the Brown Act, Government Code §54954.2(a)*

Newbury Park High School, 456 Reino Road, Newbury Park, CA

Thousand Oaks High School, 2323 Moorpark Road, Thousand Oaks, CA

Westlake High School, 100 N. Lakeview Canyon Road, Westlake Village, CA

CVUSD District Operations Facility, 750 Mitchell Road, Newbury Park, CA

**ATTACHMENT A**



**VAVRINEK, TRINE, DAY & CO., LLP**  
Certified Public Accountants

VALUE THE *difference*

To the Governing Board and Citizens' Oversight Committee  
Conejo Valley Unified School District  
Thousand Oaks, California

We have audited the financial statements of the Building Fund (Measure I) of Conejo Valley Unified School District (the District) for the period ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates affecting the Building Fund financial statements.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no corrected or uncorrected misstatements of the financial statements.

#### *Disagreements With Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated December 14, 2018.

*Management Consultations With Other Independent Accountant*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

This information is intended solely for the use of the Conejo Valley Unified School District Citizens' Oversight Committee and management of Conejo Valley Unified School District, and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinek, Trine, Day & Co. LLP

Rancho Cucamonga, California  
December 14, 2018

**CONEJO VALLEY UNIFIED SCHOOL DISTRICT**

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**BUILDING FUND (MEASURE I)  
FINANCIAL AND PERFORMANCE AUDITS**

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**JUNE 30, 2018**

**CONEJO VALLEY UNIFIED SCHOOL DISTRICT**

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**BUILDING FUND (MEASURE I)  
FINANCIAL AUDIT**

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**JUNE 30, 2018**

**CONEJO VALLEY UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE I)**

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JUNE 30, 2018**

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**VAVRINEK, TRINE, DAY & CO., LLP**  
Certified Public Accountants

**VALUE THE** *difference*

## **INDEPENDENT AUDITOR'S REPORT**

Governing Board and  
Citizens Oversight Committee  
Conejo Valley Unified School District  
Thousand Oaks, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Conejo Valley Unified School District's (the District), Building Fund (Measure I), as of and for the year ended June 30, 2018, and the related notes to the financial statements, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statement 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 of 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 financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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 the Building Fund (Measure I) of the Conejo Valley Unified School District at June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the Building Fund specific to Measure I, and are not intended to present fairly the financial position and changes in financial position of Conejo Valley Unified School District in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Conejo Valley Unified School District's basic financial statements. The accompanying supplementary information as listed on the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial statements are fairly stated, in all material respects, in relation to the basic 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 December 14, 2018, on our consideration of the District's Building Fund (Measure I) 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 the 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 the District's Building Fund (Measure I) internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

Vavrinek, Trine, Day & Co. LLP

Rancho Cucamonga, California  
December 14, 2018

**CONEJO VALLEY UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE I)**

**BALANCE SHEET  
JUNE 30, 2018**

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**ASSETS**

Deposits and investments	\$ 52,152,799
Accounts receivable	157,118
Due from other funds	115
<b>Total Assets</b>	<u><u>\$ 52,310,032</u></u>

**LIABILITIES AND FUND BALANCE**

**Liabilities:**

Accounts payable	<u>\$ 2,983,813</u>
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**Fund Balance:**

Restricted for capital projects funds	49,326,219
<b>Total Liabilities and Fund Balance</b>	<u><u>\$ 52,310,032</u></u>

The accompanying notes are an integral part of these financial statements.

**CONEJO VALLEY UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE I)**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2018**

**REVENUES**

Bond Issuance		
Interest income	\$	139,324
Other local revenue		92,517
<b>Total Revenues</b>		<u>231,841</u>

**EXPENDITURES**

Current		
Salaries and benefits		918,789
Books and supplies		
Materials and supplies		1,672,903
Noncapitalized equipment		1,118,887
Services and other operating expenditures		
Travel and conferences		9,200
Operation and housekeeping services		2,318
Rentals, leases, repairs, and noncapitalized improvements		4,661,565
Direct costs for interfund services		39
Professional/Consulting services and operating expenditures		1,116,910
Communications		463
Capital outlay		
Sites and improvement of sites		109,888
Building and improvements to buildings		2,016,373
Equipment		1,046,118
Equipment replacement		2,778,885
<b>Total Expenditures</b>		<u>15,452,338</u>

**DEFICIENCY OF REVENUES OVER EXPENDITURES** (15,220,497)

**Other Financing Sources**

Other sources (Bond proceeds)		<u>49,721,750</u>
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**NET CHANGE IN FUND BALANCE** 34,501,253

**FUND BALANCE - BEGINNING** 14,824,966

**FUND BALANCE - ENDING** \$ 49,326,219

The accompanying notes are an integral part of these financial statements.

**CONEJO VALLEY UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE I)**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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***NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

The accounting policies of the Conejo Valley Unified School District's (the District) Building Fund (Measure I) conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. The Conejo Valley Unified School District Building Fund accounts for financial transactions in accordance with the policies and procedures of the California School Accounting Manual.

**Financial Reporting Entity**

The financial statements include only the Building Fund of the Conejo Valley Unified School District used to account for Measure I projects. This Fund was established to account separately for proceeds from the sale of bonds (*Education Code* Section 15146) and may not be used for any purposes other than those for which the bonds were issued. These financial statements are not intended to present fairly the financial position and results of operations of the Conejo Valley Unified School District in compliance with accounting principles generally accepted in the United States of America.

**Fund Accounting**

The operations of the Building Fund are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

**Basis of Accounting**

The Building Fund is accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. 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**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. The District's governing board adopts an operating budget no later than July 1 in accordance with State law. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. The Board revises this budget 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.

**CONEJO VALLEY UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE I)**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**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 when the commitments are paid and all outstanding encumbrances lapse at June 30.

**Fund Balances - Governmental Funds**

As of June 30, 2018, fund balances of the governmental funds are classified as follows:

**Restricted** - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**Spending Order Policy**

When an expenditure is incurred for purposes 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, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

***NOTE 2 - INVESTMENTS***

**Policies and Practices**

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State: U.S. Treasury instrument; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreement; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security, and collateralized mortgage obligations.

**CONEJO VALLEY UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE I)**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**Investment in County Treasury**

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 investment in the pool is reported in the accounting financial statement at 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 that 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.

	Reported Amount	Fair Value
Ventura County Treasury Investment Pool	\$ 52,152,799	\$ 52,265,971

**General Authorizations**

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
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 Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

**CONEJO VALLEY UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE I)**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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**Weighted Average Maturity**

The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. Information about the weighted average maturity of the District's portfolio is presented in the following schedule:

Investment Type	Reported Amount	Fair Value	Average Days to Maturity
Ventura County Treasury Investment Pool	\$ 52,152,799	\$ 52,265,971	148

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the *California Government Code*, the District's investment policy, or debt agreements, and the actual rating as of the year-end for each investment type.

Investment Type	Reported Amount	Minimal Legal Rating	Moody's Rating as of Year End
Ventura County Treasury Investment Pool	\$ 52,152,799	Not Required	AAA

**NOTE 3 - FAIR VALUE MEASUREMENTS**

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

**CONEJO VALLEY UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE I)**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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Uncategorized - Investments in the Ventura County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The District's fair value measurements are as follows at June 30, 2018:

<u>Investment Type</u>	<u>Reported Amount</u>	<u>Uncategorized</u>
Ventura County Treasury Investment Pool	<u>\$ 52,152,199</u>	<u>\$ 52,152,199</u>

**NOTE 4 - ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2018, consisted of the following:

Interest	<u>\$ 157,118</u>
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**NOTE 5 - ACCOUNTS PAYABLE**

Accounts payable at June 30, 2018, consisted of the following:

Construction	<u>\$ 2,983,813</u>
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**NOTE 6 - INTERFUND TRANSACTIONS**

**Interfund Receivables/Payables (Due To/Due From)**

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2018, between major and non-major governmental funds are as follows:

The balance of \$115 is due to the Building Fund from the General Fund for bond expenditures.

**NOTE 7 - FUND BALANCES**

Fund balances at June 30, 2018, consist of the following:

Restricted	
Capital projects	<u>\$ 49,326,219</u>

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*SUPPLEMENTARY INFORMATION*

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**CONEJO VALLEY UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE I)**

**SCHEDULE OF LONG-TERM OBLIGATIONS  
JUNE 30, 2018**

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**General Obligation Bonds, Election of 2014, Series A**

In June 2015, the District issued \$37,199,279 principal amount of the General Obligation Bonds Election of 2014, Series A. The bonds were issued as capital appreciation bonds, with the capital bond principal accreting interest to a maturity value of \$55,670,000. The bonds mature through August 1, 2030, with interest rates from 2.78 to 5.56 percent. Proceeds from the sale of the bonds were used to finance specific construction and modernization projects approved by the voters and pay costs of issuance of the bonds. At June 30, 2018, the principal balance outstanding was \$40,931,768.

**Debt Service Requirements to Maturity**

The bonds mature through 2031 as follows:

Fiscal Year	2014 Capital Appreciation Bonds		
	Principal Including Accreted Interest	Future Interest Accretion	Total
2019	-	-	-
2020	-	-	-
2021	3,924,775	625,225	4,550,000
2022	4,277,214	457,786	4,735,000
2023	3,990,587	599,413	4,590,000
2024-2028	18,618,142	6,206,858	24,825,000
2029-2031	10,121,050	6,848,950	16,970,000
Total	<u>\$ 40,931,768</u>	<u>\$ 14,738,232</u>	<u>\$ 55,670,000</u>

**CONEJO VALLEY UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE I)**

**SCHEDULE OF LONG-TERM OBLIGATIONS  
JUNE 30, 2018**

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**General Obligation Bonds, Election of 2014, Series B**

In June 2018, the District issued \$50,000,000 principal amount of the General Obligation Bonds Election of 2014, Series B. The bonds mature through August 1, 2033, with interest rates from 3.12 to 5.00 percent. Proceeds from the sale of the bonds were used to finance specific construction and modernization projects approved by the voters and pay costs of issuance of the bonds. At June 30, 2018, the principal balance outstanding was \$50,000,000, and unamortized premium was \$5,904,469.

The bonds mature through 2034 as follows:

Fiscal Year	Principal	Interest	Total
2019	-	1,190,326	1,190,326
2020	-	2,280,701	2,280,701
2021	4,450,000	2,069,500	6,519,500
2022	4,000,000	1,858,250	5,858,250
2023	1,175,000	1,734,750	2,909,750
2024-2028	10,800,000	7,607,650	18,407,650
2029-2033	22,455,000	4,125,125	26,580,125
2034	7,120,000	111,250	7,231,250
Total	\$ 50,000,000	\$ 20,977,552	\$ 70,977,552

**CONEJO VALLEY UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE I)**

**RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH  
AUDITED FINANCIAL STATEMENTS  
JUNE 30, 2018**

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There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2018.

**CONEJO VALLEY UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE I)**

**NOTE TO SUPPLEMENTARY INFORMATION  
JUNE 30, 2018**

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***NOTE 1 - PURPOSE OF SCHEDULES***

**Schedule of Long-Term Obligations**

This schedule provides a debt repayment schedule associated with the bond proceeds received through issuance of Building Fund (Measure I) obligations.

**Reconciliation of Annual Financial and Budget Report With Audited Financial Statements**

This schedule provides the information necessary to reconcile the fund balance of the Building Fund (Measure I) reported on the Unaudited Actual Financial Report to the audited financial statements.

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***INDEPENDENT AUDITOR'S REPORT***

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**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 and  
Citizens Oversight Committee  
Conejo Valley Unified School District  
Thousand Oaks, 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 accompanying financial statements of the Conejo Valley Unified School District (the District) Building Fund (Measure I), as of and for the year ended June 30, 2018, and the related notes of the financial statements, and have issued our report thereon dated December 14, 2018.

**Emphasis of Matter**

As discussed in Note 1, the financial statements present only the Building Fund specific to Measure I, and are not intended to present fairly the financial position and changes in financial position of Conejo Valley Unified School District in accordance with accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Conejo Valley Unified School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Conejo Valley Unified School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Conejo Valley Unified School District's internal control over financial reporting.

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Conejo Valley Unified School District's Building Fund (Measure I) 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*.

### **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.

Vavrinek, Trine, Day & Co. LLP

Rancho Cucamonga, California  
December 14, 2018

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*SCHEDULE OF FINDINGS AND QUESTIONED COSTS*

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**CONEJO VALLEY UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE I)**

**FINANCIAL STATEMENT FINDINGS  
JUNE 30, 2018**

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None reported.

**CONEJO VALLEY UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE I)**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2018**

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There were no audit findings reported in the prior year's schedule of financial statement findings.

**CONEJO VALLEY UNIFIED SCHOOL DISTRICT**

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**BUILDING FUND (MEASURE I)  
PERFORMANCE AUDIT**

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**JUNE 30, 2018**

**CONEJO VALLEY UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE I)**

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JUNE 30, 2018**

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**VAVRINEK, TRINE, DAY & CO., LLP**  
 Certified Public Accountants

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**INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE**

Governing Board and  
 Citizens Oversight Committee  
 Conejo Valley Unified School District  
 Thousand Oaks, California

We were engaged to conduct a performance audit of the Conejo Valley Unified School District (the District) Building Fund (Measure I) for the year ended June 30, 2018.

We conducted this performance audit in accordance with the standards applicable to performance 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 sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

The results of our tests indicated that the District expended Building Fund (Measure I) funds only for the specific projects approved by the voters, in accordance with Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

*Vavrinek, Trine, Day & Co. LLP*

Rancho Cucamonga, California  
 December 14, 2018

# **CONEJO VALLEY UNIFIED SCHOOL DISTRICT BUILDING FUND (MEASURE I)**

**JUNE 30, 2018**

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## ***AUTHORITY FOR ISSUANCE***

The Bonds were issued pursuant to the provisions of the California *Education Code* commencing with Section 15264 and pursuant to resolutions adopted by the Board of Trustees of the District, and by the Board of Supervisors of the County. The District received authorization at an election held on November 4, 2014, by 55 percent of the votes cast by eligible voters within the district, to issue \$197,000,000 of General Obligation Bonds. The Bonds represent the first and second series of bonds issued under the Authorization.

## ***PURPOSE OF ISSUANCE***

The General Obligation Bond funds of the Conejo Valley Unified School District will be used to "upgrade and maintain Conejo Valley Schools with funding that cannot be taken by the state, shall Conejo Valley Unified School District upgrade all science and career training labs, update and maintain classroom technology and network infrastructure, provide safe, well maintained classrooms, repair and replace electrical, plumbing and roofing, repair, construct, acquire and equip sites and facilities and improve school safety and security by issuing \$197 million in bonds, at legal rates, with citizens' oversight, annual audits, no money for administrators, and without increasing current tax rates".

## ***AUTHORITY FOR THE AUDIT***

In November 2014 the voters of Conejo Valley Unified School District overwhelmingly approved Measure I, a \$197 million general obligation bond to support technology and facilities improvements. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, community college districts, or county offices of education, "for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of rental property for school facilities", upon approval by 55 percent of the electorate. In addition to reducing the approval threshold from two-thirds to 55 percent, Proposition 39 and the enacting legislation (AB 1908 and AB 2659) requires the following accountability measures as codified in *Education Code* Sections 15278-15282:

1. Requires that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b)(3)(C) of the California Constitution, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.
2. The school district must list the specific school facilities projects to be funded in the ballot measure, and must certify that the governing board has evaluated safety, class size reduction and information technology needs in developing the project list.
3. Requires the school district to appoint a citizen's oversight committee.
4. Requires the school district to conduct an annual independent financial audit and performance audit in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States of the bond proceeds until all of the proceeds have been expended.
5. Requires the school district to conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed.

**CONEJO VALLEY UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE I)**

**JUNE 30, 2018**

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***OBJECTIVES OF THE AUDIT***

1. Determine whether expenditures charged to the Building Fund have been made in accordance with the bond project list approved by the voters through the approval of Measure I.
2. Determine whether salary transactions, charged to the Building Fund were in support of Measure I and not for District general administration or operations.

***SCOPE OF THE AUDIT***

The scope of our performance audit covered the period of July 1, 2017 to June 30, 2018. The population of expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2018, were not reviewed, or included within the scope of our audit or in this report.

***PROCEDURES PERFORMED***

We obtained the general ledger and the project expenditure reports prepared by the District for the period July 1, 2017 through June 30, 2018, for the Building Fund (Measure I). Within the fiscal year audited, we obtained the actual invoices and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution and Measure I as to the approved bond projects list. We performed the following procedures:

1. We selected a sample of expenditures for the period starting July 1, 2017 and ending June 30, 2018, and reviewed supporting documentation to ensure that such funds were properly expended on the specific projects listed in the ballot text.
2. Our sample included 102 transactions totaling \$9,962,375. This represents 64 percent of the total expenditures of \$15,452,338, including expenditures related to transferred funds.
3. We verified that funds from the Building Fund (Measure I) were generally expended for the construction, renovation, furnishing and equipping of District facilities constituting authorized bond projects.

***CONCLUSION***

The results of our tests indicated that, in all significant respects, the Conejo Valley Unified School District has properly accounted for the expenditures held in the Building Fund (Measure I) and that such expenditures were made for authorized Bond projects.

**CONEJO VALLEY UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE I)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2018**

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None reported.

**CONEJO VALLEY UNIFIED SCHOOL DISTRICT  
BUILDING FUND (MEASURE I)**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2018**

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There were no audit findings reported in the prior year's schedule of financial statement findings.