

**Cuyama Joint Unified School District
Citizens' Bond Oversight Committee**

Monday, January 6, 2020, 5:00pm
Library, Cuyama Valley High School
4500 Highway 166, New Cuyama, CA

Agenda

Meeting was called to order by CBOC Chairperson Mr. Eddie Fetterman at _____.

Roll Call:

_____ Mr. Eddie Fetterman
_____ Mr. Jake Furstenfeld
_____ Mr. Pete Mendiburu
_____ Mr. Alec Ballard
_____ Mr. Juan Gonzalez
_____ Mrs. Linda Swader
_____ Dr. Stephen B. Bluestein, Superintendent

Flag Salute:

The Flag Salute was led by _____

Agenda Items:

1. Information: Tour of GO Bond-funded improvements on the High School campus
2. Action: Approval of Minutes for Special CBOC Meeting on November 19, 2020
Moved by: _____ Seconded by: _____
Roll Call: EF ____ JF ____ PM ____ AB ____ JG ____ LS ____
3. Update: Current Status of Expenditures
4. Update: Status of sale of Series C of GO Bond
5. Action: Proposition 39 Bond Oversight Audit for period ending June 30, 2019
Moved by: _____ Seconded by: _____
Roll Call: EF ____ JF ____ PM ____ AB ____ JG ____ LS ____
6. Input and Discussion

Next Meeting: The next meeting of the CBOC was set for _____ at _____
in the Board Meeting Room at the Elementary School.

The CBOC meeting was adjourned at _____. Moved by _____ and
seconded by _____

**Cuyama Joint Unified School District
Citizens' Bond Oversight Committee**

Tuesday, November 19, 2019, 5:00pm
Library, Cuyama Valley High School
4500 Highway 166, New Cuyama, CA

Agenda

Meeting was called to order by CBOC Chairperson Mr. Eddie Fetterman at 5:05pm.

Roll Call:

Present Mr. Eddie Fetterman
Present Mr. Jake Furstenfeld
Absent Mr. Pete Mendiburu
Present Mr. Alec Ballard
Present Mr. Juan Gonzalez
Present Mrs. Linda Swader
Present. Dr. Stephen B. Bluestein, Superintendent
Present Mr. Luke Viscusi, Blue Sky Center (Guest)

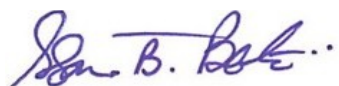
Flag Salute:

The Flag Salute was led by Mr. Luke Viscusi.

Agenda Items:

1. Approval of minutes from October 15, 2019 CBOC Meeting
Moved by: JF. Seconded by: AB.
Roll Call: EF Yes JF Yes PM Ab AB Yes JG Yes LS Yes
2. Updates from Dr. Bluestein. *Dr. Bluestein provided updates on the construction progress of the phases of the GO Bond work, including the upcoming work on the high school electrical infrastructure to a 480-volt system to replace the current 1950's infrastructure. We looked at a key telephone pole on the edge of the high school property and discussed an upcoming survey to determine if the pole in on CJUSD property. The CBOC also walked over to the "Pool Demo" site and looked at the progress of that job which is about at 85% completion.*
3. Informational Item: 2014 QZAB Bond ("Solar Bond"). *Dr. Bluestein led the informational discussion on the idea of using the GO Bond proceeds (approximately \$1.4-million) to pay off the QZAB Bond and thus release the district from making \$127,000 yearly payments to the bank holding the bond from the general fund. JF though this was a good idea. EF expressed support for what the Trustees think is best, but cautioned a measured approach especially with the optics of the idea. Dr. Bluestein explained that this is just in the idea stage and may or may not ever come to fruition in the future.*
4. Next Meeting: Tuesday, January 21, 2020, 5:00pm, Elementary School Board Room

The CBOC meeting was adjourned at 6:15pm. Moved by EF and seconded by JG.

A handwritten signature in blue ink, appearing to read "Stephen B. Bluestein".

Dr. Stephen Bluestein
Secretary to the Citizens Bond Oversight Committee




Cuyama Joint Unified School District

2300 Highway 166, New Cuyama, California 93254
(661) 766-2482 • FAX: (661) 766-2255

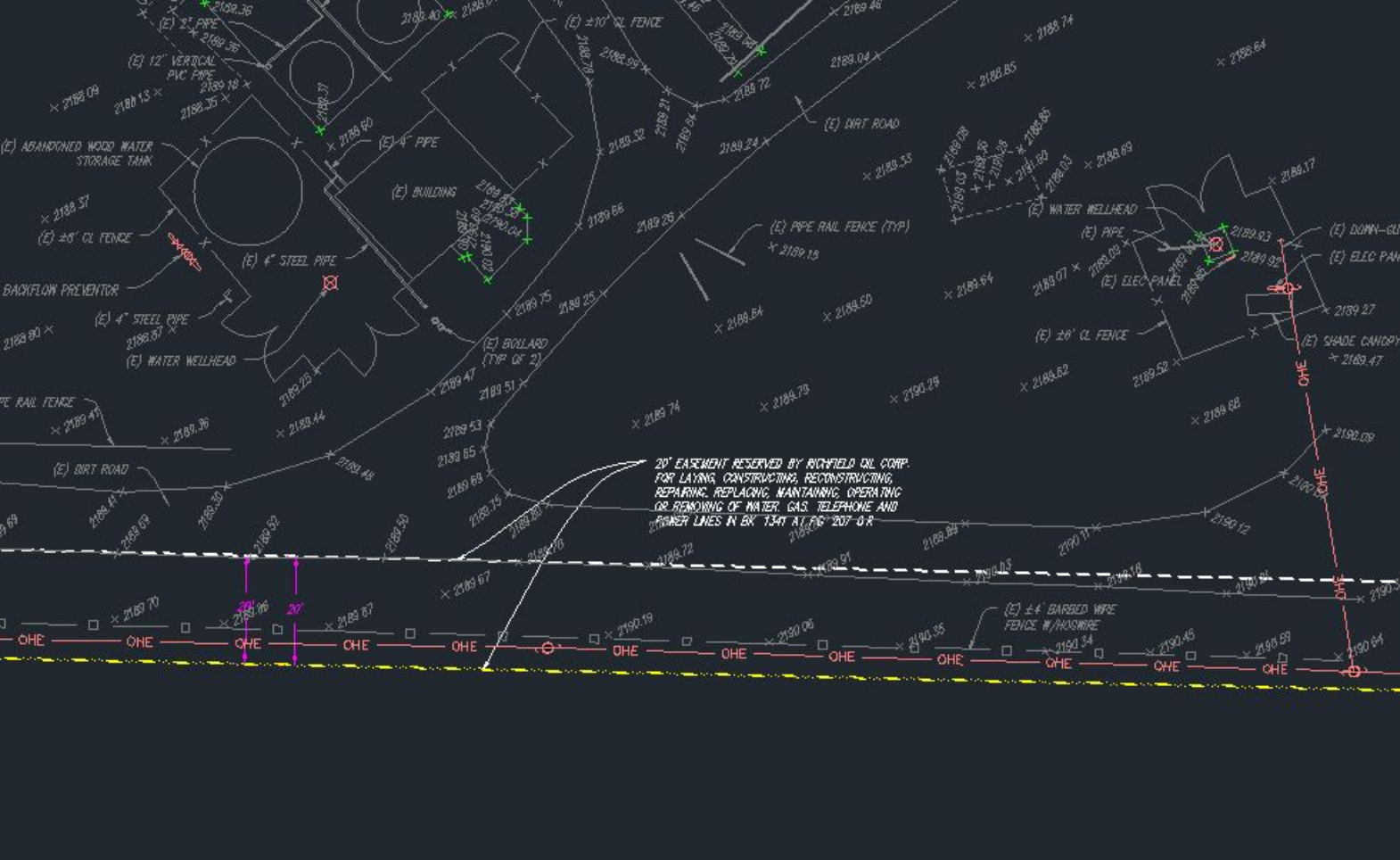
MEMORANDUM

DATE: JANUARY 6, 2020
TO: CITIZENS' BOND OVERSIGHT COMMITTEE
FROM: DR. STEPHEN B. BLUESTEIN, SUPERINTENDENT OF SCHOOLS
RE: INFORMATIONAL ITEM: TELEPHONE POLE



Information Only. No action. As we looked at the telephone pole on the edge of the Cuyama Valley High School property at the November meeting, in regard to PGE updating the pole to 480-volt electrical service, it was not clear if the pole was on CJUSD property.

A formal survey and deed check was completed, and the telephone pole is completely on CJUSD property with no easements in force. Even though the property line fence makes the pole appear not on CJUSD property, the fence is located completely on CJUSD property and it not the actual property line. See the attached documents for more specific information.



20' EASEMENT RESERVED BY RICHFIELD OIL COMP.
FOR LAYING, CONSTRUCTING, RECONSTRUCTING,
REPAIRING, REPLACING, MAINTAINING, OPERATING
OR REMOVING OF WATER, GAS, TELEPHONE AND
POWER LINES IN BK. 1341 AT PG. 207-0-R



REVENUE STAMPS IN THIS SPACE

Grant Deed

Affix I. R. S. \$ 8.25

Form 598 Rev. 10-47

THIS FORM FURNISHED BY TITLE INSURANCE AND TRUST COMPANY

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, OSCAR SCHAEFFER and ANNETTA SCHAEFFER, his wife, and JOHN SPITZER and JOSEPHINE M. SPITZER, his wife,

do hereby
GRANT to RICHFIELD OIL CORPORATION, a Delaware corporation,

the real property in the
State of California, described as:

County of Santa Barbara

Commencing at the Southwest corner of Section 20, T. 10 N., R. 26 W., S.B.B. & M., as shown on Record of Survey Map of a portion of the Cuyama Ranch, filed in Book 26, page 11 of Record of Surveys, in the office of the County Recorder of Santa Barbara County, California; thence N. 0° 17' 00" E., 5282.45 feet; thence S. 89° 43' 00" E., 4482.74 feet to the Southeast corner of that certain parcel of land described in quitclaim deed from Hubbard S. Russell, a single man, to Richfield Oil Corporation, dated March 18, 1950, and recorded March 23, 1950, in Book 907, page 243 of Official Records of Santa Barbara County, said point being the true point of beginning; thence N. 0° 17' 00" E., 1209.40 feet, more or less, to a point in the Southerly boundary of State Highway Route 166; thence along the Southerly line of State Highway Route 166 S. 79° 00' 30" E., 2158.06 feet to the Northeast corner of that certain parcel of land deeded by Hubbard S. Russell, a single man, to Oscar Schaeffer, et al. by deed dated November 26, 1946, and recorded December 16, 1946, in Book 716, page 38 of Official Records of Santa Barbara County; thence S. 0° 17' 00" W., 808.41 feet; thence N. 89° 43' 00" W., 2120.51 feet to the true point of beginning, and containing 49.11 acres.

EXCEPTING AND RESERVING THEREFROM all asphaltum, petroleum, coal or other minerals within or underlying said premises; without, however, any right to enter upon the surface of said premises for a period of fifteen (15) years and as long thereafter as all or any portion of said premises are used as the site of any part of an incorporated or unincorporated town or city, to explore for, develop or remove any of said substances, but with the right to explore for, develop and remove the same by means of wells and equipment having surface locations outside the Northerly and Easterly boundaries of said premises, and outside the Southerly boundary of said premises East of the Southerly prolongation of the Westerly boundary thereof.

AND EXCEPTING AND RESERVING THEREFROM an easement for roadway purposes over the Easterly 15 feet of said premises.

The foregoing grant, and the exceptions and reservations therein contained and the conditions thereof, shall inure to the benefit of and be binding upon the parties hereto, their and each of their respective heirs, personal representatives, successors and assigns.

The land herein conveyed is conveyed to the grantee herein subject to the following:

1. Current taxes not delinquent.
2. The right of the public to use for road purposes any portion of the land herein described lying within the lines of any public road or highway.
3. Oil and gas lease dated February 6, 1948, executed by the grantors herein and Hubbard S. Russell, an unmarried man, as Lessors, and by Richfield Oil Corporation, a Delaware corporation, as Lessee, which said oil and gas lease was recorded May 10, 1948 in Book 781, page 244 of Official Records, records of Santa Barbara County, California.
4. The ownership by Hubbard S. Russell and/or his grantees or assigns of an undivided one-half interest in all asphaltum, petroleum, coal or other minerals within or underlying the lands hereby conveyed.

P.O.C.
R.P.S.
J.S.
J.M.S.

Dated: April 27- 1950

Oscar Schaeffer
Annette Schaeffer
John Spitzer
Josephine M. Spitzer

STATE OF CALIFORNIA
COUNTY OF } SS.

Kern

On April 27, 1950
before me, the undersigned, a Notary Public in
and for said County and State, personally appeared
Oscar Schaeffer and Annette Schaeffer
and John Spitzer and Josephine M.
Spitzer

known to me to be the persons whose names
subscribed to the within instrument and acknowledged that
they executed the same.

WITNESS my hand and official seal.



Leon J. Lammert
Notary Public in and for said County and State.
My Commission Expires April 20, 1953

SPACE BELOW FOR RECORDER'S USE ONLY

8846

FILE NO. _____
RECORDED BY

INDEXED

RECORDED AT REQUEST OF
TITLE INSURANCE & TRUST COMPANY

JUN 23 1950

15 min. past 6 o'clock
A.M. in Book 924 of Official

Records page 499 Records
of Santa Barbara County, Cal.

YRIS COVARRUBIAS
County Recorder

By *E. J. Miller*
Deputy Recorder

Fee \$ 2.75
14 - S
45 - S
26 - R

PHOTOSTATED BY: *L. Thuren* Deputy, CHECKED BY: YRIS COVARRUBIAS, County Recorder

RESOLUTION No. 4-55

WHEREAS, Richfield Oil Corporation, by deed dated and executed October 5, 1955, has conveyed to the Santa Maria Union High School District certain real property situated in the County of Santa Barbara, State of California, easterly of and adjacent to the Townsite of New Cuyama, for use as a site for the proposed Cuyama High School; and

WHEREAS, it appears for the best interests of the Santa Maria Union High School District that said deed be accepted;

NOW, THEREFORE, BE AND IT IS HEREBY RESOLVED that the aforementioned deed be and the same is hereby accepted by the Santa Maria Union High School District, and that the Clerk of the Board of Trustees is hereby authorized and directed to record said deed in the office of the Recorder of the County of Santa Barbara.

On roll call, the voting was as follows: Mrs. Kanter - aye; Mr. Rice - aye; Mr. Gefvert - aye; Mr. Righetti - aye; Mr. Sanchez - absent. President Righetti declared Resolution No. 4-55 unanimously adopted.

Certified a true copy of the original resolution.



Leon R. Furrow, Business Manager

CORPORATION GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, RICHFIELD OIL CORPORATION, a Delaware corporation, does hereby grant to SANTA MARIA UNION HIGH SCHOOL DISTRICT, upon and subject to the conditions hereinafter specified, that certain real property in the County of Santa Barbara, State of California, described as:

A portion of the Cuyama School Tract, according to the map thereof recorded in Book 15, pages 393-394 of Maps, in the Office of the Recorder of said County, particularly described as follows, to wit:

Commencing at a point on the southerly line of California State Highway No. 57 (posted as No. 166) which bears South 79° 00' 30" East, a distance of 2288.38 feet along said southerly line of said highway from a one-half inch survey pipe, said survey pipe being in the northeasterly corner of the Townsite of New Cuyama, as recorded in Map Book 15, pages 296-304, Official Records of the County of Santa Barbara, State of California, said corner being also the northwesterly corner of that certain parcel of land shown on Record of Survey Map recorded in Book 30, page 28, Official Records of said County;

Thence South 79° 00' 30" East, a distance of 1917.37 feet along the southerly line of said California State Highway No. 57;

Thence South 0° 17' 00" West, a distance of 808.41 feet;

Thence North 89° 43' 00" West, a distance of 1946.99 feet;

Thence North 0° 17' 00" East, a distance of 631.78 feet;

Thence North 10° 52' 30" East, a distance of 339.07 feet, more or less, to the point of commencement;

EXCEPTING THEREFROM the West 100 feet of the South 100 feet of the East 637.79 feet thereof;

ALSO EXCEPTING THEREFROM all asphaltum, petroleum, coal or other minerals within or underlying said property;

RESERVING to Grantor easements for road purposes and for the laying, constructing, reconstructing, repairing, replacing, maintaining, operating or removing of water, gas, telephone and power lines in, under, over and across the West 1309.20 feet of the South 20 feet of the property herein described;

SUBJECT TO:

- (1) Current taxes not delinquent;
- (2) The right of the public to use for road purposes any portion of the property herein conveyed lying within the boundaries of any public road or highway;
- (3) An easement for roadway purposes over the Easterly 15 feet of the property herein conveyed, as reserved in Deed from Oscar Schaeffer, et al., to Richfield Oil Corporation, dated April 27, 1950, and recorded June 23, 1950, in Book 924, page 499 of Official Records of the County of Santa Barbara, State of California;
- (4) The ownership by Hubbard S. Russell, Oscar Schaeffer and Netta Schaeffer, John Spitzer and Josephine M. Spitzer, of all asphaltum, petroleum, coal or other minerals within or underlying the property herein conveyed, together with the right to explore for, develop and remove the same by means of wells and equipment having surface locations outside the northerly, easterly and southerly boundaries of said property;
- (5) All other reservations, restrictions, conditions, easements, rights and rights of way of record.

This Deed is given and accepted upon the following conditions, to wit:

(1) No water well shall be drilled upon the property herein described within five hundred (500) feet of the water well located upon the West 100 feet of the South 100 feet of the East 637.79 feet thereof, being the portion of said property excepted herein by Grantor;

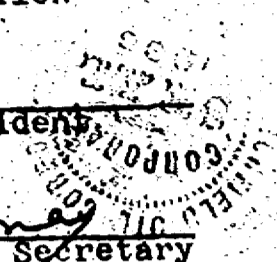
(2) The real property herein conveyed shall be used exclusively for a school site and for school purposes;

and in the event of a breach or violation of any of these conditions, or in case said property shall cease to be used for school purposes or shall be used for other purposes, then title to said property and all interest of Grantee therein shall revert to Grantor, it being further understood that the stipulations herein contained shall inure to the benefit of and be binding upon the successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, said Corporation has caused its corporate name and seal to be affixed hereto and this instrument to be executed by its Vice President and Assistant Secretary thereunto duly authorized, this 5th day of October, 1955.

RICHFIELD OIL CORPORATION

By W. J. Travers
Vice President
By E. B. Downey
Assistant Secretary



[Handwritten mark]

STATE OF CALIFORNIA, }
COUNTY OF LOS ANGELES. } ss.

On this 5th day of October, A.D., 1955, before me, Emilie L. Dixon, a Notary Public in and for said County and State, personally appeared W. J. TRAVERS, known to me to be the Vice President, and E. B. DOWNEY, known to me to be the Assistant Secretary of RICHFIELD OIL CORPORATION, the Corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the Corporation herein named, and acknowledged to me that such Corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Emilie L. Dixon
Notary Public in and for said
County and State.

My commission expires Feb, 16,
1958.

NEW CUYAMA COMMUNITY
SANTA BARBARA COUNTY
CALIFORNIA



SCALE 1" = 100'
1" = 100'



18717

RECORDED AT REQUEST OF
Santa Maria Union High School Dist.
OCT 17 1955 at 3:10 PM

BOOK 1341 PAGE 206
OFFICIAL RECORDS
Santa Barbara County, Calif.
JAMES G. FOWLER, Recorder

Matthew B. Thurn Deputy

FEE & NO FEE

PHOTOSTATED BY: *Lynnea A. Thurn*
Deputy

CHECKED BY: *Matthew B. Thurn*

JAMES G. FOWLER,
County Recorder

BEFORE THE BOARD OF TRUSTEES JANUARY 9, 2020

CUYAMA JOINT UNIFIED SCHOOL DISTRICT

**PROPOSITION 39 FUNDING
FINANCIAL AUDIT**

June 30, 2019

**CUYAMA JOINT UNIFIED SCHOOL DISTRICT
PROPOSITION 39 FUNDING
FINANCIAL AUDIT
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June 30, 2019**

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
The Citizens' Oversight Committee
Cuyama Joint Unified School District
2300 Highway 166
New Cuyama, CA 93254

Report on the Financial Statements

We have audited the accompanying financial statements of the Bond Building Fund of the Cuyama Joint Unified School District (the District), as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Bond Building Fund's 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of the Bond Building Fund 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 for the Bond Building Fund 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 respective financial position and results of operations for the Bond Building Fund of Cuyama Joint Unified School District, as of and for fiscal year ended June 30, 2019, 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 Bond Building Fund and do not purport to, and do not, present fairly the financial position of the Cuyama Joint Unified School District, as of June 30, 2019, and the changes in its financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January XX, 2020, on our consideration of the Cuyama Joint Unified School District's internal control over the Bond Building Fund's 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 the District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of Proposition 39, as incorporated in the California Constitution Article 13A, we have also issued our performance audit report dated January XX, 2020 on our consideration of the Bond Building Fund's compliance with the requirements of Proposition 39. That report is an integral part of our audit of the Proposition 39 Bond Building Fund for the fiscal year ended June 30, 2019 and should be considered in assessing the results of our financial audit.

Santa Maria, California
January XX, 2020

BEFORE THE BOARD OF TRUSTEES JANUARY 9, 2020

CUYAMA JOINT UNIFIED SCHOOL DISTRICT

BALANCE SHEET

BOND BUILDING FUND

June 30, 2019

ASSETS

Cash in county treasury	\$ 2,818,830
Cash on hand	9,011
Accounts receivable	<u>14,731</u>
Total current assets	<u>\$ 2,842,572</u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$ 108,389
Due to other funds	<u>158,473</u>
Total liabilities	<u>266,862</u>

Fund Balance:

Restricted for building projects	<u>2,575,710</u>
Total fund balance	<u>2,575,710</u>
Total liabilities and fund balance	<u>\$ 2,842,572</u>

BEFORE THE BOARD OF TRUSTEES JANUARY 9, 2020

CUYAMA JOINT UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BOND BUILDING FUND

For the Fiscal Year Ended June 30, 2019

Revenues

Interest	\$ 34,970
Total revenues	<u>34,970</u>

Expenditures

Services and other operating expenditures	187,161
Capital outlay	<u>497,159</u>
Total expenditures	<u>684,320</u>

Deficiency of Revenues Under Expenditures (649,350)

Other Financing Sources:

Proceeds from Sale of Bonds	<u>2,000,000</u>
Total Other Financing Sources	<u>2,000,000</u>

Net Change in Fund Balances 1,350,650

Fund balance, beginning of fiscal year 1,225,060

Fund balance, end of fiscal year \$ 2,575,710

BEFORE THE BOARD OF TRUSTEES JANUARY 9, 2020

CUYAMA JOINT UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL

BOND BUILDING FUND

For the Fiscal Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Interest	\$ 25,000	\$ 34,970	\$ 9,970
Total revenues	<u>25,000</u>	<u>34,970</u>	<u>9,970</u>
Expenditures			
Services and other operating expenditures	186,408	187,161	(753)
Capital outlay	<u>538,364</u>	<u>497,159</u>	<u>41,205</u>
Total expenditures	<u>724,772</u>	<u>684,320</u>	<u>40,452</u>
Deficiency of Revenues Under Expenditures	(699,772)	(649,350)	50,422
Other Financing Sources:			
Proceeds from Sale of Bonds	<u>2,000,000</u>	<u>2,000,000</u>	
Total Other Financing Sources	<u>2,000,000</u>	<u>2,000,000</u>	
Net Change in Fund Balances	<u>1,300,228</u>	<u>1,350,650</u>	<u>50,422</u>
Fund balance, beginning of fiscal year	<u>1,225,060</u>	<u>1,225,060</u>	
Fund balance, end of fiscal year	<u>\$ 2,525,288</u>	<u>\$ 2,575,710</u>	<u>\$ 50,422</u>

CUYAMA JOINT UNIFIED SCHOOL DISTRICT
BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

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 Auditing Standards Board (GASB) and *Audits of State and Local Governmental Units* issued by the American Institute of Certified Public Accountants (AICPA).

Fund Structure

The Statement of Revenues, Expenditures, and Changes in Fund Balance is a statement of financial activities of the Bond Building Fund related to the current reporting period. Expenditures of the various funds frequently include amounts for land, buildings, equipment, retirement of indebtedness, transfers to other funds, etc. Consequently, these statements do not purport to present the result of operations of the net income or loss for the period as would a statement of income for a profit-type organization.

Basis of Accounting

The Bond Building Fund of Cuyama Joint Unified School District is maintained on the modified accrual basis of accounting. As such, revenues are recognized when they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the current period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received, or services rendered).

Cash in the County Treasury is recorded at cost, which approximates fair value, in accordance with the requirements of GASB Statement No. 31 and the external pool is not valued according to GASB Statement 72.

Budget

The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual includes a column entitled “Budget”. The amounts in this column represent the budget adopted by the Board and all amendments throughout the fiscal year.

Capital Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with the Bond Building Fund are determined by its measurement focus. The Bond Building Fund is accounted for on a spending or “financial flow” measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered a measure of “available spendable resources.” Thus, the capital assets and long-term liabilities associated with the Bond Building Fund are accounted for in the basic financial statements of Cuyama Joint Unified School District.

NOTE 2 – BONDED DEBT

On July 7, 2016, \$6,000,000 in general obligation bonds were authorized by an election held within the Cuyama Joint Unified School District. The proceeds are to be used to improve the quality of education with funding that cannot be taken by the State, repair/replace leaky roofs; make health, safety and security improvements, upgrade inadequate electrical systems, improve student access to computers and modern technology, and modernize 50-year old classrooms, restrooms, and buildings.

BEFORE THE BOARD OF TRUSTEES JANUARY 9, 2020

CUYAMA JOINT UNIFIED SCHOOL DISTRICT
 BOND BUILDING FUND
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2019

NOTE 2 – BONDED DEBT (Continued)

The outstanding general obligation bonded debt of the Cuyama Joint Unified School District at June 30, 2018, is:

Date of Issue	Interest Rate	Maturity Date	Amount of Original Issue	Outstanding July 1, 2018	Issued Current Fiscal Year	Redeemed Current Fiscal Year	Outstanding June 30, 2019
2016 2019	3.00%	2046	\$ 2,000,000 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 50,000	\$ 1,950,000
			<u>\$ 4,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 50,000</u>	<u>\$ 1,950,000</u>

The annual requirements to amortize general obligation bonds payable outstanding as of June 30, 2019, are as follows:

Fiscal Year Ended June 30	Principal	Interest	Total
2020	\$ -	\$ 189,014	\$ 189,014
2021	25,000	191,750	216,750
2022	20,000	190,975	210,975
2023	30,000	189,975	219,975
2024		189,375	189,375
2025-2029		946,875	946,875
2030-2034	215,000	927,975	1,142,975
2035-2039	485,000	861,501	1,346,501
2040-2044	1,140,000	686,101	1,826,101
2045-2049	2,035,000	285,689	2,320,689
	<u>\$ 3,950,000</u>	<u>\$ 4,659,230</u>	<u>\$ 8,609,230</u>



**INDEPENDENT AUDITORS' 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***

The Board of Trustees
The Citizens' Oversight Committee
Cuyama Joint Unified School District
2300 Highway 166
New Cuyama, CA 93254

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 the Bond Building Fund of Cuyama Joint Unified School District (the District), as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January XX, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 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 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. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's 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.

Santa Maria, California
January XX, 2020

CUYAMA JOINT UNIFIED SCHOOL DISTRICT
BOND BUILDING FUND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2019

There were no findings and questioned costs related to the financial audit of the Bond Building Fund for the fiscal year ended June 30, 2019.

BEFORE THE BOARD OF TRUSTEES JANUARY 9, 2020

CUYAMA JOINT UNIFIED SCHOOL DISTRICT

**PROPOSITION 39 FUNDING
PERFORMANCE AUDIT**

**For the Fiscal Year Ended
June 30, 2019**

**CUYAMA JOINT UNIFIED SCHOOL DISTRICT
PROPOSITION 39 FUNDING
PERFORMANCE AUDIT
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June 30, 2019**

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**INDEPENDENT AUDITORS' REPORT ON
PROPOSITION 39 COMPLIANCE REQUIREMENTS**

The Board of Trustees
The Citizens' Oversight Committee
Cuyama Joint Unified School District
2300 Highway 166
New Cuyama, CA 93254

We have conducted a performance audit of the Measure Q General Obligation Bond Program of the Cuyama Joint Unified School District's (the District) compliance with the California Proposition 39, as incorporated in Article 13A of the California Constitution and Education Code Section 15264 et seq., for the fiscal year that ended on June 30, 2019. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our performance audit.

We conducted this performance audit in accordance with auditing standards generally accepted in the United States of America and 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 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.

The attached performance audit report as referenced in the table of contents presents the objectives, scope, and methodology of the audit. The performance audit report also includes the results of our performance audit and conclusion.

We have audited the financial statements of the Measure Q General Obligation Program for the fiscal year ended June 30, 2019 and have issued our report thereon dated January XX, 2019. 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.

In our opinion, the Measure Q General Obligation Bond Program complied, in all material respects, with the aforementioned requirements during the fiscal year that ended on June 30, 2019. This report is intended solely for the information and use of the District's Governing Board, the Measure Q Citizens' Oversight Committee, management, others within the entity, and the taxpayers of Templeton Unified School District and is not intended to be and should not be used by anyone other than these specified parties.

Santa Maria, California
January XX, 2019

CUYAMA JOINT UNIFIED SCHOOL DISTRICT
PROPOSITION 39 FUNDING
PERFORMANCE AUDIT
June 30, 2019

OBJECTIVES

The objectives of our Performance Audit were to:

Document the expenditures charged to the voter approved 2016 Series A General Obligation Bonds and 2019 Series B General Obligation Bonds. Determine whether all expenditures for the fiscal year ended June 30, 2019, charged to the Building Fund have been made in accordance with project budgets and guidelines. Note any incongruities or system weaknesses and provided recommendation for improvements.

SCOPE OF THE AUDIT

The scope of our Performance Audit covered the period from July 1, 2018 through June 30, 2019. The 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 were not included with the scope of our audit. Expenditures incurred subsequent to June 30, 2019, were not reviewed or included within the scope of our audit.

BACKGROUND INFORMATION

On July 7, 2016, \$6,000,000 in general obligation bonds were authorized by an election held within the Cuyama Joint Unified School District. A Citizens' Oversight Committee was appointed to comply with the California Constitution and Education Code. The purpose of the Committee is to inform the public at least annually regarding the appropriate use of the bond proceeds. In 2016, the first series of bonds in the amount of \$2,000,000 in General Obligation Bonds Series A were issued. In 2019, the second series of bonds in the amount of \$2,000,000 in General Obligation Series B were issued. The total proceeds from the Bond issuance were received by the District (less the original bond issuance costs) and are to be used to replace, expand, and construct school facilities and technology projects of the Cuyama Joint Unified School District. California Constitution, Article 13A, section 1 (b) (3) requires an annual performance audit be conducted to ensure that funds have been expended only on the specific projects publicized by the District.

PROCEDURES PERFORMED

We obtained the general ledger and the project expenditure summary reports and detail prepared by the District for the fiscal year ended June 30, 2019, for the Building Fund. Within the fiscal year audited, we obtained the actual invoices and other supporting documentation for all expenditures to ensure compliance with Proposition 39/Measure Q funding. We performed the following procedures:

- We reviewed the Bond Project publicized list of intended projects.
- We selected expenditures in the fiscal year ending June 30, 2019 and reviewed supporting documentation to ensure that funds were properly expended on the specific projects outlined on the publicized list and met the requirements for bidding, if applicable.
- We compared total project expenditures to budgets, to determine if there were any expenditures in excess of appropriation.
- We verified that funds were used for the construction of school facilities and were not used for salaries of school administrators or other operating expenses of the District.

CUYAMA JOINT UNIFIED SCHOOL DISTRICT
PROPOSITION 39 FUNDING
PERFORMANCE AUDIT
June 30, 2019

RESULTS OF PROCEDURES

The District put forward the numerous projects listed below, to replace, expand, and construct school facilities and technology projects, with the use of bond funding. The District incurred total costs of \$684,320 during the fiscal year ended June 30, 2019:

<u>Project</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
High School HVAC/Flooring	\$ 571,649	\$ 571,649	\$ -
Elementary School Monument	112,171	112,171	-
Project-Wide (non-Project-Specific)	500	500	-
	<u>\$ 684,320</u>	<u>\$ 684,320</u>	<u>\$ -</u>

The projects have been given a specific project identification number within the District's Building Fund. Budgets for these projects are created and tracked for the whole project rather than on an annual basis.

The following outlines the results of testing related to material expenditures incurred as of June 30, 2019.

High School Flooring/HVAC:

Flooring and HVAC upgrades were made at the High School.

Current fiscal year expenditures appear appropriate to the project.

Elementary School Monument

A new concrete monument sign was made at the Elementary School.

Current fiscal year expenditures appear appropriate to the project.

CONCLUSION

Based on the procedures performed, we found that for the items tested, the Cuyama Joint Unified School District had properly accounted for the expenditures of the Proposition 39/Measure Q General Obligation Bonds. Further, it was noted that the funds were not used for the salaries of school administrators or other operating expenditures.