CABRILLO UNIFIED SCHOOL DISTRICT
MEASURE S BOND BUILDING FUND

Audited Financial Statements &
Independent Auditor's Report
June 30, 2025

Chavan & Associates, LLP
Certified Public Accountants
16450 Monterey Rd., Ste. #5
Morgan Hill, CA 95037

CABRILLO UNIFIED SCHOOL DISTRICT
Measure S Bond Building Fund
For the Fiscal Year Ended June 30, 2025

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FINANCIAL SECTION

Chavan and Associates, llp
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Measure S Facilities Bond Citizens' Oversight Committee and
Governing Board Members
Cabrillo Unified School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Measure S Bond Building Fund of the Cabrillo Unified School District (the District), as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure S Bond Building Fund of the District as of June 30, 2025, and the changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAGAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Other Matters

As discussed in Note 1, the financial statements present only the Measure S Bond Building Fund and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2025, 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.

Responsibilities of Management for the Financial Statements

District management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAGAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAGAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Measure S Bond Building Fund of the District's basic financial statements. The Measure S Bond Building Fund Schedule of Cumulative Expenditures is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Measure S Bond Building Fund Schedule of Cumulative Expenditures 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

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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 Measure S Bond Building Fund Schedule of Cumulative Expenditures is 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 issued our report dated November 11, 2025, on our consideration of the District's internal control over financial reporting and 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 California Constitution Article 13A, we have also issued our performance audit report dated November 11, 2025, on our consideration of the Measure S Bond Building Fund's compliance with the requirements of Proposition 39. That report is an integral part of our audit of the Measure S Bond Building Fund for the fiscal year ended June 30, 2025, and should be considered in assessing the results of our financial audit.

C & A LLP

November 11, 2025
Morgan Hill, California

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CABRILLO UNIFIED SCHOOL DISTRICT
Measure S Bond Building Fund
Balance Sheet
June 30, 2025

Assets	
Cash and investments	$ 24,285,370
Interest receivable	252,782
Total Assets	$ 24,538,152
Fund Balance	
Restricted for capital projects	$ 24,538,152
Total Fund Balance	$ 24,538,152

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

CABRILLO UNIFIED SCHOOL DISTRICT
Measure S Bond Building Fund
Statement of Revenue, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2025

Revenues:		
Investment earnings	$	858,585
Net increase in fair value of investments		468,652
Total Revenue		1,327,237
Net Changes in Fund Balance		1,327,237
Fund Balance Beginning, as previously presented		22,569,678
Error Correction - Fair Market Value		641,237
Fund Balance Beginning, as adjusted		23,210,915
Fund Balance Ending	$	24,538,152

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Principles

Cabrillo Unified School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the U.S. Governmental Accounting Standards Board ("GASB") and the American Institute of Certified Public Accountants ("AICPA").

B. Reporting Entity

The District is the level of government primarily accountable for activities related to public education. The governing authority consists of five elected officials who, together, constitute the Board of Trustees.

In 2012-13, a committee to the District's Governing Board and Superintendent, called the Measure S Facilities Bond Citizens' Oversight Committee was established. The purpose of the committee is to inform the public concerning the expenditure and uses of the District's bond measure revenues. The committee's legal charge is to actively review and report on the expenditure of taxpayer money for school construction in accordance with voter approved projects.

The financial statements presented are for the Measure S Bond Building Fund and are not intended to be a complete presentation of the District's financial position on operations.

C. Basis of Presentation

Fund Financial Statements:

Fund financial statements report detailed information about the District. The Building Fund is a governmental fund and is presented as a major fund in the District's combined financial statements. The Building Fund is used to account for proceeds from the sale of real property and account for the acquisition of major governmental capital facilities and buildings from the sale of bond proceeds such as Measure S general obligation bonds.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources, are generally included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance for the Measure S Bond Building Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Governmental funds use the modified accrual basis of accounting.

Revenues - Exchange and Non-exchange Transactions:

On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. To achieve comparability of reporting among California districts, and so as not to distort normal revenue patterns with specific respect to reimbursement grants and correction to state-aid apportionments, the California Department of Education has defined available for district as collectible within one year.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned Revenue:

Unearned revenue arises when assets (such as cash) are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements (such as qualified expenditures) are met are recorded as liabilities from unearned revenue.

Unavailable Revenue:

In the governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have been recorded as deferred inflows of resources as unavailable revenue.

Expenditures:

On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's governing board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. These budgets are revised by the District's governing board and District superintendent during the fiscal year to give consideration to unanticipated income and expenditures. Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object.

F. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated on June 30.

G. Assets, Liabilities, and Equity

1. Cash and Investments

Cash balances held in banks and in revolving funds are insured to $250,000 by the Federal Deposit Insurance Corporation.

In accordance with *Education Code* Section 41001, the District maintains substantially all of its cash in the County Treasury. The county pools these funds with those of other Districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

All District-directed investments are governed by Government Code Section 53601 and Treasury investment guidelines. The guidelines limit specific investments to government securities, domestic chartered financial securities, domestic corporate issues, and California municipal securities. The District's securities portfolio is held by the County Treasurer. Interest earned on investments is recorded as revenue of the fund from which the investment was made.

2. Cash & Cash Equivalents

The District's cash deposits are considered to be cash on hand and cash in banks. Cash and Cash Equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

3. Investments

Investments are recorded at fair value in accordance with GASB Statement No. 72, Fair Value Measurement and Application. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

The following is a summary of the definition of fair value:

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

- Market approach - This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.

- Cost approach - This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.

- Income approach - This approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs have been maximized in fair value measures, and unobservable inputs have been minimized.

4. Long-Term Obligations

In the Measure S Bond Building Fund financial statements, bond premiums, discounts and bond issuance costs are recognized during the current period. The face amount of the debt issued, premiums, or discounts are reported as other financing sources/uses.

5. Fund Balance Classifications

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- Non-spendable includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

- Restricted includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation.

- Committed includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of

decision-making authority and does not lapse at year-end. Committed fund balances are imposed by the District's board of education.

- Assigned includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Superintendent.

- Unassigned includes positive fund balance that has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

6. Accounting Estimates

The presentation 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 reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - CASH AND INVESTMENTS

Summary of Deposits

A summary of deposits as of June 30, 2025, is as follows:

Deposit or Investment	Carrying Amount	Fair Value
Cash in county treasury investment pool	$ 24,285,370	$ 24,285,370

Fair Value Measurements

GASB 72 established a hierarchy of inputs to the valuation techniques above. This hierarchy has three levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable.
- Level 3 inputs are unobservable inputs, such as a property valuation or an appraisal.

The District has the following recurring fair value measurements as of June 30, 2025:

Investments in the San Mateo 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.

Cash in County Treasury

The District is 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 statements 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 an amortized cost basis.

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 instruments; 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 agreements; 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.

Risk Disclosures

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are described below:

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains cash with the San Mateo County Investment Pool. The pool has a fair value of approximately $2.877 billion and an amortized book value of $2.845 billion.

Credit Risk

Credit risk is the risk of loss due to the failure of the security issuer. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investment with the San Mateo County Investment Pool is governed by the County's general investment

policy. The investment with the San Mateo County Investment Pool is rated at least A-1 by S&P Rating Investor Service.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government code. District investments that are greater than 5 percent of total investments are in either an external investment pool or mutual funds and are therefore exempt.

NOTE 3 - INTERFUND TRANSACTIONS

Interfund transactions are reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables (Due From/To), as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Interfund Receivables/Payables (Due From/Due To)

As of June 30, 2025, the Building Fund owed the General Fund $417,883.

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenues to funds through which the resources are to be expended. The District did not have any interfund transfers in the Measure S Bond Building Fund during the fiscal year.

NOTE 4 - MEASURE S GENERAL OBLIGATION BOND

In January of 2015, the District issued $20,000,000 in 2012 General Obligation Bonds, Series B, to finance constructions projects for facilities improvements. From the gross proceeds of $21,067,416, which included a premium of $1,067,416 and was netted by an underwriting discount of $120,000 and issuance costs of $160,000, net proceeds of $20,787,416 was deposited with the County in the District's name. The balance of $947,416 reported in the Bond Interest Redemption Fund is reserved to meet the debt reserve requirements of the bond, and consists of the bond premium net of discounts. The interest rates are fixed per maturity date for both serial and term bonds, resulting in a range of interest rates (from 2 to 5%) based on the maturity schedule.

The following schedule summarizes net proceeds from the bond issuance in January of 2015:

Par Value	$	20,000,000
Premium		1,067,416
Underwriter's Discount		(120,000)
Cost of Issuance Expense		(160,000)
Transfer to BIRF		(947,416)
Net Proceeds to Building Fund	$	19,840,000

In February of 2017, the District issued $20,000,000 in 2012 General Obligation Bonds, Series C, to finance constructions projects for facilities improvements. From the gross proceeds of $20,571,771, which included a premium of $571,771 and was netted by issuance costs of $336,771, net proceeds of $20,235,000 was deposited with the County in the District's name. The balance of $400,000 reported in the Bond Interest Redemption Fund is reserved to meet the debt reserve requirements of the bond, and consists of the bond premium net of discounts. The interest rates are fixed per maturity date for both serial and term bonds, resulting in a range of interest rates (from 3 to 5%) based on the maturity schedule.

The following schedule summarizes net proceeds from the bond issuance in February of 2017:

Par Value	$	20,000,000
Premium		571,771
Cost of Issuance Expense		(336,771)
Transfer to BIRF		(400,000)
Net Proceeds to Building Fund	$	19,835,000

In August of 2017, the District issued General Obligation Bonds in the amount of $4,610,000. The Bonds were sold for the purpose of advance refunding the District's General Obligation Bond, Election of 2012, Series A and to pay costs of issuance of the Bonds. The Bonds represent a general obligation of the District. From the gross proceeds of $5,419,083, which included a premium of $1,003,093 and was netted by issuance costs of $336,771, net proceeds of $5,419,083 was deposited in an Escrow Fund. The interest rates are fixed per maturity date for both serial and term bonds, resulting in a range of interest rates (from 2 to 5%) based on the maturity schedule.

The following schedule summarizes net proceeds from the bond issuance in August of 2017:

Par Value	$	4,610,000
Premium		1,003,093
Cost of Issuance Expense		(194,010)
Net Proceeds to Escrow Fund	$	5,419,083

In June of 2023, the District issued $23,000,000 in 2012 General Obligation Bonds, Series D, to finance the acquisition, construction, furnishing and equipping of District facilities. From the gross proceeds of $24,040,245, which included a premium of $1,040,245 and was netted by issuance costs of $303,027, net proceeds of $22,696,973 was deposited with the County in the District's name. The balance of $1,040,245 reported in the Interest and Sinking Fund is reserved to meet the debt reserve requirements of the bond, and consists of the bond premium net of associated issuance costs. The interest rates are fixed per maturity date for both serial and term bonds, resulting in a range of interest rates (from 4 to 5%) based on the maturity schedule.

The following schedule summarizes net proceeds from the bond issuance in June of 2023:

Par Value	$	23,000,000
Premium		1,040,245
Cost of Issuance Expense		(303,027)
Interest and Sinking Fund		(1,040,245)
Net Proceeds to Building Fund	$	22,696,973

In June of 2023, the District issued 2023 General Obligation Bonds in the amount of $6,385,000. The Bonds were sold for the purpose of advance refunding the District's General Obligation Bond, Election of 2012, Series A and to pay costs of issuance of the Bonds. The Bonds represent a general obligation of the District. From the gross proceeds of $7,381,402, which included a premium of $1,131,501 and was netted by issuance costs of $135,009, net proceeds of $7,381,402 was deposited in an Escrow Fund. The bonds carry a 5% annual interest rate.

The following schedule summarizes net proceeds from the bond issuance in June of 2023:

Par Value	$	6,385,000
Premium		1,131,501
Cost of Issuance Expense		(135,099)
Net Proceeds to Escrow Fund	$	7,381,402

In May of 2024, the District issued 2024 General Obligation Bonds in the amount of $11,265,000. The Bonds were sold for the purpose of advance refunding the District's General Obligation Bond, Election of 2012, Series B. The Bonds represent a general obligation of the District. From the gross proceeds of $12,550,064, which included a premium of $1,425,231 and was netted by issuance costs of $140,167, net proceeds of $12,550,064 was deposited in an Escrow Fund. The bonds carry a 4 - 5% annual interest rate.

The following schedule summarizes net proceeds from the bond issuance in May of 2024:

Par Value	$	11,265,000
Premium		1,425,231
Cost of Issuance Expense		(140,167)
Net Proceeds to Escrow Fund	$	12,550,064

The following schedule summarizes the District's Measure S general obligation bonds as of June 30, 2025:

General Obligation Bonds	Original Issue	Outstanding June 30, 2024	Issued	Redeemed	Outstanding June 30, 2025	Current Portion
2012 GOB-B Measure S	$ 20,000,000	$ 5,015,000	$ -	$ 220,000	$ 4,795,000	$ -
2012 GOB-C Measure S	20,000,000	19,960,000	-	-	19,960,000	-
2017 GORB	4,610,000	3,855,000	-	670,000	3,185,000	715,000
2023 GORB	6,385,000	6,385,000	-	-	6,385,000	-
2012 GOB-D Measure S	23,000,000	22,650,000	-	740,000	21,910,000	110,000
2024 GORB	11,265,000	11,265,000	-	130,000	11,135,000	180,000
Subtotal General Obligation Bonds	85,260,000	69,130,000	-	1,760,000	67,370,000	1,005,000
Unamortized Bond Premiums	6,240,257	4,359,201	-	340,160	4,019,041	340,160
Total General Obligation Bonds	$ 91,500,257	$ 73,489,201	$ -	$ 2,100,160	$ 71,389,041	$ 1,345,160

The following is a summary of the annual debt service requirements as of June 30, 2025:

Fiscal Year	Principal	Interest to Maturity	Total
2026	$ 1,005,000	$ 2,744,181	$ 3,749,181
2027	995,000	2,697,356	3,692,356
2028	1,100,000	2,646,231	3,746,231
2029	1,805,000	2,589,606	4,394,606
2030	1,190,000	2,517,106	3,707,106
2031-2035	8,245,000	11,576,131	19,821,131
2036-2040	13,985,000	9,047,197	23,032,197
2041-2045	22,125,000	5,775,313	27,900,313
2046-2050	16,920,000	1,524,601	18,444,601
Total	$ 67,370,000	$ 41,117,722	$ 108,487,722

NOTE 5 – COMMITMENTS

Through November 11, 2025, the date on which the financial statements were available to be issued, the District had no encumbrances of the Measure S Bond proceeds to be spent on capital projects in the fiscal year ended June 30, 2025.

SUPPLEMENTARY INFORMATION

CABRILLO UNIFIED SCHOOL DISTRICT
Measure S Bond Building Fund
Schedule of Cumulative Expenditures
For the Fiscal Year Ended June 30, 2025

	Fiscal Year Ended June 30, 2025	From Inception Through June 30, 2025
Program Budget:		
Program Proceeds	$ -	$ 83,034,111
Investment Earnings	1,327,237	3,411,572
Total Program Budget	1,327,237	86,445,683
Site/Project Description:		
Facility Master Plan	-	296,276
Energy Program	-	263,940
General Support Expenditures	-	628,810
High School Aquatic Center	-	47,730
Roofing	-	42,110
High School Multi-use Theatrical Project	-	314,008
High School Cafeteria	-	58,248
High School Modernization	-	263,634
Parking Lots	-	464,396
Waste Management Equipment	-	80,370
Playground Improvements	-	114,261
Gymnasiums	-	9,648
High School Track Project	-	3,585,456
Hatch Modernization	-	26,711,890
Cunha Gymnasium Complex	-	3,176,980
Cunha Water Infiltration	-	11,231,515
Farallone View Modernization	-	67,390
Security, Safety Upgrades	-	148,787
Pilarcitos Modernization	-	6,941,479
Los Listos Portable Building	-	169,224
District Site Improvements	-	30,750
Door Lock and Hardware	-	546,382
Technology Infrastructure	-	693,684
Technology Classroom Based	-	2,584,302
Purchases from Bond Interest (Furniture and Equipment)	-	277,288
El Granada Repairs	-	1,255
Heating Upgrades	-	68,224
Project Management	-	1,648,459
Bond Issuance Costs	-	799,798
Total Expenditures	-	61,266,294
(Over) Under Budget/Remaining Budget	$ 1,327,237	$ 24,538,152

CABRILLO UNIFIED SCHOOL DISTRICT
Measure S Bond Building Fund
Notes to the Program Schedule
For the Fiscal Year Ended June 30, 2025

NOTE 1 - THE PROGRAM

Proposition 39 was enacted by the voters on November 7, 2000, and changed the required majority for local voter approval of public school and community college general obligation bonds from two-thirds to fifty-five percent of votes. It also required school districts to provide facilities to charter schools operating within their jurisdiction.

On June 5, 2012, local voters passed Measure S, which generates funding to provide safe, efficient, and modern facilities for Cabrillo Unified School District students and staff. Measure S will generate up to $81 million to repair, upgrade and expand our local schools. Funds will be generated through the sale of general obligation bonds, which will be repaid through assessments on residential and commercial property located within the Cabrillo Unified School District.

All projects funded by the issuance of Measure S general obligation bonds will be subject to review both by the District's Board of Trustees and by an independent citizens' oversight committee. The District will also provide many public forums to present progress and seek input from community members, parents, and staff.

NOTE 2 - CITIZENS' OVERSIGHT COMMITTEE

Duties of the committee include verifying that bond revenues were expended only for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities. The committee must also verify that no funds were used for any teacher or administrative salaries or other school operation expenses.

Furthermore, the committee is authorized to receive, and review copies of the annual independent performance audit and the annual independent financial audit required by Article XIIIA, Section 1(b)(3)(C) and Article XIIIA, Section 1(b)(3)(D), respectively, of the California Constitution.

The committee was formed by the Board trustees as required by state law. During the fiscal year ended June 30, 2025, the District was unable to fill all of the committee positions, however, as required by Article XIIIA, the District was actively seeking to fill these roles and publicly posted the vacancies. The Citizens' Oversight Committee was comprised of the following members during the fiscal year ended June 30, 2025:

Name	Title/Function	Term Expiration
Chris Giannini	Parent	2027
Kendra Holland	Parent and PTA	2026
Hiro Ellis	Parent and PTA	2026
VACANT	At-Large Member	N/A
VACANT	Business Representative	N/A
VACANT	Senior Representative	N/A
VACANT	Taxpayer Representative	N/A

SCHEDULE OF FINDINGS
AND
RECOMMENDATIONS

CABRILLO UNIFIED SCHOOL DISTRICT
Measure S Bond Building Fund
Schedule of Findings and Recommendations
For the Fiscal Year Ended June 30, 2025

This section identifies the deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* or Appendix A of the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* issued by the California Education Audit Appeals Panel.

A. Financial Statement Findings

Our tests resulted in no findings and recommendations.

B. Performance Audit Findings

Our tests resulted in no findings and recommendations.

CABRILLO UNIFIED SCHOOL DISTRICT
Measure S Bond Building Fund
Schedule of Prior Year Findings and Recommendations
For the Fiscal Year Ended June 30, 2025

This section identifies the deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements or performance audit that are required to be reported in accordance with Government Auditing Standards or Appendix A of the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* issued by the California Education Audit Appeals Panel.

A. Financial Statement Findings

Our tests resulted in no findings and recommendations.

B. Performance Audit Findings

Finding 2024-001: Citizens' Oversight Committee

Criteria: Education code 15282 requires that the citizens' oversight committee (the Committee) consist of at least seven members who shall serve for a minimum term of two years without compensation and for no more than three consecutive terms.

Condition: During our testing of the citizens' oversight committee members' term limits, we noted that one member had served more than 3 consecutive 2-year terms since the fiscal year 2016-2017.

Effect: The District is not in compliance with Education code 15282.

***Cause*:** Due to the lack of new candidates for the citizens' oversight committee, the District's legal counsel recommended for members, who had exceeded their term limits, to continue to stay on the Committee until new candidates could be appointed.

Recommendation: We recommend that the District set up a tracking system to review the term limits of each of the citizens' oversight committee member and actively recruit new candidates into the Committee to ensure that the District remain in compliance with the requirements set forth by the Education Code 15282. The District should also remove the member that exceeded term limits effective immediately.

Corrective Action Plan: The District will take steps to review and monitor the citizens' oversight committee members' term limits and recruit new members as needed for the implementation of these recommendations.

***Status*:** Implemented.

OTHER INDEPENDENT AUDITOR'S REPORTS

Chavan and Associates, llp
Certified Public Accountants

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*

Measure S Facilities Bond Citizens' Oversight Committee and
Governing Board Members
Cabrillo Unified School District

We have audited, 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, the financial statements of the Measure S Bond Building Fund of the Cabrillo Unified School District (the District) as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's Measure S Bond Building Fund financial statements, and have issued our report thereon dated November 11, 2025.

Internal Control over Financial Reporting

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

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

Our consideration of internal control 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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws,

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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.

C & A LLP

November 11, 2025
Morgan Hill, California

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Chavan and Associates, llp
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

Measure S Facilities Bond Citizens' Oversight Committee and
Governing Board Members
Cabrillo Unified School District

Performance Audit

We were engaged to conduct a performance audit of the Cabrillo Unified School District (the District)'s Measure S Bond Building Fund for the fiscal year ended June 30, 2025.

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

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 XIIIA, Section 1(b)(3)(C) of the California Constitution and Appendix A contained in the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* issued by the California Education Audit Appeals Panel. 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 Proposition 39 and outlined in Article XIIIA, 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. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

This report is intended solely for the information and use of the District and is not intended to be, and should not be used by, anyone other than the specified party.

Auditor Objectives

Our audit included the following objectives:

1. Determine whether expenditures charged to the Fund have been made in accordance with the bond project list approved by the voters through the approval of the Measure S, and verify that the funds

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were generally expended for the construction, renovation, furnishing, and equipping of school facilities constituting authorized bond projects.

2. Determine whether salary transactions charged to the Fund were in support of Measure S and not for District general administration or operations, and verify that the funds used to pay the salaries of district employees were allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General.

Scope

The scope of our performance audit covered the period of July 1, 2024 to June 30, 2025. 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, 2025 were not reviewed or included within the scope of our audit or in this report.

Methodology

To meet the objectives of our performance audit, procedures we performed included, the following methodology:

1. We identified expenditures and projects charged to the general obligation bond proceeds by obtaining the general ledger and project listing. There was no expenditure for Measure S Bond Building Fund from July 1, 2024 through June 30, 2025.

2. Not applicable for the fiscal year ended June 30, 2025. We selected a sample of expenditures using the following criteria:

    a. We considered all expenditures recorded in all object codes, including transfers out.
    b. We considered all expenditures recorded in all projects that were funded from July 1, 2024 through June 30, 2025 from Measure S bond proceeds.
    c. We selected all expenditures that were individually significant expenditures. Individually significant expenditures were identified as individual transactions (expenditures) that exceeded approximately 5% of the total expenditures incurred.
    d. For all items below the individually significant threshold identified in item 2c, judgmentally selected expenditures based on risk assessment and consideration of coverage of all object codes, including transfers out, and projects for the period starting July 1, 2024 and ending June 30, 2025.

3. Not applicable for the fiscal year ended June 30, 2025. There was no expenditure for Measure S bond building fund from July 1, 2024 through June 30, 2025. The performance audit requirement for the bond program is to ensure they were valid, allowable, accurate, charged to the facilities projects, and expended on specific projects listed in the text of the applicable ballot measure by vouching the actual invoices and other supporting documentation to determine that:

    a. Expenditures were supported by invoices with evidence of proper approval and documentation of receiving goods or services.

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b. Expenditures were supported by proper bid documentation, as applicable.
c. Expenditures were expended in accordance with voter-approved bond project list.
d. Bond proceeds were not used for salaries of school administrators or other operating expenses of the District.

4. We verified that salary transactions charged to the Fund were in support of Measure S and not for District general administration or operations, and verify that the funds used to pay the salaries of district employees were allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General by vouching to supporting records such as offer letter, position control reports, timecards and payroll reports. There was no salary expenditure for Measure S Bond Building Fund from July 1, 2024 through June 30, 2025.

5. We verified that the District was in compliance with Assembly Bill 1908 and Ed Code Section 15278, where the District is required to establish a bond oversight committee for Proposition 39 bonds that includes one active member from each of the following sectors: a business organization, senior citizens' organization, bona fide taxpayer's association, and one parent/guardian of a child enrolled in the District and one parent/guardian of a child enrolled in the District who is also a member of a parent teacher association.

6. We verified the Citizens' Oversight Committee met pursuant to Education Code Section 15280.

Conclusion

We did not identify any exceptions to the procedures performed above, in all significant respects. Based on the procedures performed, the District has properly accounted for the expenditures held in the Measure S Bond Building Fund and that such expenditures were made for authorized bond projects. Our audit was made for the purposes set forth in the Objectives section of this report and would not necessarily disclose all instances of nonperformance.

C & A LLP

November 11, 2025
Morgan Hill, California

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