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**GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT  
PROPOSITION V BOND BUILDING FUND  
GENERAL OBLIGATION BONDS**

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**FINANCIAL AND PERFORMANCE AUDIT REPORT**  
JUNE 30, 2025

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**GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT  
PROPOSITION V BOND BUILDING FUND  
INTRODUCTION AND CITIZENS' BOND OVERSIGHT COMMITTEE  
JUNE 30, 2025**

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On November 6, 2012 the Grossmont-Cuyamaca Community College District was successful in obtaining authorization from District voters to issue up to \$398,000,000 in General Obligation Bonds pursuant to a 55% vote in a Bond election under Proposition V. The General Obligation Bonds are considered Proposition 39 bonds. The passage of Proposition 39 in November 2000 amended the California Constitution to include accountability measures. Specifically, the District must conduct an annual, independent performance audit to ensure that funds have been expended only on the specific projects listed as well as an annual independent financial audit of the proceeds from the sale of bonds until all proceeds have been expended.

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

The CBOC was comprised of the following members as of June 30, 2025:

<b>Members</b>	<b>Representing</b>	<b>Sub-Committee</b>
Leonard Pinson (Chair)	Construction-Related Field	Construction
Karen Fleck (Vice Chair)	Finance/Accounting	Communication
Rick Tenbroek	San Diego Building & Construction Trades Council	Construction
Sheri Painter	Business Organization	Construction
Bill Garrett	Grossmont-Cuyamaca College Foundation	Construction
Bob Kiesling	Taxpayers Association	Audit
Alba Orr	Senior Citizen's Organization	Audit
Courtney Etnyre	Cuyamaca College Student Representative	Communication / Construction

## INDEPENDENT AUDITORS' REPORT

Governing Board Members and Proposition V Citizens' Oversight Committee  
Grossmont-Cuyamaca Community College District  
El Cajon, California

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of the Grossmont-Cuyamaca Community College District's (the "District") Proposition V Bond Building Fund and the related notes to financial statements as of and for the year ended June 30, 2025, 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 Proposition V Bond Building Fund of the District as of June 30, 2025, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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 opinion.

#### ***Emphasis of Matter***

As discussed in Note 1, the financial statements present only the District's Proposition V 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 financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management 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, 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.

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.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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 *Government Auditing Standards* 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 *Government Auditing Standards*, 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.
- Conclude whether, in our judgment, 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 a reasonable period of time.

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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025 on our consideration of the District's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and other matters for the Proposition V Bond Building Fund. 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 for the Proposition V Bond Building Fund. 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 for the Proposition V Bond Building Fund.

*CWDL, Certified Public Accountants*

San Diego, California

December 19, 2025

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## **FINANCIAL SECTION**

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**GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT  
PROPOSITION V BOND BUILDING FUND  
BALANCE SHEET  
JUNE 30, 2025**

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**ASSETS**

Cash in county treasury	\$ 42,042,136
Accounts receivable	647,491
Due from other funds	6,394
<b>Total Assets</b>	<b>\$ 42,696,021</b>

**LIABILITIES AND FUND BALANCE**

**Liabilities**

Accounts payable	\$ 1,804,572
Due to other funds	225,344
<b>Total Liabilities</b>	<b>\$ 2,029,916</b>

**Fund Balance**

Restricted for capital projects	<u>40,666,105</u>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 42,696,021</b>

**GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT  
PROPOSITION V BOND BUILDING FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2025**

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**REVENUES**

Interest and investment income	\$ 1,862,497
<b>Total Revenues</b>	<b>1,862,497</b>

**EXPENDITURES**

Supplies	566
Other services	6,146,866
Capital outlay	10,654,626
<b>Total Expenditures</b>	<b>16,802,058</b>

<b>Net Change in Restricted Fund Balance</b>	<b>(14,939,561)</b>
<b>Restricted Fund Balance, July 1, 2024</b>	<b>55,605,666</b>
<b>Restricted Fund Balance, June 30, 2025</b>	<b>\$ 40,666,105</b>

**GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT  
PROPOSITION V BOND BUILDING FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

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

**Accounting Policies**

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

**Financial Reporting Entity**

These financial statements are not intended to present fairly the financial position and results of operations of the District in compliance with accounting principles generally accepted in the United States of America.

**Basis of Accounting**

The Proposition V Bond Building Fund is maintained on the modified accrual basis of accounting. As such, revenues are recognized when they become susceptible to accrual, which is to say, 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.

**Fund Structure**

The Statement of Revenues, Expenditures, and Changes in Fund Balance is a statement of financial activities of the Proposition V Bond Building Fund related to the current reporting period. Fund expenditures 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 or the net income or loss for the period as would a statement of income for a profit-type organization.

**Fund Balance Classification**

The governmental fund financial statements present fund balance classifications that comprise a hierarchy based on the extent to which the District is bound to honor constraints on the specific purposes for which amounts can be spent. Amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation are considered restricted. The fund balance of the Proposition V Bond Building Fund is therefore classified as restricted.

**GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT  
PROPOSITION V BOND BUILDING FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Capital Assets and Long-Term Debt**

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with the Proposition V Bond Building Fund are determined by its measurement focus. The Proposition V 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 Proposition V Bond Building Fund are accounted for in the basic financial statements of the District.

**Use of Estimates**

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

**NOTE 2 – CASH IN COUNTY TREASURY**

In accordance with *Education Code* Section 41001, the District maintains substantially all of its cash in the San Diego County Treasury as part of the common investment pool. The District is considered an involuntary participant in the investment pool. These pooled funds are recorded at amortized cost which approximates fair value. Fair value of the pooled investments at June 30, 2025 is measured at 100.05% of amortized cost. The District's deposits in the fund are considered to be highly liquid.

The county is authorized to deposit cash and invest excess funds by *California Government Code* Sections 53534, 53601, 53635, and 53648. The county is restricted to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The funds maintained by the county are either secured by federal depository insurance or are collateralized. The county investment pool is not required to be rated. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The county investment pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. *California Government Code* statutes and the County Board of Supervisors set forth the various investment policies that the County Treasurer follow. The method used to determine the value of the participant's equity withdrawn is based on the book value, which is amortized cost, of the participant's percentage participation on the date of such withdrawals.

The pool sponsor's annual financial report may be obtained from the San Diego County Administration Center, 1600 Pacific Highway, San Diego, CA 92101.

**GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT**  
**PROPOSITION V BOND BUILDING FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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**NOTE 3 – BONDED DEBT**

As of June 30, 2025, the principal balance outstanding on the District's Proposition V Bond Building Fund bonded debt was \$215,450,000.

Name of Issuance	Date of Issuance	Yield Rate	Maturity Date	Original Issue	July 1, 2024	Additions	Redeemed	Balance
								June 30, 2025
GO Bonds, Series 2018B	7/17/2018	1.30-3.50%	8/1/2047	\$ 126,000,000	\$ 115,450,000	\$ -	\$ -	\$ 115,450,000
GO Bonds, Series 2021C	6/3/2021	0.99-2.38%	8/1/2050	100,000,000	100,000,000	-	-	100,000,000
<b>Total</b>				<b>\$ 226,000,000</b>	<b>\$ 215,450,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 215,450,000</b>

**Series 2018B General Obligation Bonds**

On July 17, 2018, Series 2018B general obligation bonds were issued, which consisted of current interest bonds and term bonds with an initial par amount of \$126,000,000 with stated yield rates of 1.30% to 3.50% and maturing through August 1, 2047.

The annual requirements to amortize all Proposition V Series 2018B general obligation bonds payable outstanding as of June 30, 2025, are as follows:

Year Ending		Principal	Interest	Total
June 30,				
2026	\$ -	\$ 5,296,600	\$ 5,296,600	
2027		\$ 5,296,600		\$ 5,296,600
2028		\$ 5,296,600		\$ 5,296,600
2029		\$ 5,296,600		\$ 5,296,600
2030		\$ 5,296,600		\$ 5,296,600
2031-2035	5,320,000	26,042,000		\$ 31,362,000
2036-2040	19,295,000	23,081,375		\$ 42,376,375
2041-2045	43,245,000	15,728,875		\$ 58,973,875
2046-2048	47,590,000	2,964,000		\$ 50,554,000
<b>Total</b>	<b>\$ 115,450,000</b>	<b>\$ 94,299,250</b>		<b>\$ 209,749,250</b>

**GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT  
PROPOSITION V BOND BUILDING FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

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**NOTE 3 – BONDED DEBT, continued**

**Series 2021C General Obligation Bonds**

On June 3, 2021, Series 2021C general obligation bonds were issued, which consisted of current interest bonds and term bonds with an initial par amount of \$100,000,000 with stated yield rates of 0.99% to 2.38% and maturing through August 1, 2050.

The annual requirements to amortize all Proposition V Series 2018C general obligation bonds payable outstanding as of June 30, 2025, are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ -	\$ 2,763,700	\$ 2,763,700
2027	-	2,763,700	2,763,700
2028	-	2,763,700	2,763,700
2029	-	2,763,700	2,763,700
2030	-	2,763,700	2,763,700
2031-2035	1,680,000	13,693,700	15,373,700
2036-2040	4,670,000	13,068,100	17,738,100
2041-2045	9,815,000	11,754,200	21,569,200
2046-2050	58,425,000	8,011,919	66,436,919
2051	25,410,000	301,744	25,711,744
<b>Total</b>	<b>\$ 100,000,000</b>	<b>\$ 60,648,163</b>	<b>\$ 160,648,163</b>

**NOTE 4 – CONSTRUCTION COMMITMENTS**

As of June 30, 2025, the District was committed under various capital expenditure purchase agreements for Proposition V bond projects totaling approximately \$12,618,220.

**NOTE 5 – SUBSEQUENT EVENTS**

The District evaluated subsequent events from June 30, 2025 through December 19, 2025, the date the financial statements were issued. The District concluded that no subsequent events have occurred that would require recognition or disclosure in the Proposition V Bond Building Fund financial statements.

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## **SUPPLEMENTARY SECTION**

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**GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT**  
**PROPOSITION V BOND BUILDING FUND**  
**SCHEDULE OF DETAIL OF PROJECT BALANCE (UNAUDITED)**  
**JUNE 30, 2025**

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	Prop V Total Funding Plan	YTD Actuals 13/14 to 22/23	Actual 23/24	Actual 24/25	Balance
<b>Grossmont College</b>					
Prop V Start Up Projects	\$ 67,270	\$ 67,270	\$ -	\$ -	\$ -
A&C Teaching & Performance Theater - Phase 1	49,348,414	49,231,307	117,107	-	-
A&C Complx-Comm/Drama/Art/Cerm - Phase 2	42,000,000	1,414,927	812,054	1,172,580	38,600,439
Science, Math, Career Tech Complex - Phase 1	12,653,703	12,653,703	-	-	-
Science, Math, Career Tech Complex - Phase 2	44,936,494	39,510,434	5,426,060	-	-
Liberal Arts & Bus Tech	24,327,144	3,659,756	4,345,523	12,740,691	3,581,174
Interim Swing Space - Phase 1-3	10,000,000	6,928,226	850,860	666,848	1,554,066
Prop V Infra-Master Pump	2,127,810	689,578	150,331	39,954	1,247,947
Maintenance Facility-New Bldg	7,278	7,278	-	-	-
Main Chiller Addition	5,377,200	5,377,200	-	-	-
12 kV Main Serv Replacement	1,621,973	1,621,973	-	-	-
Gymnasium Renovation	9,813,713	-	-	24,522	9,789,191
Infrastructure/Utilities Project	3,104,319	3,104,319	-	-	-
Energy Conservation Projects	1,367,339	1,367,339	-	-	-
Environmental Impact Report - EIR	166,816	135,661	-	-	31,155
Site Contingency Allocation	15,000,000	-	-	-	15,000,000
Allocation of DW Costs	37,864,148	22,845,710	1,067,581	1,206,644	12,744,213
<b>Total Grossmont College</b>	<b>259,783,621</b>	<b>148,614,681</b>	<b>12,769,516</b>	<b>15,851,239</b>	<b>82,548,185</b>
<b>Cuyamaca College</b>					
Prop V Start Up Projects	104,508	104,508	-	-	-
Student Services Building	39,045,981	39,045,981	-	-	-
Student/Veterans Center Improvements	4,282,378	4,282,378	-	-	-
Ornamental Horticulture Complex/M Remodel	19,422,098	19,410,653	10,557	888	-
Instructional Building (F)	2,423,143	1,082,806	938,683	401,654	-
Building F Renovation	9,561,544	1,063,604	328,203	18,017	8,151,720
Building L Remodel	1,700,000	1,700,000	-	-	-
Exercise Science Bldg D Renovation	2,487,600	2,487,600	-	-	-
Track & Field Enhancements	4,155,236	4,155,236	-	-	-
Fan Support Athletics	341,000	10,818	-	-	330,182
Weight Training Classroom	390,459	390,459	-	-	-
Chiller Expansion	9,096,164	9,096,164	-	-	-
Building H Expansion	1,470,579	1,470,579	-	-	-
LRC Roof Top AHU	259,825	259,825	-	-	-
CDC Roof Replacement	46,081	46,081	-	-	-
Parking Lot/Roadway Replacement	280,071	280,071	-	-	-
One Stop Interim Improvements	38,535	38,535	-	-	-
Upgrade Electric Panel	635,289	635,289	-	-	-
Infrastructure/Utilities Allocation	560,230	560,230	-	-	-
Energy Conservation Projects Y 1-4	1,600,195	1,600,195	-	-	-
Environmental Impact Report - EIR	225,000	184,229	-	-	40,771
Allocation of DW Costs	16,742,354	10,037,287	457,535	517,133	5,730,399
<b>Total Cuyamaca College</b>	<b>114,868,270</b>	<b>97,942,528</b>	<b>1,734,978</b>	<b>937,692</b>	<b>14,253,072</b>
<b>Balance Forward</b>	<b>\$ 374,651,891</b>	<b>\$ 246,557,209</b>	<b>\$ 14,504,494</b>	<b>\$ 16,788,931</b>	<b>\$ 96,801,257</b>

**GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT  
PROPOSITION V BOND BUILDING FUND  
SCHEDULE OF DETAIL OF PROJECT BALANCE (UNAUDITED)  
JUNE 30, 2025**

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	Prop V Total Funding Plan	YTD Actuals 13/14 to 22/23	Actual 23/24	Actual 24/25	Balance
<b>Balance Brought Forward</b>	\$ 374,651,891	\$ 246,557,209	\$ 14,504,494	\$ 16,788,931	\$ 96,801,257
<b><u>District Services</u></b>					
Prop V Start Up Projects	41,556	41,556	-	-	-
District Services Complex	19,477,527	115,189	11,734	13,127	19,337,477
District & Auxiliary Modular	423,734	423,734	-	-	-
Allocation of DW Costs	3,405,292	1,629,326	-	-	1,775,966
<b>Total District Services</b>	<b>23,348,109</b>	<b>2,209,805</b>	<b>11,734</b>	<b>13,127</b>	<b>21,113,443</b>
<b><u>District-wide Costs</u></b>					
Prop V Interest - Pending Allocation	-	-	-	-	-
DW Technology & Tech Infrastructure	31,176,794	20,202,219	360,740	404,936	10,208,899
DW Program Management	15,800,000	11,710,771	1,149,418	1,299,629	1,640,182
DW Othr Prg Costs (Design Stds, CBA, Legal)	3,075,000	2,599,332	14,958	19,212	441,498
DW Program Contingency (2% of \$398M)	7,960,000	-	-	-	7,960,000
Allocation of DW Costs to the Sites	(58,011,794)	(34,512,322)	(1,525,116)	(1,723,777)	(20,250,579)
<b>Total District-wide</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Proposition V Budget</b>	<b>\$ 398,000,000</b>	<b>\$ 248,767,014</b>	<b>\$ 14,516,228</b>	<b>\$ 16,802,058</b>	<b>\$ 117,914,700</b>

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## **OTHER INDEPENDENT AUDITORS' REPORTS**

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## **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**

Governing Board Members and Proposition V Citizens' Oversight Committee  
Grossmont-Cuyamaca Community College District  
El Cajon, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Grossmont-Cuyamaca Community College District's (the "District") Proposition V Bond Building Fund, as of and for the year ended June 30, 2025, and the related notes to financial statements, and have issued our report thereon dated December 19, 2025.

### ***Emphasis of Matter***

As discussed in Note 1, the financial statements present only the District's Proposition V 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 financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### **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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over the Proposition V Bond Building Fund's financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting for the Proposition V Bond Building Fund.

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 District'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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's Proposition V Bond Building Fund 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 over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance for the Proposition V Bond Building Fund. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance for the Proposition V Bond Building Fund. Accordingly, this communication is not suitable for any other purpose.



San Diego, California  
December 19, 2025

## INDEPENDENT AUDITORS' REPORT ON PERFORMANCE

Governing Board Members and Proposition V Citizens' Oversight Committee  
Grossmont-Cuyamaca Community College District  
El Cajon, California

We have conducted a performance audit of the Grossmont-Cuyamaca Community College District's (the "District") Proposition V Bond Building Fund for the year ended June 30, 2025.

We conducted this performance audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Our audit was limited to the objectives listed on page 17 of this report which includes determining the District's compliance with the performance requirements for the Proposition 39 Proposition V Bond Building Fund and outlined in Section 1(b)(3)(C) of Article XIII A of the California Constitution. Management is responsible for the District's compliance with those requirements.

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

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



San Diego, California  
December 19, 2025

**GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT  
PROPOSITION V BOND BUILDING FUND  
REPORT ON PERFORMANCE  
JUNE 30, 2025**

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**LEGISLATIVE HISTORY**

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, community college districts or county offices of education *"for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities"*, upon approval by 55% of the electorate.

*Education Code Section 15278* provides additional accountability measures:

1. A requirement that the school district establish and appoint members to an independent citizens' oversight committee.
2. A requirement that the school district expend bond funds only for the purposes described in Section 1(b)(3) of Article XIII A of the California Constitution, and ensuring that no funds are used for any teacher or administrative salaries or other school operating expenses.
3. A requirement to conduct an annual independent performance audit required by Section 1(b)(3)(C) of Article XIII A of the California Constitution.
4. A requirement to conduct an annual independent financial audit required by Section 1(b)(3)(D) of Article XIII A of the California Constitution.

**GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT PROPOSITION V GENERAL OBLIGATION BONDS**

The Grossmont-Cuyamaca Community College District (the "District"), San Diego County, California Election of 2012 General Obligation Proposition V Bond Building Fund were authorized at an election of the registered voters of the District held on November 6, 2012 at which more than fifty-five percent of the persons voting on the proposition voted to authorize the issuance and sale of \$398,000,000 principal amount of general obligation bonds of the District. The Bonds are being issued to finance the acquisition, construction and modernization of certain District property and facilities. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes. A summary of the text of the ballot language was as follows:

*"To prepare local students/veterans for college/career success, shall Grossmont-Cuyamaca Community College District upgrade career training facilities for science, medical, public safety, in-demand fields, create a Veterans Support Center on each campus, modernize technology in classrooms, libraries, science labs, improve disabled persons access, upgrade, construct, acquire classrooms, facilities, sites/equipment, by issuing \$398,000,000 in bonds, at legal rates, with independent citizen oversight, no money for pensions/administrators, and all money staying local, benefiting East County community colleges?"*

**GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT  
PROPOSITION V BOND BUILDING FUND  
REPORT ON PERFORMANCE  
JUNE 30, 2025**

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**Objectives of the Audit**

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

**Scope of the Audit**

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.

**Procedures Performed**

We obtained the general ledger and the project expenditure reports prepared by the District for the year ended June 30, 2025 for the Proposition V Bond Building Fund. Within the fiscal year audited, we obtained the actual invoices and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Section 1(b)(3)(C) of Article XIII A of the California Constitution and Proposition V Bond Building Fund as to the approved bond projects list. We performed the following procedures:

1. We selected a sample of expenditures for the period starting July 1, 2024 and ending June 30, 2025, and reviewed supporting documentation to ensure that such funds were properly expended on the specific projects listed in the ballot language.
2. Our sample included transactions totaling \$8,747,122. This represents 52.06 percent of the total expenditures of \$16,802,058.
3. Based on our testing, we verified that funds from the Proposition V Bond Building Fund were expended for the construction, renovation, furnishing and equipping of District facilities constituting authorized bond projects.
4. We examined the program and construction management structure, including staffing and fees. The District has approved an annual Gafcon PM/CM staffing plan, including key metrics such as positions staffed, number of personnel, number of planned projects, and dollar values of planned projects, to help determine organizational structure alignment with the Bond Program's needs.

**GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT  
PROPOSITION V BOND BUILDING FUND  
REPORT ON PERFORMANCE  
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**Procedures Performed, continued**

5. We examined procurement practices, including selection of contractors and professional services, to verify compliance with district procurement policies and Public Contract Code (PCC) compliance - We reviewed and evaluated bidding and procurement procedures for compliance with District policy and applicable state requirements. We evaluated bid and procurement practices, procedures, and controls for the application of competitive and fair general contracting and subcontracting practices that prevent excessive Bond Program expenditures. We reviewed relevant District policies and requirements, as required per PCC, California Uniform Public Construction Cost Accounting Act (CUPCCAA), and other relevant State laws and regulations.
6. We performed a review of the facilities master plan, including coordination with the bond program – We noted the 2019 update of the 2013 GCCCD Facilities Master Plan, the first phase of which was Board-approved on September 11, 2012, as well as the District's Comprehensive Strategic and Facilities Plan 2022-2028. The Facilities Master Plan was a highly integrated process that included several community meetings, focus groups, surveys, campus site and steering committee meetings. Facilities needs assessments were conducted to understand the age and condition of each site and criteria was established including facility safety and structural integrity, capacity/utilization, completion of Long-Range Facilities Master Plan or drawings, Americans with Disabilities Act compliance, technological needs, functionality, eligibility for State funding, and other relevant factors. In addition, we noted that the Board annually authorizes the Chancellor to submit the District's 5-Year construction plan to the California Community Colleges Chancellors Office. During that authorization the 5-Year plan submitted is reviewed to ensure that it is congruent with the District's comprehensive 2013 Facilities Master Plan Refresh and the 2019 Facilities Master Plan update as well as the District's Comprehensive Strategic and Facilities Plan 2022-2028.
7. We performed testing over material specification standards - We reviewed the District's design standards for standardized items and specifications that meet the District's needs and provide uniformity amongst facilities and campuses. We considered material and product standards, technology standards, ensuring that clearly identified products and systems were noted, with allowable alternatives and a process for material and product substitutions.
8. We examined the design and construction timeline - The District was able to support/validate select amounts reported within the scheduling report titled GCCCD Level II Summary Schedule. We reviewed methods utilized by the District to track the schedule of available revenues and expenditures for all projects to plan each building project in accordance with the availability of funds.
9. We performed detailed testing over change order procedures including industry benchmarking – We examined change orders to ensure adequate change order reporting and approval was in place, and that end users understand change order impact. The District detail appears to include accurate information, such as itemized change amount, percentages, descriptions, and change responsibility.
10. We reviewed and performed testing over program/project reporting – We examined the District design and construction cash flow schedules, bond program master plan, cost/value engineering analysis, and other relevant district program and project reports.
11. We reviewed project budget and program performance forecasting - We reviewed the established District processes for the development and adherence to design and construction budgets on Bond-funded projects in the facilities construction program to gather and test data in order to determine compliance and measure the effectiveness of controls. Based on our inquiry and review, budgets appear to be in place and adequately approved.

**GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT  
PROPOSITION V BOND BUILDING FUND  
REPORT ON PERFORMANCE  
JUNE 30, 2025**

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**Procedures Performed, continued**

12. We performed an analysis of the Citizens' Bond Oversight Committee (CBOC) performance/compliance - We assessed the CBOC's compliance with the Board Policy, CBOC bylaws, and related *Education Code* sections. We noted no exception on the CBOC's compliance with law, the Committee's bylaws, or related *Education Code* sections.
13. We examined public outreach and communication efforts - We assessed the effectiveness of the Public Outreach and Communication Plan that addresses external and internal communications. We reviewed the District's activities and methods of communication related to the identification of stakeholders as well as their concerns, influence on the project, and information expectations. Use of District means to reach Bond Program stakeholders were compared to good practices at other college districts. We evaluated the overall transparency of the Bond Program, including but not limited to, the evaluation of the Bond website information and Bond Program progress reports, and the availability and access to information regarding Program status and expenditures. We noted that major Proposition V Bond Building Fund presentations are made to the District's Board twice per year along with monthly site and facilities project status reports. Current, accurate, and complete Bond Program reporting was assessed. Project progress, impact to Bond Program stakeholders, and delivery in accordance with Bond Program requirements were given specific consideration.
14. Additional supplemental procedures included:
  - a. Analysis of best practices and technology regarding planning and construction
  - b. Review payment procedures and processing time - We reviewed sampled invoices and payment applications for compliance with the District's payment process. The District has a step-by-step payment process, included within the policies and procedures. No exceptions were noted.
  - c. Review compliance over prevailing wage and labor compliance.
  - d. Review warranty compliance procedures and controls - We assessed the District's practices for maintenance of assets incorporated into campus site construction and reviewed the accuracy and completion of maintenance schedules to warrantied assets available. We noted that Gafcon provides an 11 or 23 month walk (depending on the warranty period) with District facilities staff prior to warranty expiration to examine facilities conditions. A warranty contact list furnished to each college provided references to applicable vendor contacts on a per project/spec basis.
  - e. Review value engineer/cost benefit procedures and controls - We assessed the District's processes to determine whether the District's specified requirements for projects, products, materials, and systems could be obtained at a lower price or for a better value, specifically when weighing cost, time, and function.

**Conclusion**

The results of our tests indicated that, in all significant respects, the District has properly accounted for the expenditures held in the Proposition V Bond Building Fund and that such expenditures were made for authorized bond projects.

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## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS SECTION**

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**GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT  
PROPOSITION V BOND BUILDING FUND  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2025**

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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*.

***There were no financial statement findings or questioned costs identified during 2024-25.***

**GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT  
PROPOSITION V BOND BUILDING FUND  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2025**

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*There were no performance audit findings for the year ended 2023-24.*