



SOLANA BEACH

SCHOOL DISTRICT

309 N. Rios Avenue
Solana Beach, CA 92075
(858) 794-7104
www.sbsd.k12.ca.us

Independent Citizens' Oversight Committee (ICOC) Members

Nihar Bhatt
Lauren Hay
Christos Komninakis
Ashley Peterson
Jehan Seirafi
Jerry Suppa
Abha Tirtha

Board of Education

Debra H. Schade, Ph.D.
President
Dana King
Vice President
Gaylin Allbaugh
Clerk
Julie Union
Member
Katherine Süel, Ph.D.
Member

Superintendent
Jennifer Burks, Ed.D.

SOLANA BEACH SCHOOL DISTRICT

Measure JJ Independent Citizens' Oversight Committee Meeting

March 6, 2024

6:00 p.m.

Solana Beach School District
309 N. Rios Avenue
Solana Beach, CA. 92075

*Welcome to the meeting of the Independent
Citizens' Oversight Committee, ICOC, of the Solana
Beach School District.*

Public Inspection of Documents

In compliance with Government Code 54957.5, agenda-related documents that have been distributed to the ICOC less than 72 hours prior to the meeting are available for inspection at the Solana Beach School District, 309 North Rios Avenue, Solana Beach.

Hearing of the Public

Persons wishing to address the ICOC on any item except personnel are invited to do so at this time. In the interest of time and order, presentations from the public are limited to three minutes per person, per topic. If you wish to speak, complete a card and present it to the ICOC Secretary prior to the start of the meeting. When the ICOC President invites you to the podium, please state your name, address, and organization before making your presentation.

In accordance with the Brown Act, unless an item has been placed on the published agenda, there shall be no action taken. The ICOC may (1) acknowledge receipt of the information, (2) refer to staff for further study; or (3) refer the matter to the next agenda.

Cell Phones

As a courtesy to all meeting attendees, please set cellular phones to silent mode and engage in conversations outside the meeting room.

Assistance with Meeting

In compliance with the Americans with Disabilities Act and AB-3035, if you require special assistance to participate in this meeting, please contact the Assistant Superintendent of Business Services at (858) 794-7112 at least 24 hours prior to the start of the meeting to enable the District to make reasonable arrangements.



Independent Citizens' Oversight Committee

Meeting Agenda

March 6, 2024

Solana Beach School District

Solana Beach School District

309 N. Rios Avenue

Solana Beach, CA 92075

6:00pm

In compliance with the Americans with Disabilities Act and AB-3035, if you require special assistance to participate in this meeting, please contact the Assistant Superintendent of Business Services at (858) 794-7112 at least 24 hours prior to the start of the meeting to enable the District to make reasonable arrangements.

<i>The Regularly Scheduled Meeting of the Independent Citizens' Oversight Committee of the Solana Beach School District begins at 6:00 p.m.</i>			
1.	CALL TO ORDER WELCOME		
2.	PLEDGE OF ALLEGIANCE		
3.	ROLL CALL		
		Nihar Bhatt	
		Lauren hay	
		Christos Komninakis	
		Ashley Peterson	
		Jehan Seirafi	
		Jerry Suppa	
		Abha Tirtha	
4.	APPROVAL OF AGENDA		Motion/Second
5.	APPROVAL OF MINUTES: September 6, 2023 Regular Committee Meeting		Motion/Second
HEARING OF THE PUBLIC			
6.	HEARING OF THE PUBLIC		
	<p>Anyone wishing to address the ICOC are given an opportunity to do so. In the interest of time and order, presentations from the public are limited to 3 minutes per person, per topic. Unless an item has been placed on the agenda, no action may be taken during this meeting.</p> <p>In accordance with the Brown Act, unless an item has been placed on the published agenda, there shall be no action taken. The ICOC may (1) acknowledge receipt of the information, (2) refer to staff for further study; or, (3) refer the matter to the next agenda.</p>		

7.	ACTION ITEMS			
	A. Presentation and Acceptance of the 2022-2023 fiscal year Measure JJ Audit Report by Christy White, Inc.			
	B. Presentation and Approval of the ICOC 2022-2023 Annual Report			
8.	INFORMATION/DISCUSSION ITEMS			
	A. Presentation of the Measure JJ capital projects and timeline			
	B. Measure JJ financial reports on current projects			
9.	ICOC MEMBERS-TERM RENEWALS			
10.	ADJOURNMENT OF MEETING		Motion/Second	



Independent Citizens' Oversight Committee

Meeting Minutes

September 6, 2023

Solana Beach School District

Solana Santa Fe School

6570 El Apajo

Rancho Santa Fe, CA 92067

6:00pm

1.	CALL TO ORDER The regular meeting of the Solana Beach School District Independent Citizens' Oversight Committee was called to order by Mark Pong, Assistant Superintendent, Business Services, at 6:00 p.m.	
2.	PLEDGE OF ALLEGIANCE	
3.	ROLL CALL/INTRODUCTIONS	Members Present (7)
		Nihar Bhatt
		Lauren Hay
		Christos Komninakis
		Ashley Peterson
		Jehan Seirafi
		Jerry Suppa
		AbhaTirtha
4.	APPROVAL OF AGENDA	Motion/Second
		Hay/Komninakis
5.	APPROVAL OF MINUTES:	
	May 10, 2023 Regular Committee Meeting	Motion/Second
		Suppa/Hay
	HEARING OF THE PUBLIC	
6.	HEARING OF THE PUBLIC	There were no public comments regarding open session items.

	<p>Anyone wishing to address the ICOC are given an opportunity to do so. In the interest of time and order, presentations from the public are limited to 3 minutes per person, per topic. Unless an item has been placed on the agenda, no action may be taken during this meeting.</p> <p>In accordance with the Brown Act, unless an item has been placed on the published agenda, there shall be no action taken. The ICOC may (1) acknowledge receipt of the information, (2) refer to staff for further study; or, (3) refer the matter to the next agenda.</p>	
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7.	INFORMATION/DISCUSSION ITEMS	
	A. Presentation of the Measure JJ capital projects and timeline	
	B. Measure JJ financial reports on current projects	
8.	OVERVIEW OF COMMITTEE ROLES AND RESPONSIBILITIES	
9.	DISCUSSION AND POSSIBLE ACTION(S)	
	A. Reminder of date, time, and place for the next meeting(s) of the ICOC	
	<ul style="list-style-type: none"> December 6, 2023 6:00 pm - District Office March 6, 2024 6:00 pm - District Office May 8, 2024 6:00 pm - Carmel Creek School 	
	B. Potential selection of Committee Officers	Motion/Second
	Lauren Hay – President Abha Tirtha – Vice President Ashley Peterson - Secretary	Bhatt/Suppa Hay/Suppa Tirtha/Bhatt
	C. Future agenda item topics to be discussed	
10.	ADJOURNMENT OF MEETING 6:47 PM	Motion/Second
		Tirtha/Bhatt

ITEM:

AGENDA ITEM: 7A

Presentation and Acceptance of the 2022-2023 fiscal year Measure JJ Audit Report by Christy White, Inc.

- ☒ **Action**
- ☐ **Consent**
- ☐ **First Reading**
- ☐ **Information**
- ☐ **Presentation**
- ☐ **Public Hearing**
- ☐ **Roll Call Vote Required**
- ☐ **Report**

RECOMMENDATION:

It is recommended that the Committee accept the 2022-2023 fiscal year Measure JJ Audit Report by Christy White, Inc.

DESCRIPTION:

The annual audit report for the 2022-23 fiscal year, prepared and presented by the District's independent auditors, Christy White, Inc., is presented for acceptance.

Attachment: Solana Beach School District Measure JJ Bond Building Fund Audit Report for the year ended June 30, 2023.

FISCAL IMPACT:

MOVED BY: _____

SECONDED BY: _____

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND**

AUDIT REPORT

**FOR THE YEAR ENDED
JUNE 30, 2023**

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
TABLE OF CONTENTS
JUNE 30, 2023**

	<u>Page</u>
Introduction.....	1
Independent Auditors' Report.....	2

FINANCIAL SECTION

Balance Sheet	4
Statement of Revenues, Expenditures, and Changes in Fund Balance	5
Notes to the Financial Statements.....	6

OTHER INDEPENDENT AUDITORS' REPORTS

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.....	11
Independent Auditors' Report on Performance	13

AUDIT PROCEDURES AND RESULTS SECTION

Audit Procedures and Results	14
Schedule of Findings and Recommendations	16

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
INTRODUCTION
JUNE 30, 2023**

The Solana Beach School District was established in 1925. The District boundaries include the City of Solana Beach and portions of the Cities of Del Mar, Rancho Santa Fe, and San Diego. The District currently operates one preschool and seven elementary schools.

In November 2016, the voters of Solana Beach School District approved by more than the required 55% favorable vote, Measure JJ, authorizing the issuance and sale of general obligation bonds, not to exceed \$105,000,000. Measure JJ is a Proposition 39 bond. The passage of Proposition 39 in November 2000 amended the California Constitution to include accountability provisions. 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 the bonds until all of the proceeds have been expended for facilities projects.

In May 2017, the District issued Election of 2016, Series A general obligation bonds totaling \$50,000,000. Bond proceeds are to be used to replace or upgrade aging, outdated classrooms, science labs, libraries, and school buildings; restore deteriorating roofs, plumbing, and electrical systems; improve student safety and campus security; and provide students access to educational facilities, science, and technology needed to prepare for high school, college, and careers, and qualify for State grants. The bonds bear interest at a rate of 2.0% - 5.0% and are scheduled to mature through August 2046.

In March 2019, the District issued Election of 2016, Series B general obligation bonds totaling \$55,000,000. The bonds bear interest at a rate of 3.0% - 4.0% and are scheduled to mature through August 2041, with the first payment commencing in August 2020. With this issuance, the District has issued the total amount of \$105,000,000 in general obligation bonds that were authorized by the passing of Measure JJ.

Proposition 39 requires school districts that pass Proposition 39 bonds to seat an Independent Citizens' Oversight Committee (ICOC) to assure the community that bond funds are expended in the fashion outlined in the district's bond resolution. The ICOC must meet at least once a year and inform the public about the expenditure of bond revenues. The ICOC shall actively review and report on the proper expenditure of taxpayers' money for school construction.



Certified Public Accountants serving
K-12 School Districts and Charter
Schools throughout California

INDEPENDENT AUDITORS' REPORT

Measure JJ Citizens' Oversight Committee and
Governing Board Members of the
Solana Beach School District
Solana Beach, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Measure JJ Bond Building Fund of Solana Beach School District (the "District"), as of and for the year ended June 30, 2023, 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 respective financial position of the Measure JJ Bond Building Fund of Solana Beach School District, as of June 30, 2023, and the respective changes in financial position thereof 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 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 Measure JJ Bond Building Fund and do not purport to, and do not present fairly the financial position of the Solana Beach School District, as of June 30, 2023, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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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Auditor's 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 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 generally accepted auditing standards 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 judgement made by a reasonable user of the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters specific to the Measure JJ Bond Building Fund. The purpose of that 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 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 specific to the Measure JJ Bond Building Fund.

Report of Other Legal and Regulatory Requirements

In accordance with the requirements of Proposition 39, as incorporated in California Constitution Article 13A, we have issued our performance audit dated February 21, 2024 on our consideration of the District's compliance with the requirements of Proposition 39 as it directly relates to the Measure JJ Bond Building Fund. That report is an integral part of our audit of the Measure JJ Bond Building Fund of Solana Beach School District, as of and for the year ended June 30, 2023, and should be considered in assessing the results of our financial audit.

Christy White, Inc.

San Diego, California
February 21, 2024

FINANCIAL SECTION

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
BALANCE SHEET
JUNE 30, 2023**

ASSETS

Cash and investments	\$ 11,944,060
Accounts receivable	97,735
Total Assets	<u>\$ 12,041,795</u>

LIABILITIES

Due to other funds	727,967
Total Liabilities	<u>727,967</u>

FUND BALANCES

Restricted for Measure JJ projects	11,313,828
Total Fund Balances	<u>11,313,828</u>
Total Liabilities and Fund Balances	<u>\$ 12,041,795</u>

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

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2023**

REVENUES

Interest income	\$ 158,184
Net increase (decrease) in the fair value of investments	(146,807)
Total Revenues	<u>11,377</u>

EXPENDITURES

Current	
Facilities acquisition and construction	<u>1,111,772</u>
Total Expenditures	<u>1,111,772</u>

Excess (Deficiency) of Revenues

Over Expenditures	<u>(1,100,395)</u>
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Other Financing Sources (Uses)

Transfers in	<u>7,579,697</u>
Net Financing Sources (Uses)	<u>7,579,697</u>

NET CHANGE IN FUND BALANCE

	6,479,302
Fund Balance - Beginning	<u>4,834,526</u>
Fund Balance - Ending	<u>\$ 11,313,828</u>

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

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Solana Beach 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 generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

An oversight committee to the District's Governing Board and Superintendent, called the Independent Citizens' Oversight Committee (ICOC), was established pursuant to the requirements of state law and the provisions of the Measure JJ bond. The ICOC is required by state law to actively review and report on the proper expenditure of taxpayers' money for school construction. The ICOC provides oversight and advises the public whether the District is spending the Measure JJ bond funds for school capital improvements within the scope of projects outlined in the Measure JJ bond project list. In fulfilling its duties, the ICOC reviews, among other things, the District's annual performance and financial audits of Measure JJ activity.

The statements presented are for the individual Measure JJ Bond Building Fund of the District, consisting of the net construction proceeds of Election of 2016, Series A and Series B, as issued by the District, through the County of San Diego, and are not intended to be a complete presentation of the District's financial position or results of operations. There are no related parties or component units included in this financial statement presentation.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and 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. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

C. Cash and Cash Equivalents

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

D. Interfund Balances

Receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds."

E. Accrued Liabilities

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the fund.

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Fund Balance

Under GASB Statement No. 54, fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The fund balance in Measure JJ is considered restricted.

The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

G. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements.

H. 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.

I. Budgetary Data

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2023 consisted of \$11,944,060 deposited in the San Diego County Treasury Investment Pool.

A. 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; collateralized mortgage obligations; and the County Investment Pool.

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 2 – CASH AND INVESTMENTS (continued)

A. Policies and Practices (continued)

Investment in County Treasury – The District maintains substantially all of its cash in the County Treasury in accordance with *Education Code Section 41001*. The San Diego County Treasurer's pooled investments are managed by the County Treasurer who reports on a monthly basis to the board of supervisors. In addition, the function of the County Treasury Oversight Committee is to review and monitor the County's investment policy. The committee membership includes the Treasurer and Tax Collector, the Auditor-Controller, Chief Administrative Officer, Superintendent of Schools Representative, and a public member. The fair value of the District's investment in the pool is based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

B. General Authorizations

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies the investment types permitted by California Government Code.

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

C. 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 changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a fair value of approximately \$11,944,060. The average weighted maturity for this pool is 438 days.

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 2 – CASH AND INVESTMENTS (continued)

D. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

E. Fair Value

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

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

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

The District's fair value measurements at June 30, 2023 were as follows:

	<u>Uncategorized</u>
Investment in county treasury	\$ 11,944,060
Total	<u>\$ 11,944,060</u>

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2023 consisted of \$97,735 in interest earned on investments in the San Diego County Treasury.

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 4 – INTERFUND TRANSACTIONS

A. Interfund Receivables/Payables (Due From/Due To)

Individual interfund receivable and payable balances at June 30, 2023 consisted of \$727,967 due to the Capital Project Fund for Blended Component Units for reclassification of Measure JJ related project expenditures.

B. Operating Transfers

Interfund transfers for the year ended June 30, 2023 consisted of the following:

Transfer from the County School Facilities Fund to the Measure JJ Bond Building Fund for State contribution to facilities projects.	\$ 3,482,859
Transfer from the Capital Project Fund for Blended Component Units to the Measure JJ Bond Building Fund for reimbursement of Measure JJ related project expenditures.	4,096,838
Total	<u>\$ 7,579,697</u>

NOTE 5 – COMMITMENTS AND CONTINGENCIES

A. Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2023.

B. Construction Commitments

As of June 30, 2023, the District had commitments with respect to unfinished Measure JJ capital projects:

	Remaining Construction Commitment
Carmel Creek School Modernization	\$ 257,500
Solana Pacific School Site Upgrades	216,500
Total	<u>\$ 474,000</u>

OTHER INDEPENDENT AUDITORS' REPORTS



Certified Public Accountants serving
K-12 School Districts and Charter
Schools throughout California

**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**

Independent Auditors' Report

Measure JJ Citizens' Oversight Committee and
Governing Board Members of the
Solana Beach School District
Solana Beach, 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 Measure JJ Bond Building Fund of Solana Beach School District (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Solana Beach School District's basic financial statements of the Measure JJ Bond Building Fund, and have issued our report thereon dated February 21, 2024.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Measure JJ Bond Building Fund of Solana Beach School District are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of the District as of June 30, 2023, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements of the Measure JJ Bond Building Fund of Solana Beach School District, we considered Solana Beach School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements of the Measure JJ Bond Building Fund, but not for the purpose of expressing an opinion on the effectiveness of Solana Beach School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Solana Beach School 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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92103

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christywhite.com

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Measure JJ Bond Building Fund are free from 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 financial statements. 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.

Christy White, Inc.

San Diego, California
February 21, 2024



Certified Public Accountants serving
K-12 School Districts and Charter
Schools throughout California

REPORT ON PERFORMANCE

Independent Auditors' Report

Measure JJ Citizens' Oversight Committee and
Governing Board Members of the
Solana Beach School District
Solana Beach, California

We were engaged to conduct a performance audit of the Measure JJ Bond Building Fund of Solana Beach School District (the "District") for the year ended June 30, 2023.

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

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution and Appendix A contained in the *2022-2023 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 of Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control. 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, in all significant respects, expended Measure JJ Bond Building Fund only for the specific projects approved by the voters, in accordance with Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. The procedures performed and the related results are further described in the accompanying audit procedures and results section.

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 this specified party.

Christy White, Inc.

San Diego, California
February 21, 2024

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AUDIT PROCEDURES AND RESULTS SECTION

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
AUDIT PROCEDURES AND RESULTS
FOR THE YEAR ENDED JUNE 30, 2023**

SECTION I – FINANCIAL AUDIT PROCEDURES AND RESULTS

Financial Statements

As mentioned in the Report on Financial Statements, we have issued an unmodified opinion over the financial statements of the Measure JJ Bond Building Fund as of and for the year ended June 30, 2023.

Internal Control Evaluation

We tested internal controls over financial reporting and compliance with laws, regulations, or provisions of contracts or agreements and have determined through our inquiry of management and our evaluation of District processes that no significant deficiency were noted.

SECTION II – PERFORMANCE AUDIT PROCEDURES AND RESULTS

Facility Project Expenditures

We selected a representative sample of expenditures charged to the Measure JJ Bond Building Fund and reviewed supporting documentation to ensure funds were properly expended on specific project(s) listed in the text of the Measure JJ ballot.

We tested approximately \$728,000 of non-personnel expenditures or 65% of total 2022-23 Measure JJ Bond Building Fund expenditures for validity, allowability and accuracy and concluded that the sampled expenditures were in compliance with the terms of Measure JJ ballot language, the District approved facilities plan, and applicable state laws and regulations.

Personnel Expenditures

We reviewed expenditure detail for any salaries and benefits charged to the Measure JJ Bond Building Fund in order to verify that the personnel expenditures were allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General, which concluded that “a school district may use Proposition 39 school bond proceeds to pay the salaries of district employees to the extent they perform administrative oversight work on construction projects authorized by a voter approved bond measure.”

Based on our review of general ledger detail, there were no salaries or benefits charged to the Measure JJ Bond Building Fund during the year ended June 30, 2023.

The previous Report on Performance is an integral part of the above performance audit results.

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
AUDIT PROCEDURES AND RESULTS, continued
FOR THE YEAR ENDED JUNE 30, 2023**

SECTION II – PERFORMANCE AUDIT PROCEDURES AND RESULTS (continued)

Contract Bidding Procedures

We noted no significant bid activity with respect to Measure JJ funded projects during the year ended June 30, 2023. As such, we did not perform any further testing for compliance with Public Contract Code.

Additionally, we reviewed overall expenditures by vendor in order to determine if multiple projects under the applicable bidding threshold were identified to suggest any possible bid-splitting.

We did not note any Measure JJ construction contracts awarded during the year ended June 30, 2023. Based on our review of overall expenditures and projects by vendor, no instances or possible indications of bid-splitting were identified. The District appears to be properly reviewing projects and applying appropriate procedures over contract bidding procedures.

Contract Change Orders

We reviewed a listing of contracts and change orders during the year ended June 30, 2023 and selected a sample to ensure that change orders were properly approved and in accordance with District policies. Additionally, cumulative change orders for any given contract were reviewed to ensure that total change orders did not exceed ten percent of the total original contract. Change orders appear to be properly reviewed and approved by management and the governing board in accordance with District policy.

The previous Report on Performance is an integral part of the above performance audit results.

FINDINGS AND RECOMMENDATIONS SECTION

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2023**

PART I – FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the year ended June 30, 2023.

PART II – PERFORMANCE AUDIT FINDINGS

There were no findings or recommendations related to the Measure JJ Bond Building Fund for the year ended June 30, 2023.

PART III – PRIOR AUDIT FINDINGS

FINDING #2022-001: JOURNAL ENTRIES

Criteria: Proper internal accounting controls include segregation of duties that require journal entries to be reviewed by someone other than the person creating the entry, knowledgeable about accounting principles, and prior to entry into the general ledger.

Condition: During our testing of the journal entry process, we noted that accounting personnel have the ability to create and post journal entries without any approval.

Cause: Turnover in the business office.

Effect: Without a review and approval for each journal entry, there is an increased risk that an inappropriate entry may be recorded to the District's general ledger either by mistake or intentionally.

Recommendation: The review of each entry by a second knowledgeable person should be documented and all supporting documentation should be retained.

Corrective Action Plan: Journal entries are prepared electronically by staff through the District's online financial system, PeopleSoft. The addition of online workflow approval requires approval and posting by a knowledgeable management staff. Including a workflow approval process reduces the risk that an inappropriate entry may be recorded to the District's general ledger.

Current Status: Implemented.

MEETING DATE: 3/6/2024

ITEM:

Presentation and Approval of the ICOC 2022-2023 Annual Report

AGENDA ITEM: 7B

- ☒ **Action**
- ☐ **Consent**
- ☐ **First Reading**
- ☐ **Information**
- ☐ **Presentation**
- ☐ **Public Hearing**
- ☐ **Roll Call Vote Required**
- ☐ **Report**

RECOMMENDATION:

It is recommended that the Committee approve the ICOC 2022-2023 Annual Report

DESCRIPTION:

The Measure JJ Independent Citizens' Oversight Committee Annual Report was authored by the Committee President in collaboration with District Staff. The report includes information pertaining to the composition of the Independent Citizens' Oversight Committee (ICOC), the role of an ICOC member, annual activities, and a financial report covering activity for the period ending June 30, 2023.

FISCAL IMPACT:

MOVED BY: _____

SECONDED BY: _____



Measure JJ Independent Citizens Oversight Committee 2022-2023 Annual Report

03/06/2024

Solana Beach School District
309 North Rios Ave.
Solana Beach, CA 92075
(858)794-7100

<http://www.sbsd.net>

Solana Beach School District Superintendent and Board of Education,

The Independent Citizens Oversight Committee (ICOC) of the Solana Beach School District is pleased to present our sixth annual report. The FY2022-2023 Annual Report covers activity for the period ending June 30, 2023.

Building on the commitment from the voters in November 2016, the District was provided the authority to issue \$105,000,000 in general obligation bonds and has issued a total of \$103,530,000. The cost of issuance through June 2021 was \$1,470,000. The SBSB Board of Trustees has prioritized the projects approved by the public in Measure JJ, including (but not limited to) the rebuilding of the Skyline and Solana Vista schools. This year, the District has completed the construction of Solana Vista and nearly completed the Solana Santa Fe modernization.

The ICOC wishes to thank the District's staff and project management team for their support, their detailed updates and transparency of information, not only to the Committee, but also to the public. The ICOC is the principal author of this report, with assistance provided by SBSB staff. The ICOC is very appreciative of their continuing support. SBSB has consistently provided the ICOC with technical information, as well as support for the production and distribution of the report, annually since the passage of Measure JJ. This annual report is available on the Measure JJ ICOC web site and also available by request from the district offices.

While much information is provided in this annual report, we direct readers to the Board of Trustee meeting minutes for details on specific changes in project budgets (www.sbsd.net). While some construction timelines have been adjusted, the district has not experienced any project cancellations or scope reductions to-date.

We welcome your questions and comments. You will find ICOC members' e-mail addresses on our website. For more information about Measure JJ and the ICOC, please visit: <https://www.sbsd.k12.ca.us/Page/7765>.

Sincerely,

Lauren Hay

Lauren Hay, President
Solana Beach School District
Independent Citizens Oversight Committee

INTRODUCTION

Measure JJ is a \$105 million bond initiative approved by over 55% of District voters in November 2016. The Measure JJ Bond Measure stated that Measure JJ is to "repair and upgrade aging, outdated classrooms, science labs, libraries, and school buildings; restore deteriorating roofs, plumbing, and electrical systems; improve student safety and campus security; and, provide access to education, facilities, science, and technology needed to prepare for high school, college, and careers, and qualify for State grants, shall the Solana Beach School District issue \$105,000,000 in bonds at legal interest rates, annual audits, a citizen's oversight committee, and NO money for administrators' salaries." See "Full Text of Measure" in Exhibit A.

Measure JJ was passed under the rules of California Proposition 39 (passed in November 2000). California Assembly Bill 1908 (executed July 2000) requires school districts that pass Proposition 39 bonds appoint an Independent Citizens Oversight Committee (ICOC) "to ensure that funds are spent only on school and classroom improvement and for no other purpose."

The District has completed two issuances of general obligation bonds in the amount of \$105,000,000 for Measure JJ projects. The first issuance in May 2017 yielded \$48,780,000 and the second issuance in March 2019 yielded \$54,750,000 after financing costs.

For additional information about Measure JJ, visit the ICOC page at www.sbsd.net/ICOC.

Solana Santa Fe Construction



INDEPENDENT CITIZENS OVERSIGHT COMMITTEE (ICOC)

The Solana Beach School District Board of Education selects seven candidates to serve on the Independent Citizen's Oversight Committee. Members serve staggered two-year terms and not more than three consecutive terms. In June 2023, four ICOC members' terms expired. The Board solicits applications and traditionally appoints members to new terms at its regular May Board meeting.

Current ICOC Member Roster

Nihar Bhatt, 2-Year Term, Appointed 2023
Lauren Hay, 2-Year Term, Appointed 2023
Christos Kominaki, 2-Year Term, Appointed 2022
Ashley Peterson, 2-Year Term, Appointed 2022
Jehan Seirafi, 2-Year Term, Appointed 2023
Jerry Suppa, 2-Year Term, Appointed 2023
Abha Tirtha, 2-Year Term, Appointed 2022

Solana Beach School District Board of Education

Debra H. Schade, Ph.D., *President*
Dana King, *Vice President*
Gaylin Allbaugh, *Clerk*
Julie Union, *Member*
Vicki King, Esquire, *Member*

District Superintendent

Jodee Brentlinger

ROLE OF THE ICOC

The ICOC provides after-the-fact review and monitoring of how the District has spent Measure JJ bond funds. The ICOC does not have the authority to approve or determine how the bonds funds are spent, the rate of taxes collected, bond financing, or the contracting process (requirements definition, contract modeling and strategy, bid solicitation, contractor or consultant selection, contract negotiations, authorizing contract changes, etc.).

The ICOC is required to advise the public on the District's compliance with the requirements of Article 13A, Section 1(b) (3) of the California Constitution, including:

- Expenditure of bond funds only for the construction, reconstruction, rehabilitation, or replacement of school facilities;
- Prohibition of the expenditure of bond funds for any teacher or administrative salaries or other school operating expenses;
- Obtaining an annual independent performance audit to ensure that bond funds have been expended only on the specific projects listed; and
- Obtaining an annual independent financial audit of the proceeds from the sale of the bonds until all those proceeds have been expended for the school facilities projects.

To fulfill its duty, the ICOC will:

- Understand the District's priority setting process for Measure JJ projects.
- Compare the initiative's language with the District's project plans to verify compliance with voter approved Measure JJ improvements.
- Build relationships with District representatives and verify the appropriateness of bond expenditures.
- Ensure that the information is transparent and open to the public.
- Review the annual independent performance and financial audit of Measure JJ funds.
- Remain current on all matters pertaining to the implementation of the Measure JJ projects.

FINDINGS OF THE INDEPENDENT PERFORMANCE AND FINANCIAL AUDIT

California Senate Bill 1473 (SB 1473), signed September 22, 2010, requires that the financial and performance audits required by Article 13A, Section 1(b)(3)(c) of the California Constitution for bond funds approved under Proposition 39 be conducted in accordance with the Generally Accepted Government Auditing Standards (GAGAS), also known as the Yellow Book, issued by the Comptroller General of the United States.

The ICOC, at its March 2024 meeting, reviewed the results of the performance and financial audits prior to their presentation to the Board of Trustees at its regular April Board meeting. The required independent performance audit and independent financial audit for Measure JJ was conducted by Christy White, Inc. (Independent Auditor) for the year ending June 30, 2023. The complete reports are included as EXHIBIT C. This report and all prior audit reports are available on the District's Measure JJ page at <http://www.sbsd.net/ICOC>.

The Independent Auditor issued an unmodified opinion for the FY2023 financial statements for the Measure JJ Building Fund, with no findings of material weakness, and no issues of non-compliance. According to the financial audit, during FY2023, the District recorded \$1,111,772 in facilities acquisition and maintenance expenditures from the Fund. The notes to the audit stated that the Fund had \$11,944,060 in cash deposited in the San Diego County Treasury Investment Pool at the end of FY2023. The audit stated that the District had \$257,500 in construction commitments for Carmel Creek School Modernization and \$216,500 for Solana Pacific school site upgrades.

The performance audit tested 65 percent (about \$728,000) of the expenditures in FY2023 from the Measure JJ Building Fund for "validity, allowability and accuracy and concluded that the sampled expenditures were in compliance with the terms of the Measure JJ ballot language, the District approved facilities plan, and applicable state laws and regulations." The Auditor noted that there were no personnel costs charged to the Fund in FY2023; the District had no significant bid activity; and all change orders appear to be properly reviewed and approved in accordance with District policy.

ICOC REVIEW OF THE PERFORMANCE AND FINANCIAL AUDITS

California Senate Bill 581 (SB 581), signed August 12, 2013, requires that independent performance and financial audits for the preceding year be conducted and submitted to the ICOC no later than March 31 of each year for its review. SB 581 also requires that the District provide the ICOC with responses, within three months, to any finding, recommendation, or concern addressed in the annual independent performance and financial audits.

The ICOC held a meeting on March 06, 2024, to receive and accept the performance and financial audits of the fiscal year 2022-2023 Measure JJ bonds and ask questions of the Independent Auditor's representative. On the basis of this review, the ICOC accepted the Independent Auditor's financial and performance reports.

A SUMMARY OF THE ICOC ANNUAL ACTIVITIES

The ICOC meets quarterly. During the first meeting of the year, the District will review the rules of the Brown Act and role of the ICOC for new and continuing members, and the ICOC sets a schedule for the year's meetings. At each meeting, District staff present detailed financial reports and describe the status of ongoing and planned construction projects.

All ICOC meeting dates and agendas are available on the district website: <http://www.sbsd.net/ICOC>. Meetings held during the 2022 – 2023 year:

- Wednesday, September 14, 2022, 6:00 p.m., Solana Vista School
- Wednesday, January 11, 2023, 6:00 p.m., Solana Santa Fe School
- Wednesday, March 15, 2023, 6:00 p.m., Solana Highlands School
- Wednesday, May 10, 2023, 6:00 p.m., District Office

Meetings for the 2023 – 2024 year include:

- Wednesday, September 6, 2023, 6:00 p.m., Solana Santa Fe School
- Wednesday, March 6, 2024, 6:00 p.m., District Office
- Wednesday, May 08, 2024, 6:00 p.m., Carmel Creek School

STATUS OF MEASURE JJ BOND PROJECTS

The following table summarizes the status on June 30, 2023 of the Measure JJ bond projects by school site and reflects the District's priority setting process for Measure JJ projects. The total amount for all projects represents the amount of Measure JJ funds budgeted or spent to-date on these projects as through June 2023.

Measure JJ bond funds are being used to implement the District's Long-Range Facilities Master Plan Goals. The projects listed in the bond measure are comprehensive (see Exhibit A for list). It is possible that not all projects listed in the Measure JJ bond measure will be undertaken using bond funds.

SBSD School Site ^a & Project(s)	Project Budgets ^b (\$)	Measure JJ Funds Expended thru FY2023	Other Funds	Measure JJ Funds (only) Expended in FY2023 (\$)	Project Status 6/30/23
Carmel Creek					
Modernization	\$10,600,000	N/A	N/A	N/A	0%
Solana Vista					
Reconstruction	\$40,000,000	\$37,216,560	\$25,813	\$383,806	Closed
Shade Structure	\$59,975	\$59,975	N/A	N/A	Closed
Solana Santa Fe					
Modernization & Reconstruction	\$26,049,000	\$7,800,000	\$14,073,600	\$727,968	84%
Shade Structure	\$17,000 ^d	\$87,237	N/A	N/A	Closed
Skyline					
Reconstruction	\$44,990,000	\$44,870,431	N/A	N/A	Closed
Earl Warren Interim Housing	\$817,621	\$817,621	N/A	N/A	Closed
Solana Highlands					
Modernization	\$8,447,488	\$8,447,488	N/A	N/A	Closed
Solana Pacific					
Kitchen	\$5,000,000	N/A	N/A	N/A	0%
Solar Canopy	\$1,003,054	\$1,003,054	N/A	N/A	Closed
TOTALS	\$136,984,138	\$100,302,366	\$14,099,413	\$1,111,774	

a. No Measure JJ funded projects are currently planned for Solana Ranch.

b. Budgeted amounts are for the project and include non-Measure JJ funds but do not include any State provided funds.

c. Budgeted amount includes approximately \$18.2 million in Community Facilities District funds.

d. During FY2020, the Measure JJ Fund received a transfer in the amount of \$63,572 from CFD funds to reimburse Solana Santa Fe shade project costs. Initial project budget after CFD funds was \$81,237, with an additional \$6,389 added for contingencies.

A TIMELINE OF PLANNED PROJECTS

This timeline shows the chronological order of Measure JJ bond projects, including the budgeted and actual costs of each project, as well as the bond issuances (Issuance A in Spring 2017; Issuance B in Spring 2019). Included are projects that are fully or partially funded by the Measure JJ bond; other funding sources are identified where applicable.

Solana Beach School District Measure JJ Projects List

Issuance A Projects (Completed)								
Time Period			Project				Total Cost	
December 2015-December 2018		Skyline School Reconstruction Project	44,990,000					
October 2016-June 2018		Earl Warren Middle School Interim Campus	817,621					
May 2016-November 2017		Solana Highlands School Modernization	8,308,487					
September 2016-December 2017		Solana Santa Fe School Shade Project-Installation of Shade Structure	81,236					
October 2016-July 2017		Solana Vista School Shade Project - Installation of Shade Structure	59,975					
Summer 2017		Solana Pacific School Solar Project	1,003,054					
November 2016 Election Voter Approval of Measure JJ \$105,000,000								
Spring 2017 First Bond Issuance			Issuance A				48,780,000	
Spring 2019 Second Bond Issuance			Issuance B				54,750,000	
							Total	\$103,530,000
Issuance B Projects								
2017	2018	2019	2020	2021	2022	2023	2024	TBD Projects
May 2017- December 2021 Solana Vista School Reconstruction Project Actual: \$37,242,373 Budget Revised \$40,000,000 (Board Approved November 14, 2019) Budget \$30,000,000 (Board Approved May 23, 2019)								
				February 2019- June 2024** Solana Santa Fe School Modernization/Expansion Project Budget \$26,049,000 (Board Approved November 18, 2021) Budget \$21,000,000 (Board Approved September 10, 2020) Proposed Budget \$21,000,000 Board Presentation August 13, 2020 Proposed Budget \$16,200,000 Board Presentation February 13, 2020 Proposed Budget \$8,900,000 Board Presentation November 14, 2019				
				Summer 2022- December 2024** Carmel Creek School Modernization Project - Planning (2022-23) Carmel Creek School Modernization Project - Work (2024) Projected Budget \$10,600,000 Budget \$3,059,618* (Board Presentation November 14, 2019)				
				Summer 2022 - December 2024** Solana Pacific School Enhancements Projected Budget \$5,000,000 Budget \$2,401,144 (Board Presentation November 14, 2019)				
								**Estimated dates

DISCUSSION OF MATTERS PERTAINING TO THE IMPLEMENTATION OF MEASURE JJ PROJECTS

Impact of the COVID-19 Pandemic and Other Factors on School Construction

Following the issuance of the bonds in November 2016 and through March 2020, the cost of school construction has continued to increase. Since an October 2018 ICOC presentation information on the competitive bidding process, the cost of school construction, and cost escalation, the ICOC has continued to monitor cost variances in the areas of labor and materials and how shortages, weather and other factor impact cost.

The COVID pandemic and associated supply chain issues have had little to no impact on the District's Measure JJ project as projects and materials sourcing have been planned well in advance.

The District's Facilities Management Team

The responsibilities for oversight of Measure JJ bond projects lie with Core Facilities Team led by the District's Assistant Superintendent of Business Services; Assistant Superintendent of Administrative Operations; Director of Facilities, Maintenance & Operations; and a Facilities Consultant.

The Assistant Superintendent of Business Services serves as the Secretary to the ICOC; all members of the Core Facilities Team and the District's Superintendent provide regular financial and construction status reports at ICOC meetings. TELACU continues to work with the District for the Solana Santa Fe project.

Ongoing District Community Engagement Efforts

The District has regularly reported the results of its community engagement efforts for the Solana Santa Fe improvements/rebuild via community reports/meetings. Prior to the commencement of construction at Solana Santa Fe, the District held community engagement meetings and has worked diligently to keep the community informed of progress on the project. As such, Solana Santa Fe School invited the community to their school's Grand Re-Opening which was held on October 4, 2023.

At ICOC meetings, District staff regularly share presentation materials from recent community engagement meetings and the results of discussions among participants.

Plans to Leverage Funds from Other District Sources for the Solana Santa Fe Project

The District is leveraging funding available from other sources, such as Community Facilities District funds, for the Solana Santa Fe project. This strategy has freed some Measure JJ funds for future projects at other school sites. In addition to approximately \$7.8 million in Measure JJ funds, the District plans to use about \$18.2 million from the Pacific Highlands Ranch and Crosby Estate Community Facility District funds.

District Efforts for Facilities Planning and Deferred Maintenance

Efforts by the District to meet its deferred maintenance include a contribution from the General Fund of \$500,000.

District Certification of Expenses and Prevailing Wage

Staff reported that the Solana Beach School District strictly adheres to the prevailing wage requirement for all public works projects.

Exhibit D describes the District's prevailing wage policy.

San Diego Taxpayers Association School Bond Transparency Rating

For the 2023 School Bond Transparency Report Card the SDTA awarded the District a B+ score.

Exhibit A

SOLANA BEACH SCHOOL DISTRICT

(This Measure will appear on the ballot in the following form.)

MEASURE JJ

To replace or upgrade aging, outdated classrooms, science labs, libraries, and school buildings; restore deteriorating roofs, plumbing, and electrical systems; improve student safety and campus security; and, provide students access to educational facilities, science, and technology needed to prepare for high school, college, and careers, and qualify for State grants, shall School Facilities Improvement District No. 2016-1 of the Solana Beach School District issue \$105,000,000 in bonds at legal interest rates, with annual audits, a citizen's oversight committee, and NO money for administrators' salaries?

Bonds – Yes

Bonds – No

This measure requires approval by 55% of the voters voting on the measure. Full text of this measure follows the arguments and rebuttals.

SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 2016-1 OF THE SOLANA BEACH SCHOOL DISTRICT BOND ELECTION

COUNTY COUNSEL IMPARTIAL ANALYSIS

This measure was placed on the ballot by the Solana Beach School District ("District") for the School Facilities Improvement District No. 2016-1 of the Solana Beach School District ("SFID"). This measure, if approved by 55% of the votes cast on the measure, will authorize the District to issue and sell \$105,000,000 in general obligation bonds. The sale of these bonds is for the purpose of raising money for the SFID, and represents a debt of the District on behalf of the SFID. In exchange for the money received from the bond holders, the District promises to pay the holders an amount of interest for a certain period of time, and to repay the bonds on the expiration date.

Voter approval of this measure will also authorize an annual tax to be levied upon the taxable property within the SFID. The purpose of this tax is to generate sufficient revenue to pay interest on the bonds as it becomes due and to provide a fund for payment of the principal on or before maturity.

Proceeds from the sale of bonds authorized by this measure may be used within the SFID 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 interest rate on any bond, which is established at the time of bond issuance, could not exceed 12% per annum. The final maturity date of any bond could be no later than 30 years after the date the bonds are issued as determined by the District.

The tax authorized by this measure is consistent with the requirements of the California Constitution. The California Constitution permits property taxes, above the standard one percent (1%) limitation, to be levied upon real property to pay the interest and redemption charges on any bonded indebtedness for, among other things, the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, when approved by 55% of the voters if:

PR-38H0-JJ-1

COUNTY COUNSEL IMPARTIAL ANALYSIS (CONTINUED)

- (1) the proceeds from the sale of the bonds are used only for the purposes specified,
- (2) the District, by evaluating safety, class size reduction, and information technology needs, has approved a list of specific projects to be funded,
- (3) the District will conduct an annual, independent performance audit, and
- (4) the District will conduct an annual, independent financial audit.

If a bond measure is approved, state law requires the District to establish an independent citizens' oversight committee. The District has made this ballot measure subject to these requirements.

Approval of this measure does not guarantee that the proposed projects in the SFID that are the subject of these bonds will be funded beyond the local revenues generated by this measure.

A "YES" vote is a vote in favor of authorizing the District to issue and sell \$105,000,000 in general obligation bonds.

A "NO" vote is a vote against authorizing the District to issue and sell \$105,000,000 in general obligation bonds.

Statement provided pursuant to California Education Code Section 15272:

If this Bond measure is approved, the Solana Beach School District Board of Education will appoint a citizens' oversight committee and conduct annual independent audits to assure that bond funds are spent only on school and classroom improvements and for no other purposes.

TAX RATE STATEMENT

SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 2016-1 OF THE SOLANA BEACH SCHOOL DISTRICT General Obligation Bond Election of November 8, 2016

As shown on the enclosed official ballot, an election is being held within School Facilities Improvement District No. 2016-1 of the Solana Beach School District ("Improvement District") on November 8, 2016, for the purpose of submitting to the registered voters within the Improvement District the question of whether bonds shall be issued by the Solana Beach School District ("School District"), on behalf of the Improvement District, in an amount not to exceed \$105,000,000 ("2016 Bond Authorization") for the purpose of providing funds for the acquisition, construction and completion of specified school facilities and school projects as set forth in the resolution of the School District, on behalf of the Improvement District, calling such bond election. This measure will authorize a tax sufficient for interest on, and principal of, the bonds. The bonds shall bear interest at a rate, or rates, to be established at such time as the bonds are sold, in one or more series, at interest rates not to exceed the maximum applicable statutory rate for such bonds. If such bonds are authorized and sold, the principal thereof and the interest thereon are a general obligation of the School District, on behalf of the Improvement District, payable from the proceeds of *ad valorem* taxes on real property located within the boundaries of the Improvement District.

The following information is submitted in compliance with California Elections Code Sections 9401 through 9404 based on estimates of assessed valuations available at the time of filing of this statement:

PR-38H0-JJ-2

Exhibit A

TAX RATE STATEMENT (CONTINUED)

- (a) The best estimate from official sources of the tax rate that would be required to be levied to fund the bond issue during the first fiscal year after the sale of the bonds, based on estimated assessed valuations available at the time of filing of this statement or a projection based on experience within the same jurisdiction or other demonstrable factors, is \$0.030 per \$100 (\$30.00 per \$100,000) of assessed valuation. It is estimated that this tax rate would apply in the 2017-2018 tax year.
- (b) It is currently anticipated that the bonds will be sold in multiple series. The best estimate from official sources of the tax rate which would be required to be levied to fund such bond issue during the first fiscal year after the final sale of the bonds based on estimated assessed valuations available at the time of filing of this statement or a projection based on experience within the same jurisdiction or other demonstrable factors is \$0.030 per \$100 (\$30.00 per \$100,000) of assessed valuation. It is estimated that this tax rate would apply in the 2019-2020 tax year.
- (c) The best estimate from official sources of the highest tax rate which would be required to be levied to fund the bond issues during the term of the bond issue, based on estimated assessed valuations available at the time of filing of this statement or a projection based on experience within the same jurisdiction or other demonstrable factors, is \$0.030 per \$100 (\$30.0021 per \$100,000) of assessed value. It is estimated that the highest tax rate would apply in the 2017-2018 tax year based on assessed valuations available at the time of this filing or a projection based on experience within the same jurisdiction or other demonstrable factors.
- (d) The best estimate of the total debt service, including principal and interest, that would be required to be repaid if all the bonds are issued and sold is \$196,490,231.

Voters should note that the estimated tax rates are based on the *assessed value* of taxable property within the Improvement District as shown on the official rolls of San Diego County, not on the property's market value. In addition, taxpayers eligible for a property tax exemption, such as the homeowner's exemption, will be taxed at a lower effective rate than described above. Actual future assessed valuation will depend upon the amount and value of taxable property within the District as determined by the San Diego County Assessor in the annual assessment and the equalization process. Property owners should consult their own property tax bills and/or tax advisors to determine their property's assessed value and any applicable tax exemptions.

Attention of all voters is directed to the fact that these estimates are based on assumptions and projections derived from information obtained from official sources. The actual tax rates and the years in which they will apply may vary depending on the timing of any bond sales, the amount of bonds sold, market interest rates at the time of each sale of bonds and actual assessed valuations over the term of repayment of the bonds. The timing of the bond sales and the amount of bonds sold at any given time will be governed by the needs of the School District, including the legal limitations on bonds approved by a 55% vote. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of the bond sale. Actual future assessed valuation will depend upon the amount and value of taxable property within the Improvement District as determined by the San Diego County Assessor in the annual assessment and the equalization process.

Dated: August 4, 2016

Terry Decker,
Superintendent,
Solana Beach School District

PR-38H0-JJ-3

ARGUMENT IN FAVOR OF MEASURE JJ

KEEP OUR SCHOOLS GREAT!

Solana Beach is one of the top-ranked districts in San Diego County. The schools also provide playing fields and other facilities utilized by the entire community and enhance the value of homes and businesses within its boundaries.

Unfortunately, the quality and condition of many existing school facilities do not measure up to the District's academic reputation. **Some facilities are more than 40 years old and require extensive repairs and modernization. Seventeen percent of classrooms are portables.**

Pressing needs include modern classroom facilities required for today's courses in math, science, engineering, arts and technology, improvement of student safety and campus security systems, and repair of deteriorating roofs, plumbing and outdated electrical systems.

Measure JJ authorizes \$105 million in general obligation bonds to implement the District's Long-Range Facilities Master Plan and access state matching funds when they become available. Bond proceeds will pay for complete redesign/reconstruction of Skyline and Solana Vista schools and modernization at Solana Highlands, Solana Santa Fe, Carmel Creek, Solana Pacific and Solana Ranch.

Improvements at every school will include security, access control, and surveillance systems, exterior lighting and fencing, shade structures, play structures and kindergarten play areas, heating and air conditioning, interior lighting, drought tolerant landscaping and irrigation controls, child nutrition kitchens and student dining areas.

Measure JJ guarantees **bond proceeds will only be used for construction, reconstruction, modernization, or replacement of school facilities**, all proceeds from the bond will stay in the District (they cannot be taken away by state government), and cannot be used to fund teacher or administrator salaries. Measure JJ requires appointment of an independent Citizen's Oversight Committee to ensure funds are spent as promised, and requires annual reporting and audits.

Please join parents, teachers, taxpayers and community leaders in voting Yes on Measure JJ to keep our schools great!

VICKI KING
President, Solana Beach
Elementary School District

FRISCO WHITE
Community Leader and
Carmel Valley Resident

ROBERT SAYLER
Real Estate Broker
Solana Beach Resident

MANJEET RANU
Community Leader and
Pacific Highlands Resident

DEDE ALPERT
Former State Senator & Chair,
Senate Education Committee

PR-38H0-JJ-4

Exhibit A

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE JJ

Measure JJ's tax increase is unfair to seniors and fixed income property owners.

Measure JJ would give District \$105 million at a cost of \$196 million to taxpayers over decades.

A \$700,000 property can expect \$210 more taxes per year for decades if Measure JJ passes. Worse the estimated highest tax rate of \$30.00 per \$100,000 is not guaranteed. IT COULD BE HIGHER if necessary to pay back this loan from Wall Street!

Solana taxpayers already pay these property taxes:

Countywide Proposition 13
San Dieguito High School Bond 2012
Metropolitan Water District

STOP TAXING US TO DEATH!

Some facilities need renovation and repair. What are District's priorities? Why won't District give you a specific list guaranteeing in order the specific projects they will build with this loan? District's promised Citizens' Bond Oversight Committee is a toothless tiger. Measure JJ lacks a specific prioritized project list with estimated costs so voters and Citizens' Bond Oversight Committee can measure accountability.

Worse, many bond funded contracts will be handed out without competitive bidding that has historically protected schools from wasted funds, fostered healthy market competition, allowed all qualified bidders a fair opportunity to participate and protected against fraud, favoritism, corruption. Google: Sweetwater school pay to play OR Fresno Leaseback FBI Arax.

Vote NO until these problems are fixed.

www.CalTAN.org

M. KEVIN O'NEILL, President
California Taxpayers Action Network

PR-38H0-JJ-5

ARGUMENT AGAINST MEASURE JJ

Don't be a victim of The School Bond Scam! (www.schoolbondscam.org)

News articles and campaign finance disclosures show Wall Streeters, contractors and consultants pay money to pass school bonds for their immediate profit leaving each taxpayer with decades of additional debt. Google: "Local School Bonds: Big Donors Win Big Contracts" OR Orange County Register's "Bankers Push School Bonds for C.A.S.H."

The School Bond Scammers gladly pay to pass bonds anticipating school boards will reward them with inflated no bid contracts in return. Google: Sweetwater school pay to play OR Fresno Leaseback FBI Arax.

Voice of San Diego's August 6, 2012 investigative report revealed Poway School District's "Capital Appreciation Bonds" put their taxpayers on the hook to pay back about \$1 billion for their \$105 million bond. Google: "Thanks a Billion"

California Taxpayers Action Network (www.caltan.org) is not against all school bonds and has supported those (i.e. Walnut Valley Unified School District) that contain proper internal controls to prevent waste and encourage good value for taxpayers.

This bond does not include such taxpayer protections. Contracts can be handed to favored contractors and consultants without regard to price!

Worse, this bond lacks a prioritized Project List with estimated project costs for each and a commitment to build the proposed projects in the promised prioritized order. This bond allows pet projects to be built instead of necessary ones.

Why does District need another bond so soon after their last one? Did they handout over priced contracts and put in astroturf fields with the last bond instead of making needed classroom repairs?

Vote NO until they propose a better bond next election.

California Taxpayers Action Network is a San Diego based all-volunteer, statewide network of taxpayer advocates who promote sound fiscal policies, practices and business methods by government entities for the public's benefit and protection.

M. KEVIN O'NEILL, President
California Taxpayers Action Network

PR-38H0-JJ-6

Exhibit A

REBUTTAL TO ARGUMENT AGAINST MEASURE JJ

Don't be misled by an outsider with a political agenda.

The individual who wrote the argument against Measure JJ doesn't live anywhere near our community and filed the exact same argument against many other school bonds throughout the county, ignoring the facts regarding our local schools.

Here are the facts:

- Measure JJ contains strict taxpayer protections. Proceeds from the bond can only be used for construction, reconstruction, modernization or replacement of school facilities. Not one cent can be spent on teacher or administrator salaries. There will be no Poway-style capital appreciation bonds.
- The Solana Beach School District has never before proposed a school bond. Most of the District's schools are more than 20 years old, some as old as 61 years, and in desperate need of facility upgrades.
- The District developed an in-depth project list to ensure taxpayer dollars are being spent where they are most needed. Areas like student safety and security, modern classroom facilities for science, technology, research, engineering, arts, and math (STREAM) will be prioritized.
- Failure to pass Measure JJ risks losing \$20 million in matching state funds. Surrounding districts will put our tax dollars to work, while our local school infrastructure backlog expands.

Measure JJ will improve our local schools, save taxpayers millions by locking in today's low interest rates, and contribute to increased property values. Join parents, teachers, businesses, and community leaders in supporting Measure JJ.

Vote Yes on Measure JJ

www.KeepOurSchoolsGreat.com

VICKI KING
Board President,
Solana Beach Elementary School District

FRISCO WHITE
Community Leader and
Carmel Valley Resident

ROBERT SAYLER
Real Estate Broker
Solana Beach Resident

MANJEET RANU
Community Leader & Pacific
Highlands Ranch Resident

DEDE ALPERT
Former State Senator & Chair,
Senate Education Committee

PR-38H0-JJ-7

FULL TEXT OF MEASURE JJ

BOND PROPOSITION OF SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 2016-1 ("SFID NO. 2016-1") OF THE SOLANA BEACH SCHOOL DISTRICT (November 8, 2016):

"In order to acquire, construct and reconstruct school facilities, and provide for supporting infrastructure at the existing school site of the Solana Beach School District, and in so doing increase health, safety, welfare and educational effectiveness of classrooms for students, shall School Facilities Improvement District No. 2016-1 of the Solana Beach School District ("Improvement District") be authorized to issue Bonds in an amount not to exceed \$105,000,000, including the furnishing and equipping of school facilities or the acquisition or lease of real property for schools and school facilities listed in Attachment "1" on file at the District office and herein incorporated, which Bonds shall be issued for a term not to exceed the applicable statutory maximum, at an interest rate below the legal maximum, and which Bonds shall be subject to the following provisions:

- (A) That proceeds of the Bonds shall be used only for the construction of school facilities and supporting infrastructure, including the furnishing and equipping of school facilities or the acquisition or lease of real property for school facilities pursuant to California Constitution Article XIII A, Section 1(b)(3) and further that the proceeds of the Bonds shall be used only for the purposes specified in California Constitution Article XIII A, Section 1(b)(3) (as amended by Proposition 39) and not for any other purpose, including teacher and non-construction related administrator salaries and any other school operating expenses.
- (B) That a list of the specific school facilities projects to be funded with the proceeds of the Bonds is attached hereto as Attachment "1" and, based upon the adoption of this Resolution, this Board of Education hereby certifies that it has evaluated safety, class size reduction and information technology needs in developing the school facilities listed in Attachment "1".
- (C) That the Board of Education of the District shall conduct an annual, independent performance audit to insure that the proceeds from the sale of the Bonds have been expended only on the specific projects listed in this bond proposition.
- (D) That the Board of Education of the District shall conduct an annual, independent financial audit of the proceeds from the sale of the Bonds until all of those proceeds have been expended for the school facilities projects identified herein.
- (E) That the Board of Education of the District will, pursuant to the provisions of applicable State law, appoint a citizens' oversight committee, and conduct annual independent audits (as referenced above) to assure that the Bond proceeds are spent only on the school, facilities and classroom improvements, projects and costs identified in Attachment "1" and for no other purposes.

PR-38H0-JJ-8

Exhibit A

FULL TEXT OF MEASURE JJ (CONTINUED)

Notwithstanding any statutory provision as to the maximum term of bonds issued pursuant to this bond measure, general obligation bonds issued pursuant to this bond measure shall have a maturity of not more than thirty years from the date of issuance of such bonds or series of bonds.

Taxpayer Protections: The following taxpayer protections are specifically provided in this Bond Measure and by law:

- Bond funds shall be used only for the school facilities projects identified herein, and not for any other purpose.
- As required by law, an Independent Citizen's Oversight Committee shall oversee expenditures of bond funds, and related matters, and shall report to the Board of Education and communicate with the public on such expenditures.
- As required by law, the School District shall conduct annual financial audits and performance audits (using independent auditors) for all bond funds.
- Bond Funds shall not be used for teacher or non-construction related administrator salaries or other non-construction related operating expenses."

SCHOOL FACILITIES DISTRICT NO. 2016-1 OF THE SOLANA BEACH SCHOOL DISTRICT SAFE AND MODERN CLASSROOMS BOND MEASURE

SCHOOL FACILITIES PROJECT LIST

Proceeds from the general obligation bonds of School Facilities Improvement District No. 2016-1 of the Solana Beach School District ("District") would be used to construct, renovate, upgrade, replace, install necessary repairs and/or replacement of school facilities, and fund related facilities costs, including, but not limited to, repair and replacement of lighting and electrical systems, heating, ventilation and air conditioning (HVAC) systems, flooring, roof, renewable energy generating and/or facilities (including, but not limited to solar energy/solar generating facilities), windows, wall systems, security, communication systems, shade structures, fencing, walkways, parking lots, landscaping, athletic facilities and handicap accessibility improvements to meet current health, safety, and instructional standards which will improve the overall educational experience for all students in the District. Such projects include, but are not limited to, reconstruction, renovation, modernization and construction of classrooms, libraries, computer labs, music rooms, roofing, playgrounds, plumbing, electrical, renewable energy (including, but not limited to solar energy/solar generating and/or storage facilities), conservation measures, network infrastructure, fields, and related projects.

PR-38H0-JJ-9

FULL TEXT OF MEASURE JJ (CONTINUED)

LONG-RANGE FACILITIES MASTER PLAN GOALS

Provide modern facilities needed for core courses, and repair and upgrade/replace outdated classrooms:

- Replace portable classrooms with permanent classrooms
- Install and upgrade Security/Safety systems to meet needs for Student Safety and Campus Security
- Ensure safety and structural integrity of buildings for student and employee safety by making seismic and safety upgrades and retrofits
- Improve energy efficiency to reduce costs and energy consumption (producing reductions on environmental impacts), through the use/installation of energy-efficient facilities including the installation/use of LED lighting and construction/installation of solar energy facilities
- Upgrade and modernize District schools to provide for compliance with Americans with Disabilities Act (ADA)
- Renovate, upgrade, replace, install, and provide repairs of school site infrastructure (Plumbing, Electrical, HVAC, Communications, and Security Networks)
- Upgrade Landscape and Irrigation, using recycled water where and as available
- Provide facilities for Storm Water Management
- Provide facilities for Child Nutrition Services and Student Dining
- Replace, update and improve access and parking facilities with the goal of reducing traffic congestion in the vicinity of District schools

RENOVATION, MODERNIZATION AND REPAIR OF EXISTING SCHOOLS AND FACILITIES

Skyline School

- Redesign and reconstruct the campus including learning areas (e.g. classrooms, Media Center, STREAM Lab, performance/multi-purpose room and office spaces)
- Redesign and reconstruct fields, landscaping, parking and drop off/pick-up
- Make necessary site improvements including grading, infrastructure, roads and roadway access
- Construct school facilities including buildings necessary for non-instructional purposes
- Security/Safety - Security Systems, Access Control, and Surveillance Systems, Exterior Lighting, and Fencing
- Shade Structures
- Play Structures
- Playgrounds
- Heating and Air Conditioning
- Interior Lighting and Lighting Controls
- Landscape, Drought Tolerant Materials, Irrigation Controls, and Recycled Water (where and as available)
- Child Nutrition Service Kitchens and Student Dining Areas

PR-38H0-JJ-10

Exhibit A

FULL TEXT OF MEASURE JJ (CONTINUED)

Solana Vista

- Redesign and reconstruct the campus including learning areas (e.g. classrooms, Media Center, STREAM Lab, performance/multi-purpose room, and office spaces)
- Redesign and reconstruct fields, landscaping, parking, and drop off/pick-up
- Make necessary site improvements including grading, infrastructure, roads, and roadway access
- Construct school facilities including buildings necessary for non-instructional purposes
- Security/Safety - Security Systems, Access Control, and Surveillance Systems, Exterior Lighting, and Fencing
- Shade Structures
- Play Structures
- Playgrounds
- Heating and Air Conditioning
- Interior Lighting and Lighting Controls
- Landscape, Drought Tolerant Materials, Irrigation Controls, and Recycled Water (where and as available)
- Child Nutrition Service Kitchens and Student Dining Areas

Solana Highlands

- Modernize the main building
- Modify ingress/egress to better control campus access
- Remove portable classrooms
- Replace carpet
- Playgrounds
- Paint interior and exterior
- Modify building and restrooms to meet current codes such as fire alarm and ADA
- Security/Safety - Security Systems, Access Control, Surveillance Systems, Exterior Lighting, and Fencing
- Shade Structures
- Play Structures
- Heating and Air Conditioning
- Interior Lighting and Lighting Controls
- Landscape, Drought Tolerant Materials, Irrigation Controls, and Recycled Water (where and as available)
- Child Nutrition Service Kitchens and Student Dining Areas

PR-38H0-JJ-11

FULL TEXT OF MEASURE JJ (CONTINUED)

Solana Santa Fe

- Modernize the main building
- Modify ingress/egress to better control campus access
- Replace portable classrooms with permanent
- Replace carpet
- Paint interior and exterior
- Security/Safety - Security Systems, Access Control, Surveillance Systems, Exterior Lighting and Fencing
- Shade Structures
- Play Structures
- Playgrounds
- Heating and Air Conditioning
- Interior Lighting and Lighting Controls
- Landscape, Drought Tolerant Materials, Irrigation Controls, and Recycled Water (where and as available)
- Child Nutrition Service Kitchens and Student Dining Areas

Carmel Creek

- Modernize the main building
- Modify ingress/egress to better control campus access
- Remove portable classrooms
- Replace carpet
- Paint interior and exterior
- Security/Safety - Security Systems, Access Control, Surveillance Systems, Exterior Lighting, and Fencing
- Shade Structures
- Play Structures
- Playgrounds
- Heating and Air Conditioning
- Interior Lighting and Lighting Controls
- Landscape, Drought Tolerant Materials, Irrigation Controls, and Recycled Water (where and as available)
- Child Nutrition Service Kitchens and Student Dining Areas

Solana Pacific

- Child Nutrition Service Kitchens and Student Dining Areas – as may be needed expand student service kitchen and reconfigure vendor delivery area
- Replace carpet
- Paint interior and exterior
- Security/Safety - Security Systems, Access Control, Surveillance Systems, Exterior Lighting, and Fencing
- Shade Structures
- Play Structures
- Playgrounds
- Heating and Air Conditioning
- Interior Lighting and Lighting Controls
- Landscape, Drought Tolerant Materials, Irrigation Controls, and Recycled Water (where and as available)

PR-38H0-JJ-12

Exhibit A

FULL TEXT OF MEASURE JJ (CONTINUED)

Solana Ranch

- Expand Kindergarten play area to include grass area at west end of campus
- Security/Safety - Security Systems, Access Control, Surveillance Systems, Exterior Lighting and Fencing
- Shade Structures
- Play Structures
- Playgrounds
- Heating and Air Conditioning
- Interior Lighting and Lighting Controls
- Landscape, Drought Tolerant Materials, Irrigation Controls, and Recycled Water (where and as available)

ACQUISITION AND CONSTRUCTION OF NEW SCHOOL ELEMENTARY TO MEET STUDENT NEEDS AND TO REDUCE OVERCROWDING

New Elementary School

- As may be needed to accommodate growth within the District's attendance boundaries, purchase land, design, and construct a comprehensive elementary school campus (designated as "School #8"). This includes classrooms, support buildings, campus administration facilities, and other buildings necessary for non-instructional purposes
- Make necessary site improvements including site preparation, grading, supporting infrastructure, roads, and roadway access
- Pay costs of design and fees for construction of facilities
- Pay environmental review(s) (including geotechnical reviews) and mitigation costs
- Design, construct and install supporting facilities and infrastructure, including, but not limited to roadways, electrical systems, plumbing, HVAC, parking, hardscape, interior and exterior lighting, and lighting controls
- Provide/install solar energy and/or storage facilities
- Playground facilities and equipment
- Provide for Landscaping, including, but not limited to drought tolerant materials, irrigation controls and use of recycled water (where and as available)

ALL DISTRICT SCHOOL SITES WHERE RENOVATION, MAJOR REPAIRS AND/OR NEW CONSTRUCTION TO BE UNDERTAKEN:

- Remove and mitigate hazardous materials (asbestos, lead, PCB, mold, mildew, etc.) where necessary.
- Address unforeseen conditions revealed by construction/modernization such as plumbing, or gas line breaks, dry rot, termite damage, and/or seismic structural repairs.
- Improve schools as required to comply with existing building codes and state/federal requirements, including access requirements of the ADA.
- Provide adequate furniture and equipment for all classrooms, and spaces to be newly constructed or reconstructed.
- Acquisition of any of the facilities on this School Facilities Project List through temporary lease or lease-purchase arrangements, or execute purchase option under lease for any of these authorized facilities.

PR-38H0-JJ-13

FULL TEXT OF MEASURE JJ (CONTINUED)

- Necessary site preparation/restoration in connection with renovation or remodeling, including ingress and egress, removing, replacing, or installing irrigation, utility lines, trees and landscaping, relocating fire access roads, and acquiring any necessary easements, licenses, or rights of way to property.
- If the Board of Education determines that replacement is more economical than rehabilitation or renovation of existing classrooms/school facilities, in those particular cases replacement/new construction will be explored/pursued.
- Provide temporary (interim) classrooms and other school facilities as needed to accommodate students and school functions displaced during construction, including, but not limited to, relocation costs. This includes the costs to remove such facilities when no longer needed and the costs to restore the site and utility systems after removal.

Project Costs for Furnishings and Equipment

Project Costs for furnishings and equipment for some or all of the within-identified District campuses may include, but are not limited to, some or all of the following: security, safety and communication systems and equipment, desks and tables; window and floor coverings (including tiles and carpeting); media recording, distribution and presentation equipment, including, but not limited to, audio systems, kitchen equipment, improvements and furnishings, fire alarm, security; science laboratory equipment; and/or other infrastructure equipment and systems.

Project costs for the above-referenced projects may include installation costs, engineering and design costs, project management/construction management costs, warranty costs, master facilities planning, state or local costs or expenses involving design, planning, site and facilities development costs and charges, environmental review(s) and proceedings, necessary supporting infrastructure costs, relocation costs and expenses, necessary contingency plans and related costs construction and completion of the aforementioned facilities projects, direct legal costs and related costs. Project costs may also include the payment or prepayment of existing or future lease payments and/or interim financing costs for lease of authorized facilities, property or buildings, prepayment of lease obligations for facilities purposes (including temporary classroom facilities) and payment of costs and expenses for interim financing of authorized facilities (including, but not limited to, financing delivery costs). Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff when performing work on, or necessary and incidental to, bond projects. Allowable project costs also include: costs of issuing the bonds or other securities (as authorized under California law), informational distribution costs and election costs authorized under State law.

This School Facilities Project List describes the specific facilities and capital projects the District may finance with proceeds of the Bonds. Listed projects will be completed as needed at a particular school site according to Board-established priorities, and the order in which such projects appear on this School Facilities Project List is not an indication of priority for funding or completion. The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. Certain construction funds expected from non-bond sources, including State grant funds for eligible projects, have not yet been secured. Until all project costs and funding sources are known, the Board of Education cannot determine the amount of bond proceeds available to be allocated for each project, nor guarantee that the bonds will provide sufficient funds to allow completion of all listed projects. Completion of some projects may be subject to further government approvals by State officials and boards, to local

PR-38H0-JJ-14

Exhibit A

FULL TEXT OF MEASURE JJ (CONTINUED)

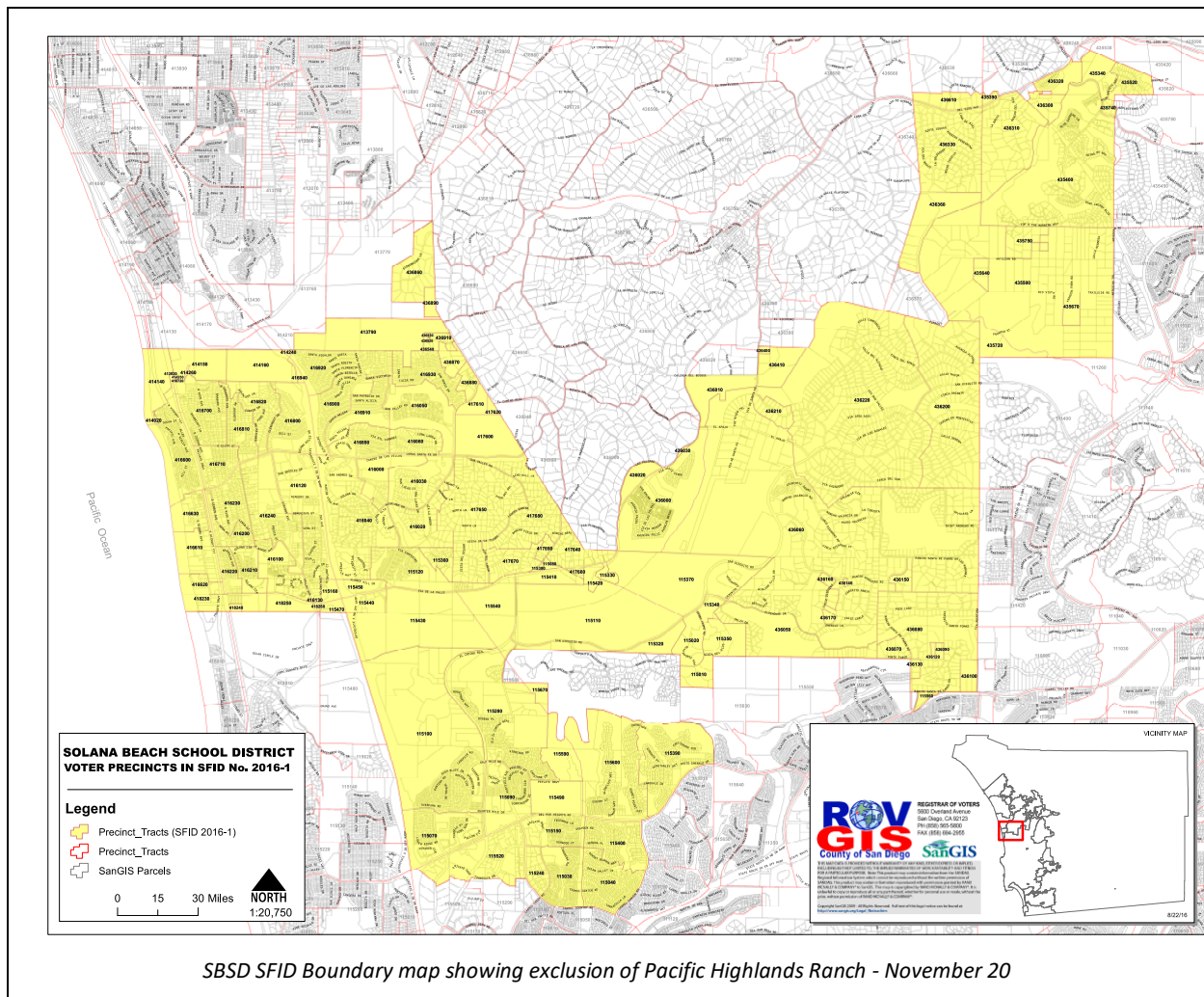
environmental review, and to input from the public. For these reasons, inclusion of a project on the Bond Project List is not a guarantee that the project will be funded or completed. In preparing the foregoing list, the Board of Education of the Solana Beach School District has evaluated safety, class size and information technology needs.

The District will also aggressively pursue funds from the State of California to complete facilities projects.

No Administrator Salaries. Proceeds from the sale of Bonds authorized by this proposition shall be used only for the construction, acquisition, repair, renovation, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the lease of real property for school facilities as identified herein, and not for any other purpose, including teacher and non-construction related administrator salaries and other operating expenses.

Exhibit B

SBSD SFID Boundary map showing exclusion of Pacific Highlands Ranch - November 2016.



**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND**

AUDIT REPORT

**FOR THE YEAR ENDED
JUNE 30, 2023**

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
TABLE OF CONTENTS
JUNE 30, 2023**

	<u>Page</u>
Introduction.....	1
Independent Auditors' Report.....	2

FINANCIAL SECTION

Balance Sheet	4
Statement of Revenues, Expenditures, and Changes in Fund Balance	5
Notes to the Financial Statements.....	6

OTHER INDEPENDENT AUDITORS' REPORTS

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.....	11
Independent Auditors' Report on Performance	13

AUDIT PROCEDURES AND RESULTS SECTION

Audit Procedures and Results	14
Schedule of Findings and Recommendations	16

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
INTRODUCTION
JUNE 30, 2023**

The Solana Beach School District was established in 1925. The District boundaries include the City of Solana Beach and portions of the Cities of Del Mar, Rancho Santa Fe, and San Diego. The District currently operates one preschool and seven elementary schools.

In November 2016, the voters of Solana Beach School District approved by more than the required 55% favorable vote, Measure JJ, authorizing the issuance and sale of general obligation bonds, not to exceed \$105,000,000. Measure JJ is a Proposition 39 bond. The passage of Proposition 39 in November 2000 amended the California Constitution to include accountability provisions. 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 the bonds until all of the proceeds have been expended for facilities projects.

In May 2017, the District issued Election of 2016, Series A general obligation bonds totaling \$50,000,000. Bond proceeds are to be used to replace or upgrade aging, outdated classrooms, science labs, libraries, and school buildings; restore deteriorating roofs, plumbing, and electrical systems; improve student safety and campus security; and provide students access to educational facilities, science, and technology needed to prepare for high school, college, and careers, and qualify for State grants. The bonds bear interest at a rate of 2.0% - 5.0% and are scheduled to mature through August 2046.

In March 2019, the District issued Election of 2016, Series B general obligation bonds totaling \$55,000,000. The bonds bear interest at a rate of 3.0% - 4.0% and are scheduled to mature through August 2041, with the first payment commencing in August 2020. With this issuance, the District has issued the total amount of \$105,000,000 in general obligation bonds that were authorized by the passing of Measure JJ.

Proposition 39 requires school districts that pass Proposition 39 bonds to seat an Independent Citizens' Oversight Committee (ICOC) to assure the community that bond funds are expended in the fashion outlined in the district's bond resolution. The ICOC must meet at least once a year and inform the public about the expenditure of bond revenues. The ICOC shall actively review and report on the proper expenditure of taxpayers' money for school construction.



Certified Public Accountants serving
K-12 School Districts and Charter
Schools throughout California

INDEPENDENT AUDITORS' REPORT

Measure JJ Citizens' Oversight Committee and
Governing Board Members of the
Solana Beach School District
Solana Beach, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Measure JJ Bond Building Fund of Solana Beach School District (the "District"), as of and for the year ended June 30, 2023, 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 respective financial position of the Measure JJ Bond Building Fund of Solana Beach School District, as of June 30, 2023, and the respective changes in financial position thereof 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 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 Measure JJ Bond Building Fund and do not purport to, and do not present fairly the financial position of the Solana Beach School District, as of June 30, 2023, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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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Auditor's 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 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 generally accepted auditing standards 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 judgement made by a reasonable user of the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters specific to the Measure JJ Bond Building Fund. The purpose of that 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 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 specific to the Measure JJ Bond Building Fund.

Report of Other Legal and Regulatory Requirements

In accordance with the requirements of Proposition 39, as incorporated in California Constitution Article 13A, we have issued our performance audit dated February 21, 2024 on our consideration of the District's compliance with the requirements of Proposition 39 as it directly relates to the Measure JJ Bond Building Fund. That report is an integral part of our audit of the Measure JJ Bond Building Fund of Solana Beach School District, as of and for the year ended June 30, 2023, and should be considered in assessing the results of our financial audit.

Christy White, Inc.

San Diego, California
February 21, 2024

FINANCIAL SECTION

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
BALANCE SHEET
JUNE 30, 2023**

ASSETS

Cash and investments	\$ 11,944,060
Accounts receivable	97,735
Total Assets	<u>\$ 12,041,795</u>

LIABILITIES

Due to other funds	727,967
Total Liabilities	<u>727,967</u>

FUND BALANCES

Restricted for Measure JJ projects	11,313,828
Total Fund Balances	<u>11,313,828</u>
Total Liabilities and Fund Balances	<u>\$ 12,041,795</u>

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

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2023**

REVENUES

Interest income	\$ 158,184
Net increase (decrease) in the fair value of investments	(146,807)
Total Revenues	<u>11,377</u>

EXPENDITURES

Current	
Facilities acquisition and construction	<u>1,111,772</u>
Total Expenditures	<u>1,111,772</u>

Excess (Deficiency) of Revenues

Over Expenditures	<u>(1,100,395)</u>
--------------------------	--------------------

Other Financing Sources (Uses)

Transfers in	<u>7,579,697</u>
Net Financing Sources (Uses)	<u>7,579,697</u>

NET CHANGE IN FUND BALANCE

	6,479,302
Fund Balance - Beginning	<u>4,834,526</u>
Fund Balance - Ending	<u>\$ 11,313,828</u>

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

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Solana Beach 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 generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

An oversight committee to the District's Governing Board and Superintendent, called the Independent Citizens' Oversight Committee (ICOC), was established pursuant to the requirements of state law and the provisions of the Measure JJ bond. The ICOC is required by state law to actively review and report on the proper expenditure of taxpayers' money for school construction. The ICOC provides oversight and advises the public whether the District is spending the Measure JJ bond funds for school capital improvements within the scope of projects outlined in the Measure JJ bond project list. In fulfilling its duties, the ICOC reviews, among other things, the District's annual performance and financial audits of Measure JJ activity.

The statements presented are for the individual Measure JJ Bond Building Fund of the District, consisting of the net construction proceeds of Election of 2016, Series A and Series B, as issued by the District, through the County of San Diego, and are not intended to be a complete presentation of the District's financial position or results of operations. There are no related parties or component units included in this financial statement presentation.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and 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. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

C. Cash and Cash Equivalents

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

D. Interfund Balances

Receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds."

E. Accrued Liabilities

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the fund.

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Fund Balance

Under GASB Statement No. 54, fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The fund balance in Measure JJ is considered restricted.

The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

G. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements.

H. 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.

I. Budgetary Data

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2023 consisted of \$11,944,060 deposited in the San Diego County Treasury Investment Pool.

A. 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; collateralized mortgage obligations; and the County Investment Pool.

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 2 – CASH AND INVESTMENTS (continued)

A. Policies and Practices (continued)

Investment in County Treasury – The District maintains substantially all of its cash in the County Treasury in accordance with *Education Code Section 41001*. The San Diego County Treasurer's pooled investments are managed by the County Treasurer who reports on a monthly basis to the board of supervisors. In addition, the function of the County Treasury Oversight Committee is to review and monitor the County's investment policy. The committee membership includes the Treasurer and Tax Collector, the Auditor-Controller, Chief Administrative Officer, Superintendent of Schools Representative, and a public member. The fair value of the District's investment in the pool is based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

B. General Authorizations

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies the investment types permitted by California Government Code.

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

C. 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 changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a fair value of approximately \$11,944,060. The average weighted maturity for this pool is 438 days.

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 2 – CASH AND INVESTMENTS (continued)

D. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

E. Fair Value

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

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

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

The District's fair value measurements at June 30, 2023 were as follows:

	<u>Uncategorized</u>
Investment in county treasury	\$ 11,944,060
Total	<u>\$ 11,944,060</u>

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2023 consisted of \$97,735 in interest earned on investments in the San Diego County Treasury.

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2023**

NOTE 4 – INTERFUND TRANSACTIONS

A. Interfund Receivables/Payables (Due From/Due To)

Individual interfund receivable and payable balances at June 30, 2023 consisted of \$727,967 due to the Capital Project Fund for Blended Component Units for reclassification of Measure JJ related project expenditures.

B. Operating Transfers

Interfund transfers for the year ended June 30, 2023 consisted of the following:

Transfer from the County School Facilities Fund to the Measure JJ Bond Building Fund for State contribution to facilities projects.	\$ 3,482,859
Transfer from the Capital Project Fund for Blended Component Units to the Measure JJ Bond Building Fund for reimbursement of Measure JJ related project expenditures.	4,096,838
Total	<u>\$ 7,579,697</u>

NOTE 5 – COMMITMENTS AND CONTINGENCIES

A. Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2023.

B. Construction Commitments

As of June 30, 2023, the District had commitments with respect to unfinished Measure JJ capital projects:

	Remaining Construction Commitment
Carmel Creek School Modernization	\$ 257,500
Solana Pacific School Site Upgrades	216,500
Total	<u>\$ 474,000</u>

OTHER INDEPENDENT AUDITORS' REPORTS



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**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**

Independent Auditors' Report

Measure JJ Citizens' Oversight Committee and
Governing Board Members of the
Solana Beach School District
Solana Beach, 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 Measure JJ Bond Building Fund of Solana Beach School District (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Solana Beach School District's basic financial statements of the Measure JJ Bond Building Fund, and have issued our report thereon dated February 21, 2024.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Measure JJ Bond Building Fund of Solana Beach School District are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of the District as of June 30, 2023, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements of the Measure JJ Bond Building Fund of Solana Beach School District, we considered Solana Beach School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements of the Measure JJ Bond Building Fund, but not for the purpose of expressing an opinion on the effectiveness of Solana Beach School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Solana Beach School 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Measure JJ Bond Building Fund are free from 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 financial statements. 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.

Christy White, Inc.

San Diego, California
February 21, 2024



Certified Public Accountants serving
K-12 School Districts and Charter
Schools throughout California

REPORT ON PERFORMANCE

Independent Auditors' Report

Measure JJ Citizens' Oversight Committee and
Governing Board Members of the
Solana Beach School District
Solana Beach, California

We were engaged to conduct a performance audit of the Measure JJ Bond Building Fund of Solana Beach School District (the "District") for the year ended June 30, 2023.

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

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution and Appendix A contained in the *2022-2023 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 of Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control. 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, in all significant respects, expended Measure JJ Bond Building Fund only for the specific projects approved by the voters, in accordance with Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. The procedures performed and the related results are further described in the accompanying audit procedures and results section.

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 this specified party.

Christy White, Inc.

San Diego, California
February 21, 2024

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AUDIT PROCEDURES AND RESULTS SECTION

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
AUDIT PROCEDURES AND RESULTS
FOR THE YEAR ENDED JUNE 30, 2023**

SECTION I – FINANCIAL AUDIT PROCEDURES AND RESULTS

Financial Statements

As mentioned in the Report on Financial Statements, we have issued an unmodified opinion over the financial statements of the Measure JJ Bond Building Fund as of and for the year ended June 30, 2023.

Internal Control Evaluation

We tested internal controls over financial reporting and compliance with laws, regulations, or provisions of contracts or agreements and have determined through our inquiry of management and our evaluation of District processes that no significant deficiency were noted.

SECTION II – PERFORMANCE AUDIT PROCEDURES AND RESULTS

Facility Project Expenditures

We selected a representative sample of expenditures charged to the Measure JJ Bond Building Fund and reviewed supporting documentation to ensure funds were properly expended on specific project(s) listed in the text of the Measure JJ ballot.

We tested approximately \$728,000 of non-personnel expenditures or 65% of total 2022-23 Measure JJ Bond Building Fund expenditures for validity, allowability and accuracy and concluded that the sampled expenditures were in compliance with the terms of Measure JJ ballot language, the District approved facilities plan, and applicable state laws and regulations.

Personnel Expenditures

We reviewed expenditure detail for any salaries and benefits charged to the Measure JJ Bond Building Fund in order to verify that the personnel expenditures were allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General, which concluded that “a school district may use Proposition 39 school bond proceeds to pay the salaries of district employees to the extent they perform administrative oversight work on construction projects authorized by a voter approved bond measure.”

Based on our review of general ledger detail, there were no salaries or benefits charged to the Measure JJ Bond Building Fund during the year ended June 30, 2023.

The previous Report on Performance is an integral part of the above performance audit results.

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
AUDIT PROCEDURES AND RESULTS, continued
FOR THE YEAR ENDED JUNE 30, 2023**

SECTION II – PERFORMANCE AUDIT PROCEDURES AND RESULTS (continued)

Contract Bidding Procedures

We noted no significant bid activity with respect to Measure JJ funded projects during the year ended June 30, 2023. As such, we did not perform any further testing for compliance with Public Contract Code.

Additionally, we reviewed overall expenditures by vendor in order to determine if multiple projects under the applicable bidding threshold were identified to suggest any possible bid-splitting.

We did not note any Measure JJ construction contracts awarded during the year ended June 30, 2023. Based on our review of overall expenditures and projects by vendor, no instances or possible indications of bid-splitting were identified. The District appears to be properly reviewing projects and applying appropriate procedures over contract bidding procedures.

Contract Change Orders

We reviewed a listing of contracts and change orders during the year ended June 30, 2023 and selected a sample to ensure that change orders were properly approved and in accordance with District policies. Additionally, cumulative change orders for any given contract were reviewed to ensure that total change orders did not exceed ten percent of the total original contract. Change orders appear to be properly reviewed and approved by management and the governing board in accordance with District policy.

The previous Report on Performance is an integral part of the above performance audit results.

FINDINGS AND RECOMMENDATIONS SECTION

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2023**

PART I – FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the year ended June 30, 2023.

PART II – PERFORMANCE AUDIT FINDINGS

There were no findings or recommendations related to the Measure JJ Bond Building Fund for the year ended June 30, 2023.

PART III – PRIOR AUDIT FINDINGS

FINDING #2022-001: JOURNAL ENTRIES

Criteria: Proper internal accounting controls include segregation of duties that require journal entries to be reviewed by someone other than the person creating the entry, knowledgeable about accounting principles, and prior to entry into the general ledger.

Condition: During our testing of the journal entry process, we noted that accounting personnel have the ability to create and post journal entries without any approval.

Cause: Turnover in the business office.

Effect: Without a review and approval for each journal entry, there is an increased risk that an inappropriate entry may be recorded to the District's general ledger either by mistake or intentionally.

Recommendation: The review of each entry by a second knowledgeable person should be documented and all supporting documentation should be retained.

Corrective Action Plan: Journal entries are prepared electronically by staff through the District's online financial system, PeopleSoft. The addition of online workflow approval requires approval and posting by a knowledgeable management staff. Including a workflow approval process reduces the risk that an inappropriate entry may be recorded to the District's general ledger.

Current Status: Implemented.

EXHIBIT D

Certification of Expenses and Prevailing Wage

All workers employed on public works projects must be paid the prevailing wage determined by the Director of the Department of Industrial Relations, according to the type of work and location of the project. The prevailing wage rates are usually based on rates specified in collective bargaining agreements.

Public works in general means:

- Construction, alteration, demolition, installation, or repair work done under contract and paid in whole or in part out of public funds.
- It can include preconstruction and post-construction activities related to a public works project.
- For a full definition of public works refer to [Labor Code section 1720](#).

Exception: Project inspectors approved by the Division of State Architect (DSA) are subject to registration; however, there is no craft that claims this work, and prevailing wages are not required for DSA-approved project inspectors on Public Works.

Solana Beach School District strictly adheres to the prevailing wage requirement for all public works projects.

APPENDIX A

Expenditures Itemized by Project/Site for 2022-2023:

Sources and Budgets Repo as of June 30, 2023
Solana Beach School District Bond Program

Code	Category - Item	907 - Measure JJ Program	951 - Skyline School Reconstruction Project	971 - Solana Highlands School Modernization	921 - Solana Pacific School Solar Project	961 - Solana Vista School Reconstruction	Completed Project Total Expenditures	981 - Solana Santa Fe School Modernization/Expansion	991 - Carmel Creek Modernization & Kitchen	921 - Solana Pacific Kitchen	Active Project Totals	Active and Completed Project Totals
Funding Sources												
State	State	-	645,768	2,852,687	-	-	3,498,455	-	-	-	-	3,498,455
35.1	New Construction		645,768				645,768				-	645,768
35.2	Modernization			2,852,687			2,852,687				-	2,852,687
35.3	ERP						-				-	-
35.4	ORG						-				-	-
35.5	E-Rate						-				-	-
35.6	CTE Grants						-				-	-
Local	Local	191,835	42,527,352	5,064,745	998,129	37,242,373	86,024,434	26,049,000	10,600,000	5,000,000	41,649,000	127,673,434
01.3	Interest/Other Revenue						-				-	-
21.0	Measure JJ	191,835	42,527,352	5,064,745	998,129	37,216,560	85,998,621	7,800,000	6,500,000	4,335,000	18,635,000	104,633,621
25.0	Developer Fees						-				-	-
40.0	Special Reserve					25,813	25,813				-	25,813
49.01	CFD 99-1						-	11,200,000	2,600,000		13,800,000	13,800,000
49.02	CFD 2000-1						-	6,000,000			6,000,000	6,000,000
49.03	CFD 2004-1						-	1,049,000	1,500,000	665,000	3,214,000	3,214,000
TOTAL FUNDING		191,835	43,173,120	7,917,432	998,129	37,242,373	89,522,889	26,049,000	10,600,000	5,000,000	41,649,000	131,171,889
Expenditures												
A	Site Costs	-	17,482	3,617	-	217,841	238,940	799,202	-	-	799,202	1,038,142
6200-002	Relocation Expenses					101,942	101,942	673,172			673,172	775,114
6200-006	Surveying Costs						-	30,824			30,824	30,824
6200-202	Haz Waste Studies & Fees		8,500	1,925		52,030	62,455	5,850			5,850	68,305
6200-203	Other Costs - Site		8,982	1,692		63,869	74,543	89,356			89,356	163,899
B	Planning Costs	191,835	1,988,532	739,571	677	2,847,577	5,768,191	2,039,970	-	-	2,039,970	7,808,161
5800-000	Professional Consultant	8,500				1,991	10,491	3,492			3,492	13,983
5800-010	Audit Agreement	2,300					2,300				-	2,300
6200-003	Architect / Engineering Fees		1,454,179	550,791		1,691,802	3,698,572	1,358,346			1,358,346	5,054,918
6200-004	DSA Fees		72,216	93,219	677	517,109	683,222	613,044			613,044	1,296,266
6200-008	Engineers		99,574	51,015			150,589				-	150,589
6200-012	Consultant		79,541	40,749		176,641	298,931	57,777			57,777	354,708
6200-204	CDE Fees		23,100	3,780			26,880				-	26,880
6200-205	Energy Analysis						-				-	-
6200-206	Other Costs - Planning			17		39,600	39,617	7,241			7,241	46,858
5800-003	Advertising					444	444	70			70	513
5800-072	Transp. Contracted Services	181,035	259,921				440,956				-	440,956
5800-078	Planning Software						-				-	-
5800-098	JJ Transportation					420,190	420,190				-	420,190
C	Construction Costs	-	39,524,150	7,131,893	987,722	33,294,826	80,938,592	18,737,242	-	-	18,737,242	99,675,834
6200-000	Bldg Improvements - Bldg		274,110	323,181		20,155	617,446				-	617,446
6200-005	Main Building Contractor		38,518,520	6,798,729	987,722	32,386,522	78,691,494	18,416,948			18,416,948	97,108,442
6200-207	Construction Management Fees					888,149	888,149	320,294			320,294	1,208,443
6200-208	Demolition			3,300			3,300				-	3,300
6200-209	Interim Housing		728,770				728,770				-	728,770
6200-210	Other Costs - Construction			6,683			6,683				-	6,683
5800-050	Legal Fees - Construction		2,750				2,750				-	2,750
D	Construction Testing Costs	-	150,648	-	-	457,481	608,129	238,904	-	-	238,904	847,033
6200-010	Construction Tests		150,648			457,481	608,129	238,904			238,904	847,033
E	Construction Inspection Costs	-	1,054,242	40,203	9,730	-	1,104,175	32,882	-	-	32,882	1,137,057
6200-009	Construction Inspectors		498,538	40,203	9,730		518,471				-	518,471
6200-050	Construction Inspections		585,704				585,704	32,882			32,882	618,586
F	Furniture & Equipment Costs	-	438,066	2,148	-	424,648	864,863	18,265	-	-	18,265	883,128
4300-000	Materials & Supplies		55,573			526	56,099				-	56,099
4300-040	Bldg Repair - Supplies					1,077	1,077				-	1,077
4400-000	Furniture and Equipment (\$500-\$5,000)		138,066	1,641		17,868	157,375	9,250			9,250	166,625
6400-000	Furniture and Equipment (Above \$5,000)		244,427	507		405,378	650,312	9,015			9,015	659,328
G	Project Contingency	-	-	-	-	-	-	7,135	-	-	7,135	7,135
6999-000	Project Contingency						-	7,135			7,135	7,135
TOTAL EXPENDITURES		191,835	43,173,120	7,917,432	998,129	37,242,373	89,522,889	21,873,600	-	-	21,873,600	111,396,489
BALANCE REMAINING		-	-	-	-	-	-	4,175,400	10,600,000	5,000,000	19,775,400	19,775,400

MEETING DATE: 3/6/2024

ITEM:

Presentation of the Measure JJ Capital Projects and Timeline

AGENDA ITEM: 8A

- ☐ Action
- ☐ Consent
- ☐ First Reading
- ☒ Information
- ☐ Presentation
- ☐ Public Hearing
- ☐ Roll Call Vote Required
- ☐ Report

RECOMMENDATION:

For information and discussion only.

DESCRIPTION:

Solana Beach School District staff will present information on Measure JJ project status.

Attachment: Solana Beach School District Measure JJ Projects Timelines

FISCAL IMPACT:

MOVED BY: _____

SECONDED BY: _____

MEETING DATE: 3/6/2024

ITEM:

Measure JJ Financial Reports on Current Projects

AGENDA ITEM: 8B

- ☐ Action
- ☐ Consent
- ☐ First Reading
- ☒ Information
- ☐ Presentation
- ☐ Public Hearing
- ☐ Roll Call Vote Required
- ☐ Report

RECOMMENDATION:

For information and discussion only.

DESCRIPTION:

Solana Beach School District staff will present information on Measure JJ financial reports on current projects

FISCAL IMPACT:

MOVED BY: _____

SECONDED BY: _____

Sources and Budgets Repo as of February 29, 2024
Solana Beach School District Bond Program

Code	Category - Item	907 - Measure JJ Program	951 - Skyline School Reconstruction Project	971 - Solana Highlands School Modernization	921 - Solana Pacific School Solar Project	961 - Solana Vista School Reconstruction	Completed Project Total Expenditures	981 - Solana Santa Fe School Modernization/Expansion	991 - Carmel Creek Modernization & Kitchen	921 - Solana Pacific Kitchen	Active Project Totals	Active and Completed Project Totals
Funding Sources												
State	State	-	645,768	2,852,687	-	-	3,498,455	-	-	-	-	3,498,455
35.1	New Construction		645,768				645,768				-	645,768
35.2	Modernization			2,852,687			2,852,687				-	2,852,687
35.3	ERP						-				-	-
35.4	ORG						-				-	-
35.5	E-Rate						-				-	-
35.6	CTE Grants						-				-	-
Local	Local	191,835	42,527,352	5,064,745	998,129	37,242,373	86,024,434	26,049,000	10,600,000	5,000,000	41,649,000	127,673,434
01.3	Interest/Other Revenue						-				-	-
21.0	Measure JJ	191,835	42,527,352	5,064,745	998,129	37,216,560	85,998,621	7,800,000	6,500,000	4,335,000	18,635,000	104,633,621
25.0	Developer Fees						-				-	-
40.0	Special Reserve					25,813	25,813				-	25,813
49.01	CFD 99-1						-	11,200,000	2,600,000		13,800,000	13,800,000
49.02	CFD 2000-1						-	6,000,000			6,000,000	6,000,000
49.03	CFD 2004-1						-	1,049,000	1,500,000	665,000	3,214,000	3,214,000
TOTAL FUNDING		191,835	43,173,120	7,917,432	998,129	37,242,373	89,522,889	26,049,000	10,600,000	5,000,000	41,649,000	131,171,889
Expenditures												
A	Site Costs	-	17,482	3,617	-	217,841	238,940	128,894	-	-	128,894	367,834
6200-002	Relocation Expenses					101,942	101,942	2,865			2,865	104,807
6200-006	Surveying Costs						-	30,824			30,824	30,824
6200-202	Haz Waste Studies & Fees		8,500	1,925		52,030	62,455	5,850			5,850	68,305
6200-203	Other Costs - Site		8,962	1,692		63,869	74,543	69,356			69,356	163,699
B	Planning Costs	191,835	1,988,532	739,571	677	2,847,577	5,768,191	1,864,450	64,374	106,935	2,035,759	7,803,950
5800-000	Professional Consultant	8,500				1,991	10,491	3,492			3,492	13,983
5800-010	Audit Agreement	2,300					2,300				-	2,300
6200-003	Architect / Engineering Fees		1,454,179	550,791		1,691,602	3,696,572	1,301,047		60,375	1,361,422	5,057,994
6200-004	DSA Fees		72,216	93,219	677	517,109	683,222	531,676	64,374	46,560	642,610	1,325,832
6200-008	Engineers		99,574	51,015			150,589				-	150,589
6200-012	Consultant		79,541	40,749		176,641	296,931	20,924			20,924	317,856
6200-204	CDE Fees		23,100	3,780			26,880				-	26,880
6200-205	Energy Analysis						-				-	-
6200-206	Other Costs - Planning			17		39,600	39,617	7,241			7,241	46,858
5800-003	Advertising					444	444	70			70	513
5800-072	Transp. Contracted Services	181,035	259,921				440,956				-	440,956
5800-078	Planning Software						-				-	-
5800-098	JJ Transportation					420,190	420,190				-	420,190
C	Construction Costs	-	39,524,150	7,131,893	987,722	33,294,826	80,938,592	20,739,814	-	-	20,739,814	101,678,406
6200-000	Bldg Improvements - Bldg		274,110	323,181		20,155	617,446				-	617,446
6200-005	Main Building Contractor		38,518,520	6,798,729	987,722	32,386,522	78,691,494	20,526,997			20,526,997	99,218,491
6200-207	Construction Management Fees					888,149	888,149	212,817			212,817	1,100,966
6200-208	Demolition			3,300			3,300				-	3,300
6200-209	Interim Housing		728,770				728,770				-	728,770
6200-210	Other Costs - Construction			6,683			6,683				-	6,683
5800-050	Legal Fees - Construction		2,750				2,750				-	2,750
D	Construction Testing Costs	-	150,648	-	-	457,481	608,129	238,904	-	-	238,904	847,033
6200-010	Construction Tests		150,648			457,481	608,129	238,904			238,904	847,033
E	Construction Inspection Costs	-	1,054,242	40,203	9,730	-	1,104,175	32,882	-	-	32,882	1,137,057
6200-009	Construction Inspectors		468,538	40,203	9,730		518,471				-	518,471
6200-050	Construction Inspections		585,704				585,704	32,882			32,882	618,586
F	Furniture & Equipment Costs	-	438,066	2,148	-	424,648	864,863	10,580	-	-	10,580	875,443
4300-000	Materials & Supplies		55,573			526	56,099				-	56,099
4300-040	Bldg Repair - Supplies					1,077	1,077				-	1,077
4400-000	Furniture and Equipment (\$500-\$5,000)		138,066	1,641		17,668	157,375	1,565			1,565	158,940
6400-000	Furniture and Equipment (Above \$5,000)		244,427	507		405,378	650,312	9,015			9,015	659,328
G	Project Contingency	-	-	-	-	-	-	7,135	-	-	7,135	7,135
6999-000	Project Contingency						-	7,135			7,135	7,135
TOTAL EXPENDITURES		191,835	43,173,120	7,917,432	998,129	37,242,373	89,522,889	23,022,660	64,374	106,935	23,193,969	112,716,858
BALANCE REMAINING		-	-	-	-	-	-	3,026,340	10,535,626	4,893,065	18,455,031	18,455,031

MEETING DATE: 3/6/2024

ITEM:

ICOC Members - Term Renewals

AGENDA ITEM: 9

- ☐ Action
- ☐ Consent
- ☐ First Reading
- ☒ Information
- ☐ Presentation
- ☐ Public Hearing
- ☐ Roll Call Vote Required
- ☐ Report

RECOMMENDATION:

For information and discussion only.

DESCRIPTION:

Solana Beach School District staff will discuss possible renewal of member terms.

FISCAL IMPACT:

MOVED BY: _____

SECONDED BY: _____

MEETING DATE: 3/6/2024

ITEM:

Adjournment of meeting

AGENDA ITEM: 10

- ☐ Action
- ☐ Consent
- ☐ First Reading
- ☒ Information
- ☐ Presentation
- ☐ Public Hearing
- ☐ Roll Call Vote Required
- ☐ Report

RECOMMENDATION:

Form information and discussion only.

DESCRIPTION:

Adjournment of meeting.

FISCAL IMPACT:

MOVED BY: _____

SECONDED BY: _____