



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

Michael Casey
Jill Epstein
Laurel Graziano
Katherine Kousser
Laura Lemos
Michelle Sahagian

Board of Education

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

Superintendent
Jodee Brentlinger

Measure JJ Independent Citizens' Oversight Committee Meeting

March 25, 2020

Solana Beach School District, Telephonic/Video Conference* 6:00 p.m.

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, and/or 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.

**The Governor has declared a State of Emergency to exist in California as a result of the threat of COVID-19 (aka the "Coronavirus"). The Governor issued Executive Order N-25-20, which directs Californians to follow public health directives including canceling large gatherings. The Executive Order also allows local legislative bodies to hold meetings via conference/video calls while still satisfying state transparency requirements. The Governor has also issued Executive Order N-33-20, prohibiting people from leaving their homes or places of residence except to access necessary supplies and services or to engage in specified critical infrastructure employment.*

The Public's health and well-being are the top priority for the Board of Education ("Board") of the Solana Beach School District ("District") and you are urged to take all appropriate health and safety precautions. To facilitate this process, the meeting of the Board will be held via telephonic/video conference.

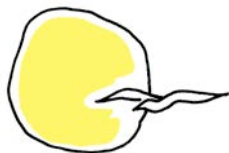
Note: The meeting is being held by telephonic/video conference means and will be made accessible to members of the public seeking to attend and to address the Board solely through the links provided, except that members of the public seeking to attend and to address the Board who require reasonable accommodations to access the meeting, based on disability or other reasons, should contact facilities@sbsd.net or 858-794-7130 at least six (6) hours in advance of a special meeting to make arrangements for such reasonable accommodations.

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 Executive Director of Capital Programs and Facilities at (858) 794-7130 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 25, 2020

Solana Beach School District, Telephonic/Video Conference

6:00 p.m.

In compliance with the Americans with Disabilities Act and AB-3035, if you require special assistance to participate in this meeting, please contact the Executive Director of Capital Programs and Technology at (858) 794-7130 at least 24 hours prior to the start of the meeting to enable the District to make reasonable arrangements.

The Regularly Scheduled Meeting of the Independent Citizens' Oversight Committee of the Solana Beach School District begins at 6:00 p.m. in the Media Center of Solana Santa Fe School.

- 1. **CALL TO ORDER**
WELCOME
- 2. **PLEDGE OF ALLEGIANCE**
- 3. **ROLL CALL**

_____	Mr. Casey
_____	Ms. Epstein
_____	Ms. Graziano
_____	Ms. Kousser
_____	Ms. Lemos
_____	Ms. Sahagian
_____	Vacant
- 4. **APPROVAL OF AGENDA**..... 1-2 Motion/Second
- 5. **APPROVAL OF MINUTES:** January 15, 2020, regular committee meeting 3-4 Motion/Second

HEARING OF THE PUBLIC

- 6. **HEARING OF THE PUBLIC**
It is at this time that anyone wishing to speak regarding an item on the agenda or other topic is given an opportunity to do so. In the interest of time and order, presentations from the public may be 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 and/or 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. If a person is unable to attend meeting, please email public comments to facilities@sbsd.net.

Link to Public ICOC Meeting: <https://zoom.us/j/284929022>
 Or iPhone one-tap:
 US: [+16699009128](tel:+16699009128),[284929022#](tel:+16699009128) or [+13462487799](tel:+13462487799),[284929022#](tel:+13462487799)
 Or Telephone:
 Dial (for higher quality, dial a number based on your current location):
 US: [+1 669 900 9128](tel:+16699009128) or [+1 346 248 7799](tel:+13462487799) or [+1 312 626 6799](tel:+13126266799) or [+1 646 558 8656](tel:+16465588656) or [+1 253 215 8782](tel:+12532158782) or [+1 301 715 8592](tel:+13017158592)
 Webinar ID: 284 929 022
 International numbers available: <https://zoom.us/j/284929022>

Link to Public Comment Page: www.sbsd.k12.ca.us/icoc-comment [active between 5:30 p.m. – 6:00 p.m. day of meeting]

ACTION ITEMS

7. ACTION ITEMS

- A. Acceptance of the 2018-19 Measure JJ Audit Report by Christy White, Inc..... 5-28 Motion/Second
- B. Review and approval of the 2018-19 Annual Report by Solana Beach School District Independent Citizens’ Oversight Sub-Committee 29-73 Motion/Second
- C. Review and approval of the 2018-19 Annual Report presentation to the Solana Beach School District Board of Education by the Independent Citizens’ Oversight Sub-Committee 74-90 Motion/Second

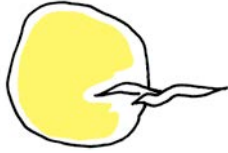
INFORMATION/DISCUSSION ITEMS

8. INFORMATION/DISCUSSION ITEMS

- A. Information on the Independent Citizens’ Oversight Committee internal business 91
- B. Presentation of the Measure JJ Capital Programs projects and timeline 92-94
- C. Presentation of the Measure JJ financial reports 95-103

ADJOURNMENT

- 9. ADJOURNMENT OF MEETING.....** _____ Motion/Second



Independent Citizens' Oversight Committee

Meeting Minutes

January 15, 2020
6:00 p.m.

Solana Beach School District, Carmel Creek School
4210 Carmel Center Road, San Diego, CA 92130

CALL TO ORDER

The regular meeting of the Solana Beach School District Independent Citizens' Oversight Committee was called to order by Committee President, Michael Casey, at 6:20 p.m.

PLEDGE OF ALLEGIANCE

Ms. Lisa Davis led members and guests in the Pledge of Allegiance

ROLL CALL

Members Present (6)

Mr. Michael Casey
Ms. Jill Epstein (departed 7:32 p.m.)
Ms. Laurel Graziano
Mr. Dana King
Ms. Katherine Kousser
Ms. Michelle Sahagian (arrived 6:26 p.m.)

Members Absent (1)

Ms. Laura Lemos

APPROVAL OF AGENDA

Motion to Approve Agenda

Motion Epstein

Second Graziano

Unanimous (5)

Casey - Aye; Epstein - Aye; Graziano - Aye; King - Aye; Kousser -Aye; Sahagian - Absent for motion

APPROVAL OF MINUTES

Motion to Approve Minutes of September 18, 2019, Regular Committee Meeting

Motion Kousser

Second Graziano

Unanimous (5)

Casey - Aye; Epstein - Aye; Graziano - Aye; King - Aye; Kousser -Aye; Sahagian - Absent for motion

INTRODUCTIONS

Committee members and Solana Beach School District staff were introduced.

HEARING OF THE PUBLIC

There were no public comments regarding open session items.

INFORMATION/DISCUSSION ITEMS

7A. Ms. Caroline Brown presented on the Measure JJ financial reports.

7B. Ms. Caroline Brown presented on the Measure JJ program projects and timelines.

7C. Mr. Michael Casey led the committee in discussing Internal Business. ICOC Sub-Committees were confirmed as follows:

Fiscal Committee:

Ms. Kousser, Ms. Sahagian

Program Committee:

Mr. Casey, Ms. Lemos, and Mr. King

Annual Report Committee:

Mr. Casey, Ms. Graziano, and Ms. Kousser

7D. Mr. Michael Casey and Ms. Caroline Brown presented information regarding soliciting Independent Citizens' Oversight Committee (ICOC) members for terms expiring in June 2020.

Current ICOC position openings identified as:

- Taxpayers' Organization Representative
- PTA/PTO or School Site Council Representative
- Parent/Guardian Representative

7E. Superintendent Jodee Brentlinger presented information on the California Voting Rights Act (CVRA) and its relationship to Measure JJ projects and future bond measures.

7F. Ms. Caroline Brown presented information on California Assembly Bill 48

7G. Ms. Lisa Davis presented information on the status of the 2018-2019 fiscal year Measure JJ audit report by Christy White Inc (AKA Christy White Associates)

ADJOURNMENT

There being no further business to come before the Committee, there was a motion to adjourn at 7:33 p.m.

Motion Kousser

Second Graziano

Unanimous (5)

Casey - Aye; Graziano - Aye; King - Aye; Kousser -Aye; Sahagian - Aye; Epstein (Absent for motion)

Submitted by:

Ellis Webster

Approval:

Committee Action on March 25, 2020

ITEM:

AGENDA ITEM: 7A

Acceptance of the 2018-19 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 2018-19 fiscal year Measure JJ Audit Report by Christy White Inc.

DESCRIPTION:

The annual audit report for the 2018-19 fiscal year, prepared and presented by the District's independent auditors, Christy White, Inc., is presented for acceptance.

Attachment: Measure JJ Bond Building Fund of Solana Beach School District Audit Report - June 30, 2019

FISCAL IMPACT:

MOVED BY: _____

SECONDED BY: _____



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

AUDIT REPORT

**FOR THE YEAR ENDED
JUNE 30, 2019**

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
TABLE OF CONTENTS
JUNE 30, 2019**

	<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 Financial Statements	6

OTHER INDEPENDENT AUDITORS' REPORTS

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	12
Independent Auditors' Report on Performance	14

FINDINGS AND RECOMMENDATIONS SECTION

Audit Procedures and Results	16
Schedule of Findings and Recommendations	18

**SOLANA BEACH SCHOOL DISTRICT
 MEASURE JJ BOND BUILDING FUND
 INTRODUCTION AND INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE MEMBER LISTING
 JUNE 30, 2019**

The Solana Beach School District was established in 1887. The District boundaries include the City of Solana Beach, the City of San Diego, Fairbanks Ranch, Rancho Santa Fe, and portions of Carmel Valley and Pacific Highlands Ranch. 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, with the first payment commencing in August 2017.

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% - 5.0% 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 authorized under 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.

The Independent Citizens' Oversight Committee had the following members as of June 30, 2019:

Name	Representation
Michael Casey	Senior Citizens' Organization Member
Laura Lemos	Community At-Large
Michelle Sahagian	Community At-Large
Jill Epstein	Parent of Child in District
Laurel Graziano	Business Community Member
Katherine Kousser	Parent-Teacher Organization Member
Dana King	Taxpayers' Organization Member



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

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2019, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

348 Olive Street
San Diego, CA
92103

O: 619-270-8222
F: 619-260-9085
christywhite.com

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure JJ Bond Building Fund of Solana Beach School District, as of June 30, 2019, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1A, 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, 2019, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2020, 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 on the entity'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.

Report on 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 12, 2020, 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, 2019, and should be considered in assessing the results of our financial audit.

Christy White, Inc.

San Diego, California
February 12, 2020

FINANCIAL SECTION

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
BALANCE SHEET
JUNE 30, 2019**

ASSETS	
Cash and investments	\$ 51,060,345
Accounts receivable	79,792
Due from other funds	<u>25,813</u>
Total Assets	<u>\$ 51,165,950</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	<u>\$ 42,353</u>
Total Liabilities	<u>42,353</u>
Fund Balance	
Restricted for Measure JJ projects	<u>51,123,597</u>
Total Liabilities and Fund Balance	<u>\$ 51,165,950</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, 2019**

REVENUES	
Other local revenue	\$ 107,783
Total Revenues	<u>107,783</u>
EXPENDITURES	
Facilities acquisition and construction	11,036,773
Bond issuance costs	<u>220,000</u>
Total Expenditures	<u>11,256,773</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,148,990)
OTHER FINANCING SOURCES	
Proceeds from debt issuance	<u>55,000,000</u>
Total Other Financing Sources	<u>55,000,000</u>
NET CHANGE IN FUND BALANCE	43,851,010
Beginning Fund Balance, July 1, 2018	<u>7,272,587</u>
Ending Fund Balance, June 30, 2019	<u>\$ 51,123,597</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, 2019**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The District was founded in 1887 in the community of Solana Beach, California. The District operates under a locally elected Board form of government and provides educational services to grades K-6 as mandated by the state. 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.

An advisory committee to the District's Governing Board and Superintendent, called the Measure JJ Independent Citizens' Oversight Committee was established pursuant to the requirements of State law and the provisions of Measure JJ. The Committee's oversight goals include advising on bond construction priorities, reviewing bond construction plans, reviewing project plans and budgets, and ensuring compliance with the provisions of Measure JJ.

The statements presented are for the individual Measure JJ Bond Building Fund of the District, consisting of the net construction proceeds of Measure JJ general obligation bonds, as issued by the District, through San Diego County, and are not intended to be a complete presentation of the District's financial position or results of operations.

B. Accounting Policies

The District accounts for its financial transactions in accordance with the policies and procedures of the California 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).

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

C. 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. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collectible 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. Generally, "available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

D. Encumbrances

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

E. Cash and Investments

In accordance with Education Code Sections 15357 and 41001, the District maintains a portion of its cash in the San Diego County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

G. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds. By state law, the District's governing board must adopt a budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

These budgets are revised by the District's governing board during the year to give consideration to unanticipated income and expenditures. Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

H. 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 or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

NOTE 2 – CASH AND INVESTMENTS

Summary of Cash and Investments

Cash and investments as of June 30, 2019 are classified in the accompanying financial statements as cash in county treasury for \$51,060,345. The California School Accounting Manual requires school districts to report “cash in county treasury” to be reported as cash instead of investments due to the pooled nature of the deposit and the ability of school districts to access funds immediately and with no restrictions.

Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations. Investments of debt proceeds held by trustees are governed by the provisions of debt agreements rather than the general provisions of the California Government Code. These provisions allow for the acquisition of investment agreements with maturities up to 30 years.

Cash in County Treasury – The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District’s investment in the pool is reported in the accounting financial statements at amounts based upon the District’s pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

**SOLANA BEACH SCHOOL DISTRICT
 MEASURE JJ BOND BUILDING FUND
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2019**

NOTE 2 – CASH AND INVESTMENTS (continued)

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. The table below identifies examples of the investment types permitted in the investment policy:

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

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains an investment with the San Diego County Investment Pool with a fair value of approximately \$51,182,890 and an amortized book value of \$51,060,345. The weighted average maturity on investments held with the county treasury was 528 days as of June 30, 2019.

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019**

NOTE 2 – CASH AND INVESTMENTS (continued)

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. The investments in the County Treasury are not required to be rated. As of June 30, 2019, the pooled investments in the County Treasury were rated at least A.

Concentration of Credit Risk

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

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 held \$51,182,890 in uncategorized investments related to the Measure JJ Bond Building Fund's investment in the San Diego County Treasury as of June 30, 2019.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2019 consist of \$79,792 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, 2019**

NOTE 4 – ACCOUNTS PAYABLE

Accounts payable as of June 30, 2019 consist of \$42,353 in construction project costs.

NOTE 5 – DUE FROM OTHER FUNDS

As of June 30, 2019, the Measure JJ Bond Building Fund had an interfund receivable balance in the amount of \$25,813 owed from the Special Reserve Fund for Capital Outlay Projects for project expenses related to the Measure JJ bond program.

NOTE 6 – MEASURE JJ GENERAL OBLIGATION BONDS

In November 2016, the voters of the Solana Beach School District approved by more than 55% Measure JJ, authorizing the issuance and sale of \$105,000,000 of general obligation bonds. The Measure JJ bonds were issued by the District, through the County of San Diego. These issuances include Series A and B, totaling the authorized amount of \$105,000,000. The debt issuances made under the Measure JJ authorization as of June 30, 2019 are summarized below.

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds			Bonds
					Outstanding July 1, 2018	Additions	Deletions	Outstanding June 30, 2019
Election 2016, Series A	5/3/2017	8/1/2046	2.0 - 5.0%	\$ 50,000,000	\$ 50,000,000	\$ -	\$ 4,550,000	\$ 45,450,000
Election 2016, Series B	3/26/2019	8/1/2041	3.0 - 5.0%	55,000,000	-	55,000,000	-	55,000,000
					\$ 50,000,000	\$ 55,000,000	\$ 4,550,000	\$ 100,450,000

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

Year Ended June 30,	Principal	Interest	Total
2020	\$ 4,235,000	\$ 3,579,231	\$ 7,814,231
2021	3,120,000	3,919,600	7,039,600
2022	3,300,000	3,811,500	7,111,500
2023	2,400,000	3,708,425	6,108,425
2024	1,540,000	3,637,900	5,177,900
2025 - 2029	10,930,000	16,822,000	27,752,000
2030 - 2034	17,995,000	13,277,050	31,272,050
2035 - 2039	26,895,000	8,445,100	35,340,100
2040 - 2044	22,945,000	3,009,600	25,954,600
2045 - 2047	7,090,000	432,800	7,522,800
Total	\$ 100,450,000	\$ 60,643,206	\$ 161,093,206

NOTE 7 – CONSTRUCTION COMMITMENTS

As of June 30, 2019, the District had commitments with respect to unfinished Measure JJ projects in the amount of \$1,639,856.

OTHER INDEPENDENT AUDITORS' REPORTS



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

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Measure JJ Independent 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, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Measure JJ Bond Building Fund's basic financial statements, and have issued our report thereon dated February 12, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Measure JJ Bond Building Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Measure JJ Bond Building Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Measure JJ Bond Building Fund'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 may exist that have not been identified.

348 Olive Street
San Diego, CA
92103

O: 619-270-8222
F: 619-260-9085
christywhite.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Measure JJ Bond Building Fund's financial statements 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Christy White, Inc.

San Diego, California
February 12, 2020



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

REPORT ON PERFORMANCE

Independent Auditors' Report

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

Report on Performance

We have audited Solana Beach School District's compliance with the performance audit procedures described in the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, section 19810, that could have a direct and material effect on Solana Beach School District's Measure JJ Bond Building Fund for the year ended June 30, 2019, as identified below.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to local school construction bonds.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of Solana Beach School District's Measure JJ Bond Building Fund based on our performance audit of the types of compliance requirements referred to above. We conducted our performance audit in accordance with generally accepted government auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, section 19810. Those standards require that we plan and perform the performance audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the local school construction bonds noted on the following page occurred. An audit includes examining, on a test basis, evidence about Solana Beach School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our performance audit provides a reasonable basis for our opinion on compliance with the requirements referred to above. However, our audit does not provide a legal determination of Solana Beach School District's compliance with those requirements.

348 Olive Street
San Diego, CA
92103

O: 619-270-8222
F: 619-260-9085
christywhite.com

Opinion on Performance

In our opinion, Solana Beach School District complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the Measure JJ Bond Building Fund noted below for the year ended June 30, 2019.

Procedures Performed

In connection with the performance audit referred to above, we selected and tested transactions and records to determine Solana Beach School District's compliance with the state laws and regulations applicable to the Financial Audit Procedures and Performance Audit Procedures over the Measure JJ Bond Building Fund. Additional agreed upon procedures relating the Measure JJ Bond Building Fund may also be included.

The results of the procedures performed and the related results are further described in the accompanying performance audit results following this Report on Performance.

Christy White, Inc.

San Diego, California
February 12, 2020

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
AUDIT PROCEDURES AND RESULTS
FOR THE YEAR ENDED JUNE 30, 2019**

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, 2019.

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 deficiencies 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 \$10.2 million of current year expenditures (approximately 93%) 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 salaries and benefits charged to the Measure JJ Bond Building Fund 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.”

There were no personnel costs charged to the Measure JJ Bond Building Fund during the year ended June 30, 2019.

Facilities Site Walk

We verified that funds were generally expended for the construction, renovation, furnishing, and equipping of school facilities constituting authorized bond projects by review of supporting documentation as previously noted under Facility Project Expenditures but also through performance of two facilities site walks.

We performed a facilities site walks at Skyline Elementary School and physically observed the newly modernized school site. Based on our site walks, the projects at this the school site appear to be successfully completed and funds appear to be expended for authorized bond projects.

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
AUDIT PROCEDURES AND RESULTS, continued
FOR THE YEAR ENDED JUNE 30, 2019**

SECTION II – PERFORMANCE AUDIT PROCEDURES AND RESULTS, continued

Test of Contracts and Bid Procedures

For the year ended June 30, 2019, we inquired with the bond program staff and determined that there were no contracts that went to bid in the current fiscal year. Additionally, we reviewed the governing board meeting minutes in order to verify this information.

Contracts and Change Orders

We reviewed a listing of contracts and change orders during the fiscal year ended June 30, 2019 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. All change orders appear to be properly reviewed and approved by management and the governing board in accordance with District policy.

Independent Citizens' Oversight Committee

In accordance with Assembly Bill (AB) 1908 and Education Code (Ed Code) Section 15278, the District is required to establish an Independent Citizens' Oversight Committee for Proposition 39 bonds to include one active member from each of the following sectors: a business organization, senior citizens organization, bona fide taxpayers' association, parent/guardian of a child enrolled in the District and a parent/guardian of a child enrolled in the District who is also a member of a parent teacher association. Additionally, no employee or official of the District shall be appointed to the Independent Citizens' Oversight Committee.

We found that the District successfully compiled an Independent Citizens' Oversight Committee with an active member from each of the required representations. No members of the citizens' bond oversight committee are also employees, official, vendor or consultant of the District. Refer to the Introduction and Independent Citizens' Oversight Committee Member Listing for a listing of current members as of June 30, 2019.

**SOLANA BEACH SCHOOL DISTRICT
 MEASURE JJ BOND BUILDING FUND
 SCHEDULE OF FINDINGS AND RECOMMENDATIONS
 FOR THE YEAR ENDED JUNE 30, 2019**

PART I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Non-compliance material to the financial statements?	<u>No</u>

PERFORMANCE AUDIT

Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditors' report issued on performance for local school construction bonds:	<u>Unmodified</u>

PART II – FINANCIAL STATEMENT FINDINGS

There were no findings or recommendations related to the financial statements for the year ended June 30, 2019.

PART III – PERFORMANCE FINDINGS

There were no findings or recommendations related to local school construction bonds for the year ended June 30, 2019.

PART IV – PRIOR AUDIT FINDINGS

There were no findings or recommendations for the year ended June 30, 2018.

ITEM:

AGENDA ITEM: 7B

Review and approval of the 2018-19 Annual Report authored by the Solana Beach School District Independent Citizens' Oversight Sub-Committee

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

RECOMMENDATION:

It is recommended that the Committee review and approve the 2018-19 Annual Report authored by the Solana Beach School District Independent Citizens' Oversight Sub-Committee.

DESCRIPTION:

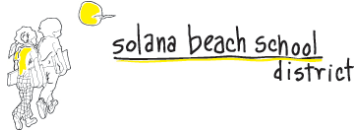
The Measure JJ Independent Citizens' Oversight Committee Annual Report was authored by three of the seven Committee members. The report includes information pertaining to the composition of the Independent Citizens' Oversight Committee (ICOC), the role of an ICOC member, annual activities, and a financial report covering activity for the period ending June 30, 2019.

Attachment: Measure JJ Independent Citizens' Oversight Committee 2018-19 Annual Report

FISCAL IMPACT:

MOVED BY: _____

SECONDED BY: _____



Measure JJ Independent Citizens' Oversight Committee 2018-2019 Annual Report

03/25/2020

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 second annual report. The 2019 Annual report covers activity for the period ending June 30, 2019.

Building on the commitment from the voters in November 2016, the District has authority to issue \$105,000,000 in general obligation bonds. In spring 2017, the District issued \$48,780,000 in general obligation bonds for Measure JJ projects. In spring 2019, the District issued \$54,750,000 in general obligation bonds for Measure JJ projects. The cost of issuance for expenditures through June 2019 was \$1,470,000.

The ICOC wishes to thank the District 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.

We welcome your questions and comments. You will find ICOC members' e-mail addresses within this report.

For more information about Measure JJ and the ICOC, please visit:

<https://www.sbsd.k12.ca.us/Page/7765>

Sincerely,

Michael Casey

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) required school districts that passed 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.”

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



INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE (ICOC)

Members of the ICOC listed below were appointed by the District's Board of Trustees on May 7, 2019 for terms that end in March 2020 and 2021. ICOC officers were elected at the May 15, 2019 ICOC meeting. Members are selected to serve 1 or 2 year terms and not more than 3 consecutive terms

Current Committee Member Roster

Michael Casey, Senior Citizens' Organization Representative	michaelcasey@sbsd.k12.ca.us
Jill Epstein, Parent of Enrolled SBSB Student Representative	jillepstein@sbsd.k12.ca.us
Laurel Graziano, Business Community Representative	laurelgraziano@sbsd.k12.ca.us
Katherine Kousser, Parent-Teacher Organization Representative	katekousser@sbsd.k12.ca.us
Laura Lemos, Community At-Large Representative	lauralemos@sbsd.k12.ca.us
Michelle Sahagian, Community At-Large Representative	michellesahagian@sbsd.k12.ca.us
Vacancy created 2/27/2020, Taxpayer Association Representative	

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.

Solana Beach School District Board of Education

Julie Union, *President*

Debra H. Schade, Ph.D., *Vice-President*

Gaylin Allbaugh, *Clerk*

Dana King, *Member*

Vicki King, Esquire, *Member*

District Superintendent

Jodee Brentlinger

ROLE OF THE ICOC

The ICOC provides only after-the-fact review and monitoring of how the District spends 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;
- Prohibiting the expenditure of bond funds for any teacher or administrative salaries or other school operating expenses;
- Requiring annual independent performance audits to ensure that bond funds have been expended only on the specific projects listed; and
- Requiring annual independent financial audits of the proceeds from the sale of the bonds until all those proceeds have been expended for the school facilities projects.

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 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, 2019. The complete report is included as EXHIBIT C. The report included no findings of noncompliance by the Independent Auditor for the use of Measure JJ bond funds during the review period. This report and all prior audit reports are available on the District's Measure JJ page at <http://www.sbsd.net/ICOC>.

ICOC AUDIT REVIEW

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 citizens' oversight committee 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 25, 2020, to receive and accept the 2018-19 Measure JJ Annual Audit report and ask questions of the Independent Auditor's representative. On the basis of this review, the ICOC accepted the Independent Auditor's report which concluded that the District complied with the requirements of Article 13A, Section 1(b)(3) of the California Constitution as it pertains to Measure JJ.

Key statements from the audit:

"We tested approximately \$10.2 million of the current year expenditures (approximately 93%) 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."

"There were no personnel costs charged to the Measure JJ Bond Building Fund during the year ended June 30, 2019"

"All change orders appear to be properly reviewed and approved by management and the governing board in accordance with District policy."

"We found that the District successfully compiled an Independent Citizen's Oversight Committee with an active member from each of the required representations. No members of the citizen's bond oversight committee are also employees, official, vendor or consultant of the District"

"There were no findings or recommendations related to the financial statements for the year ended June 30, 2019"

"There were no findings or recommendations related to the local school construction bonds for the year ended June 30, 2019"

A SUMMARY OF THE ICOC ANNUAL ACTIVITIES

At the May 15, 2019 regularly scheduled Board meeting, the Board of Education selected seven candidates to serve on the Independent Citizens' Oversight Committee. On June 24, 2019 officers were elected for the following positions: President, Vice President, and Secretary. The committee was briefed on rules of the Brown Act and took actions to set a schedule for future meetings.

The meeting dates are available on the District website: <http://www.sbsd.net/ICOC>.

At each of the ICOC meetings, District staff present the financial and construction status of completed, on-going, and planned projects. Potential challenges and other facets that could impact project JJ are discussed.

Measure JJ Bond Projects

The following table summarizes the bond projects by campus. 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. However, it is possible that not all projects will be undertaken. In 2018, the District, in collaboration with San Dieguito Union High School District, won the 2018 Regional golden Watchdog Award from the San Diego County Taxpayers Association for collaboration on interim housing at Earl Warren during the construction of Skyline School. The classroom building, administration, and blacktop play area of Skyline were constructed in 2017-18. In 2018-19, the kindergarten building, theater, service kitchen, and fields were completed.

Measure JJ

* 1	School	Planned Expenses	Expended Through 6/30/2019	% Completion 6/30/19	Notes
1	Skyline	45,000,000	98%	100%	Notice of Completion; September 2019 Financials final January 2020
1	Earl Warren Interim Campus	800,000	100%	100%	Closed
1	Solana Highlands	8,500,000	100%	100%	Closed
1	Solana Pacific - Solar	1,003,054	100%	100%	Closed
2	Solana Vista	35,000,000	1.5%	6%	Open
1	Shade Structure	Included Above	100%	100%	Closed
2	Solana Santa Fe	9,918,763	<1%	<1%	Open
1	Shade Structure	Included Above	100%	100%	Closed
2	Carmel Creek	2,666,000	0%	0%	Open
2	Solana Pacific - Modernization	1,662,946	0%	0%	Open
	TOTAL**	104,550,763			

* Issuance Number
 ** Planned Expenses Exceeds Measure JJ Funds Available

Economic Factors that Influence the Cost of School Construction

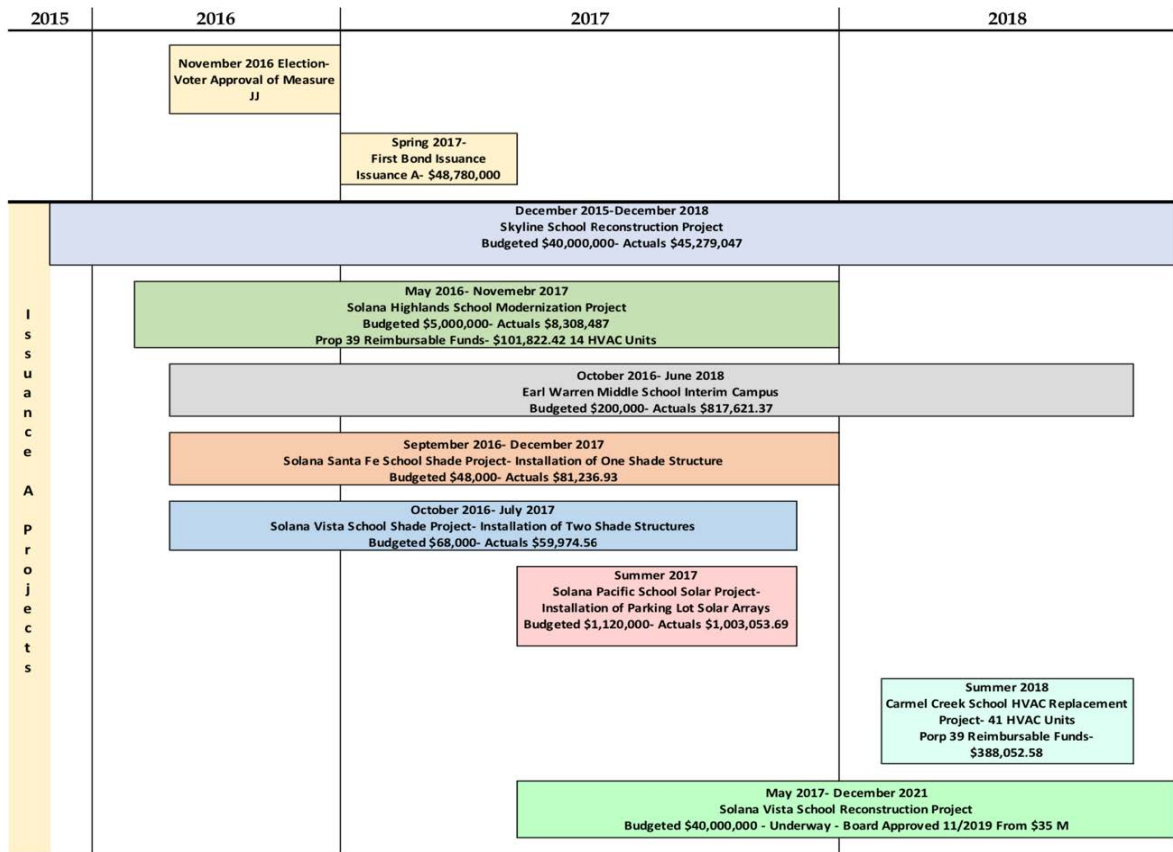
Following the issuance of the bonds in November 2016 and through June 2019 the cost of school construction has continued to increase. At the October 2018 ICOC meeting, the District presented information on the competitive bidding process, cost of school construction, and cost escalation. The following factors were identified: Construction Costs; Labor Costs; Availability of Skilled Labor; Materials; Weather. These factors continue to impact construction costs and the scope of projects completed using Measure JJ funds.

On-Going District Efforts in Support of Measure JJ

- Superintendent's Facilities Task Force that supports the Long Range Facilities Planning Efforts
- Funding from other District sources in support of District projects
- Leveraging CFD Funds
- Deferred Maintenance Efforts
- Design Team meetings for Solana Vista
- Design Team meetings for Solana Santa Fe
- Community engagement for Solana Vista
- Community engagement for Solana Santa Fe

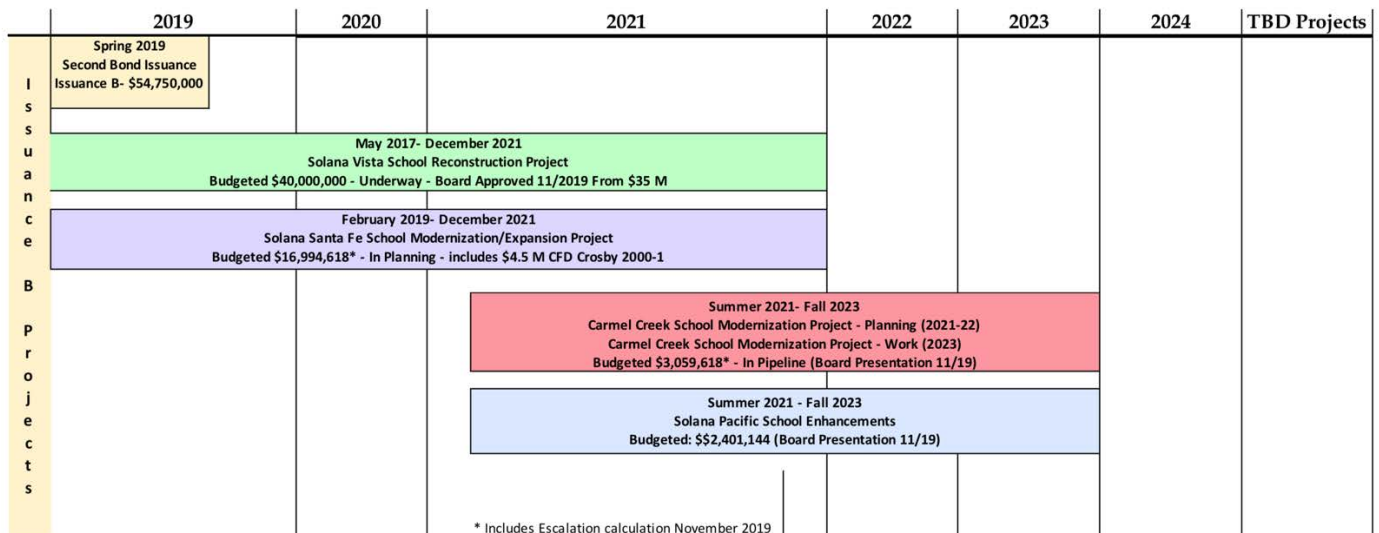
A TIMELINE OF PLANNED PROJECTS

Solana Beach School District Measure JJ Projects List



Issuance A – Spring 2017

Solana Beach School District Measure JJ Projects List



Issuance B – Spring 2019

Exhibit A

1. ABBREVIATION OF THE MEASURE

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.

Exhibit B

II. FULL TEXT OF THE 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.

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

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

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)

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.
- 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 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.

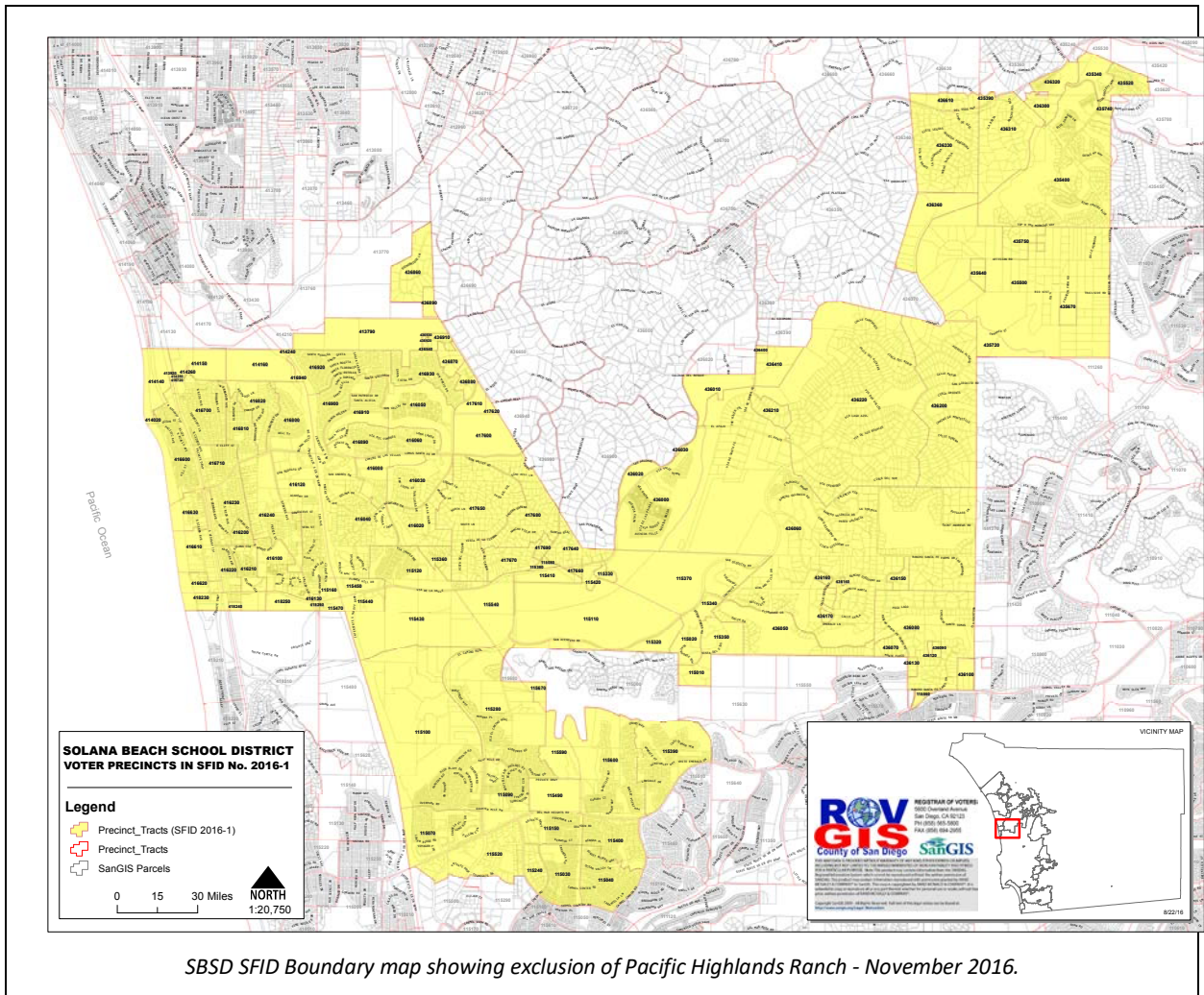
BOND PROPOSITION OF SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 2016-1 (“SFID NO. 2016-1) OF THE SOLANA BEACH SCHOOL DISTRICT (November 8, 2016):

“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.

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 Citizens' 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.”

Exhibit C

1. 2018-19 Independent Audit Report



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

AUDIT REPORT

**FOR THE YEAR ENDED
JUNE 30, 2019**

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
TABLE OF CONTENTS
JUNE 30, 2019**

	<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 Financial Statements	6

OTHER INDEPENDENT AUDITORS' REPORTS

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	12
Independent Auditors' Report on Performance	14

FINDINGS AND RECOMMENDATIONS SECTION

Audit Procedures and Results	16
Schedule of Findings and Recommendations	18

**SOLANA BEACH SCHOOL DISTRICT
 MEASURE JJ BOND BUILDING FUND
 INTRODUCTION AND INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE MEMBER LISTING
 JUNE 30, 2019**

The Solana Beach School District was established in 1887. The District boundaries include the City of Solana Beach, the City of San Diego, Fairbanks Ranch, Rancho Santa Fe, and portions of Carmel Valley and Pacific Highlands Ranch. 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, with the first payment commencing in August 2017.

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% - 5.0% 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 authorized under 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.

The Independent Citizens' Oversight Committee had the following members as of June 30, 2019:

Name	Representation
Michael Casey	Senior Citizens' Organization Member
Laura Lemos	Community At-Large
Michelle Sahagian	Community At-Large
Jill Epstein	Parent of Child in District
Laurel Graziano	Business Community Member
Katherine Kousser	Parent-Teacher Organization Member
Dana King	Taxpayers' Organization Member



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

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2019, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

348 Olive Street
San Diego, CA
92103

O: 619-270-8222
F: 619-260-9085
christywhite.com

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure JJ Bond Building Fund of Solana Beach School District, as of June 30, 2019, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1A, 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, 2019, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2020, 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 on the entity'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.

Report on 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 12, 2020, 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, 2019, and should be considered in assessing the results of our financial audit.

Christy White, Inc.

San Diego, California
February 12, 2020

FINANCIAL SECTION

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
BALANCE SHEET
JUNE 30, 2019**

ASSETS

Cash and investments	\$	51,060,345
Accounts receivable		79,792
Due from other funds		<u>25,813</u>

Total Assets	\$	<u>51,165,950</u>
---------------------	-----------	--------------------------

LIABILITIES AND FUND BALANCE

Liabilities

Accounts payable	\$	<u>42,353</u>
------------------	----	---------------

Total Liabilities		<u>42,353</u>
--------------------------	--	----------------------

Fund Balance

Restricted for Measure JJ projects		<u>51,123,597</u>
------------------------------------	--	-------------------

Total Liabilities and Fund Balance	\$	<u>51,165,950</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, 2019**

REVENUES	
Other local revenue	\$ 107,783
Total Revenues	<u>107,783</u>
EXPENDITURES	
Facilities acquisition and construction	11,036,773
Bond issuance costs	<u>220,000</u>
Total Expenditures	<u>11,256,773</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,148,990)
OTHER FINANCING SOURCES	
Proceeds from debt issuance	<u>55,000,000</u>
Total Other Financing Sources	<u>55,000,000</u>
NET CHANGE IN FUND BALANCE	43,851,010
Beginning Fund Balance, July 1, 2018	<u>7,272,587</u>
Ending Fund Balance, June 30, 2019	<u>\$ 51,123,597</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, 2019**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The District was founded in 1887 in the community of Solana Beach, California. The District operates under a locally elected Board form of government and provides educational services to grades K-6 as mandated by the state. 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.

An advisory committee to the District's Governing Board and Superintendent, called the Measure JJ Independent Citizens' Oversight Committee was established pursuant to the requirements of State law and the provisions of Measure JJ. The Committee's oversight goals include advising on bond construction priorities, reviewing bond construction plans, reviewing project plans and budgets, and ensuring compliance with the provisions of Measure JJ.

The statements presented are for the individual Measure JJ Bond Building Fund of the District, consisting of the net construction proceeds of Measure JJ general obligation bonds, as issued by the District, through San Diego County, and are not intended to be a complete presentation of the District's financial position or results of operations.

B. Accounting Policies

The District accounts for its financial transactions in accordance with the policies and procedures of the California 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).

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

C. 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. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collectible 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. Generally, "available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

D. Encumbrances

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

E. Cash and Investments

In accordance with Education Code Sections 15357 and 41001, the District maintains a portion of its cash in the San Diego County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

G. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds. By state law, the District's governing board must adopt a budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

These budgets are revised by the District's governing board during the year to give consideration to unanticipated income and expenditures. Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

H. 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 or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

NOTE 2 – CASH AND INVESTMENTS

Summary of Cash and Investments

Cash and investments as of June 30, 2019 are classified in the accompanying financial statements as cash in county treasury for \$51,060,345. The California School Accounting Manual requires school districts to report "cash in county treasury" to be reported as cash instead of investments due to the pooled nature of the deposit and the ability of school districts to access funds immediately and with no restrictions.

Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations. Investments of debt proceeds held by trustees are governed by the provisions of debt agreements rather than the general provisions of the California Government Code. These provisions allow for the acquisition of investment agreements with maturities up to 30 years.

Cash in County Treasury – The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019**

NOTE 2 – CASH AND INVESTMENTS (continued)

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. The table below identifies examples of the investment types permitted in the investment policy:

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

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains an investment with the San Diego County Investment Pool with a fair value of approximately \$51,182,890 and an amortized book value of \$51,060,345. The weighted average maturity on investments held with the county treasury was 528 days as of June 30, 2019.

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2019**

NOTE 2 – CASH AND INVESTMENTS (continued)

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. The investments in the County Treasury are not required to be rated. As of June 30, 2019, the pooled investments in the County Treasury were rated at least A.

Concentration of Credit Risk

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

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 held \$51,182,890 in uncategorized investments related to the Measure JJ Bond Building Fund's investment in the San Diego County Treasury as of June 30, 2019.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2019 consist of \$79,792 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, 2019**

NOTE 4 – ACCOUNTS PAYABLE

Accounts payable as of June 30, 2019 consist of \$42,353 in construction project costs.

NOTE 5 – DUE FROM OTHER FUNDS

As of June 30, 2019, the Measure JJ Bond Building Fund had an interfund receivable balance in the amount of \$25,813 owed from the Special Reserve Fund for Capital Outlay Projects for project expenses related to the Measure JJ bond program.

NOTE 6 – MEASURE JJ GENERAL OBLIGATION BONDS

In November 2016, the voters of the Solana Beach School District approved by more than 55% Measure JJ, authorizing the issuance and sale of \$105,000,000 of general obligation bonds. The Measure JJ bonds were issued by the District, through the County of San Diego. These issuances include Series A and B, totaling the authorized amount of \$105,000,000. The debt issuances made under the Measure JJ authorization as of June 30, 2019 are summarized below.

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds			Bonds Outstanding June 30, 2019
					Outstanding July 1, 2018	Additions	Deletions	
Election 2016, Series A	5/3/2017	8/1/2046	2.0 - 5.0%	\$ 50,000,000	\$ 50,000,000	\$ -	\$ 4,550,000	\$ 45,450,000
Election 2016, Series B	3/26/2019	8/1/2041	3.0 - 5.0%	55,000,000	-	55,000,000	-	55,000,000
					\$ 50,000,000	\$ 55,000,000	\$ 4,550,000	\$ 100,450,000

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

Year Ended June 30,	Principal	Interest	Total
2020	\$ 4,235,000	\$ 3,579,231	\$ 7,814,231
2021	3,120,000	3,919,600	7,039,600
2022	3,300,000	3,811,500	7,111,500
2023	2,400,000	3,708,425	6,108,425
2024	1,540,000	3,637,900	5,177,900
2025 - 2029	10,930,000	16,822,000	27,752,000
2030 - 2034	17,995,000	13,277,050	31,272,050
2035 - 2039	26,895,000	8,445,100	35,340,100
2040 - 2044	22,945,000	3,009,600	25,954,600
2045 - 2047	7,090,000	432,800	7,522,800
Total	\$ 100,450,000	\$ 60,643,206	\$ 161,093,206

NOTE 7 – CONSTRUCTION COMMITMENTS

As of June 30, 2019, the District had commitments with respect to unfinished Measure JJ projects in the amount of \$1,639,856.

OTHER INDEPENDENT AUDITORS' REPORTS



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

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Measure JJ Independent 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, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Measure JJ Bond Building Fund's basic financial statements, and have issued our report thereon dated February 12, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Measure JJ Bond Building Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Measure JJ Bond Building Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Measure JJ Bond Building Fund'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 may exist that have not been identified.

348 Olive Street
San Diego, CA
92103

O: 619-270-8222
F: 619-260-9085
christywhite.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Measure JJ Bond Building Fund's financial statements 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Christy White, Inc.

San Diego, California
February 12, 2020



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

REPORT ON PERFORMANCE

Independent Auditors' Report

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

Report on Performance

We have audited Solana Beach School District's compliance with the performance audit procedures described in the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, section 19810, that could have a direct and material effect on Solana Beach School District's Measure JJ Bond Building Fund for the year ended June 30, 2019, as identified below.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to local school construction bonds.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of Solana Beach School District's Measure JJ Bond Building Fund based on our performance audit of the types of compliance requirements referred to above. We conducted our performance audit in accordance with generally accepted government auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, section 19810. Those standards require that we plan and perform the performance audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the local school construction bonds noted on the following page occurred. An audit includes examining, on a test basis, evidence about Solana Beach School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our performance audit provides a reasonable basis for our opinion on compliance with the requirements referred to above. However, our audit does not provide a legal determination of Solana Beach School District's compliance with those requirements.

348 Olive Street
San Diego, CA
92103

O: 619-270-8222
F: 619-260-9085
christywhite.com

Opinion on Performance

In our opinion, Solana Beach School District complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the Measure JJ Bond Building Fund noted below for the year ended June 30, 2019.

Procedures Performed

In connection with the performance audit referred to above, we selected and tested transactions and records to determine Solana Beach School District's compliance with the state laws and regulations applicable to the Financial Audit Procedures and Performance Audit Procedures over the Measure JJ Bond Building Fund. Additional agreed upon procedures relating the Measure JJ Bond Building Fund may also be included.

The results of the procedures performed and the related results are further described in the accompanying performance audit results following this Report on Performance.

Christy White, Inc.

San Diego, California
February 12, 2020

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
AUDIT PROCEDURES AND RESULTS
FOR THE YEAR ENDED JUNE 30, 2019**

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, 2019.

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 deficiencies 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 \$10.2 million of current year expenditures (approximately 93%) 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 salaries and benefits charged to the Measure JJ Bond Building Fund 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.”

There were no personnel costs charged to the Measure JJ Bond Building Fund during the year ended June 30, 2019.

Facilities Site Walk

We verified that funds were generally expended for the construction, renovation, furnishing, and equipping of school facilities constituting authorized bond projects by review of supporting documentation as previously noted under Facility Project Expenditures but also through performance of two facilities site walks.

We performed a facilities site walks at Skyline Elementary School and physically observed the newly modernized school site. Based on our site walks, the projects at this the school site appear to be successfully completed and funds appear to be expended for authorized bond projects.

**SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
AUDIT PROCEDURES AND RESULTS, continued
FOR THE YEAR ENDED JUNE 30, 2019**

SECTION II – PERFORMANCE AUDIT PROCEDURES AND RESULTS, continued

Test of Contracts and Bid Procedures

For the year ended June 30, 2019, we inquired with the bond program staff and determined that there were no contracts that went to bid in the current fiscal year. Additionally, we reviewed the governing board meeting minutes in order to verify this information.

Contracts and Change Orders

We reviewed a listing of contracts and change orders during the fiscal year ended June 30, 2019 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. All change orders appear to be properly reviewed and approved by management and the governing board in accordance with District policy.

Independent Citizens' Oversight Committee

In accordance with Assembly Bill (AB) 1908 and Education Code (Ed Code) Section 15278, the District is required to establish an Independent Citizens' Oversight Committee for Proposition 39 bonds to include one active member from each of the following sectors: a business organization, senior citizens organization, bona fide taxpayers' association, parent/guardian of a child enrolled in the District and a parent/guardian of a child enrolled in the District who is also a member of a parent teacher association. Additionally, no employee or official of the District shall be appointed to the Independent Citizens' Oversight Committee.

We found that the District successfully compiled an Independent Citizens' Oversight Committee with an active member from each of the required representations. No members of the citizens' bond oversight committee are also employees, official, vendor or consultant of the District. Refer to the Introduction and Independent Citizens' Oversight Committee Member Listing for a listing of current members as of June 30, 2019.

**SOLANA BEACH SCHOOL DISTRICT
 MEASURE JJ BOND BUILDING FUND
 SCHEDULE OF FINDINGS AND RECOMMENDATIONS
 FOR THE YEAR ENDED JUNE 30, 2019**

PART I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Non-compliance material to the financial statements?	<u>No</u>

PERFORMANCE AUDIT

Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditors' report issued on performance for local school construction bonds:	<u>Unmodified</u>

PART II – FINANCIAL STATEMENT FINDINGS

There were no findings or recommendations related to the financial statements for the year ended June 30, 2019.

PART III – PERFORMANCE FINDINGS

There were no findings or recommendations related to local school construction bonds for the year ended June 30, 2019.

PART IV – PRIOR AUDIT FINDINGS

There were no findings or recommendations for the year ended June 30, 2018.

Exhibit D

1. 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.

ITEM:

AGENDA ITEM: 7C

Review and approval of the 2018-19 Annual Report presentation to the Solana Beach School District Board of Education by the Independent Citizens' Oversight Sub-Committee

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

RECOMMENDATION:

It is recommended that the Committee review and approve the 2018-19 Annual Report presentation to the Solana Beach School District Board of Education by the Independent Citizens' Oversight Sub-Committee.

DESCRIPTION:


The 2018-19 Annual Report presentation outlines information contained in the Annual Report regarding membership of the Solana Beach School District Independent Citizens' Oversight Committee (ICOC), the role of the Committee, projects, priorities, and financial information on District projects funded by Measure JJ.

Attachment: Independent Citizens' Oversight Sub-Committee 2018-19 Annual Report Presentation

FISCAL IMPACT:

MOVED BY: _____

SECONDED BY: _____



Independent Citizens' Oversight Committee
Annual Report
2018-19



ICOC Membership

Michael Casey, Senior Citizens' Organization Representative

Jill Epstein, Parent of Enrolled SBSD Student Representative

Laurel Graziano, Business Community Representative

Katherine Kousser, Parent-Teacher Organization Representative

Laura Lemos, Community At Large

Michelle Sahagian, Community At Large

Vacancy created 2/27/2020



ICOC Responsibilities

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;
- Prohibiting the expenditure of bond funds for any teacher or administrative salaries or other school operating expenses;
- Requiring annual independent performance audits to ensure that bond funds have been expended only on the specific projects listed;
- Requiring annual independent financial audits of the proceeds from the sale of the bonds until all those proceeds have been expended for the school facilities projects.



ICOC Sub-Committees

- Annual Report Committee
- Budget/Financials Committee
- Programs Committee



JJ Bonds

Building on the commitment from the voters in November 2016, the District has authority to issue \$105,000,000 in general obligation bonds.

In spring 2017, the District issued \$48,780,000 in general obligation bonds for Measure JJ projects. In spring 2019, the District issued \$54,750,000 in general obligation bonds for Measure JJ projects.

The cost of issuance for expenditures through June 2019 was \$1,470,000.



Priority Projects

Solana Pacific – Solar Array \$1.003M



Solana Highlands – Modernization \$8.446M



Skyline – New School Construction \$45.226M
On-Going Beautification



Solana Vista – New School Construction Planning and Community Outreach





On-Going District Efforts in Support of Measure JJ

- Superintendent's Facilities Task Force that supports the Long Range Facilities Planning Efforts
- Funding from other District sources in support of District projects
- Leveraging CFD Funds
- Deferred Maintenance Efforts
- Design Team meetings for Solana Vista
- Design Team meetings for Solana Santa Fe
- Community engagement for Solana Vista
- Community engagement for Solana Santa Fe



Economic Factors that Influence the Cost of School Construction

Costs of Construction, Labor, and Materials; Availability of Skilled Labor; Potential Weather Events; State and Federal Emergencies; and other factors may impact construction costs and the scope of projects to be completed using Measure JJ funds.



ICOC Audit Review

“We tested approximately \$10.2 million of the current year expenditures (approximately 93%) 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.”



ICOC Audit Review

“There were no personnel costs charged to the Measure JJ Bond Building Fund during the year ended June 30, 2019.”



ICOC Audit Review

“There were no findings or recommendations related to the financial statements for the year ended June 30, 2019.”

“There were no findings or recommendations related to the local schools construction bonds for the year ended June 30, 2019.”

A dark grey arrow points to the right from the left edge of the slide. Below it, several thin, curved lines in shades of blue and grey sweep upwards and to the right across the left side of the slide.

Questions?

ITEM:

AGENDA ITEM: 8A

Information on the Independent Citizens' Oversight Committee internal business

- 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, along with Committee members, will discuss internal business including:

Submission of Form 700;
Letters to the Editor; and,
Update on Sub-committee work.

FISCAL IMPACT:

MOVED BY: _____

SECONDED BY: _____

ITEM:

Presentation of the Measure JJ Capital Programs projects and timeline

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 items including:

Measure JJ project status; and,
Solana Beach School District Capital Projects list.

Attachment: Solana Beach School District Measure JJ Projects List

FISCAL IMPACT:

MOVED BY: _____

SECONDED BY: _____

Solana Beach School District Measure JJ Projects List

	2015	2016	2017	2018
		November 2016 Election- Voter Approval of Measure JJ		
			Spring 2017- First Bond Issuance Issuance A- \$48,780,000	
I S S U A N C E A P R O J E C T S		December 2015-December 2018 Skyline School Reconstruction Project Budgeted \$40,000,000- Actuals \$44,990,000		
		May 2016- Novemebr 2017 Solana Highlands School Modernization Project Budgeted \$5,000,000- Actuals \$8,308,487 Prop 39 Reimbursable Funds- \$101,822.42 14 HVAC Units		
		October 2016- June 2018 Earl Warren Middle School Interim Campus Budgeted \$200,000- Actuals \$817,621.37		
		September 2016- December 2017 Solana Santa Fe School Shade Project- Installation of One Shade Structure Budgeted \$48,000- Actuals \$81,236.93		
		October 2016- July 2017 Solana Vista School Shade Project- Installation of Two Shade Structures Budgeted \$68,000- Actuals \$59,974.56		
		Summer 2017 Solana Pacific School Solar Project- Installation of Parking Lot Solar Arrays Budgeted \$1,120,000- Actuals \$1,003,053.69		
		Summer 2018 Carmel Creek School HVAC Replacement Project- 41 HVAC Units Prop 39 Reimbursable Funds- \$388,052.58		
			May 2017- December 2021 Solana Vista School Reconstruction Project Budgeted \$40,000,000 - Underway - Board Approved 11/2019 From \$35,000,000	

Solana Beach School District Measure JJ Projects List

	2019	2020	2021	2022	2023	2024	TBD Projects
I S S U A N C E B P R O J E C T S	Spring 2019 Second Bond Issuance Issuance B- \$54,750,000						
	May 2017- December 2021 Solana Vista School Reconstruction Project Budgeted \$40,000,000 - Underway - Board Approved 11/2019 From \$35,000,000						
	February 2019- December 2021 Solana Santa Fe School Modernization/Expansion Project Budgeted \$16,200,000* (Board Presentation 11/19) - In Planning - includes \$4,500,000 CFD Crosby 2000-1						
				Summer 2021- December 2023 Carmel Creek School Modernization Project - Planning (2021-22) Carmel Creek School Modernization Project - Work (2023) Budgeted \$3,059,618* - In Pipeline (Board Presentation 11/19)			
				Summer 2021 - December 2023 Solana Pacific School Enhancements Budgeted: \$2,401,144 (Board Presentation 11/19)			
			* Includes Escalation calculation November 2019				

ITEM:

Information regarding Measure JJ financial reports

AGENDA ITEM: 8C

- 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 items including:

Consolidated Cash Flow report;
Project Budget Aging report;
Budget Status report; and,
Consolidated Contract Summary report.

FISCAL IMPACT:

MOVED BY: _____

SECONDED BY: _____



Program - Management

Budget Status Report
Budget versus Commitments and Expenditures

Expense Category/Object Code/Contract Name	Budget			Commitments					Expenditures						
	Initial Budget	Approved Budget Changes	Total Budget	Initial AMT	Change AMT	Total Commitments	% Budget Committed	Remaining Against Budget	Paid	In Process for PMT	Total Expenditures	% Committed Spent	Remaining Against Committed	% Budget Spent	Remaining Against Budget
B - Planning															
5800-078 - Planning Software Total	170,000		170,000	90,000		90,000	52.9%	80,000	-	90,000	90,000	100.0%	-	52.9%	80,000
	170,000		170,000	90,000		90,000	52.9%	80,000	-	90,000	90,000	100.0%	-	52.9%	80,000
C - Construction															
6200-005 - Main Construction Contractor Total	-		-	-		-		-	-	-	-		-		-
	-		-	-		-		-	-	-	-		-		-
Totals	170,000		170,000	90,000		90,000	52.9%	80,000	-	90,000	90,000	100.0%	-	52.9%	80,000

Consolidated Contract Summary

Contract Status Summaries by Project

Account-Ability

School Name - Project Name	Contract Name	Contract Date	C	W	M	Object Code	Initial AMT	Changes	Current Contract AMT	Expenditures & Retentions	Remaining Balance	Pending Changes
Grand Total							90,000	-	90,000	90,000	-	-
Program - Management Total							90,000	-	90,000	90,000	-	-
Program - Management	Colbi Technologies	05/19/17	B			5800-078	50,000	-	50,000	50,000	-	-
Program - Management	Colbi Technologies, QB Year 2	07/01/18	B			5800-078	10,000	-	10,000	10,000	-	-
Program - Management	Colbi Technologies, Year 2	04/01/18	B			5800-078	20,000	-	20,000	20,000	-	-
Program - Management	Colbi Technologies-QB	05/19/17	B			5800-078	10,000	-	10,000	10,000	-	-

Solana Vista - New School/Recon

Project Budget Aging Report

Working Budget (Working Budget)

Working Budget (Working Budget)		Project Aging						
Code	Category - Item	Budget	Actual FY 16-17	Actual FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Funding Sources								
State	State	0	0	0	0	0	0	0
Local	Local	40,000,000	2,010	187,402	294,001	1,400,000	31,600,000	6,516,587
21-39	Building Fund	40,000,000	2,010	187,402	294,001	1,400,000	31,600,000	6,516,587
		0	0	0	0	0	0	0
TOTAL FUNDING		40,000,000	2,010	187,402	294,001	1,400,000	31,600,000	6,516,587
Expenditures								
A	Site Costs	379,000	750	500	22,775	15,250	312,225	27,500
6200-002	Relocation Expenses	150,000	0	0	0	0	130,000	20,000
		70,000	0	0	0	0	60,000	10,000
		80,000	0	0	0	0	70,000	10,000
6200-006	Surveying Costs	4,000	0	0	0	4,000	0	0
		4,000	0	0	0	4,000	0	0
		0	0	0	0	0	0	0
6200-202	Hazard Waste Studies & Fees	75,000	0	0	22,775	10,000	42,225	0
		75,000	0	0	22,775	10,000	42,225	0
		0	0	0	0	0	0	0
6200-203	Other Costs - Site	150,000	750	500	0	1,250	140,000	7,500
		150,000	750	500	0	1,250	140,000	7,500
		0	0	0	0	0	0	0
		0	0	0	0	0	0	0
B	Planning Costs	2,431,000	1,260	172,877	271,200	1,139,800	579,500	266,363
6200-003	Architect / Engineering Fees	1,704,800	0	160,594	222,469	982,331	250,000	89,406
		1,704,800	0	160,594	222,469	982,331	250,000	89,406
		0	0	0	0	0	0	0
6200-004	DSA Fees	350,000	0	0	0	50,000	175,000	125,000
		350,000	0	0	0	50,000	175,000	125,000
		0	0	0	0	0	0	0
6200-012	Consultant	175,000	0	11,284	48,731	76,269	20,000	18,716
		175,000	0	11,284	48,731	76,269	20,000	18,716
		0	0	0	0	0	0	0
6200-204	CDE Fees	50,000	0	0	0	25,000	14,500	10,500
		50,000	0	0	0	25,000	14,500	10,500
		0	0	0	0	0	0	0
6200-206	Other Costs - Planning	150,000	1,260	1,000	0	5,000	120,000	22,740
		150,000	1,260	1,000	0	5,000	120,000	22,740
		0	0	0	0	0	0	0
5800-003	Advertising	1,200	0	0	0	1,200	0	0
		1,200	0	0	0	1,200	0	0
		0	0	0	0	0	0	0
C	Construction Costs	34,005,000	0	0	0	130,000	29,755,000	4,120,000
6200-005	Main Construction Contractor	33,000,000	0	0	0	100,000	29,000,000	3,900,000
		33,000,000	0	0	0	100,000	29,000,000	3,900,000
		0	0	0	0	0	0	0
6200-207	Construction Management Fees	1,000,000	0	0	0	30,000	750,000	220,000
		1,000,000	0	0	0	30,000	750,000	220,000
		0	0	0	0	0	0	0
6200-210	Other Costs - Construction	5,000	0	0	0	0	5,000	0
		5,000	0	0	0	0	5,000	0
		0	0	0	0	0	0	0
D	Construction Testing Costs	300,000	0	14,025	0	12,975	248,000	25,000
6200-010	Construction Tests	300,000	0	14,025	0	12,975	248,000	25,000
		300,000	0	14,025	0	12,975	248,000	25,000
		0	0	0	0	0	0	0
E	Construction Inspection Costs	350,000	0	0	0	0	300,000	50,000
6200-050	Construction Inspections	350,000	0	0	0	0	300,000	50,000
		350,000	0	0	0	0	300,000	50,000
		0	0	0	0	0	0	0
F	Furniture & Equipment Costs	940,000	0	0	26	0	365,000	574,974
4300-000	Materials and Supplies	425,000	0	0	0	0	150,000	275,000
		425,000	0	0	0	0	150,000	275,000
		0	0	0	0	0	0	0
4400-000	Furniture and Equipment (\$500 - \$5,000)	400,000	0	0	26	0	100,000	299,974
		400,000	0	0	26	0	100,000	299,974
		0	0	0	0	0	0	0
6400-000	Furniture and Equipment (Above \$5,000)	115,000	0	0	0	0	115,000	0
		115,000	0	0	0	0	115,000	0
		0	0	0	0	0	0	0
G	Project Contingency	1,595,000	0	0	0	101,975	40,275	1,452,750
6999-000	Project Contingencies	1,595,000	0	0	0	101,975	40,275	1,452,750
	Transfer to Site and Planning Costs	1,595,000	0	0	0	101,975	40,275	1,452,750
		0	0	0	0	0	0	0
TOTAL EXPENDITURES		40,000,000	2,010	187,402	294,001	1,400,000	31,600,000	6,516,587
ENDING BALANCE		0	0	0	0	0	0	0

	Budget	
Site Cost	379,000	1%
Soft Cost	4,081,000	10%
Hard Cost	33,945,000	85%
Contingency	1,595,000	4%
Total Cost	40,000,000	100%
	86% Hard Cost (w/o Site)	
	4% Contingency (w/o Site)	

BUDGET NOTES



Solana Vista - New School/Recon

Expense Category/Object Code/Contract Name	Budget			Commitments					Expenditures						
	Initial Budget	Approved Budget Changes	Total Budget	Initial AMT	Change AMT	Total Commitments	% Budget Committed	Remaining Against Budget	Paid	In Process for PMT	Total Expenditures	% Committed Spent	Remaining Against Committed	% Budget Spent	Remaining Against Budget
A - Site															
6200-002 - Relocation Expenses Total	100,000	50,000	150,000	-	-	-	0.0%	150,000	-	-	-	-	-	0.0%	150,000
6200-006 - Surveying Costs Total	4,000	-	4,000	-	-	-	0.0%	4,000	-	-	-	-	-	0.0%	4,000
6200-202 - Hazard Waste Studies & Fees Total	-	75,000	75,000	26,725	-	26,725	35.6%	48,275	-	22,775	22,775	85.2%	3,950	30.4%	52,225
6200-203 - Other Costs - Site Total	150,000	-	150,000	5,057	-	5,057	3.4%	144,943	-	1,250	1,250	24.7%	3,807	0.8%	148,750
Totals	254,000	125,000	379,000	31,782	-	31,782	8.4%	347,218	-	24,025	24,025	75.6%	7,757	6.3%	354,975
B - Planning															
5800-003 - Advertising Total	1,200	-	1,200	-	-	-	0.0%	1,200	-	-	-	-	-	0.0%	1,200
6200-003 - Architect / Engineering Fees Total	1,500,000	204,800	1,704,800	1,412,500	-	1,412,500	82.9%	292,300	-	958,650	958,650	67.9%	453,850	56.2%	746,150
6200-004 - DSA Fees Total	250,000	100,000	350,000	-	-	-	0.0%	350,000	-	-	-	-	-	0.0%	350,000
6200-012 - Consultant Total	175,000	-	175,000	197,260	-	197,260	112.7%	(22,260)	-	87,400	87,400	44.3%	109,860	49.9%	87,600
6200-204 - CDE Fees Total	25,000	25,000	50,000	-	-	-	0.0%	50,000	-	-	-	-	-	0.0%	50,000
6200-206 - Other Costs - Planning Total	300,000	(150,000)	150,000	1,260	-	1,260	0.8%	148,740	-	1,260	1,260	100.0%	-	0.8%	148,740
Totals	2,251,200	179,800	2,431,000	1,611,020	-	1,611,020	66.3%	819,980	-	1,047,310	1,047,310	65.0%	563,710	43.1%	1,383,690
C - Construction															
6200-005 - Main Construction Contractor Total	25,700,000	7,300,000	33,000,000	-	-	-	0.0%	33,000,000	-	-	-	-	-	0.0%	33,000,000
6200-207 - Construction Management Fees Total	-	1,000,000	1,000,000	-	-	-	0.0%	1,000,000	-	-	-	-	-	0.0%	1,000,000
6200-208 - Demolition Total	1,000,000	(1,000,000)	-	-	-	-	-	-	-	-	-	-	-	-	-
6200-210 - Other Costs - Construction Total	200,000	(195,000)	5,000	-	-	-	0.0%	5,000	-	-	-	-	-	0.0%	5,000
Totals	26,900,000	7,105,000	34,005,000	-	-	-	0.0%	34,005,000	-	-	-	-	-	0.0%	34,005,000
D - Testing															
6200-010 - Construction Tests Total	400,000	(100,000)	300,000	16,500	10,500	27,000	9.0%	273,000	-	27,000	27,000	100.0%	-	9.0%	273,000
Totals	400,000	(100,000)	300,000	16,500	10,500	27,000	9.0%	273,000	-	27,000	27,000	100.0%	-	9.0%	273,000
E - Inspection															
6200-050 - Construction Inspections Total	450,000	(100,000)	350,000	-	-	-	0.0%	350,000	-	-	-	-	-	0.0%	350,000
Totals	450,000	(100,000)	350,000	-	-	-	0.0%	350,000	-	-	-	-	-	0.0%	350,000
F - Furniture & Equipment															
4300-000 - Materials and Supplies Total	735,000	(310,000)	425,000	-	-	-	0.0%	425,000	-	-	-	-	-	0.0%	425,000
4400-000 - Furniture and Equipment (\$500 - \$5,000) Total	700,000	(300,000)	400,000	26	-	26	0.0%	399,974	-	26	26	100.0%	-	0.0%	399,974
6400-000 - Furniture and Equipment (Above \$5,000) Total	250,000	(135,000)	115,000	-	-	-	0.0%	115,000	-	-	-	-	-	0.0%	115,000
Totals	1,685,000	(745,000)	940,000	26	-	26	0.0%	939,974	-	26	26	100.0%	-	0.0%	939,974
G - Project Contingency															
6999-000 - Project Contingencies Total	3,059,800	(1,464,800)	1,595,000	-	-	-	-	-	-	-	-	-	-	-	-
Totals	3,059,800	(1,464,800)	1,595,000	-	-	-	-	-	-	-	-	-	-	-	-
Totals	35,000,000	5,000,000	40,000,000	1,659,327	10,500	1,669,827	4.2%	38,330,173	-	1,098,361	1,098,361	65.8%	571,467	2.7%	38,901,639

Consolidated Contract Summary
 Contract Status Summaries by Project

Account-Ability

School Name - Project Name	Contract Name	Contract Date	C	W	M	Object Code	Initial AMT	Changes	Current Contract AMT	Expenditures & Retentions	Remaining Balance	Pending Changes
Grand Total							1,659,327	10,500	1,669,827	1,098,361	571,467	-
Solana Vista - New School/Recon Total							1,659,327	10,500	1,669,827	1,098,361	571,467	-
Solana Vista - New School/Recon	TC Life Safety	08/01/18	F			4400-000	26	-	26	26	-	-
Solana Vista - New School/Recon	Alpha Studio Design	05/19/17	B			6200-003	1,412,500	-	1,412,500	958,650	453,850	-
Solana Vista - New School/Recon	CTE Inc	05/24/18	D			6200-010	16,500	10,500	27,000	27,000	-	-
Solana Vista - New School/Recon	Placeworks 2800	03/01/18	B			6200-012	98,315	-	98,315	77,404	20,911	-
Solana Vista - New School/Recon	Placeworks 4600	09/19/19	B			6200-012	33,945	-	33,945	1,996	31,949	-
Solana Vista - New School/Recon	Randall Lamb	09/13/19	B			6200-012	65,000	-	65,000	8,000	57,000	-
Solana Vista - New School/Recon	Western Environ.	06/29/18	A			6200-202	26,725	-	26,725	22,775	3,950	-
Solana Vista - New School/Recon	Chicago Title Company	06/01/17	A			6200-203	750	-	750	750	-	-
Solana Vista - New School/Recon	SDG&E	09/25/19	A			6200-203	3,807	-	3,807	-	3,807	-
Solana Vista - New School/Recon	SFID	05/01/18	A			6200-203	500	-	500	500	-	-
Solana Vista - New School/Recon	Telacu	10/13/16	B			6200-206	1,260	-	1,260	1,260	-	-

Solana Santa Fe - Mod/Expansion

Project Budget Aging Report

Working Budget (Working Budget)

Project Aging

Code		Budget	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Funding Sources								
State	State	0	0	0	0	0	0	0
Local	Local	14,418,763	0	0	144,188	1,672,225	7,314,072	5,288,278
21-39	Building Fund	9,918,763	0	0	144,188	1,672,225	4,814,072	3,288,278
		9,918,763	0	0	144,188	1,672,225	4,814,072	3,288,278
		0	0	0	0	0	0	0
49-02	Crosby CFD	4,500,000	0	0	0	0	2,500,000	2,000,000
		4,500,000	0	0	0	0	2,500,000	2,000,000
		0	0	0	0	0	0	0
TOTAL FUNDING		14,418,763	0	0	144,188	1,672,225	7,314,072	5,288,278
Expenditures								
A	Site Costs	297,188	0	0	27,188	30,000	137,500	102,500
6200-002	Relocation Expenses	100,000	0	0	0	0	50,000	50,000
		100,000	0	0	0	0	50,000	50,000
		0	0	0	0	0	0	0
6200-006	Surveying Costs	60,000	0	0	0	30,000	20,000	10,000
		60,000	0	0	0	30,000	20,000	10,000
		0	0	0	0	0	0	0
6200-202	Hazard Waste Studies & Fees	60,000	0	0	0	0	30,000	30,000
		60,000	0	0	0	0	30,000	30,000
		0	0	0	0	0	0	0
6200-203	Other Costs - Site	77,188	0	0	27,188	0	37,500	12,500
		77,188	0	0	27,188	0	37,500	12,500
		0	0	0	0	0	0	0
B	Planning Costs	1,480,930	0	0	117,000	920,000	367,930	76,000
6200-003	Architect / Engineering Fees	1,200,000	0	0	117,000	840,000	175,000	68,000
		1,200,000	0	0	117,000	840,000	175,000	68,000
		0	0	0	0	0	0	0
6200-004	DSA Fees	72,093	0	0	0	0	72,093	0
		72,093	0	0	0	0	72,093	0
		0	0	0	0	0	0	0
6200-012	Consultant	80,000	0	0	0	0	72,000	8,000
		80,000	0	0	0	0	72,000	8,000
		0	0	0	0	0	0	0
6200-204	CDE Fees	28,837	0	0	0	0	28,837	0
		28,837	0	0	0	0	28,837	0
		0	0	0	0	0	0	0
6200-206	Other Costs - Planning	100,000	0	0	0	80,000	20,000	0
		100,000	0	0	0	80,000	20,000	0
		0	0	0	0	0	0	0
C	Construction Costs	11,140,000	0	0	0	700,000	5,447,997	4,992,003
6200-005	Main Construction Contractor	11,000,000	0	0	0	700,000	5,406,866	4,893,134
		11,000,000	0	0	0	700,000	5,406,866	4,893,134
		0	0	0	0	0	0	0
6200-208	Demolition	120,000	0	0	0	0	21,131	98,869
		120,000	0	0	0	0	21,131	98,869
		0	0	0	0	0	0	0
6200-210	Other Costs - Construction	20,000	0	0	0	0	20,000	0
		20,000	0	0	0	0	20,000	0
		0	0	0	0	0	0	0
D	Construction Testing Costs	200,000	0	0	0	4,225	145,000	50,775
6200-010	Construction Tests	200,000	0	0	0	4,225	145,000	50,775
		200,000	0	0	0	4,225	145,000	50,775
		0	0	0	0	0	0	0
E	Construction Inspection Costs	150,000	0	0	0	13,000	100,000	37,000
6200-050	Construction Inspections	150,000	0	0	0	13,000	100,000	37,000
		150,000	0	0	0	13,000	100,000	37,000
		0	0	0	0	0	0	0
F	Furniture & Equipment Costs	375,000	0	0	0	5,000	340,000	30,000
4300-000	Materials and Supplies	95,000	0	0	0	5,000	80,000	10,000
		95,000	0	0	0	5,000	80,000	10,000
		0	0	0	0	0	0	0
4400-000	Furniture and Equipment (\$500 - \$5,000)	100,000	0	0	0	0	80,000	20,000
		100,000	0	0	0	0	80,000	20,000
		0	0	0	0	0	0	0
6400-000	Furniture and Equipment (Above \$5,000)	180,000	0	0	0	0	180,000	0
		180,000	0	0	0	0	180,000	0
		0	0	0	0	0	0	0
G	Project Contingency	775,645	0	0	0	0	775,645	0
6999-000	Project Contingencies	775,645	0	0	0	0	775,645	0
		775,645	0	0	0	0	775,645	0
		0	0	0	0	0	0	0
TOTAL EXPENDITURES		14,418,763	0	0	144,188	1,672,225	7,314,072	5,288,278
ENDING BALANCE		0	0	0	0	0	0	0

Budget		
Site Cost	297,188	2%
Soft Cost	1,830,930	13%
Hard Cost	11,515,000	80%
Contingency	775,645	5%
=====		
Total Cost	14,418,763	100%
82% Hard Cost (w/o Site)		
5% Contingency (w/o Site)		

BUDGET NOTES



Solana Santa Fe - Mod/Expansion

Expense Category/Object Code/Contract Name	Budget			Commitments					Expenditures						
	Initial Budget	Approved Budget Changes	Total Budget	Initial AMT	Change AMT	Total Commitments	% Budget Committed	Remaining Against Budget	Paid	In Process for PMT	Total Expenditures	% Committed Spent	Remaining Against Committed	% Budget Spent	Remaining Against Budget
A - Site															
6200-002 - Relocation Expenses Total	100,000		100,000	-		-	0.0%	100,000	-	-	-	-	-	0.0%	100,000
6200-006 - Surveying Costs Total	60,000		60,000	11,000		11,000	18.3%	49,000	-	11,000	11,000	100.0%	-	18.3%	49,000
6200-202 - Hazard Waste Studies & Fees Total	60,000		60,000	-		-	0.0%	60,000	-	-	-	-	-	0.0%	60,000
6200-203 - Other Costs - Site Total	77,188		77,188	-		-	0.0%	77,188	-	-	-	-	-	0.0%	77,188
	297,188		297,188	11,000		11,000	3.7%	286,188	-	11,000	11,000	100.0%	-	3.7%	286,188
B - Planning															
6200-003 - Architect / Engineering Fees Total	1,200,000		1,200,000	115,000		115,000	9.6%	1,085,000	-	89,246	89,246	77.6%	25,754	7.4%	1,110,754
6200-004 - DSA Fees Total	72,093		72,093	-		-	0.0%	72,093	-	-	-	-	-	0.0%	72,093
6200-012 - Consultant Total	80,000		80,000	-		-	0.0%	80,000	-	-	-	-	-	0.0%	80,000
6200-204 - CDE Fees Total	28,837		28,837	-		-	0.0%	28,837	-	-	-	-	-	0.0%	28,837
6200-206 - Other Costs - Planning Total	100,000		100,000	-		-	0.0%	100,000	-	-	-	-	-	0.0%	100,000
	1,480,930		1,480,930	115,000		115,000	7.8%	1,365,930	-	89,246	89,246	77.6%	25,754	6.0%	1,391,684
C - Construction															
6200-005 - Main Construction Contractor Total	11,000,000		11,000,000	-		-	0.0%	11,000,000	-	-	-	-	-	0.0%	11,000,000
6200-208 - Demolition Total	120,000		120,000	-		-	0.0%	120,000	-	-	-	-	-	0.0%	120,000
6200-210 - Other Costs - Construction Total	20,000		20,000	-		-	0.0%	20,000	-	-	-	-	-	0.0%	20,000
	11,140,000		11,140,000	-		-	0.0%	11,140,000	-	-	-	-	-	0.0%	11,140,000
D - Testing															
6200-010 - Construction Tests Total	200,000		200,000	-		-	0.0%	200,000	-	-	-	-	-	0.0%	200,000
	200,000		200,000	-		-	0.0%	200,000	-	-	-	-	-	0.0%	200,000
E - Inspection															
6200-050 - Construction Inspections Total	150,000		150,000	-		-	0.0%	150,000	-	-	-	-	-	0.0%	150,000
	150,000		150,000	-		-	0.0%	150,000	-	-	-	-	-	0.0%	150,000
F - Furniture & Equipment															
4300-000 - Materials and Supplies Total	95,000		95,000	-		-	0.0%	95,000	-	-	-	-	-	0.0%	95,000
4400-000 - Furniture and Equipment (\$500 - \$5,000) Total	100,000		100,000	-		-	0.0%	100,000	-	-	-	-	-	0.0%	100,000
6400-000 - Furniture and Equipment (Above \$5,000) Total	180,000		180,000	-		-	0.0%	180,000	-	-	-	-	-	0.0%	180,000
	375,000		375,000	-		-	0.0%	375,000	-	-	-	-	-	0.0%	375,000
G - Project Contingency															
6999-000 - Project Contingencies Total	775,645		775,645												
	775,645		775,645												
Totals	14,418,763		14,418,763	126,000		126,000	0.9%	14,292,763	-	100,246	100,246	79.6%	25,754	0.7%	14,318,517

Consolidated Contract Summary

Contract Status Summaries by Project

Account-Ability

School Name - Project Name	Contract Name	Contract Date	C	W	M	Object Code	Initial AMT	Changes	Current Contract AMT	Expenditures & Retentions	Remaining Balance	Pending Changes
Grand Total							126,000	-	126,000	100,246	25,754	-
Solana Santa Fe - Mod/Expansion Total							126,000	-	126,000	100,246	25,754	-
Solana Santa Fe - Mod/Expansion	Lionakis	05/23/19	B			6200-003	115,000	-	115,000	89,246	25,754	-
Solana Santa Fe - Mod/Expansion	Pasco Laret	09/26/19	A			6200-006	11,000	-	11,000	11,000	-	-