

**SAN BRUNO PARK SCHOOL DISTRICT
MEASURE X
GENERAL OBLIGATION BOND
BUILDING FUND**

**COUNTY OF SAN MATEO
SAN BRUNO, CALIFORNIA**

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

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

SAN BRUNO PARK SCHOOL DISTRICT
MEASURE X GENERAL OBLIGATION BOND
BUILDING FUND

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James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT

Citizen's Oversight Committee
and Governing Board
San Bruno Park School District
San Bruno, California

Report on the Audit of the Financial Statements

Opinions

We have audited the Balance Sheet of San Bruno Park School District (the District), Measure X General Obligation Bonds Building Fund (the Fund), and the related statement of revenues, expenditures, and changes in fund balance as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements as listed in the table of contents.

In our opinion, the fund financial statements referred to above present fairly, in all material respects, the financial position of the San Bruno Park School District Measure X General Obligation Bonds Building Fund (the Fund) as of June 30, 2023, and the results of its operations the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

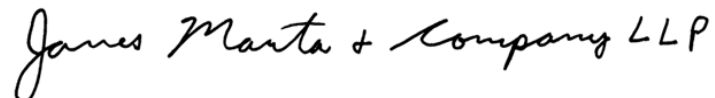
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

As discussed in Note 1, the financial statements referred to above present only the individual Measure X General Obligation Bond Building Fund and are not intended to present fairly the financial position and results of operations of the District in conformity with generally accepted accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 5, 2023 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 5, 2023

BASIC FINANCIAL STATEMENTS

SAN BRUNO PARK SCHOOL DISTRICT
MEASURE X GENERAL OBLIGATION BOND
BUILDING FUND
BALANCE SHEET
JUNE 30, 2023

ASSETS

Cash and cash equivalents	\$ 20,895,443
Accounts receivable	<u>171,524</u>
Total Assets	<u><u>\$ 21,066,967</u></u>

LIABILITIES AND FUND BALANCES

Liabilities

Accounts payable	\$ 689,795
Due to other funds	<u>168,295</u>
Total Liabilities	<u>858,090</u>

Fund Balance

Restricted for Measure X Projects	<u>20,208,877</u>
Total Liabilities and Fund Balance	<u><u>\$ 21,066,967</u></u>

SAN BRUNO PARK SCHOOL DISTRICT

**MEASURE X GENERAL OBLIGATION BOND
BUILDING FUND**

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

REVENUES

Other Local Revenue	<u>\$ (78,510)</u>
Total Revenues	<u>(78,510)</u>

EXPENDITURES

Classified salaries	47,327
Employee benefits	18,555
Books and supplies	15,226
Services and other operating expenditures	52,537
Capital outlay	<u>13,621,610</u>
Total Expenditures	<u>13,755,255</u>
Excess of Revenues Over Expenditures	<u>(13,833,765)</u>

OTHER FINANCING SOURCES AND USES

Operating transfers out	<u>(167,836)</u>
Total Other Financing Sources and Uses	<u>(167,836)</u>
Net Change in Fund Balances	(14,001,601)
Beginning Fund Balance	<u>34,210,478</u>
Ending Fund Balance	<u><u>\$ 20,208,877</u></u>

SAN BRUNO PARK SCHOOL DISTRICT
MEASURE X GENERAL OBLIGATION BOND
BUILDING FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The accounting policies of the Measure X General Obligation Bond Fund (the Fund) of the San Bruno Park School District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. The fund accounts for financial transactions in accordance with the policies and procedures of the California School Accounting Manual.

The San Bruno Park School District is located in San Mateo County and there were no changes in District boundaries during the year. The District operated four K-5 elementary schools and one 6-8 middle school during fiscal year ended June 30, 2023. The District is the level of government primarily accountable for activities related to public education. The governing authority consists of five elected officials who, together, constitute the Board of Trustees.

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

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

On February 21, 2019, the District issued \$25,000,000 in 2018 General Obligation Bonds, Series 2019 A, to finance the acquisition, construction, furnishing and equipping of District facilities approved by voters and to pay costs of issuance of the bonds. The bonds were issues at a premium of \$1,622,199, with an interest rate of 4%. Interest is payable on February 1 and August 1 and principal is payable on August 1 each year through 2048.

On November 10, 2020, the District issued \$26,000,000 in 2018 General Obligation Bonds, Series 2020 B to finance the acquisition, construction, furnishing and equipping of District facilities and to pay certain costs of issuance. The bonds were issues at a premium of \$3,126,400, with interest rates between 0.27% and 4%. Interest is payable on February 1 and August 1 and principal is payable on August 1 each year through 2048. The Bonds are the second series of bonds issued under the Authorization.

On June 1, 2022, the District issued \$14,000,000 in 2018 General Obligation Bonds, Series 2022 C to finance the acquisition, construction, furnishing and equipping of District facilities and to pay certain costs of issuance. The bonds were issues at a premium of \$501,119, with interest rates between 4% and 5%. Interest is payable on February 1 and August 1 and principal is payable on August 1 each year through 2053. The Bonds are the third series of bonds issued under the Authorization. Subsequent to the issuance of the Bonds, \$14,000,000 aggregate principal amount of bonds will remain for issuance pursuant to the Authorization.

SAN BRUNO PARK SCHOOL DISTRICT
MEASURE X GENERAL OBLIGATION BOND
BUILDING FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Bonds were authorized at an election within the District held on November 6, 2018 (the “Election”) at which at least fifty-five percent of the registered voters voting on the proposition voted to authorize the issuance and sale of \$79,000,000 aggregate principal amount of general obligation bonds of the District (the “Authorization”). Because the Bond required only 55% of the vote in accordance with Proposition 39 (Article XIII of the California State Constitution), the District was required to establish a citizen’s bond oversight committee and to conduct a financial and performance audit.

The Committee’s oversight goals include ensuring expenditures are within the language of the ballot measure and advising the District’s Governing Board on various projects. The citizens’ oversight committee must include, among others, representation of a bona fide taxpayers association, a business organization and a senior citizens organization. No District employees or vendors are allowed to serve on the citizens’ oversight committee.

The fund financial statements presented are for the Measure X General Obligation Bond Building Fund. Since this is just one component of the District, these financial statements are not intended to be a complete presentation of the District’s financial position or results of operations. Accordingly, these fund statements do not include a government wide financial statement, management discussion and analysis or related organizational disclosures. The audited financial statements of San Bruno Park School District include the Measure X General Obligation Bond Building Fund activities, related debt and disclosures as well as management’s discussion and analysis.

B. FUND ACCOUNTING

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The proceeds from the sale of general obligation bonds and the subsequent expenditure of the bond funds are accounted for in the Building fund of the District. Any premium received from the sale of the bonds is deposited in the Bond and Interest Redemption fund of the District. The Measure X Bond Building Fund forms part and not all of the net financial position in the District’s Building Fund which contains other sources of funding.

C. ACCOUNTING POLICIES

The District prepares its financial statements in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA) and complies with the policies and procedures of the Department of Education's *California School Accounting Manual*.

SAN BRUNO PARK SCHOOL DISTRICT
MEASURE X GENERAL OBLIGATION BOND
BUILDING FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. MEASUREMENT FOCUS AND 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 reported using the current financial resources measurement focus and 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 collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within one year.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

E. BUDGETS AND BUDGETARY ACCOUNTING

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

F. ENCUMBRANCES

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

G. DEPOSITS AND INVESTMENTS

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 County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq.

SAN BRUNO PARK SCHOOL DISTRICT
MEASURE X GENERAL OBLIGATION BOND
BUILDING FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost.

H. CAPITAL AND LONG-TERM DEBT

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with the General Obligation Bond Building Fund is accounted for on a spending or “financial flow” measurement focus. This means that only current assets and liabilities are generally included on the balance sheet.

The reported fund balances are considered a measure of “available spendable resources”. Thus, the capital assets and long-term liabilities associated with the Measure X General Obligation Bond Building Fund are accounted for in the basic financial statements of the District.

I. FUND BALANCE – GOVERNMENTAL FUNDS

As of June 30, 2023, fund balances of the Measure X General Obligation Bond Building Fund are classified as restricted. Restricted funds can only be spent for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2023 consist of cash in county treasury in the amount of \$20,895,443.

A. Cash in County Treasury

County pool investments consist of District cash held by the San Mateo County Treasury that is invested in the county investment pool. The fair value of the District's investment in the pool is reported in the financial statements at amounts that are 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 weighted average maturity of the pool is 1.65 years. The pool is rated AAA by Standard and Poor’s.

SAN BRUNO PARK SCHOOL DISTRICT
MEASURE X GENERAL OBLIGATION BOND
BUILDING FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

2. CASH AND CASH EQUIVALENTS (CONTINUED)

B. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rate will adversely affect the fair value of an investment. Generally, as the length of the maturity of an investment increases, 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 that purchases a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

3. MEASURE X GENERAL OBLIGATION BONDS

Series A

On February 21, 2019, the District issued Measure X Series A General Obligation Bonds (the “Bonds”) in the aggregate principal amount of \$25,000,000 to finance school construction and improvements to District facilities. The Series A was the first series of bonds issued under the Authorization and are issued on a parity basis with all outstanding general obligation bonds of the District. The proceeds of the Bonds were applied as follows:

Sources of Funds

Principal Amount of Bonds	\$ 25,000,000
Original Issuance Premium	1,622,199
Total Sources	\$ 26,622,199

Uses of Funds

Deposited to Building Fund	\$ 24,832,000
Deposited to Bond Interest and Redemption Fund	1,540,949
Costs of Issuance	249,250
Total Uses	\$ 26,622,199

The Bonds are payable from the proceeds of ad valorem property taxes which the Board of Supervisors of the San Mateo County are obligated to levy and collect ad valorem property taxes for each fiscal year upon the taxable property of the District in an amount at least sufficient, together with other moneys available for such purpose, to pay the principal of, and premium, if any, and interest on the bonds as the same becomes due and payable. The bonds consist of serial bonds bearing various fixed interest rates from 4% to 5% and mature in staggered amounts each year starting in August 1, 2020 up through August 1, 2048.

SAN BRUNO PARK SCHOOL DISTRICT
MEASURE X GENERAL OBLIGATION BOND
BUILDING FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

3. MEASURE X GENERAL OBLIGATION BONDS (CONTINUED)

Series B

On November 10, 2020, the District issued Measure X Series B General Obligation Bonds (the “Bonds”) in the aggregate principal amount of \$26,000,000 to finance school construction and improvements to District facilities. The Series B was the second series of bonds issued under the Authorization and are issued on a parity basis with all outstanding general obligation bonds of the District. The proceeds of the Bonds were applied as follows:

Sources of Funds

Principal Amount of Bonds	\$ 26,000,000
Original Issuance Premium	3,126,400
Total Sources	<u>\$ 29,126,400</u>

Uses of Funds

Deposited to Building Fund	\$ 25,830,000
Deposited to Bond Interest and Redemption Fund	3,041,900
Costs of Issuance	254,500
Total Uses	<u>\$ 29,126,400</u>

The Bonds are payable from the proceeds of ad valorem property taxes which the Board of Supervisors of the San Mateo County are obligated to levy and collect ad valorem property taxes for each fiscal year upon the taxable property of the District in an amount at least sufficient, together with other moneys available for such purpose, to pay the principal of, and premium, if any, and interest on the bonds as the same becomes due and payable. The bonds consist of serial bonds bearing various fixed interest rates from 0.27% to 4% and mature in staggered amounts each year starting in August 1, 2021 up through August 1, 2052.

SAN BRUNO PARK SCHOOL DISTRICT
MEASURE X GENERAL OBLIGATION BOND
BUILDING FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

3. MEASURE X GENERAL OBLIGATION BONDS (CONTINUED)

Series C

On June 1, 2022, the District issued Measure X Series C General Obligation Bonds (the “Bonds”) in the aggregate principal amount of \$14,000,000 to finance school construction and improvements to District facilities. The Series C was the third series of bonds issued under the Authorization and are issued on a parity basis with all outstanding general obligation bonds of the District. The proceeds of the Bonds were applied as follows:

Sources of Funds

Principal Amount of Bonds	\$ 14,000,000
Original Issuance Premium	501,119
Total Sources	\$ 14,501,119

Uses of Funds

Deposited to Building Fund	\$ 13,835,000
Deposited to Bond Interest and Redemption Fund	445,119
Costs of Issuance	221,000
Total Uses	\$ 14,501,119

The Bonds are payable from the proceeds of ad valorem property taxes which the Board of Supervisors of the San Mateo County are obligated to levy and collect ad valorem property taxes for each fiscal year upon the taxable property of the District in an amount at least sufficient, together with other moneys available for such purpose, to pay the principal of, and premium, if any, and interest on the bonds as the same becomes due and payable. The bonds consist of serial bonds bearing various fixed interest rates from 4% to 5% and mature in staggered amounts each year starting in August 1, 2022 up through August 1, 2053.

SAN BRUNO PARK SCHOOL DISTRICT
MEASURE X GENERAL OBLIGATION BOND
BUILDING FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

4. COMMITMENTS AND CONTINGENCIES

As of June 30, 2023, the Building Fund had the following commitments with respect to unfinished capital projects:

<u>Project Name</u>	<u>Initial Committed Balance</u>	<u>Expenditures to Date</u>	<u>Committed Balance at June 30, 2023</u>
Allen Elementary Replacement Project			
Measure X Bond			
BHM Construction	\$ 40,076,352	\$ 12,100,635	\$ 27,975,717
Capital Engineering Consultant	37,641	29,716	7,925
City of San Bruno - Developer Deposit Replenishment	37,373	20,462	16,911
Construction Testing Svcs	327,774	383,271	(55,497)
DFE & Associates (David F. Eddings)	156,000	496,000	(340,000)
Grassetti Environmental	1,148	31,388	(30,240)
Greystone West	1,164,401	571,035	593,366
Hibser Yamauchi Architects	804,622	332,332	472,290
Miller Pacific Engineering Group	101,738	46,186	55,552
Precision Engineering and Construction	3,500	-	3,500
Total	<u>\$ 43,752,631</u>	<u>\$ 15,053,107</u>	<u>\$ 28,699,524</u>

5. SUBSEQUENT EVENTS

The District's management evaluated its June 30, 2023 financial statements for subsequent events through December 5, 2023, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

SAN BRUNO PARK SCHOOL DISTRICT
MEASURE X GENERAL OBLIGATION BOND
BUILDING FUND

FULL TEXT OF BOND MEASURE

ACCOUNTABILITY MEASURES

The provisions in this section are included in this proposition in order that the voters and taxpayers of the District may be assured that their money will be spent to address specific facilities needs of the District, all in compliance with the requirements of Article XIII A, section 1(b)(3) of the State Constitution, and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at Section 15264 *et seq.* of the California Education Code).

Evaluation of Needs. The Board of Trustees has evaluated the facilities needs of the District, and has identified projects to finance from a local bond measure at this time. The Board of Trustees hereby certifies that it has evaluated safety, class size reduction and information technology needs in developing the Bond Project List.

Independent Citizens' Oversight Committee. The Board of Trustees shall establish an independent Citizens' Oversight Committee in accordance with Education Code sections 15278-15282 and applicable Board policy, to ensure bond proceeds are expended only for the school facilities projects listed in the Bond Project List. The committee shall be established within sixty (60) days of the date when the Board of Trustees enters the results of the election in its official minutes.

Annual Performance Audit. The Board of Trustees shall conduct or cause to be conducted an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects described in the Bond Project List.

Annual Financial Audit. The Board of Trustees shall conduct or cause to be conducted an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects described in the Bond Project List.

Annual Report to Board. Upon approval of this measure and the sale of any bonds approved, the Board of Trustees shall take actions necessary to establish an account in which proceeds of the sale of bonds will be deposited. As long as any proceeds of the bonds remain unexpended, the Superintendent shall cause a report to be filed with the Board of Trustees no later than January 1 of each year, commencing on the first January 1 after bonds have been issued and proceeds spent, stating (1) the amount of bond proceeds received and expended in the past fiscal year, and (2) the status of any project funded or to be funded from bond proceeds. The report may be incorporated into the annual budget, annual financial report, or other appropriate routine report to the Board.

BOND PROJECT LIST

Bond proceeds will be expended to modernize, replace, renovate, expand, construct, acquire, equip, furnish and otherwise improve the classrooms and school facilities of the District.

The school facilities projects to be funded include, but shall not be limited to:

Allen Elementary School

Allen Elementary School was built over 77 years ago. Given the age of the buildings on this school site, the deteriorating condition of the existing infrastructure and the challenges posed by the existing site

SAN BRUNO PARK SCHOOL DISTRICT
MEASURE X GENERAL OBLIGATION BOND
BUILDING FUND

FULL TEXT OF BOND MEASURE

configuration, this school needs to be replaced. The intent will be to build a school that meets the District's needs for the next generations of San Bruno children.

- Demolition of all existing buildings on the campus.
- Construction of classrooms, specialty classrooms, including for art and science curriculum, kindergarten classrooms and special education classrooms.
- Construction of a new multi-purpose building to accommodate the entire student body for assemblies and lunch and flex space for small pull-out classes and after school programs.
- Construction of a Library
- Counseling and administrative spaces with collaborative work areas, divisions for private and public spaces for student support.

Parkside Middle School Science, Library, Multi-purpose/Performing Arts Replacement and Traffic Improvements

Parkside is one of our community's oldest schools, built in 1954. Although much of the school has been renovated the existing science classrooms are inadequate for instruction in science. Our goal is to replace the "science wing" with modern facilities. In addition, much of the performing arts programs are in portables that are inadequate. Along with an older multi-purpose building, these buildings will be replaced with a new flexible facility that supports the performing arts educational programs. Finally, the traffic conditions must be improved. This will require extensive re-working of the front of the school that will include a replacement for the main office to provide additional support spaces for teachers and students.

- Demolition of the existing science/library building
- Construction of a new building including science labs and a new library
- Construction of a new multi-purpose building that includes performing arts classrooms, an updated stage with sounds and lighting systems for performances and adequate storage and support spaces.
- Construction of a new main office building and improvements to traffic flow at the front of the campus.
- Renovation of the gymnasium and locker rooms.

John Muir Elementary School Renovation and Expansion

John Muir Elementary School has been a valuable part of our community for over 58 years. Like other schools in our community it is in need of significant renovation and modernization. We need to improve the educational facilities, renovate and restore buildings with older infrastructure, provide more space for play, improve traffic safely, resolve awkward site conditions to increase security for children. Ultimately the school will have 18 standard classrooms, plus kindergarten classrooms.

- Demolition of the existing multi-purpose building and elimination of all District portables on the site.
- Conversion of the existing main office, workroom and library into standard classrooms
- Construction of a new classroom building on the site of the existing multi-purpose building which will house regular classrooms, specialty classrooms and restrooms
- Construction of a new multi-purpose building (MPB) to accommodate the entire student body for assemblies and facilitate lunch .
- Construction of a new specialty classroom attached to the MPB
- Construction of a Library including breakout spaces for small groups.

SAN BRUNO PARK SCHOOL DISTRICT

MEASURE X GENERAL OBLIGATION BOND BUILDING FUND

FULL TEXT OF BOND MEASURE

- Construction of a new administration building for improved access, services, collaborative spaces and better security .
- Provide access and an improved student pick-up and drop-off .
- Relocation of portables for before and after school programs.

Portola Elementary School Renovation and Expansion

Portola Elementary School needs both renovation and reconfiguration to improve safety on the campus and to provide better instructional space. These improvements include a new multi-purpose building and converting the existing office into student support spaces. The existing undersized multipurpose room will be converted into a library.

- Construction of a new multi-purpose building (MPB) to accommodate the entire student body for assemblies and facilitate lunch.
- Conversion of the existing main office, workroom and library into student support spaces.
- Conversion of the existing multi-purpose space into an expanded library and resource center.
- Modernization of all campus buildings
- Construction of a new administrative space.

Belle Air Elementary School Renovation and Expansion

The multi-purpose building, pre-school and library date back to 1951 – 67 years old. They are in poor condition and are awkwardly placed on the campus limiting the ability to control entry onto the school site, and providing for a difficult pick-up and drop-off condition. Although a number of the classroom buildings were built as recently as 2001 and are in decent shape they need modernization. , The remaining parts of the school including the Multi-Purpose room, Library building and support offices are all inadequate and need to be demolished.

- Demolition of the existing library, office and multi-purpose buildings.
- Construction of a new multi-purpose building Library and Main Office .
- Construction of a new Health Center
- Conversion of the existing main office to classrooms.
- Removal of portables including the Health Center portable.
- Construction, repair, modernization and improvement of all remaining campus buildings

Projects listed above may be completed at any and all school sites and facilities where such project is determined by the Board to be necessary or required, and projects are authorized to be performed at each and all of the District's schools and sites.

Listed projects, repairs, improvements, rehabilitation projects and upgrades will be completed only as needed, and the listing of projects does not imply a particular prioritization among such improvements. Projects may be done in phases, based on Board of Trustees priorities. Listed projects may be completed at any and all District schools, sites and education buildings where such project is determined necessary. Decisions regarding the scope, timing, prioritization or other facets of project implementation will be made solely by the Board of Trustees by subsequent action. Where terms such as "renovate," "upgrade," "repurpose" and "improve" are used in the Bond Project List, the Board of Trustees shall determine the best method for accomplishing the project's objective. For any listed project involving renovation or modernization of a

SAN BRUNO PARK SCHOOL DISTRICT

**MEASURE X GENERAL OBLIGATION BOND
BUILDING FUND**

FULL TEXT OF BOND MEASURE

building or the major portion of a building, the District may proceed with new replacement construction instead (including any necessary demolition), if the District determines that replacement and new construction is more practical than renovation, considering the building's age, condition, expected remaining life, comparative cost, and other relevant factors. In addition, where feasible, projects may be completed in partnership with other agencies on a joint use basis using bond proceeds.

Each project is assumed to include its share of costs of bond issuance, architectural, engineering, and similar planning costs, construction management, bond project staff and consultants, staff development and training expenses associated with learning construction techniques and approaches, new bond-funded equipment and systems, and a customary contingency for unforeseen design and construction costs. In addition to the projects listed above, the Bond Project List also includes payment of the costs of preparation of all facilities planning and project implementation studies, feasibility and assessment reviews, master planning, environmental studies, permit and inspection fees, and temporary housing and relocation costs for dislocated programs or activities caused or necessitated by construction projects.

The final cost of each project will be determined as plans are finalized and projects are completed. Based on the final costs of each project, certain of the projects described above may be delayed or may not be completed. Necessary site preparation/grading/restoration may occur in connection with new construction, modernization, 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, leases, licenses, or rights of way to the property.

ADDITIONAL SPECIFICATIONS

No Administrator Salaries. Proceeds from the sale of Bonds authorized by this proposition shall be used only for the construction, reconstruction, rehabilitation, or replacement of school facilities on the Bond Project List, including the furnishing and equipping of said school facilities, or the acquisition or lease of real property for said school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

Single Purpose. All of the purposes enumerated in this proposition shall be united and voted upon as one single proposition, pursuant to Section 15100 of the California Education Code, and all the enumerated purposes shall constitute the specific single purpose of the bonds and proceeds of the bonds shall be spent only for such purpose.

Other Terms of the Bonds. The bonds may be issued and sold in several series, and in accordance with a financing plan determined by the Board of Trustees pursuant to requirements of law. When sold, the bonds shall bear interest at an annual rate not exceeding the statutory maximum and with a maximum term not exceeding the statutory maximum, provided that the average useful life of bonds sold will not exceed one hundred twenty percent (120%) of the average life of the projects being financed or as otherwise provided by federal tax law. Bond funds may be used to reimburse the District for Bond Project list expenditures incurred prior to the election and bond issuance, in accordance with federal tax law.

OTHER INDEPENDENT AUDITOR'S REPORTS



James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

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

INDEPENDENT AUDITOR'S REPORT

Citizen's Oversight Committee
and Governing Board
San Bruno Park School District
San Bruno, CA

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 fund financial statements of the Measure X General Obligation Bond Building Fund of San Bruno Park School District (the "District"), as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Measure X General Obligation Bond Building Fund's fund financial statements, and have issued our report thereon dated December 5, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 X General Obligation Bond Building Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Measure X General Obligation 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.

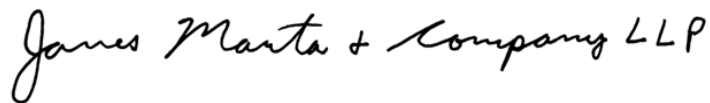
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Measure X General Obligation Bond Building Fund's fund financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. This report is intended solely for the information and use of management, and the Citizen's Oversight Committee and Governing Board of San Bruno Park School District, others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "James Marta & Company LLP".

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 5, 2023



James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

**INDEPENDENT AUDITOR'S REPORT
ON MEASURE X BOND PERFORMANCE**

Citizen's Oversight Committee
and Governing Board
San Bruno Park School District
San Bruno, CA

Report on Performance

We have completed a performance audit of the Measure X General Obligation Bond Building Fund of the San Bruno Park School District (the "District") as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated December 5, 2023. Our audit was made in accordance with auditing standards generally accepted in the United States of America and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Management's Responsibility

The design, implementation and maintenance of internal controls relevant to the financial process and compliance with the requirements of state laws and regulations is the responsibility of management.

Our responsibility is to determine that the District complied with the Measure X General Obligation Bonds in accordance with Appendix A of the 2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Appendix A of the 2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objects. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The results of the procedures performed indicate that the District complied with the requirements identified in Appendix A of the K-12 Local Education Agencies and State Compliance Reporting for the Measure X General Obligation Bond funds for the fiscal year ended June 30, 2023.

Objectives

The objectives of our performance audit was to determine that the District expended the Measure X General Obligation Bond funds for the year ended June 30, 2023 only for purposes approved by voters and only for specific projects adopted by the District's Board of Trustees, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)C.

Scope of the Audit

The scope of our performance audit covered the fiscal year ended June 30, 2023. The expenditures included all account and project codes associated with the bond projects. Expenditures before July 1, 2022 and after June 30, 2023 were not reviewed as they were not within the scope of our audit.

Methodology

1. We obtained the general ledger for the fiscal year ended June 30, 2023.
2. We selected expenditures to ensure compliance with Proposition 39 and Measure X General Obligation Bond funding.
3. We verified the mathematical accuracy of the expenditures included in the Measure X General Obligation Bond Fund detailed general ledger for the fiscal year ended June 30, 2023.
4. We verified that the funds were generally expended for the construction, renovation, furnishing and equipping of school facilities constituting authorized bond projects.
5. Solely to assist us in planning and completing our performance audit, we obtained an understanding of the internal controls of the District.
6. We selected a sample of bond expenditures and performed the following:
 - a. Reviewed the invoices, contracts, warrant copies and other supporting documents to verify the funds were spent in accordance with list of projects defined in the full Measure X bond text.
 - b. For any expenditures that were subject to the bid process, we reviewed supporting documentation to verify that all applicable bid process requirements were satisfied.
 - c. We verified that any change orders for the selected projects were approved by the Board of Trustees.
7. We verified that funds used to pay the salaries of District employees were allowable per opinion 04-110 issued November 9, 2004 by the State of California Attorney General.

Conclusion

Based on the procedures performed, we found that the San Bruno Park School District has properly accounted for the expenditures of Measure X General Obligation Bond Fund. Further, it was noted that the funds were not used for salaries of school administrators or other operating expenditures. Our audit does not provide a legal determination on the District's compliance with specific requirements.

Purpose of this Report

The purpose of this report is solely to describe the scope of our performance audit and the results of that testing. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's compliance. This report is intended solely for the information and use of management and Governing Board of San Bruno Park School District, others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 5, 2023