

**SAN JUAN UNIFIED SCHOOL
DISTRICT PROPOSITION 39
AND MEASURE P GENERAL
OBLIGATION BONDS**

CARMICHAEL, CALIFORNIA

PERFORMANCE AUDIT

YEAR ENDED JUNE 30, 2024

**SAN JUAN UNIFIED SCHOOL DISTRICT PROPOSITION 39
AND MEASURE P GENERAL OBLIGATION BONDS**

**TABLE OF CONTENTS
JUNE 30, 2024**

	<u>PAGE</u>
Independent Auditor's Report	1
Objectives	2
Scope of the Audit	2
Background Information	2
Procedures Performed	3
Schedule of Activities	4
Conclusion	7
Management Comments and Recommendations	7

INDEPENDENT AUDITOR'S REPORT

**Board of Education and Independent Citizens' Bond
Oversight Committee for Measure P
San Juan Unified School District
Carmichael, California**

We have conducted a performance audit of the San Juan Unified School District (the District) Measure P General Obligation Bonds for the year ended June 30, 2024.

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

Our audit was limited to the objectives listed on page 2 of this report which includes determining compliance with the performance requirements for the Proposition 39 and Measure P General Obligation Bonds under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution and Proposition 39 as they apply to the bonds and the net proceeds thereof. Management is responsible for the District's compliance with those requirements.

Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal controls of the District to determine if internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution. Accordingly, we do not express any assurance on the internal controls.

The results of our tests indicated that, in all significant respects, the San Juan Unified School District expended Measure P General Obligation Bond funds for the year ended June 30, 2024, only for the specific projects developed by the District's Board of Trustees and approved by the voters, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution.

Gilbert CPAs

**GILBERT CPAs
Sacramento, California**

April 21, 2025

SAN JUAN UNIFIED SCHOOL DISTRICT PROPOSITION 39 AND MEASURE P GENERAL OBLIGATION BONDS

PERFORMANCE AUDIT JUNE 30, 2024

OBJECTIVES

The objectives of our performance audit were to document that the San Juan Unified School District (the District) expended Measure P General Obligation Bonds (the Bonds) funds for the year ended June 30, 2024 only for purposes approved by voters and only for specific projects developed by the District's Board of Trustees, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)C of Article XIII A of the California Constitution; note any incongruities or system weaknesses; and provide recommendations for improvements.

SCOPE OF THE AUDIT

The scope of our performance audit covered the fiscal year ended June 30, 2024. Expenditures incurred after the issuance of the Bonds and prior to July 1, 2023, were covered in a previous examination. The expenditures included all account and project codes associated with the Bond projects. Expenditures incurred subsequent to June 30, 2024 were not reviewed or included within the scope of our audit.

BACKGROUND INFORMATION

On November 8, 2016, the electorate of the San Juan Unified School District approved the \$750 million Measure P general obligation bonds with greater than 55% of the votes in favor.

On March 7, 2017, the District issued General Obligation Bonds Election of 2016 (Series 2017 Bonds) in the amount of \$39,920,000 to finance specific construction, acquisition, and modernization projects. These bonds matured during succeeding years through August 2019 and were issued at interest rates ranging from 2.00% to 2.50%.

On January 22, 2019, the District issued General Obligation Bonds of Election 2016 (Series 2019 Bonds) in the amount of \$80,000,000 to finance specific construction, acquisition, and modernization projects. These bonds mature during succeeding years through August 2029 and were issued at 4.00% interest rate.

On October 29, 2020, the District issued General Obligation Bonds, Election 2016, Series 2020 in the amount of \$150,000,000. The bonds range in maturity date with final payoff on August 1, 2041 and interest rates ranging from 0.25% to 4.00%.

On April 21, 2022, the District issued General Obligation Bonds, Election 2016, Series 2022 in the amount of \$150,000,000. The bonds range in maturity date with final payoff of August 1, 2046 and interest rates ranging from 2.18% to 5.00%.

On January 18, 2024, the District issued General Obligation Bonds Election of 2016, Series 2024 in the amount of \$125,000,000, for the purpose of financing the renovation, construction and improvement of school facilities. The bonds mature during succeeding years through August 2049. The bonds were issued at interest rates ranging from 4% to 5%.

As of June 30, 2024, total outstanding debt related to Measure P is \$412,310,000.

SAN JUAN UNIFIED SCHOOL DISTRICT PROPOSITION 39 AND MEASURE P GENERAL OBLIGATION BONDS

PERFORMANCE AUDIT JUNE 30, 2024

The financial activity related to the Measure P General Obligation Bonds is recorded in sub-Fund 26 (Measure P Building Fund) of Fund 21 (Building Fund) in the District's audited financial statements for the year ended June 30, 2024.

PROCEDURES PERFORMED

We obtained the Measure P Building Fund detailed general ledger for the fiscal year ended June 30, 2024. We obtained the actual invoices and other supporting documentation for a sample of expenditures to ensure compliance with Proposition 39 and Measure P General Obligation Bond funding. We performed the following procedures:

- We verified the mathematical accuracy of the expenditures included in the Measure P Building Fund detailed general ledger for the fiscal year ended June 30, 2024.
- Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal controls of the District to determine if internal controls are adequate to help ensure the District's compliance with the requirements of Proposition 39.
- We determined that the Independent Citizens' Bond Oversight Committee is fulfilling its duties as required by Education Code 15278 and as outlined in their Committee Bylaws.
- We selected a sample of expenditures in the fiscal year ended June 30, 2024. The sample was selected to provide a representation across construction projects, vendors and expenditure amounts. For each selection, we performed the following procedures:
 1. Reviewed supporting documentation to ensure that funds were properly expended on the specific projects outlined on the publicized list and met the requirements for bidding, if applicable.
 2. Verified the expenditure was for construction, rehabilitation, or replacement of school facilities, including furnishing and equipping of District facilities, deferred maintenance upgrades or the acquisition or lease of real property facilities and verified that funding was not used for salaries of school administrators or other operating expenditures of the District.

The District incurred total expenditures of \$139,873,200 through June 30, 2024, for the Measure P projects listed in the following Schedule of Activities.

SAN JUAN UNIFIED SCHOOL DISTRICT PROPOSITION 39 AND MEASURE P GENERAL OBLIGATION BONDS

PERFORMANCE AUDIT JUNE 30, 2024

SCHEDULE OF ACTIVITIES

Description	Prior Activities	June 30, 2024 Activities	Total
Sources:			
Issuance Fund 26 P	\$ 419,920,000	\$ 125,000,000	\$ 544,920,000
Interest Revenue	8,636,329	4,824,779	13,461,108
Other Revenue	2,813,172		2,813,172
Premium Revenue	2,237,472		2,237,472
Other Revenue for Projects	1,336,937	30,368	1,367,305
Other Authorized Transfers In	23,800,484	1,319,428	25,119,912
Total Sources	458,744,394	131,174,575	589,918,969
Uses:			
Arden New Construction	66,525,556		66,525,556
K. Johnson New Construction	12,255,580	33,304,845	45,560,425
Del Paso Manor Full Site Renovation	44,609,536		44,609,536
Arcade New Construction	15,285,792	29,216,663	44,502,455
Barrett MOD	27,506,883	3,818,783	31,325,666
Barrett New Construction	27,755,832	2,368,400	30,124,232
Le Gette New Construction	17,674,308	10,165,613	27,839,921
Mesa Verde Outdoor Learning	20,309,923	6,416,358	26,726,281
Le Gette MOD	6,660,560	7,883,824	14,544,384
Winterstein MOD	12,636,405		12,636,405
Measure P Program	8,860,997	3,161,217	12,022,214
Coleman (CMP Charter) MOD	2,314,919	8,685,987	11,000,906
Littlejohn MOD	9,894,814		9,894,814
Bella Vista Outdoor Learning	9,833,675		9,833,675
Rio Americano Outdoor Learning	9,672,328		9,672,328
Mariemont (MOD) (phase 2)	755,021	8,772,701	9,527,722
Starr King New Construction	5,466,360	179,378	5,645,738
San Juan HVAC (gym)	4,243,352		4,243,352
Mira Loma HVAC (gym)	4,072,298		4,072,298
Casa Roble MOD	859,095	3,011,584	3,870,679
Cottage New Construction	3,825,857		3,825,857
Mira Loma Outdoor Learning (Tennis Court)	3,779,690		3,779,690
Del Campo Outdoor Learning (CRT)	2,451,872	1,156,380	3,608,252
Del Campo Roofing (DM)	2,273,491	1,331,006	3,604,497
Rio MOD (CTE)	3,370,528	125,623	3,496,151
Will Rogers DM (paint, floors, Furniture)	3,208,399	78,816	3,287,215

SAN JUAN UNIFIED SCHOOL DISTRICT PROPOSITION 39 AND MEASURE P GENERAL OBLIGATION BONDS

PERFORMANCE AUDIT JUNE 30, 2024

Description	Prior Activities	June 30, 2024 Activities	Total
Encina Roofing (DM)	1,686,155	1,226,872	2,913,027
Howe Ave DM (floor, paint, furniture)	2,752,318		2,752,318
Rio MOD (Manufacturing)	2,611,841	86,479	2,698,320
District Wide DM (HVAC Controller upgrade)	2,605,788		2,605,788
DM (HVAC Controls) Phase 2	718,829	1,886,786	2,605,615
Encina Portable	1,675,780	895,325	2,571,105
District Wide Wireless Access Point (HP Aruba)	2,563,720	2,610	2,566,330
Bella Vista Energy (Solar Project)	2,321,020		2,321,020
Mariemont (MOD) (phase 1)	1,110,372	1,129,667	2,240,039
Rio MOD (Health)	2,159,981	67,793	2,227,774
Encina MOD (CTE RM F1)	188,350	1,814,535	2,002,885
Lichen DM (paint, floor, furniture)	1,657,146		1,657,146
Oakview DM (Roofing)	1,458,065	156,042	1,614,107
Rio Student Safety (Parking)	499,093	1,075,277	1,574,370
Del Campo DM (Flooring)	631,403	938,358	1,569,761
Mariposa Roofing (DM)	69,989	1,342,112	1,412,101
Laurel Ruff DM (Roofing)	1,190,543	149,145	1,339,688
Casa Outdoor Learning (Tennis Court)	1,271,891		1,271,891
Mesa Verde MOD (Locker-RM)	339,860	916,541	1,256,401
Oakview Student Safety (Fencing & Hardcourt)		1,156,099	1,156,099
Transportation Electrical	950,735	188,120	1,138,855
Rio Flooring (DM)	608,398	504,712	1,113,110
Gold River Roofing (DM)	64,102	996,369	1,060,471
District Wide MDF Tech Services	954,197		954,197
Underwriters' Discount & Other COI	931,697		931,697
Lichen DM (Kinder)	864,991	4,565	869,556
Tech Service Infrastructure	856,713		856,713
Debt Services	851,426		851,426
Encina Full Site Renovation		770,468	770,468
San Juan Outdoor Learning	713,029		713,029
Northridge Student Safety (Fencing & Hardcourt)		602,980	602,980
Cameron Ranch Student Safety (Fencing & Hardcourt)		600,121	600,121
Del Campo Student Safety (Fencing)		520,618	520,618
Lichen Student Safety (Fencing)		489,103	489,103
Mesa Verde Student Safety (Fencing)		464,348	464,348
District Wide DM (Intrusion Upgrade Region 2)	394,448		394,448
Howe Portable	385,640		385,640
District Wide DM (Intrusion Upgrade Region 3)	376,621		376,621

SAN JUAN UNIFIED SCHOOL DISTRICT PROPOSITION 39 AND MEASURE P GENERAL OBLIGATION BONDS

PERFORMANCE AUDIT JUNE 30, 2024

Description	Prior Activities	June 30, 2024 Activities	Total
Cost of Issuance	195,000	160,000	355,000
Sierra Oaks HVAC		347,396	347,396
District Office MOD (Boardroom)	122,005	211,983	333,988
Gold River Tech Service	299,459	24,280	323,739
Arlington Student Safety (Fencing)		304,218	304,218
Encina Middle MOD (Admin)	288,289		288,289
District Wide DM Intrusion Upgrade Region 1	281,616		281,616
Del Paso Manor Portable	273,229		273,229
Trajan DM (Dry-rot)	11,576	222,187	233,763
El Camino Outdoor Learning (CRT)	230,906		230,906
Mira Loma MOD (CTE)	44,634	143,344	187,978
Kingswood Student Safety (Fencing)		185,928	185,928
Mira Loma MOD (Locker-RM)	165,135		165,135
Schweitzer Student Safety (Fencing)		131,987	131,987
Orangevale Open Student Safety (Fencing)		85,634	85,634
Pasteur Infrastructure (slab repair)	70,150	1,494	71,644
Howe Ave Student Safety (Fencing)		69,056	69,056
Encina High School MOD	67,867		67,867
Encina low Voltage (FIDS)		67,826	67,826
Sierra Oaks Student Safety (Fencing)		67,202	67,202
Churchill Student Safety (Fencing)		60,799	60,799
Arden Outdoor Learning (shade structure)		56,223	56,223
Will Rogers Student Safety (Fencing)		46,444	46,444
Katherine Johnson MOD	39,223		39,223
Carriage Full Site Furniture		24,976	24,976
Cottage Portable	3,850		3,850
Total Uses	<u>363,660,151</u>	<u>139,873,200</u>	<u>503,533,351</u>
Ending Balance	<u>\$ 95,084,243</u>	<u>\$ (8,698,625)</u>	<u>\$ 86,385,618</u>

SAN JUAN UNIFIED SCHOOL DISTRICT PROPOSITION 39 AND MEASURE P GENERAL OBLIGATION BONDS

PERFORMANCE AUDIT JUNE 30, 2024

CONCLUSION

Based upon the procedures performed, we found that, for the items tested, the San Juan Unified School District has properly accounted for the expenditures of the Measure P General Obligation Bonds. 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.

MANAGEMENT COMMENTS AND RECOMMENDATIONS

None.