



NOTICE AND AGENDA

CITIZENS' BOND OVERSIGHT COMMITTEE (CBOC) MEETING

Hillsborough City School District
Monday, February 2, 2026 at 12:30 PM
District Office Collaboration

Meeting Focus: Review Audit Report and Prepare Annual CBOC presentation to the HCSD Board of Trustees on March 11, 2026

- Annual Audit Report Presentation
- Review DRAFT CBOC Presentation to the HCSD Board of Trustees
- Update on Current Measure H Projects

Agenda:

1. Welcome and Call to Order (Clement Chen)
2. Roll Call (Louann)
3. Approval of December 15, 2025 [Meeting Minutes](#)
4. [Annual Audit Report](#) Presentation by Chavan & Associates, LLP
 - a. Highlights from the Report are on the following pages:
 - Page 4 - Balance Sheet
 - Page 6 - Reporting Entity - identifies the Citizens' Bond Oversight Committee
 - Page 8 - Encumbrances - description of encumbrance accounting
 - Page 10 - Summary of Deposits - equals the amount shown on the Balance Sheet
 - Page 12-13 - Note 3 - Measure H General Obligation Bond; see the paragraph at the bottom of the page that runs onto the next page
 - Page 14 - Expenditures by Site for the year ended June 30, 2025
 - Page 15-16 - Note 3 - Citizens' Oversight Committee
 - Page 17 - Schedule of Findings and Recommendations
 - Page 18 - Status of Prior Year Findings and Recommendations
 - Page 21 - next-to-last paragraph "results of our tests"
 - Page 23 - Paragraphs 4., 5. and 6., verifications by the auditors



5. [Annual Report to the HCSD Board of Trustees 2023-2024](#) (for reference)
6. [DRAFT Annual Report to the HCSD Board of Trustees 2024-2025](#) (updates and changes to the presentation will take place at the meeting)
7. [Measure H Current Construction Update](#)
8. Public Address
9. Closing Items

Items Not On The Agenda For Future Consideration

(Under Government Code 54954.3, members of the public have the right to address the Committee on any matter within the Committee's jurisdiction. However, the Committee may not discuss or take action on any non-agenda item. Individual speakers may be allowed with a time limit at the discretion of the Committee.)

All meetings will take place in the DO Collaboration Center

- a. Mon. Sept. 15 at 12:30 PM (Site Visits) **Completed**
- b. Mon. Dec. 15 at 12:30 PM (Role of CBOC members and Project Updates) - **Completed**
- c. Mon. Feb. 2 at 12:30 PM (Review Audit Report and Prep Annual Report)
- d. *Wed. March 11 - HCSD Board Meeting Presentation by CBOC Board President (6 PM) No CBOC Meeting - Just an FYI*
- e. Mon. May 11 at 12:30 PM (Wrap Up and Summer Projects)



CITIZENS' BOND OVERSIGHT COMMITTEE (CBOC) MEETING MINUTES

Hillsborough City School District

December 15, 2025 @ 12:30 PM

District Office Collaboration Center: In-Person

I. OPENING ITEMS

A. Call to Order

The meeting was called to order by CBOC Chair Clement Chen and second by Shelby van Doren

B. Roll Call

CBOC Members:

Clement Chen

Bonnie Feldman

Sara Heston

Shelby van Doren

Deb Kelly

Lori Williams

HCSD Staff Members:

Ron Russo

Joyce Shen

Michelle Yau

Larry Raffo

HCSD Board Members:

An Chen

Van Pelt Construction Services:

Eric Van Pelt

Louann Carlomagno

Merry Te

Yashraj Shah

II. REPORTS DISCUSSION AND POSSIBLE ACTION

A. Approval of September 15, 2025 Meeting Minutes: [Linked here](#)

1. President Clement Chen motioned to approve the meeting minutes; Bonnie Feldman seconded the motion. Minutes unanimously approved.

B. Meeting Focus: Ensuring all CBOC members have basic literacy about our mission

1. Understanding your role as CBOC members (Education Code Section 15278 and The Brown Act)
 - a) Description of the responsibilities of the Citizen Bond Oversight Committee (CBOC): Paragraph (b) of [California Education Code Section 15278](#)
 - President Clement Chen discusses that CBOC members provide a service to make sure the bond money is being spent on the facilities and provide oversight.
 - Louann discussed The Brown Act - All discussions of the CBOC need to be in public. Members may not group together outside of the meeting including discussing matters within emails or text messages.
2. Measure H Project Overview
 - a) [Construction Update](#) presented to the HCSD Board of Trustee (September 2025)
 - b) Summer 2025 Projects
 - *District Wide Security Camera Upgrades* - All sites, including the district office have new security cameras along with a program called ActiveNet, to assist First Responders in case of emergencies.
 - *South Roofing, HVAC & Fire Alarm* - New shingled roofs, new fire alarm system, and new HVAC units have been installed. The library basement holds an HVAC unit the size of a small car that services the main pod. Fire alarm systems include new wiring, lights, bells and sensors.
 - *Crocker Town Waterline Relocation, Roofing and HVAC & Culinary Arts* - The town had a waterline going through the campus, which the contractors assisted with relocating it due to future construction. The site received new roofing and HVAC systems, along with a new Culinary Arts space which was previously the staff work room.
 - *West MPR, Waterline & Sewerline Replacement, and New Staff Restrooms* - For the MPR, the contractors are working on the building footings and the steel structure. For the waterline project, Larry clarified to the members that the water line is being routed through the classrooms, instead of beneath the ground, to prevent the need to go through the concrete and to save money. The domestic sewer pump station was upgraded. The staff restrooms have been newly renovated as well.
3. [Review of Project Evaluation and Selection Process](#)

- a) Understanding how Measure H projects are evaluated and selected
 - The facilities team meets at least once a month and will discuss project priorities.
 - (a) The funds allocated for the West Library Modernization project were repurposed to cover the West underground utility upgrades.
- 4. [Measure H Overview: Financial and Project Update](#)
 - Eric Van Pelt explains the money is not all accessible at once, the bonds need to be sold in tranches. The timing of the sales is important because the district will need a plan to spend 85% of the bond dollars within 3 years of the sale. If the district has the money, they usually space out the sales to avoid arbitrage. Accessed property values - Bond sales must be staggered, as the full amount cannot be sold concurrently. This is necessary to ensure that bond funds are available as needed for the subsequent phases of projects.
- 5. [Quarterly Financial Report](#) -
 - a) Quarterly Board Report - breaks down the expenses by project
 - b) Manual R071 Data From Fiscal53-LM - breaks down expenditures for each project by vendor or contractor
- 6. [Annual Audit Report](#)
 - a) Presentation of the report by the auditors will take place in February 2026

III. STAFF REPORTS

- A. There were no staff reports.

IV. COMMITTEE MEMBER REPORTS

- A. There were no committee member reports.

V. PUBLIC COMMENTS FROM THE COMMUNITY

- A. There were no comments from the public.

VI. CLOSING ITEMS

- A. Next meeting: February 2, 2026 - Audit Report Review and Prep Annual Report
- B. CBOC Chair Clement Chen called the meeting to order.
 - 1. Bonnie Feldman Seconded to adjourn the meeting

HILLSBOROUGH CITY SCHOOL DISTRICT
COUNTY OF SAN MATEO
HILLSBOROUGH, CALIFORNIA

MEASURE H FUND

BOND AUDIT REPORT

For the Year Ended June 30, 2025

* * *



Chavan & Associates, LLP
Certified Public Accountants
16450 Monterey Road, Ste. 5
Morgan Hill, CA 95037

HILLSBOROUGH CITY SCHOOL DISTRICT

Measure H Fund

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Measure H Citizens' Oversight Committee and
Governing Board Members
Hillsborough City School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Measure H Bond Building Fund of the Hillsborough City School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure H Bond Building Fund of the Hillsborough City School District, as of June 30, 2025, 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.

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* (GAGAS), 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.

Other Matters

As discussed in Note 1, the financial statements present only the Measure H Bond Building Fund and do not purport to, and do not, present fairly the financial position of the Hillsborough City School District, as of June 30, 2025, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Responsibilities of Management for the Financial Statements

District 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 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 GAGAS 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 GAGAS, 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.

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Measure H Bond Building Fund of Hillsborough City School District's



basic financial statements. The Measure H Bond Building Fund Schedule of Expenditures by Site is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Measure H Bond Building Fund Schedule of Expenditures by Site is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Measure H Bond Building Fund Schedule of Expenditures by Site is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated November 1, 2025, on our consideration of the Hillsborough City School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hillsborough City School 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 also issued our performance audit report dated November 1, 2025, on our consideration of the Measure H Bond Building Fund's compliance with the requirements of Proposition 39. That report is an integral part of our audit of the Measure H Bond Building Fund for the fiscal year ended June 30, 2025, and should be considered in assessing the results of our financial audit.

C & A LLP

November 1, 2025
Morgan Hill, California

HILLSBOROUGH CITY SCHOOL DISTRICT
Measure H Fund
Balance Sheet
June 30, 2025

Assets

Cash and investments	\$ 54,623,755
Accounts receivable	<u>565,963</u>

Total Assets	<u><u>\$ 55,189,718</u></u>
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Liabilities and Fund Balance

Liabilities:

Accounts payable	<u>\$ 4,814,476</u>
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Total Liabilities	<u>4,814,476</u>
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Fund balance:

Restricted for capital projects	<u>50,375,242</u>
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Total Fund Balance	<u>50,375,242</u>
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Total Liabilities and Fund Balance	<u><u>\$ 55,189,718</u></u>
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The notes to the financial statements are an integral part of this statement.

HILLSBOROUGH CITY SCHOOL DISTRICT
Measure H Fund
Statement of Revenue, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2025

Revenues:	
Interest earnings	\$ 1,859,433
	<u>1,859,433</u>
Total revenues	<u>1,859,433</u>
Expenditures:	
Classified salaries	17,915
Classified benefits	8,516
Supplies and materials	133,713
Contract services	167,344
Capital outlay	21,935,557
Bond issuance costs	<u>289,026</u>
Total expenditures	<u>22,552,071</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,692,638)</u>
Other financing sources (uses):	
Proceeds from bond issuance	<u>40,000,000</u>
Total other financing sources (uses)	<u>40,000,000</u>
Net Changes in Fund Balance	19,307,362
Fund Balance Beginning	<u>31,067,880</u>
Fund Balance Ending	<u><u>\$ 50,375,242</u></u>

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

HILLSBOROUGH CITY SCHOOL DISTRICT
Measure H Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Principles

Hillsborough City School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the U. S. Governmental Accounting Standards Board ("GASB") and the American Institute of Certified Public Accountants ("AICPA").

B. Reporting Entity

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 H Fund and are not intended to be a complete presentation of the District's financial position on operations.

C. Basis of Presentation

Fund Financial Statements

Fund financial statements report detailed information about the District. The Measure H Fund is reported in the District's Building Fund which is a governmental fund and is presented as a major fund in the District's combined financial statements. The Building Fund is used to account for proceeds from the sale of real property and account for the acquisition of major governmental capital facilities and buildings from the sale of bond proceeds such as Measure H general obligation bonds.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources, are generally included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance for the Measure H Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

HILLSBOROUGH CITY SCHOOL DISTRICT
Measure H Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Governmental funds use the modified accrual basis of accounting.

Revenues - Exchange and Non-exchange Transactions

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. To achieve comparability of reporting among California districts, and so as not to distort normal revenue patterns with specific respect to reimbursement grants and correction to state-aid apportionments, the California Department of Education has defined available for district as collectible within one year.

Non-exchange transactions, in which the District receives value *without* directly giving equal value in return, include property taxes, grants, and entitlements. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned Revenue

Unearned revenue arises when assets (such as cash) are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements (such as qualified expenditures) are met are recorded as liabilities from unearned revenue.

Unavailable Revenue

In the governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have also been recorded as deferred inflows of resources as unavailable revenue.

Expenditures

On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Budget and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's governing board must adopt a final budget no

HILLSBOROUGH CITY SCHOOL DISTRICT
Measure H Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025

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 and District superintendent 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.

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 on June 30.

G. Assets, Liabilities, and Equity

1. Cash and Investments

Cash balances held in banks and in revolving funds are insured to \$250,000 by the Federal Deposit Insurance Corporation.

In accordance with *Education Code* Section 41001, the District maintains substantially all of its cash in the 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.

All District-directed investments are governed by Government Code Section 53601 and Treasury investment guidelines. The guidelines limit specific investments to government securities, domestic chartered financial securities, domestic corporate issues, and California municipal securities. The District's securities portfolio is held by the County Treasurer. Interest earned on investments is recorded as revenue of the fund from which the investment was made.

2. Cash & Cash Equivalents

The District's cash deposits are considered to be cash on hand and cash in banks. Cash and Cash Equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

3. Investments

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

HILLSBOROUGH CITY SCHOOL DISTRICT
Measure H Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

- Market approach - This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.
- Cost approach - This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.
- Income approach - This approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs have been maximized in fair value measures, and unobservable inputs have been minimized.

4. Long-Term Liabilities

In the Measure H Fund financial statements, bond premiums, discounts and bond issuance costs are recognized during the current period. The face amount of the debt issued, premiums, or discounts are reported as other financing sources/uses. Long-term liabilities are not reported in the balance sheet.

5. Fund Balance Classifications

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- Non-spendable includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation.
- Committed includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end. Committed fund balances are imposed by the District's board of education.
- Assigned includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Superintendent.

HILLSBOROUGH CITY SCHOOL DISTRICT
Measure H Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025

- Unassigned includes positive fund balance that has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

6. Accounting Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 – CASH AND INVESTMENTS

Summary of Deposits

A summary of deposits as of June 30, 2025, is as follows:

	Carrying Amount	Fair Value
Cash in county treasury investment pool	\$ 54,623,755	\$ 55,226,255

Fair Value Measurements

GASB 72 established a hierarchy of inputs to the valuation techniques above. This hierarchy has three levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable.
- Level 3 inputs are unobservable inputs, such as a property valuation or an appraisal.

The District has the following recurring fair value measurements as of June 30, 2025:

Investments in the San Mateo 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.

HILLSBOROUGH CITY SCHOOL DISTRICT
Measure H Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025

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.

Risk Disclosures

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 the changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains cash with the San Mateo County Investment Pool. The pool has a fair value of approximately \$2.88 billion and an amortized book value of \$2.85 billion.

- *Credit Risk*

Credit risk is the risk of loss due to the failure of the security issuer. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investment with the San Mateo County Investment Pool is governed by the County's general investment policy. The investment with the County of San Mateo Investment Pool is rated at least A-1 by Standard and Poor's Investor Service.

- *Custodial Credit Risk - Deposits*

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

HILLSBOROUGH CITY SCHOOL DISTRICT
Measure H Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025

- *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.

NOTE 3 – MEASURE H GENERAL OBLIGATION BOND

The following schedule summarizes the District’s Measure H general obligation bonds as of June 30, 2025:

Description	Maturity Date Sept 1,	Interest Rate %	Original Issue	Bonds Outstanding July 01, 2024	Issued	Redeemed	Bonds Outstanding June 30, 2025
2022 GOB Series A	2052	4-5	\$ 34,000,000	\$ 34,000,000	\$ -	\$ 2,300,000	\$ 31,700,000
2022 GOB Series B	2054	5	40,000,000	-	40,000,000	-	40,000,000
Total General Obligation Bonds			74,000,000	34,000,000	40,000,000	2,300,000	71,700,000
Bond Premium			1,616,063	1,562,194	3,759,149	179,174	5,142,169
Total General Obligation Bonds			<u>\$ 75,616,063</u>	<u>\$ 35,562,194</u>	<u>\$ 43,759,149</u>	<u>\$ 2,479,174</u>	<u>\$ 76,842,169</u>

The District received authorization at an election held on June 7, 2022 to issue bonds of the District in an aggregate principal amount not to exceed \$140,000,000 to finance renovation, construction and improvement of school facilities projects approved by eligible voters within the District. The proposition required approval by at least 55 percent of the votes cast by eligible voters within the District (the 2022 Authorization).

In August 2022, the District issued \$34,000,000 of General Obligation Bonds, Series A for the purpose of financing the renovation, construction, and improvement of school facilities. From the gross proceeds of \$34,000,000, which included a premium of \$1,616,063, \$33,701,500 was deposited into the building fund. The Bonds are the first series of bonds to be issued under the 2022 Bond authorization.

In October 2024, the District issued \$40,000,000 of General Obligation Bonds, Series B for the purpose of financing the renovation, construction, and improvement of school facilities. From the gross proceeds of \$40,000,000, which included a premium of \$3,759,149, of which \$39,690,000 was deposited into the building fund. The Bonds are the first series of bonds to be issued under the 2022 Bond authorization.

The net proceeds of the Bonds and any other series of general obligation bonds issued under the Authorization will be used for the purposes specified in the District bond proposition submitted at the Election, to modernize, replace, renovate, construct, equip, furnish and otherwise improve facilities of the District located at all three elementary school sites, at the middle school site and at the District administrative offices.

The Bonds are payable solely from ad valorem property taxes levied and collected by the County of San Mateo. The Board of Supervisors of the County has power and is obligated to annually levy ad

HILLSBOROUGH CITY SCHOOL DISTRICT
Measure H Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025

valorem taxes for the payment of interest on, and principal of, upon all property subject to taxation by the District without limitation or rate or amount (except certain personal property which is taxable at limited rates).

The following is a summary of the annual debt service requirements as of June 30, 2025:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 750,000	\$ 3,265,561	\$ 4,015,561
2027	750,000	3,391,950	4,141,950
2028	-	3,373,200	3,373,200
2029	-	3,373,200	3,373,200
2030	-	3,373,200	3,373,200
2031-2035	-	16,866,000	16,866,000
2036-2040	2,590,000	16,670,500	19,260,500
2041-2045	11,790,000	14,917,500	26,707,500
2046-2050	21,585,000	10,811,500	32,396,500
2051-2055	34,235,000	4,398,950	38,633,950
Total Debt Service	<u>\$ 71,700,000</u>	<u>\$ 80,441,561</u>	<u>\$ 152,141,561</u>

NOTE 4 – COMMITMENTS

As of June 30, 2025, the District had encumbered \$35,094,516 of the Measure H Fund proceeds to be spent on capital projects.

SUPPLEMENTARY INFORMATION

HILLSBOROUGH CITY SCHOOL DISTRICT
Measure H Fund
Schedule of Expenditures by Site
For the Fiscal Year Ended June 30, 2025

Expenditures by Site:

North Hillsborough School	\$ 7,105,401
South Hillsborough School	968,409
West Hillsborough School	8,864,794
William H. Crocker Middle School	4,981,692
Office	79,378
District Wide	263,372
<hr/>	
Total Expenditures	<u>\$ 22,263,046</u>

The notes to Measure H Fund program schedule are an integral part of this schedule.

HILLSBOROUGH CITY SCHOOL DISTRICT
Measure H Fund
Notes to Measure H Fund Program Schedule
For the Fiscal Year Ended June 30, 2025

NOTE 1 - THE PROGRAM

Proposition 39 was enacted by the voters on November 7, 2000 and changed the required majority for local voter approval of public school and community college general obligation bonds from two-thirds to fifty-five percent of votes. It also required school districts to provide facilities to charter schools operating within their jurisdictions.

On June 7, 2022, 61% of local voters approved the Hillsborough City School District's ("the District") Measure H. Measure H authorized the District to issue bonds in an amount not to exceed \$140,000,000 principal amount of general obligation bonds to modernize, replace, renovate, construct, equip, furnish and otherwise improve facilities of the District located at all three elementary school sites, at the middle school site and at the District administrative offices.

As of June 30, 2025, the District had issued \$74,000,000 of the authorized bonds for Measure H with \$66,000,000 remaining to be issued.

NOTE 2 - ORGANIZATION

The Hillsborough City School District was originally established August 14, 1911. The District is located in San Mateo County and there were no changes in District boundaries during the year. The District maintains three elementary schools and one middle school.

The Board of Education for the fiscal year ended June 30, 2025, was comprised of the following members:

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Kim Oliff	President	December 2028
Don Geddis	Vice President	December 2026
Greg Dannis	Clerk	December 2028
An Huang Chen	Member	December 2026
Gilbert Wai	Member	December 2026

NOTE 3 - CITIZENS' OVERSIGHT COMMITTEE

Duties of the committee include verifying that bond revenues were expended only for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities. The committee must also verify that no funds were used for any teacher or administrative salaries or other school operation expenses.

Furthermore, the committee is authorized to receive, and review copies of the annual independent performance audit and the annual independent financial audit required by Article XIII A, Section 1(b)(3)(C) and Article XIII A, Section 1(b)(3)(D), respectively, of the California Constitution.

HILLSBOROUGH CITY SCHOOL DISTRICT
Measure H Fund
Notes to Measure H Fund Program Schedule
For the Fiscal Year Ended June 30, 2025

On February 15, 2023, Hillsborough City School District's Board of Education appointed the 2002 Bond Measure B Citizens' Bond Oversight Committee for all current and future bond measures, including 2022 Bond Measure H.

The Citizens' Oversight Committee was formed by the Board trustees as required by State law. During the fiscal year ended June 30, 2025, the District was unable to fill all the committee positions, however, as required by Article XIII A, the District was actively seeking to fill these roles and publicly posted the vacancy. The Citizens' Oversight Committee is comprised of the following members as of June 30, 2025:

<u>Name</u>	<u>Title/Function</u>	<u>Term Expires</u>
Chen III, Clement	Bona Fide Taxpayers' Organization Member	February 2026
Feldman, Bonnie	Parent/Guardian, Active in PG Group and At-Large Community Member	June 2027
Heston, Sara	Parent/Guardian and At-Large Community Member	June 2027
Van Doren, Shelby	Parent/Guardian, Active in PG Group and At-Large Community Member	June 2027
Kelly, Deb	Senior Citizens' Organization Member	August 2027
Williams, Lori	Business Organization Representative	August 2027
Vacancy	At-Large Community Member	N/A

**SCHEDULE OF FINDINGS
AND
RECOMMENDATIONS**

HILLSBOROUGH CITY SCHOOL DISTRICT
Measure H Fund
Schedule of Findings and Recommendations
For the Fiscal Year Ended June 30, 2025

This section identifies the deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

Our tests resulted in no findings and recommendations.

HILLSBOROUGH CITY SCHOOL DISTRICT
Measure H Fund
Status of Prior Year Findings and Recommendations
For the Fiscal Year Ended June 30, 2025

There were no prior year findings and recommendations to be reported.

**OTHER INDEPENDENT AUDITOR'S
REPORTS**



**INDEPENDENT AUDITOR'S 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 H Citizens' Oversight Committee and
Governing Board Members
Hillsborough City School District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure H Fund of the Hillsborough City School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Hillsborough City School District's Measure H Fund financial statements, and have issued our report thereon dated November 1, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Hillsborough City School District's internal control over financial reporting (internal control) as a basis for designing 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 Hillsborough City School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hillsborough City School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Hillsborough City School District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 or significant deficiencies. However, material weaknesses or significant deficiencies may exist that were not identified.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hillsborough City School District'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 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 Hillsborough City School District'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 Hillsborough City School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C & A LLP

November 1, 2025
Morgan Hill, California



INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

Measure H Citizens' Oversight Committee and
Governing Board Members
Hillsborough City School District

Performance Audit

We were engaged to conduct a performance audit of the Hillsborough City School District (District) Measure H Fund (Fund) for the year ended June 30, 2025.

We conducted this performance audit in accordance with generally accepted government auditing standards. 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution and Appendix A contained in the 2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting issued by the California Education Audit Appeals Panel. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

This report is intended solely for the information and use of the District and is not intended to be, and should not be used by, anyone other than the specified party.



Auditor Objectives

Our audit included the following objectives:

1. Determine whether expenditures charged to the Fund have been made in accordance with the bond project list approved by the voters through the approval of the Measure H, and verify that the funds were generally expended for the construction, renovation, furnishing, and equipping of school facilities constituting authorized bond projects.
2. Determine whether salary transactions charged to the Fund were in support of Measure H and not for District general administration or operations, and verify that the funds used to pay the salaries of district employees were allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General.

Scope

The scope of our performance audit covered the period of July 1, 2024 to June 30, 2025. The population of expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2025 were not reviewed or included within the scope of our audit or in this report.

Methodology

To meet the objectives of our performance audit, procedures we performed included, the following methodology:

1. We identified expenditures and projects charged to the general obligation bond proceeds by obtaining the general ledger and project listing.
2. We selected a sample of expenditures using the following criteria:
 - a. We considered all expenditures recorded in all object codes, including transfers out.
 - b. We considered all expenditures recorded in all projects that were funded from July 1, 2024 through June 30, 2025 from Measure H bond proceeds.
 - c. We selected all expenditures that were individually significant expenditures. Individually significant expenditures were identified as individual transactions (expenditures) that exceeded approximately 5% of the total expenditures incurred.
 - d. For all items below the individually significant threshold identified in item 2c, judgmentally selected expenditures based on risk assessment and consideration of coverage of all object codes, including transfers out, and projects for period starting July 1, 2024 and ending June 30, 2025.



3. We examined 68% of all expenditures within the bond program to ensure they were valid, allowable, accurate, charged to the facilities projects, and expended on specific projects listed in the text of the applicable ballot measure by vouching the actual invoices and other supporting documentation to determine that:
 - a. Expenditures were supported by invoices with evidence of proper approval and documentation of receipting goods or services.
 - b. Expenditures were supported by proper bid documentation, as applicable.
 - c. Expenditures were expended in accordance with voter-approved bond project list.
 - d. Bond proceeds were not used for salaries of school administrators or other operating expenses of the District.
4. We verified that salary transactions charged to the Fund were in support of Measure H and not for District general administration or operations, and verified that the funds used to pay the salaries of district employees were allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General by vouching to supporting records such as offer letter, position control reports, timecards and payroll reports.
5. We verified that the District was in compliance with Assembly Bill 1908 and Ed Code Section 15278, where the District is required to establish a bond oversight committee for Proposition 39 bonds that includes one active member from each of the following sectors: a business organization, senior citizens' organization, bona fide taxpayer's association, and one parent/guardian of a child enrolled in the District and one parent/guardian of a child enrolled in the District who is also a member of a parent teacher association.
6. We verified the Citizens' Oversight Committee met pursuant to Education Code Section 15280.

Conclusion

We did not identify any exceptions to the procedures performed above, in all significant respects. Based on the procedures performed, the District has properly accounted for the expenditures held in the Measure H Fund and that such expenditures were made for authorized bond projects. Our audit was made for the purposes set forth in the Objectives section of this report and would not necessarily disclose all instances of nonperformance.

C & A LLP

November 1, 2025
Morgan Hill, California

Citizens' Bond Oversight Committee (CBOC)

2023-2024 ANNUAL REPORT TO THE Hillsborough City School District



2023-2024 CBOC MEMBERSHIP

CBOC Membership		Supporting Roles	
Position	Member Name	Board of Trustee Members	
President	Alan Rittenberg	An Huang Chen	
Vice President	Mairin Macaluso	District Staff	
Member	Sarah Heston	Joyce Shen	
Member	Bonnie Feldman	Michelle Yau	
Member	Clement Chen	Ron Russo	
Member	Kirsten Patel	Larry Raffo	
		Consultants Presenting at Meetings	
		Eric Van Pelt, Bond Manager	
		Paul Pham, Auditor	
		Jennifer Gibb, Bond Finance	
		Merry Te, VPCS Admin	

CBOC CHARTER

Statutory Purpose: The Committee is appointed by the Board and charged by statute with the following purpose:

1. To inform the public concerning the expenditure of bond revenues.
2. Ensuring that bond revenues are expended only for the purposes described in the Constitution; that is for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities.
3. Ensuring that no funds are used for any teacher or administrative salaries or other school operating expenses. *NOTE: Bond funds can be used for district office staff working on the bond program.*
4. To alert the public to any waste or improper expenditures of school construction bond money. That we are aware of.

Role of the Committee vis-a-vis the Board: The Board, on the advice of the Superintendent/Staff, makes all decisions related to how bond funds are spent (i.e. the scope, schedule and budget of approved projects).

The CBOC can provide input on these matters, but the input isn't binding on the Board.

Layered Oversight of Bond Expenditures

- The HCSD Board has ultimate authority over allocation of Bond resources and project prioritization.
- The following oversight entities review and report on the appropriate spending of Bond funds:
 - Independent Auditor - California Education Code Requirement
 - Performance Audit Requirement
 - Financial Audit Requirement
 - Citizens' Bond Oversight Committee
- The following provide additional input, review, and/or recommendations:
 - Public Forums and HCSD Board Meetings
 - Published and Online Public Documentation
 - Facility Committee Planning Meetings

CBOC Meetings and Major Items

Dates	Major Items Reviewed
January 26, 2024	<ul style="list-style-type: none">● Review Board Approved Implementation Plan● Review Prior Years Performance & Financial Audit● Review Project Updates● Review Financial Updates● Establish a Meeting Cadence Going Forward
February 22, 2024	<ul style="list-style-type: none">● Prepare the 2022-2023 Annual Report
June 10, 2024	<ul style="list-style-type: none">● Review Project Updates and Communications Plan● Review Financial Reports
August 21, 2024	<ul style="list-style-type: none">● Annual Project Site Tours
November 21, 2024	<ul style="list-style-type: none">● Review Project Updates● Review Financial Reports
March 3, 2025	<ul style="list-style-type: none">● Review Project Updates● Review Performance and Financial Audits for 2023-2024● Prepare 2023-2024 Annual Report

Board Approved Project List Measure I1 2023-2024

HCSD Board Approved Implementation Plan

HCSD Measure H Phase I Implementation Budget

Project Name and Category	Project Budget	Fund 21	Fund 40	Fund 21 (Bond Interest)	Fund 35 (State Funding)
Safe, Cool, Warm and Dry	\$16,700,000.00	\$16,700,000.00	\$0.00	\$0.00	\$0.00
Roofing Repairs (All Sites)	\$8,500,000.00	\$8,500,000.00	\$0.00	\$0.00	\$0.00
HVAC Replacements and Improvements (All Sites)	\$7,000,000.00	\$7,000,000.00	\$0.00	\$0.00	\$0.00
South and North School Painting	\$700,000.00	\$700,000.00	\$0.00	\$0.00	\$0.00
West Waterline Replacement	\$500,000.00	\$500,000.00	\$0.00	\$0.00	\$0.00
Educational Program Support	\$4,200,000.00	\$4,200,000.00	\$0.00	\$0.00	\$0.00
Furniture Replacement (All School Sites)	\$3,000,000.00	\$3,000,000.00	\$0.00	\$0.00	\$0.00
Classroom Technology (All School Sites)	\$1,200,000.00	\$1,200,000.00	\$0.00	\$0.00	\$0.00
Modernization and Renovations	\$47,394,333.80	\$47,032,848.80	\$0.00	\$361,485.00	\$0.00
Crocker MPR Replacement and Drop-Off	\$21,643,483.80	\$21,643,483.80	\$0.00	\$0.00	\$0.00
West New MPR	\$17,000,000.00	\$16,638,515.00	\$0.00	\$361,485.00	\$0.00
South A Pod Finishes Remodel	\$1,000,000.00	\$1,000,000.00	\$0.00	\$0.00	\$0.00
Crocker Synthetic Turf	\$3,500,000.00	\$3,500,000.00	\$0.00	\$0.00	\$0.00
Solar Energy Projects	\$4,250,850.00	\$4,250,850.00	\$0.00	\$0.00	\$0.00
District Costs	\$3,000,000.00	\$1,500,000.00	\$0.00	\$1,500,000.00	\$0.00
Program Contingency	\$2,000,000.00	\$1,500,000.00	\$0.00	\$500,000.00	\$0.00
District Management Costs	\$1,000,000.00	\$0.00	\$0.00	\$1,000,000.00	\$0.00
Totals:	\$71,294,333.80	\$69,432,848.80	\$0.00	\$1,861,485.00	\$0.00

Major Takeaways From 2024

Observations

[Performance Audit](#) was returned with no findings.

[Financial Audit](#) was returned with no findings.

HVAC and Roofing projects at North and West underway in summer of 2024.

Message Boards at each school are being installed summer of 2024. Additionally, the A Pod at South is receiving upgraded LED lighting.

West and Crocker MPR projects are well into the design process.

The CBOC will be meeting quarterly and have special meetings as needed to review documents such as Audits and other annual reporting. Additionally, a site visit to construction sites will be held once per year.

The Bond Team presented a communication plan to the CBOC to help better inform the community of what projects are going on.



Citizens' Bond Oversight Committee (CBOC)

2024-2025 ANNUAL REPORT TO THE Hillsborough City School District



2024-2025 CBOC MEMBERSHIP

CBOC Voting Members

Chairperson: Alan Rittenberg

Vice Chairperson: Mairin Macaluso

Member: Sara Heston

Member: Bonnie Feldman

Member: Clement Chen III

Member: Kirsten Patel

HCSD Board Member Representative

An Huang Chen

District Staff Members

Joyce Shen

Michelle Yau

Ron Russo

Consultants / Presenters

Eric Van Pelt, Bond Manager

Paul Pham, Auditor

Larry Raffo, Consultant

Louann Carlomagno, Consultant

Merry Te, VPCS Admin



CBOC CHARTER



Statutory Purpose



Inform the public concerning the expenditure of bond revenues



Ensure revenues are expended only for construction, reconstruction, rehabilitation, or replacement of school facilities, including furnishing and equipping



Ensure no funds are used for any teacher or administrative salaries or other school operating expenses

**NOTE: Bond funds can be used for district office staff working on the bond program.*



Alert the public to any waste or improper expenditures of school construction bond money. That we are aware of.



Role of the Committee vis-a-vis the Board



The Board, on the advice of the Superintendent/Staff, makes all decisions related to how bond funds are spent (i.e., scope, schedule, and budget of approved projects).



The CBOC can provide input on these matters, but the input isn't binding on the Board.

LAYERED OVERSIGHT OF BOND EXPENDITURES



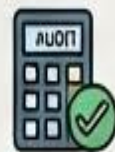
ULTIMATE AUTHORITY

The HCSD Board has ultimate authority over allocation of Bond resources and project prioritization.



OVERSIGHT ENTITIES

These entities review and report on appropriate spending:



Independent Auditor - California Education Code Requirement (Performance & Financial Audit)



Citizens' Bond Oversight Committee



ADDITIONAL INPUT & REVIEW

Providing additional input, review, and/or recommendations:



Public Forums and HCSD Board Meetings



Published and Online Public Documentation



Facility Committee Planning Meetings

CBOC Meetings and Major Items

Dates	Major Items Reviewed
January 26, 2024	<ul style="list-style-type: none">● Review Board Approved Implementation Plan● Review Prior Years Performance & Financial Audit● Review Project Updates● Review Financial Updates● Establish a Meeting Cadence Going Forward
February 22, 2024	<ul style="list-style-type: none">● Prepare the 2022-2023 Annual Report
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November 21, 2024	<ul style="list-style-type: none">● Review Project Updates● Review Financial Reports
March 3, 2025	<ul style="list-style-type: none">● Review Project Updates● Review Performance and Financial Audits for 2023-2024● Prepare 2023-2024 Annual Report

Board Approved Project List Measure 2024-25

West School

✓ Roofing and HVAC:	\$6,525,000
✓ Classroom technology:	\$491,500
✓ Marquee Signs:	\$93,750
✓ West Underground Water Line / Sewer Replacement:	\$230,000
✓ Furniture replacement:	\$1,000,000
✓ West School New MPR:	\$22,400,000
⚙️ Fire Alarm Replacement Districtwide:	\$1,066,666
✓ Emergency Power Remediation:	\$300,000
⚙️ Security Cameras and ActVNet N/S/W/C/DO:	\$125,250
💡 West Library Modernization:	\$1,000,000
TOTAL:	\$33,232,166

South School

✓ Roofing and HVAC:	\$6,525,000
✓ Classroom technology:	\$491,500
✓ Painting:	\$225,000
✓ Marquee Signs:	\$93,750
✓ Furniture replacement:	\$1,000,000
✓ A-pod Building Upgrades:	\$845,000
⚙️ Fire Alarm Replacement Districtwide:	\$845,000
✓ Emergency Power Remediation:	\$300,000
⚙️ Security Cameras and ActVNet N/S/W/C/DO:	\$125,250
✓ South Pre-School Remodel / Conversion:	\$500,000
💡 New Classroom 4/5 (including portable removal):	\$8,000,000
TOTAL:	\$18,950,500

North School

✓ Roofing and HVAC:	\$6,525,000
✓ Classroom technology:	\$491,500
✓ Painting:	\$225,000
✓ Marquee Signs:	\$93,750
✓ Furniture replacement:	\$1,000,000
⚙️ Fire Alarm Replacement Districtwide:	\$1,066,666
⚙️ North School Jungle Remodel:	\$2,500,000
✓ Emergency Power Remediation:	\$300,000
⚙️ Security Cameras and ActVNet N/S/W/C/DO:	\$125,250
TOTAL:	\$12,327,166

Crocker Middle School

✓ Roofing and HVAC:	\$6,525,000
✓ Classroom technology:	\$491,500
✓ Marquee Signs:	\$25,000
✓ Furniture replacement:	\$1,000,000
✓ Crocker New MPR / Admin Building / Parking:	\$45,500,000
⚙️ Fire Alarm Replacement Districtwide:	\$1,066,666
✓ Emergency Power Remediation:	\$300,000
⚙️ Security Cameras and ActVNet N/S/W/C/DO:	\$125,250
💡 Crocker Synthetic Turf Field OR Grass Field Upgrade:	\$2,000,000
TOTAL:	\$57,033,416

Districtwide Projects

✓ Uninterruptible Power Supply Replacement:	TBD
✓ Bridge School Upgrades:	\$250,000
⚙️ Emergency Power Remediation:	\$300,000
⚙️ Security Cameras and ActVNet N/S/W/C/DO:	\$125,250
💡 District Office Renovation and Modernization:	\$5,000,000
TOTAL:	\$5,675,250

✓	Board Approved and Completed
⚙️	Board Approved and In Progress
💡	Board Approved

Major Takeaways From 2025

Observations:

Audit Results

- ✓ Performance Audit was returned with no findings
- ✓ Financial Audit was returned with no findings

Completed Projects (Summer 2025)



HVAC and Roofing Projects completed at South School and Crocker Middle School

Active Construction & New Spaces



Breaking ground at the West School MPR



Construction at the Crocker Middle School new Culinary Classroom begins



The new Makerspace location at Crocker Middle School takes shape

Oversight & Future Planning



CBOC members visits all campuses



Crocker Middle School new MPR, Courtyard, Administrative Office, and School Frontage projects continue to be reviewed by the Division of the State Architect with approval anticipated in Winter 2026

Project Highlights & Milestones



West School MPR Rendering



New Science Classroom Furniture



New Lights at South School



West "Topping Out" Event

CBOC Update Measure H Projects and Costs

February 2, 2026

Measure H Projects in Progress



**Crocker MPR, frontage and
Admin Building**

🔧 Breaking Ground Date: June 2026



West School MPR Building

🚩 Planned Completion Date: Fall 2026

Projects In Progress

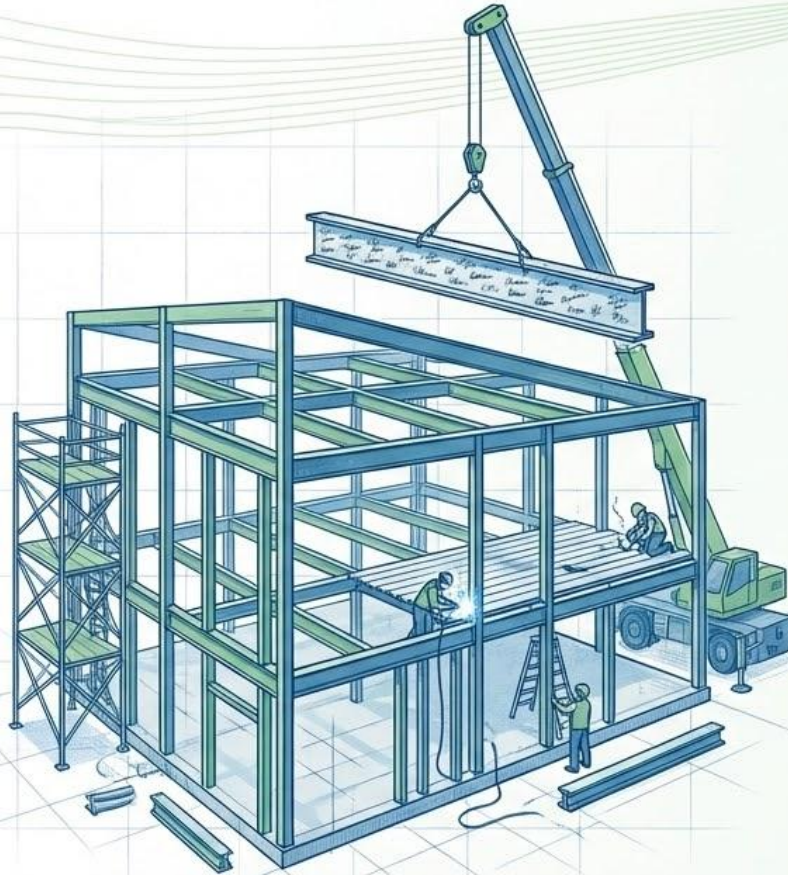


New Culinary Arts Classroom: As the new Multi-purpose Room is under construction, programs previously housed in the MPR will be moved to another part of campus. The New Culinary Arts Classroom will be located near the current art classroom on the first floor of the Crocker main building where the current staff room is located. Architects from WRNS Studio developed the drawings for this dynamic new learning space. Phase I of construction was completed in August 2025. Phase II of the project is now underway with a completion date of September 2026. **Cost included in the Crocker MPR Project estimate.**



New Makerspace: As the new Multi-purpose Room is under construction, programs previously housed in the MPR will be moved to another part of campus. The New Makerspace Classroom will be relocated to the current Crocker Lecture Hall. Architects from WRNS Studio are developing the drawings for this new creative learning lab in conjunction with the HCSD Facilities Team and Crocker Staff. Construction will begin during the 2025-26 school year. **Cost included in the Crocker MPR Project estimate.**

West School Measure H Projects In Progress



New Multi-purpose Room (MPR)

Work is well underway in the construction of the new West Multi-purpose Room. The completion date for the MPR is scheduled for fall 2026.

 **Cost Projection: \$22.4 M**

Construction Highlights & Milestones

- Welding and bolting for all steel beams almost complete.
- Decking is starting to be attached as the underlayment for the roof.
- A “stair tower” of scaffolding has been constructed for roof access.
- A “Topping Out” ceremony took place on December 15th, celebrating the final steel beam, signed by Superintendent de Arce, Trustees, students, and staff.

Board Approved Project List Measure 2024-25

West School

✓ Roofing and HVAC:	\$6,525,000
✓ Classroom technology:	\$491,500
✓ Marquee Signs:	\$93,750
✓ West Underground Water Line / Sewer Replacement:	\$230,000
✓ Furniture replacement:	\$1,000,000
✓ West School New MPR:	\$22,400,000
⚙️ Fire Alarm Replacement Districtwide:	\$1,066,666
✓ Emergency Power Remediation:	\$300,000
⚙️ Security Cameras and ActVNet N/S/W/C/DO:	\$125,250
💡 West Library Modernization:	\$1,000,000

TOTAL: \$33,232,166

South School

✓ Roofing and HVAC:	\$6,525,000
✓ Classroom technology:	\$491,500
✓ Painting:	\$225,000
✓ Marquee Signs:	\$93,750
✓ Furniture replacement:	\$1,000,000
✓ A-pod Building Upgrades:	\$845,000
⚙️ Fire Alarm Replacement Districtwide:	\$845,000
✓ Emergency Power Remediation:	\$300,000
⚙️ Security Cameras and ActVNet N/S/W/C/DO:	\$125,250
✓ South Pre-School Remodel / Conversion:	\$500,000
💡 New Classroom 4/5 (including portable removal):	\$8,000,000

TOTAL: \$18,950,500

North School

✓ Roofing and HVAC:	\$6,525,000
✓ Classroom technology:	\$491,500
✓ Painting:	\$225,000
✓ Marquee Signs:	\$93,750
✓ Furniture replacement:	\$1,000,000
⚙️ Fire Alarm Replacement Districtwide:	\$1,066,666
⚙️ North School Jungle Remodel:	\$2,500,000
✓ Emergency Power Remediation:	\$300,000
⚙️ Security Cameras and ActVNet N/S/W/C/DO:	\$125,250

TOTAL: \$12,327,166

Crocker Middle School

✓ Roofing and HVAC:	\$6,525,000
✓ Classroom technology:	\$491,500
✓ Marquee Signs:	\$25,000
✓ Furniture replacement:	\$1,000,000
✓ Crocker New MPR / Admin Building / Parking:	\$45,500,000
⚙️ Fire Alarm Replacement Districtwide:	\$1,066,666
✓ Emergency Power Remediation:	\$300,000
⚙️ Security Cameras and ActVNet N/S/W/C/DO:	\$125,250
💡 Crocker Synthetic Turf Field OR Grass Field Upgrade:	\$2,000,000

TOTAL: \$57,033,416

Districtwide Projects

✓ Uninterruptible Power Supply Replacement:	TBD
✓ Bridge School Upgrades:	\$250,000
⚙️ Emergency Power Remediation:	\$300,000
⚙️ Security Cameras and ActVNet N/S/W/C/DO:	\$125,250
💡 District Office Renovation and Modernization:	\$5,000,000

TOTAL: \$5,675,250

✓	Board Approved and Completed
⚙️	Board Approved and In Progress
💡	Board Approved

Questions?