San Ysidro School District EST - 1887

QUALITY EDUCATION AND OPPORTUNITY FOR ALL STUDENTS TO SUCCEED

CITIZENS' BOND OVERSIGHT COMMITTEE

Regular Meeting

May 29, 2025

MEETING MATERIALS

ITEM NO. 6

SAN YSIDRO SCHOOL DISTRICT
4350 Otay Mesa Road, San Ysidro, CA 92173

MEETING OF THE CITIZENS' BOND OVERSIGHT COMMITTEE
Wednesday, April 23, 2025 at 10:30 a.m.

SPECIAL MEETING

MINUTES

Pursuant to Government Code Sections 54954 and 54954.2 and Education Code Section 35140, the Special Meeting of the Citizens Bond Oversight Committee (Committee) will be held on **Wednesday, April 23, 2025**, to conduct its business meeting at the **Willow Elementary School - Auditorium, 226 Willow Road, San Ysidro, CA 92173.** Pursuant to Board Bylaw 9323 and Government Code 54953.5, members of the public may record an open Committee meeting using an audio or video recorder, camera, cell phone, or other device, provided that the noise or obstruction of view does not disrupt the meeting or members of the audience. If a member of the public or media wishes to stand and record the meeting or set up a tripod, such recording must be done on the left or right side of the public seating area. The Superintendent or an assigned employee may designate recording locations. If the Committee determines that noise or obstruction of view disrupts proceedings, the activities shall be discontinued as determined by the Committee. Any meeting participant who engages in disorderly conduct that disturbs the peace and good order of the meeting or refuses to comply with the lawful orders of the Committee may be ordered removed from the meeting and may be guilty of a misdemeanor (Cal. Penal Code Sec. 403).

1. **CALL TO ORDER** By: Chairperson, Ricardo Macedo

2. **ROLL CALL** by Ms. Marilyn Adrianzen, Chief Business Official
   Ricardo Macedo, Chairperson
   Gloria McKearney, Vice Chairperson
   Hilario Rodriguez, Member - Absent
   Kenneth Johnson, Member
   Juan Morales, Member - Absent
   Daniela Armstrong, Member - Absent
   Nancy Kerwin, Member

3. **FLAG SALUTE** By: Chairperson, Mr. Macedo

4. **AGENDA**
   Corrections and additions to the agenda.
   The Committee approved the agenda for the meeting.

   Motion: Ms. McKearney Second: Mr. Johnson Vote: 4/0

5. **PUBLIC COMMENT/COMMUNICATIONS WITH THE CITIZENS' BOND OVERSIGHT COMMITTEE**
   The Board of Trustees has established protocols that will allow the Board to conduct the business of the District while also achieving the type of open communication we all want in our community. The Board values the input of parents, students, employees, and other members of the public. Our goal is to allow the free exchange of views among Board members and its staff and between members of the public and the Board while maintaining a respectful and orderly atmosphere. The Board's policy is to encourage all interested individuals to contribute constructive ideas and perspectives during the meetings while respecting the right of others to express their ideas and perspectives. The Board welcomes disagreement, but it is important that disagreement be expressed meaningfully and respectfully. Speakers should not make personal attacks on other individuals. To promote these goals, we ask that everyone be courteous, patient, and respectful while others speak. Each speaker should feel free to express their viewpoint freely but politely and respectfully, speaking concisely and within the allotted time limits. Members of the public will not speak unless first recognized by the Board President/Chairperson and will speak only from the podium, not directly from the audience at any time.

PLEASE SUBMIT PUBLIC COMMENT FORMS BEFORE THE START OF THE MEETING
Per Board Policy #9323, three (3) minutes may be allotted to each speaker and five (5) minutes for organizations to address **all their items**. If translation services are required, please state that, and an additional one (1) minute will be allotted. **When called, approach the podium and state your name.**

The public can address the Committee on any item appearing on the agenda or not on the agenda. Persons wishing to address the Board must fill out a ***Public Comment Form*** located at the sign-in area and submit the completed form to the administrative assistant before the start of the meeting. Those with a group concern are encouraged to select a spokesperson to address the Committee. A copy of the complete agenda is available for viewing at the District Office located at 4350 Otay Mesa Road, San Ysidro, California. Also, on the district's website: www.sysdschools.org.

No Public Comments

6. **MINUTES** (Adrianzen)
The Committee approved the Minutes of the Citizen's Bond Oversight Committee Meeting of March 20, 2025.

Motion: Mr. Johnson Second: Ms. Kerwin Vote: 4/0

7. **WILLOW SCHOOL VISIT** (Iniguez)
The Committee toured the school site to see bond-related projects at this location.

8. **FUTURE AGENDA ITEM REQUESTS**
In the future, the Committee members would like to visit other sites where bond-related projects are taking place.

Motion: Mr. Macedo Second: Mr. Johnson Vote: 4/0

9. **OTHER** None

10. **ADJOURNMENT** Time: 11:33 a.m.

Motion: Mr. Macedo Second: Mr. Johnson Vote: 4/0

Respectfully submitted,

Marilyn Adrianzen
Chief Business Official

In compliance with the Americans with Disabilities Act, if you need special assistance, disability-related modifications, or accommodations, including auxiliary aids or services, To participate in the public meetings of the District's Citizen's Bond Oversight Committee Meetings, please contact the office of the District's Chief Business Official at (619) 428-4476. Notification 72 hours before the meeting will enable the District to make reasonable arrangements to ensure accommodation and accessibility to this meeting. Upon request, the District shall also make available this agenda and all other public records associated with this meeting in appropriate alternative formats for persons with a disability. Notification 72 hours before the meeting for Spanish translation services at the Committee meeting may also be requested by contacting (619) 428-4476 extension 3003. *(Si requiere servicio de traducción a español para la Junta del Comité, necesita solicitar estos servicios 72 horas antes de la junta. Favor de llamar al 619-428-4476 x3003.)*

BOC Approved: ___________

ITEM NO. 7

San Ysidro School District

Budget -vs- Commitments, and Expenditures by Fund for Selected Funds & Projects Only

Budget Status by Fund

Budget -vs- Commitments, and Expenditures by Fund for Selected Funds Projects Only

EXPENDITURE REPORT - MAY 19, 2025

School Name - Project Name/Expense Category/Object Code	2133 - General Obligation Bonds - Measure U Budget	Commitments	Expenditures	Uncommited Budget Remaining	2139 - General Obligation Bonds - Measure T Budget	Commitments	Expenditures	Uncommited Budget Remaining	Grand Total Budget	Commitments	Expenditures	Uncommited Budget Remaining
Community Resource Center - New Community Resource Center (FP) (2)	-	-	-	-	*24,100,000*	*19,298,667*	*1,949,769*	*4,801,333*	*24,100,000*	*19,298,667*	*1,949,769*	*4,801,333*
District Wide - Interactive Whiteboard Replacements (FP)	-	-	-	-	*3,950,000*	*507,093*	*278,093*	*3,442,907*	*3,950,000*	*507,093*	*278,093*	*3,442,907*
La Mirada Elementary School - CDC Move from SMES (FP)	-	-	-	-	*5,808,550*	*1,272,190*	*106,933*	*4,536,360*	*5,808,550*	*1,272,190*	*106,933*	*4,536,360*
La Mirada Elementary School - Safety and Security Improvements (FP) (A) (2)	*10,254*	*10,254*	*10,254*	-	-	-	-	-	*10,254*	*10,254*	*10,254*	-
Multi-Site - Flooring Replacement at SYMS/SSES (FP) (B)	*45,660*	*45,660*	*45,660*	-	-	-	-	-	*45,660*	*45,660*	*45,660*	-
Multi-Site - Furniture TK -OVHE/WLESI/LMES (FP)	*415,000*	*407,750*	*407,750*	*7,250*	-	-	-	-	*415,000*	*407,750*	*407,750*	*7,250*
Multi-Site - Playgrounds at LMES & SMES (FP)	-	-	-	-	*2,691,130*	*2,691,130*	*2,691,130*	-	*2,691,130*	*2,691,130*	*2,691,130*	-
Multi-Site - Safety/Security Window Improvements @ OVH/SSES	-	-	-	-	*272,933*	*83,505*	-	*189,428*	*272,933*	*83,505*	-	*189,428*
Ocean View Hills Elementary School - 2 Growth Portables- Phase 2 (FP) & Science Conv. U	-	-	-	-	*24,478*	*5,478*	*5,478*	*19,001*	*24,478*	*5,478*	*5,478*	*19,001*
San Ysidro Middle School - Revitalization (FP) (A,B,C,D,G)	*50,000,000*	*40,343,369*	*2,243,010*	*9,656,632*	-	-	-	-	*50,000,000*	*40,343,369*	*2,243,010*	*9,656,632*
San Ysidro School District - COPS Payoff 2017	-	-	-	-	*15,362,416*	*15,362,416*	*15,362,416*	-	*15,362,416*	*15,362,416*	*15,362,416*	-
Smythe Elementary School - Safety and Security Improvements at SMES (FP)	*20,959*	*20,959*	*20,959*	-	-	-	-	-	*20,959*	*20,959*	*20,959*	-
Sunset Elementary School - Artificial Turf Replacement (FP)	-	-	-	-	*769,601*	*769,601*	*769,601*		*769,601*	*769,601*	*769,601*	
Sunset Elementary School - HVAC Installation (FP)	*8,689*	*8,689*	*8,689*	-	-	-	-	-	*8,689*	*8,689*	*8,689*	-
Vista del Mar Middle School - Playground Improvements (FP)	*173,661*	*173,661*	*173,661*	-	-	-	-	-	*173,661*	*173,661*	*173,661*	-
Willow Elementary School - Safety and Security Improvements (FP) (A, C)	*4,435,000*	*2,804,254*	*2,434,489*	*1,630,746*	-	-	-	-	*4,435,000*	*2,804,254*	*2,434,489*	*1,630,746*
z-San Ysidro School Distrct - U Contingency for Facilities Program	*390,775*	-	-	*390,775*	-	-	-	-	*390,775*	-	-	*390,775*
z-San Ysidro School District - T Contingency for Facilities Program	-	-	-	-	*5,892*	-	-	*5,892*	*5,892*	-	-	*5,892*
Totals	*55,500,000*	*43,814,597*	*5,344,474*	*11,685,403*	*52,985,000*	*39,990,080*	*21,163,420*	*12,994,920*	*108,485,000*	*83,804,677*	*26,507,895*	*24,680,323*
z-San Ysidro School Distrct - U Interest Earning for Facilities Program	*2,340,026*	-	-	*2,340,026*	-	-	-	-	*2,340,026*	-	-	*2,340,026*
z-San Ysidro School Distrct - T Interest Earning for Facilities Program	-	-	-	-	*634,612*	-	-	*634,612*	*634,612*	-	-	*634,612*
Totals	*57,840,026*	*43,814,597*	*5,344,474*	*14,025,429*	*53,619,612*	*39,990,080*	*21,163,420*	*13,629,532*	*111,459,638*	*83,804,677*	*26,507,895*	*27,654,961*

ITEM NO. 8

GENERAL OBLIGATION BONDS – MEASURE T AND U (SERIES C)

MEASURE T - Projections	Series B = $15,000,000 (Issued Aug. 2023)	**Series C** = $22,155,000 (Issue 2025)
Beyer Community and Educational Resource Center	$12,000,000 Spend by Aug. 2026	$12,100,000 Spend by December 2026
Interactive Whiteboard Replacements (district-wide)	$300,000 Spend by Aug. 2026	$3,650,000 Spend by 2028
CDC move from Smythe to La Mirada	$500,000 Spend by Aug. 2026	$6,308,550 Spend by End of 2026/Early 2027
Playgrounds	$2,200,000 Spend by Aug. 2026	$96,450 Spend by 2028

MEASURE U - Projections	Series B = $15,000,000	**Series C** = $20,500,000 (Issue 2025)
San Ysidro Middle School Modernization	$15,000,000 (spend by Aug. 2026)	$20,500,000 (spend by Dec. 2026)

SAN DIEGO COUNTY TAXPAYERS ASSOCIATION

FOR IMMEDIATE RELEASE
Contact: Ryan Penkala
Phone: (619) 234-6423
Email: press@sdcta.org

Taxpayers Association Grades the Graders: Watchdog Group Releases 2024 School Bond Transparency Report Card

Association encourages taxpayers to assist in the essential task of bond oversight and program assessment

San Diego, CA (April 16, 2025) – As students get ready to receive their final grades for the semester, school districts around San Diego county will be receiving their annual marks on transparency. Today the SDCTA issues grades for 24 local school districts in its 12th annual School Bond Transparency Report Card.

This annual report card is a vital tool for promoting accountability and fiscal responsibility in public education funding. By evaluating how school districts manage and report the use of voter-approved bond funds, the report card empowers taxpayers with clear, accessible information on whether promises made during bond campaigns are being fulfilled. It highlights best practices, identifies areas of concern, and encourages transparency by grading districts on criteria such as public access to financial data and project progress reporting. In doing so, the report card fosters greater public trust, ensures taxpayer dollars are used effectively, and supports improved governance within California's education system.

The report card also continues to focus on the work of the Citizens' Bond Oversight Committees (CBOC) by factoring their activity into the transparency grades. In early 2024, the SDCTA workshopped and informed districts of additions to the report card criteria in an effort to highlight and increase transparency about CBOC involvement, including by requesting districts provide evidence of the following practices:

- Maintaining updated information on expected CBOC vacancies
- Holding at least four CBOC meeting per year
- Providing a response on the CBOC website to audit findings and/or recommendations
- Allowing a CBOC member to provide input on the scope of work for the annual audit, and review the annual audit before it goes to the Governing Board
- Allowing a CBOC member to participate as an observer in the selection process for the Bond auditor

"Proposition 39 lowered the threshold for local voter approval of school bond measures to 55%," says Mike Frattali, chairman of SDCTA's Issues Subcommittee on Schools Performance and member of the

San Diego Unified School District and San Diego Community College District Citizens Oversight Committees. "It was accompanied by the mandate to establish independent oversight committees to oversee school bond expenditures and report findings to governing boards, taxpayers, and the public. The SDCTA has taken the lead to follow through on the Prop 39 mandate by evaluating school or community college districts with a rigorous criteria evaluating the transparency of each construction program.

Of the 24 school districts that have active bond programs, the average score, when removing the lowest three outliers, was 86.86 percent, or a "B". This represents a return to the 2022 average score of 87 after a slight increase to a 90 percent average in 2023. Perfect scorers in 2024 include the following districts:

- **Grossmont Union High School District**
- **Miracosta Community College District**
- **San Diego Unified School District**
- **San Ysidro School District**
- **Vista Unified School District**

Districts who had near perfect scores include **Chula Vista Elementary School District**, **La Mesa-Spring Valley School District**, **Oceanside Unified School District**, **Palomar Community College District**, and **San Dieguito Union High School District**, who all received a grade of "A-" or "A".

Failing grades were handed to **Borrego Springs Unified School District**, **Mountain Empire Unified School District**, **National School District**, and **Sweetwater Union High School District**.

Here are some key findings from the new report card:

- The most improved district was **Lemon Grove School District** with a "C" grade and an increase from 17 points out of 27 to 19 points out of 25, from 63 percent to 76 percent.
- **Palomar Community College District** achieved their highest score over the past several years, returning to the "A" column with a score of 23.5 points out of 25.
- The largest score drop was **Southwestern Community College District** with a "C-" grade and a fall from 25 points out of 27 to 18 points out of 25, sliding from 93 percent in 2023 to just 72 percent in 2024.

CLICK HERE to view all of the grades within the 2024 School Bond Transparency Report Card

The report card does not assess the value or purpose of school districts' bond expenditures, but instead focuses on how transparently those funds are being managed and reported. Each district was evaluated across 25 criteria, including the timeliness and accessibility of key reports, the number of vacancies on its independent citizens' oversight committee, the availability and transparency of meeting minutes, whether annual financial audits are both conducted by independent auditors and publicly available, if performance audits align with SDCTA standards, and the presence of detailed, itemized updates on bond-funded projects.

Following the initial evaluations, SDCTA distributed draft report cards to each district, providing an opportunity for feedback or corrections. Final grades were issued one week later.

"The SDCTA's trusted and independent assessments of the bond programs provides a degree of assurance that the districts are responsibly expending public funds," says Mike Frattali. "The more trust the public has in school bonds, the more likely they are to approve them. As a side note, the SDCTA is always looking for volunteers to fill the taxpayer representative position on the oversight committees required under Proposition 39. Anyone interested in participating is encouraged to join Taxpayers and help us provide support to our local school districts."

Please email press@sdcta.org for media inquiries.

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San Diego County Taxpayers Association (SDCTA) is a non-profit, non-partisan organization, dedicated to promoting accountable, cost-effective, and efficient government and opposing unnecessary new taxes and fees. Since 1945, SDCTA has served as "San Diego's Taxpayer Watchdog Group" by educating the public and helping save the region's citizens millions of dollars. Public opinion polls consistently rate SDCTA as the most "influential" and "trusted" public policy institution in San Diego. For more information, please visit www.sdcta.org, Twitter, Facebook, Instagram, call 619-234-6423, or email info@sdcta.org

ITEM NO. 10

WILKINSON HADLEY KING & CO. LLP
CPAs AND ADVISORS

San Ysidro School District

Measure T Building Fund General Obligation Bond

Financial Statements & Supplementary Information

June 30, 2024

https://whkcpa.com

San Ysidro School District
Measure T Building Fund (21-39)
Table of Contents
June 30, 2024

San Ysidro School District
Measure T Building Fund (21-39)
Introduction & Citizens' Oversight Committee Member Listing

The San Ysidro School District, a political subdivision of the State of California is located in San Diego County, and currently provides educational programs to 4,300 preschool to eighth grade students.

On March 3, 2020, the voters within the District authorized Measure T general obligation bonds not to exceed $52,985,000.

Measure T bonds are Proposition 39 bonds, issued by the San Ysidro School District. The passage of Proposition 39 in November 2000 amended the California Constitution to include accountability provisions. Specifically, the District must conduct an annual independent performance audit to ensure that funds have been expended only on specific projects listed as well as an annual, independent financial audit of the proceeds from the sale of the bonds until all the proceeds have been expended for facilities projects.

Upon the passage of Proposition 39, an accompanying piece of legislation, AB 1908 (Chapter 44, Statues of 2000), was enacted, which amended the Education Code to establish additional procedures which must be followed if a District seeks approval of a bond proposition pursuant to the 55% majority authorized in Proposition 39 including the formation, composition and purpose of the Citizens' Bond Oversight Committee, and authorization for injunctive relief against the improper expenditure of bond revenues.

The San Ysidro School District Citizens' Oversight Committee consisted of the following members for the fiscal year ended June 30, 2024:

Name	Position	Representative	Term Expiration
Ricardo Macedo	Chair	Business Community Representative	September 2025
Gloria McKearney	Vice-Chair	Taxpayer Association Representative	September 2025
Hilario Rodriguez	Member	At- Large Community	September 2025
Kenneth Johnson	Member	At- Large Community	January 2026
Juan Morales	Member	Parent Representative - Active	May 2025
Daniela Armstrong	Member	Parent Representative	May 2025
Vacant	Member	Senior Citizen Organization	

WILKINSON HADLEY
KING & CO. LLP
CPAs AND ADVISORS

Brian K. Hadley, CPA
Aubrey W. Mann, CPA
Kevin A. Sproul, CPA

Independent Auditor's Report

To the Citizens' Oversight Committee
San Ysidro School District
Measure T Building Fund (21-39)
San Ysidro, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the San Ysidro School District's Measure T Building Fund (Fund 21-39), which comprise the balance sheet as of June 30, 2024, and the related statement of revenues, expenditures, and changes in fund balance for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance of the Bond Fund as of June 30, 2024, and the revenues it received and expenditures it paid for the year then ended, in accordance with the financial reporting provisions of Proposition 39 described in Note A.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 San Ysidro School District, including the Measure T Citizens' Oversight Committee, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared by the San Ysidro School District using the modified accrual basis of accounting for the fund, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the financial reporting requirements under Proposition 39. Additionally, the financial statements present only the Bond Fund which is specific to Measure T and is not intended to present fairly the financial position and results of operations of the San Ysidro School District as a whole. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions for fund accounting under the modified accrual basis of accounting, as described in Note A. Management is also responsible 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 Bond Fund'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.

218 West Douglas Avenue, El Cajon, Ca, 92020 | Phone: (619) 447-6700 | Fax: (619) 447-6707 | www.whkcpa.com

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted 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 Bond Fund'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 Bond Fund'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2025, on our consideration of the Bond Fund'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 the Bond Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bond Fund'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 March 25, 2025, on our consideration of the Bond Fund's compliance with the requirements of Proposition 39 with regards to the Measure T Building Fund (Fund 21-39). That report is an integral part of our audit of the Measure T Building Fund (Fund 21-39) for the fiscal year ended June 30, 2024, and should be considered in assessing the results of our financial audit.

Other Information

Management is responsible for the other information included in the introductory section of this report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Restriction on Use

This report is intended solely for the information and use of management, the Citizens' Oversight Committee, the Board of Education, and others within the San Ysidro School District, and is not intended to be and should not be used by anyone other than these specified parties.

Wilkinson Hadley King & Co. LLP

El Cajon, California
March 25, 2025

SAN YSIDRO SCHOOL DISTRICT
MEASURE T BUILDING FUND (21-39)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024
(Unaudited)

This section of the San Ysidro School Districts'(SYSD) Measure T Building Fund annual financial and performance report presents the discussion and analysis of the Measure T bond program during the fiscal year that ended June 30, 2024. This Management Discussion and Analysis (MD&A) should be read in conjunction with the Bond Fund's financial statements that immediately follow this section.

FINANCIAL HIGHLIGHTS

- On September 17, 2020 SYSD issued 2020 Measure T, Series A bonds in the amount of $15,830,000.
- On August 1, 2023 SYSD issued 2020 Measure T, Series B bonds in the amount of $15,000,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management discussion and analysis (this section), the financial statements, and the performance audit required by state law.

The District accounts for Measure T bond activity in the District's Building Fund. The Building Fund is a governmental fund type accounted for on a modified accrual basis of accounting.

FINANCIAL ANALYSIS OF MEASURE T BUILDING FUND

Balance Sheet

The District's Measure T Building Fund balance as of June 30, 2024 was $14,817,562 (see Table A-1).

Table A-1
Measure T Building Fund
Balance Sheet

	June 30, 2024	June 30, 2023	Change	Percentage Change
Assets				
Cash	$ 14,841,053	$ -	$ 14,841,053	100%
Total Assets	14,841,053	-	14,841,053	100%
Liabilities				
Accounts payable	23,300	-	23,300	100%
Due to other funds	191	-	191	100%
Total Liabilities	23,491	-	23,491	100%
Fund Balance				
Restricted for capital projects	14,817,562	-	14,817,562	100%
Total Fund Balance	14,817,562	-	14,817,562	100%
Total Liabilities & Fund Balance	$ 14,841,053	$ -	$ 14,841,053	100%

SAN YSIDRO SCHOOL DISTRICT
MEASURE T BUILDING FUND (21-39)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024
(Unaudited)

Fund Balance (or Change in Fund Balance)

The District's total Measure T Building Fund had an increase in revenues and other sources of $15,261,277 for the year 2023-2024.

Table A-2
Measure T Building Fund
Changes in Fund Balance

	Year Ended June 30, 2024	2023	Change	Percentage Change
Revenues & Other Sources				
Interest and investment income	$ 348,424	$ -	$ 348,424	100%
FMV adjustment	(227,147)	-	(227,147)	100%
Proceeds from sale of bonds	15,140,000	-	15,140,000	100%
Total Revenues & Other Sources	15,261,277	-	15,261,277	0%
Expenditures & Other Uses				
Other construction services	315,963	-	315,963	100%
Capital outlay	127,752	-	127,752	100%
Total Expenditures & Other Uses	443,715	-	443,715	0%
Change in Fund Balance	14,817,562	-	15,704,992	100%
Fund Balance - Beginning	-	-	-	0%
Fund Balance - Ending	$ 14,817,562	$ -	$ 14,817,562	100%

CAPITAL ASSETS

During the fiscal year ended June 30, 2024, SYSD expended $127,752 in capital expenditures from Measure T funds. These expenditures are part of the SYSD total capital assets as reflected in the District's separate financial audit.

LONG TERM DEBT

The following table presents a comparison of long-term debt associated with Measure T Building Fund:

Table A-3
Measure T Building Fund
Long Term Debt

	Year Ended June 30, 2024	2023	Change	Percentage Change
General Obligation Bonds				
Principal Balance	$ 28,060,000	$ 13,260,000	$ 14,800,000	111.6%
Bond Premium	578,889	-	578,889	100%
Total Measure T GO Bonds	$ 28,638,889	$ 13,260,000	$ 15,378,889	116.0%

FACTORS BEARING ON THE BOND PROGRAM'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of the existing circumstances that could affect its financial health in the future:

- Possible increases in building costs during construction

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the Bond Fund's finances and to determine the Bond Fund's accountability for the money it receives. Additional financial information can be obtained by contacting the following:

Business Office
San Ysidro School District
4350 Otay Mesa Rd.
San Ysidro, CA 92173

Financial Statements

San Ysidro School District
Measure T Building Fund (21-39)
Balance Sheet
June 30, 2024

ASSETS		
Current Assets		
Cash in county treasury	$	14,841,053
Total Current Assets		14,841,053
TOTAL ASSETS	$	14,841,053
LIABILITIES AND FUND BALANCE		
Current Liabilities		
Accounts payable	$	23,300
Due to other funds		191
Total Current Liabilities		23,491
Total Liabilities		23,491
Fund Balance		
Restricted for capital projects		14,817,562
Total Fund Balance		14,817,562
TOTAL LIABILITIES AND FUND BALANCE	$	14,841,053

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

San Ysidro School District
Measure T Building Fund (21-39)

Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2024

REVENUES	
Interest income	$ 348,424
FMV adjustment	(227,147)
TOTAL REVENUES	121,277
EXPENDITURES	
Current operating expenses:	
Other construction services	315,963
Capital outlay:	
Blueprinting	
Architect plans	92,660
Tests and exams	35,092
TOTAL EXPENDITURES	443,715
OTHER SOURCES AND USES	
Proceeds from sale of general obligation bonds	15,140,000
TOTAL OTHER SOURCES	15,140,000
NET CHANGE IN FUND BALANCE	14,817,562
FUND BALANCE, BEGINNING OF YEAR	-
FUND BALANCE, END OF YEAR	$ 14,817,562

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

A. Summary of Significant Accounting Policies

San Ysidro School District Measure T Building Fund (21-39), hereinafter referred to as the "Bond Fund", accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

1. Reporting Entity

The Bond Fund was formed to account for renovation of schools for San Ysidro School District (District), through expenditures of general obligation bonds issued under Measure T, authorized by registered voters on March 3, 2020.

The Bond Fund operates under a locally selected Citizens' Oversight Committee comprised of seven members formed in accordance with the Local School Construction Bonds Act of 2000, at Section 15264 *et seq.* of the Education Code, Proposition 39. The reporting entity consists only of the Bond Fund of the District. These financial statements are intended to present only the financial position and results of operations of the Bond Fund in conformity with accounting principles generally accepted in the United States of America, and accordingly do not present the financial position and results of operations of the District.

2. Basis of Accounting – Measurement Focus

Bond Fund. The bond fund is reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Bond Fund considers all revenues reported in the fund to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of interest earned. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the Bond Fund incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the Bond Fund's policy to use restricted resources first, then unrestricted resources.

3. Encumbrances

Encumbrance accounting is used in the Bond Fund 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 or at year end, whichever is sooner.

4. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the Bond Fund. By state law, the District's governing board must adopt a final budget no later than July 1st. A public hearing must be conducted to receive comments prior to adoption. The District's governing board has 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 used 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.

5. Revenues and Expenses

a. Revenues – Exchange and Non-Exchange

On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. Generally, available is defined as collectible within 60 days. However, to achieve comparability of reporting among California districts and so as to not distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, property taxes, interest, certain grants, and other local sources.

Non-exchange transactions are transactions in which the District receives value without directly giving equal value in return, including property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose restrictions. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

b. Expenditures

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, and typically paid within 90 days. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the bond fund as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the Bond Fund.

6. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position

a. Deposits and Investments

Cash balances held in banks and in revolving funds are insured to $250,000 by the Federal Depository Insurance Corporation (FDIC). The Bond Fund does not have any cash held in banks or revolving fund. Highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

In accordance with Education Code §42701, the Bond Fund maintains substantially all its cash in the San Diego County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The county is authorized to deposit cash and invest excess funds by California Government Code §53648 et seq. The funds maintained by the county are either secured by federal depository insurance or are collateralized.

Information regarding the amount of dollars invested in derivatives with San Diego County Treasury was not available.

b. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds of the District. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

c. Fund Balances – Governmental Funds

Fund balances of the Bond Fund are classified as follows:

Nonspendable Fund Balance represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact (such as revolving cash accounts or principal of a permanent fund).

Restricted Fund Balance represents amounts that are subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations, or may be imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance represents amounts that can only be used for a specific purpose because of a formal action by the District's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget or resolution. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

7. Use of Estimates

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

8. Fair Value Measurements

The Bond Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles as defined by Governmental Accounting Standards Board (GASB) Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy is detailed as follows:

Level 1 Inputs:	Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.
Level 2 Inputs:	Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
Level 3 Inputs:	Unobservable inputs to an asset or liability.

9. New Accounting Pronouncements

The Bond Fund has adopted accounting policies compliant with new pronouncements issued by the Government Accounting Standards Board (GASB) that are effective for the fiscal year ended June 30, 2024. Those newly implemented pronouncements are as follows:

Description	Date Issued
GASB Statement No. 99 *Omnibus 2022* (Portions related to leases, PPPs, and SBITAs)	Apr-22
GASB Implementation Guide No. 2021-1 *Implementation Guidance Update 2021 (Portion Related to Question 5.1)*	May-21

Implementation of these standards did not result in any changes to financial accounting or reporting for the Bond Fund.

B. Compliance and Accountability

1. Finance Related Legal and Contractual Provisions

   In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures", violations of finance-related legal and contractual provisions, if any are reported below, along with actions taken to address such violations:

Violation	Action Taken
None Reported	Not Applicable

2. Deficit Fund Balance or Fund Net Position of Individual Funds

   The following funds are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

Fund Name	Deficit Amount	Remarks
None	Not Applicable	Not Applicable

C. Fair Value Measurements

The Bond Fund's investments at June 30, 2024, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

		Fair Value Measurement Using		
	Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
External investment pools measured at fair value				
San Diego County Treasury	$ 14,841,053	$ -	$ 14,841,053	$ -
Total investments by fair value level	$ 14,841,053	$ -	$ 14,841,053	$ -

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

The San Diego County Treasury is not registered with the Securities and Exchange Commission (SEC) as an investment company; however, the County Treasury acts in accordance with investment policies monitored by a Treasury Oversight Committee consisting of members appointed by participants in the investment pool and up to five members of the public having expertise, or an academic background in, public finance. In addition, the County Treasury is audited annually by an independent auditor.

D. Cash and Investments

1. Cash in County Treasury

In accordance with Education Code §41001, the Bond Fund maintains substantially all of its cash in the San Diego County Treasury as part of the common investment pool ($15,068,200 as of June 30, 2024). The fair value of the Bond Fund's portion of this pool as of that date, as provided by the pool sponsor, was $14,841,053. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

2. Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the Bond Fund by the California Government Code (or the Bond Fund's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Bond Fund's investment policy where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the Bond Fund, rather than the general provisions of the California Government Code or the District's investment policy.

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

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the Bond Fund was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The county treasury is restricted by Government Code §53635 pursuant to §53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of risk.

At June 30, 2024, credit risk for the Bond Fund's investments was as follows:

Investment Type	Rating	Rating Agency	Amount
County Treasurer's Investment Pool	Unrated	Not Applicable	$ 14,841,053

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the Bond Fund's name. The California Government Code and the Bond Fund's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: 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% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the Bond Fund's name.

At June 30, 2024, the Bond Fund was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The investment policy of the Bond Fund contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. Investments in any one issuer that represent five percent or more of the total investments are either an external investment pool and are therefore exempt. As such, the Bond Fund was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Bond Fund maintains pooled investments with the San Diego County Treasury with a fair value of $14,841,053. The average weighted maturity for this pool was 447 days at June 30, 2024.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the Bond Fund was not exposed to foreign currency risk.

4. Investment Accounting Policy

The Bond Fund is required by GASB Statement No. 31 to disclose its policy for determining which investments, if any, are reported at amortized cost. The Bond Fund's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

The Bond Fund's investments in external investment pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is a 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

E. Accounts Payable

The Accounts Receivable balance as of June 30, 2024, consisted of:

Vendor payables	$ 23,300
Total Accounts Payable	$ 23,300

F. Interfund Activities

The Bond Fund for Measure N had the following interfund activities as of June 30, 2024:

Interfund Receivable (Due From Other Funds)	Interfund Payable (Due To Other Funds)	Amount	Purpose
General Fund	Bond Fund - Measure VV	$ 191	Reimburse expenditures
	Total	$ 191	

G. Short Term Debt Activity

The Bond Fund accounts for short-term debts for maintenance purposes through the General Fund. The proceeds from loans are shown in the financial statements as other financing sources. The Bond Fund did not issue any short-term debt during the fiscal year ended June 30, 2024.

H. General Obligation Bonds

The District's bonded debt consists of various issues of general obligation bonds that are generally callable with interest payable semiannually. Bond proceeds pay primarily for acquiring or constructing capital facilities. The District repays general obligation bonds from voter-approved property taxes.

In March 2020 registered voters authorized the issuance of $52,985,000 principal amount of general obligation bonds. As of June 30, 2024, $22,155,000 of the authorized amount remains available for issue.

	Date of Issue	Interest Rate	Maturity Date	Amount of Original Issue
2020 Measure T, Series A	09/03/20	0.37-2.97%	08/01/45	$ 15,830,000
2020 Measure T, Series B	08/01/23	4.00-5.00%	08/01/45	$ 15,000,000
Total General Obligation Bonds				$ 30,830,000

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
2020 Measure T, Series A					
Principal	$ 13,260,000	$ -	$ 200,000	$ 13,060,000	$ 225,000
2020 Measure T, Series B					
Principal	-	15,000,000	-	15,000,000	1,480,000
Premium	-	578,889	-	578,889	57,117
Total General Obligation Bonds	$ 13,260,000	$ 15,578,889	$ 200,000	$ 28,638,889	$ 1,762,117

The annual requirements to amortize the bonds outstanding at June 30, 2024 are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	$ 1,705,000	$ 994,282	$ 2,699,282
2026	1,440,000	924,967	2,364,967
2027	270,000	891,906	1,161,906
2028	295,000	887,727	1,182,727
2029	320,000	882,489	1,202,489
2030-2034	2,070,000	4,292,965	6,362,965
2035-2039	5,660,000	3,762,292	9,422,292
2040-2044	10,625,000	2,095,055	12,720,055
2045-2049	5,675,000	208,469	5,883,469
Total	$ 28,060,000	$ 14,940,152	$ 43,000,152

Premium/Discount

Bond premium arises when the market rate of interest is higher than the stated interest rate on the bond. Bond discount arises when the market rate of interest is lower than the stated interest rate on the bond. Generally Accepted Accounting Principles (GAAP) require that the premium increase the face value of the bond and the discount decrease the face value of the bond. The premium and discount are then amortized over the life of the bond using the economic interest method.

Effective interest on general obligation bonds issued at a premium/discount are as follows:

	2020 Election Series A
Total Interest Payments	$ 6,228,183
Less Bond Premium	-
Net Interest Payments	6,228,183
Par Amount of Bonds	15,830,000
Periods	25
Effective Interest Rate	1.57%

I. Commitments and Contingencies

1. Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the Bond Fund as of June 30, 2024.

2. Construction Commitments

As of June 30, 2024, the Bond Fund had no outstanding construction commitments.

	Remaining Commitment	Expected Date of Completion*
Construction in Process:		
Beyer Community Resource Center	$ 19,931,000	December 2026
Total	$ 19,931,000	

*Expected date of completion is subject to change.

J. Upcoming Accounting Guidance

The Governmental Accounting Standards Board (GASB) issues pronouncements and additional guidance for governmental agencies to establish consistent accounting across all governments in the United States. The following table represents items that have been issued by GASB that will become effective in future periods:

Description	Date Issued	Fiscal Year Effective
GASB Statement No. 99 *Omnibus 2022* (Portions related to financial guarantees and derivative instruments)	Apr-22	2024-25
GASB Statement No. 100 *Accounting Changes and Error Corrections (Amendment of GASB Statement No. 62)*	Jun-22	2024-25
GASB Statement No. 101 *Compensated Absences*	Jun-22	2024-25
GASB Statement No. 102 *Certain Risk Disclosures*	Dec-23	2024-25
GASB Statement No. 103 *Financial Reporting Model Improvements*	Apr-24	2025-26
GASB Statement No. 104 *Disclosure of Certain Capital Assets*	Sep-24	2025-26
GASB Implementation Guide No. 2023-1 *Implementation Guidance Update* 2023	Jun-23	2024-25

The effects of the upcoming guidance and pronouncements on the District's financial statements has not yet been determined.

Other Independent Auditors' Reports

WILKINSON HADLEY
KING & CO. LLP
CPAs AND ADVISORS

BRIAN K. HADLEY, CPA
AUBREY W. MANN, CPA
KEVIN A. SPROUL, CPA

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*

To the Citizens' Oversight Committee
San Ysidro School District
Measure T Building Fund (21-39)
San Ysidro, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the San Ysidro School District Measure T Building Fund (Bond Fund), which comprise the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise San Ysidro School District Measure T Building Fund's basic financial statements, and have issued our report thereon dated March 25, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered San Ysidro School District Measure T Building Fund'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of San Ysidro School District Measure T Building Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of San Ysidro School District Measure T Building Fund's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether San Ysidro School District Measure T Building Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 Bond Fund'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 Bond Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wilkinson Hadley King & Co. LLP

El Cajon, California
March 25, 2025

WILKINSON HADLEY
KING & CO. LLP
CPAs AND ADVISORS

BRIAN K. HADLEY, CPA
AUBREY W. MANN, CPA
KEVIN A. SPROUL, CPA

Independent Auditor's Report on Performance

To the Citizens' Oversight Committee
San Ysidro School District
Measure T Building Fund (21-39)
San Ysidro, California

Performance Results

We were engaged to conduct a performance audit of the San Ysidro School District Measure T Building Fund (21-39), herein after referred to as the Bond Fund, for the year ended June 30, 2024. Our audit was limited to the objectives listed with the report which includes the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIIIA, Section 1(b)(3)(C) of the California Constitution.

The results of our tests, delineated below, showed an instance of noncompliance with the requirements as set forth in Measure T, approved by voters on March 3, 2020, in accordance with Proposition 39 as outlined in Article XIIIA, Section 1(b)(3)(c) of the California Constitution.

Responsibilities of Management for Performance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Bond Fund.

Auditor's Responsibility for the Performance Audit

Our responsibility is to prepare a report that contains (1) the objectives, scope, and methodology of the audit; (2) the audit results, including findings, conclusions, and recommendations as appropriate; (3) summary reviews of responsible officials; and (4) if applicable, the nature of any confidential or sensitive information omitted.

We conducted this performance audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Appendix A of the 2023-24 Guide for Annual Audits of K-12 Local Education Agencies* (the Audit Guide). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusions based on our audit objectives.

In planning and performing our performance audit, we obtained an understanding of the District's internal controls over the Bond Fund and related construction projects in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39, but not for the purpose of expressing an opinion on the effectiveness of the Bond Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bond Fund's internal control.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our findings and conclusions based upon the audit objectives.

Our audit was designed to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above have occurred, whether due to fraud or error, and to express the findings and conclusions based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Audit Guide will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of Measure T as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 District's compliance with the requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over the Bond Fund relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Objectives, Scope, & Methodology of the Audit

In connection with our performance audit, we performed an audit for compliance as required in the performance requirements set forth in Measure T as approved by registered voters for the fiscal year ended June 30, 2024. The objective of the audit of compliance applicable to the Bond Fund is to determine with reasonable assurance that:

- The proceeds from the sale of Measure T General Obligation Bonds were only used for the purposes set forth in the ballot Measure T and not for any other purpose, such as teacher and administrative salaries.

- The Governing Board of the San Ysidro School District (District), in establishing approved projects set forth in the ballot Measure To modernize, replace, renovate, construct, acquire, equip, furnish and otherwise improve facilities of the District as noted in the bond project list.

Performance Audit Procedures Performed & Results:

1. **Internal Control Evaluation**

Procedure Performed

Inquiries were made of management regarding internal controls to:

- Prevent fraud, waste, or abuse regarding project resources
- Prevent material misstatement in the project funds
- Ensure all expenditures are properly allocated
- Ensure adequate separation of duties exists in the accounting of project funds. All purchase requisitions are reviewed for proper supporting documentation. The Facilities Director or appropriate District employee submits back up information to the business office to initiate a purchase requisition. The Facilities Director, Assistant Superintendent of Business Services, and Finance Director verifies that the requested purchase is an allowable project cost in accordance with the bond language.

Results of Procedure Performed

The results of our audit determined the internal control procedures as designed are sufficient to meet the financial and compliance objectives required by generally accepted accounting principles and applicable laws and regulations.

Procedure Performed

Tests of controls were performed based on identified controls from procedures above, utilizing samples of expenditures with a sample size sufficient for a high level of assurance, to determine if internal controls as designed are properly implemented and in place over the Bond Fund expenditures.

Results of Procedure Performed

The results of our audit determined that the internal controls as designed were properly implemented during the 2023-24 fiscal year.

2. **Tests of Expenditures**

Procedures Performed

We tested expenditures to determine whether Measure T proceeds were spent solely on voter and board approved school facilities projects as set forth in the Bond Project List and language of the Measure T ballot measure language. Our testing was performed using a sample size sufficient to meet a high level of assurance.

Results of Procedures Performed

There were no expenditures during the fiscal year ended June 30, 2024.

3. Tests of Contracts and Bid Procedures

Procedures Performed

We tested expenditures under Measure T to determine if the expenditures were part of a valid contract, that the contract was properly approved by the District's Governing Board, and that the contract was established in compliance with Public Contract Code provisions, including bid procedures. Our testing was performed using a sample size sufficient to meet a high level of assurance.

Results of Procedures Performed

There were no expenditures during the fiscal year ended June 30, 2024.

4. **Facilities Site Review**

Procedures Performed

We reviewed the Independent Citizens' Oversight Committee minutes and agendas along with other pertinent information on Measure T designated projects to determine whether the funds expended for the year ended June 30, 2024, were for valid facilities acquisition and construction purposes as stated in the Bond Project List. Additionally, we reviewed photographs of significant bond projects to determine projects were being completed as identified in the Bond Project List.

Results of Procedures Performed

Based on review of expenditure documentation, review of project photographs, and other pertinent information provided, it appears no construction work was performed in 2023-24.

5. **Review of Citizens' Oversight Committee Compliance**

Procedures Performed

We reviewed the minutes of the Citizens' Oversight Committee meetings to verify compliance with Education Code Section 15278 which requires the Citizens' Oversight Committee to:

- Actively review and report on the proper expenditure of taxpayers' money for school construction.
- Advise the public as to whether the District is in compliance with paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.
- Ensure that bond revenues are expended only for purposes described in paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.
- Ensure that no funds are used for any teacher or administrative salaries or other school operating expenses.

Additionally, Education Code Section 15278 authorizes the Citizens' Oversight Committee to:

- Receive and review copies of the annual, independent performance audit.
- Inspect school facilities and grounds to ensure that bond revenues are expended in compliance with the requirements described in paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.
- Receive and review copies of any deferred maintenance proposals or plans developed by the District.
- Review efforts by the District to maximize bond revenues by implementing cost saving measures.

Results of Procedures Performed

The Citizens' Oversight Committee appears to have complied with the requirements of Education Code Section 15278.

Procedure Performed

We reviewed composition of the Citizens' Oversight Committee to verify compliance with Education Code Section 15282 which requires the following:

- The Citizens' Oversight Committee shall consist of at least seven members who shall serve for a minimum term of two years without compensation and for no more than three consecutive terms.
- One member shall be active in a business organization representing the business community located within the school district boundaries.
- One member shall be active in a senior citizens' organization.
- One member shall be active in a bona fide taxpayers' organization.
- One member shall be the parent or guardian of a child enrolled in the school district.
- One member shall be both a parent or guardian of a child enrolled in the school district and active in a parent-teacher organization.
- An employee or official of the school district shall not be appointed to the citizens' oversight committee.
- A vendor, contractor, or consultant of the school district shall not be appointed to the citizens' oversight committee.

Results of Procedures Performed

The Citizens' Oversight Committee appears to have not complied with the requirements of Education Code Section 15282. They do not have a Senior Citizen organization member, will be finding 2024-001.

Nature of any Confidential or Sensitive Information Omitted

There was no confidential or sensitive information omitted from this report.

Purpose of the Report

This report is intended solely for the information and use of the District's Governing Board, the Measure T Citizens' Oversight Committee, management, and others within the District and is not intended to be and should not be used by anyone other than these specified parties.

Wilkinson Hadley King & Co. LLP

El Cajon, California
March 25, 2025

Auditor’s Results, Findings & Recommendations

San Ysidro School District
Measure T Building Fund (21-39)
Schedule of Auditor's Results
Year Ended June 30, 2024

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified			
Internal control over financial reporting:				
One or more material weakness(es) identified?		Yes	X	No
One or more significant deficiencies identified that are not considered material weakness(es)?		Yes	X	No
Noncompliance material to financial statements noted?		Yes	X	No

PERFORMANCE AUDIT

Any audit findings disclosed that are reported as a result of performance audit and in accordance with *2023-24 Guide for for Annual Audits of California K-12 Local Education Agencies, Appendix A Local Construction Bond Audits?*	X	Yes		No
Type of auditor's report issued on compliance for state programs:	Unmodified			

Findings represent significant deficiencies, material weaknesses, and/or instances of noncompliance related to the financial statements or performance audit that are required to be reported in accordance with *Government Auditing Standards,* or *Appendix A of the 2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

Internal Control Findings

None

Compliance Findings

As stated in our *Independent Auditor's Report on Performance*, our tests resulted in Finding 2024-001 related to the performance audit of the Measure T Building Fund for the year ended June 30, 2024.

Finding 2024-001

We are bringing to management's attention the following exceptions and procedural requirements relating to the composition of the Citizens' Bond Oversight Committee:

Criteria or Specific Requirement:
Proposition 39 Bond Law requires the Citizens Bond Oversight Committee to be comprised of at least seven members who meet the following criteria:

- One member must be active in a business organization within the District's boundaries that represents the business community as a whole
- One member must be active in a senior citizens association
- One member must be a parent/guardian of a child enrolled in the District
- One member must be a parent/guardian of a child enrolled in the District and is an active participant in the Parent Teachers Organization
- One member must be active in a bona fide taxpayer's organization

Proposition 39 Bond Law also requires the Citizens Bond Oversight Committee to have at least one annual meeting with quorum and to approve an annual report summarizing activity.

Condition:
During our review of the Citizens' Bond Oversight Committee member listing, we noted there was not a committee member that was active in a senior citizen association.

Questioned Costs:
The finding relates to an aspect of non-compliance and there is no associated questioned costs.

Cause:
The District has been unable to locate a member that is active in a senior citizens association willing to participate in the Citizens' Bond Oversight Committee.

Effect:
The District is out of compliance with Proposition 39 Bond Law and regulations.

Recommendation:
We recommend the District attempt to obtain the required number of members with required positions. Continue to advertise and attempt to recruit a community member that is active in a senior citizen association.

Corrective Action Plan:
The District is aware of and agrees with the finding. The District is actively searching for candidates through various local publications and conducting interviews for qualified individuals. The District will continue to pursue potential members fitting the criteria as established by Proposition 39 Bond Law.

San Ysidro School District
Measure T Building Fund (21-39)

Schedule of Prior Year Audit Findings

Year Ended June 30, 2024

Finding/Recommendation	Status	Explanation if Not Implemented
2023-001 Citizens' Bond Oversight Committee In our review of the members of the Citizens' Bond Oversight Committee (COC), we noted that there were vacancies in required membership roles. The COC did not have an active member who represented a bona fide taxpayer's organization. We recommend the District attempt to obtain the required members for their COC.	Not Implemented	See Current Year Finding

ITEM NO. 11

WILKINSON HADLEY KING & CO. LLP
CPAs AND ADVISORS

San Ysidro School District

Measure U Building Fund General Obligation Bond

Financial Statements & Supplementary Information

June 30, 2024

https://whkcpa.com

San Ysidro School District
Measure U Building Fund (21-33)
Table of Contents
June 30, 2024

San Ysidro School District
Measure U Building Fund (21-33)
Introduction & Citizens' Oversight Committee Member Listing

The San Ysidro School District, a political subdivision of the State of California is located in San Diego County, and currently provides educational programs to about 4,300 preschools through eighth grade students.

On March 3, 2020, the voters within the District authorized Measure U general obligation bonds not to exceed $55,500,000.

Measure U bonds are Proposition 39 bonds, issued by the County of San Diego on behalf of San Ysidro School District. The passage of Proposition 39 in November 2000 amended the California Constitution to include accountability provisions. Specifically, the District must conduct an annual independent performance audit to ensure that funds have been expended only on specific projects listed as well as an annual, independent financial audit of the proceeds from the sale of the bonds until all the proceeds have been expended for facilities projects.

Upon the passage of Proposition 39, an accompanying piece of legislation, AB 1908 (Chapter 44, Statues of 2000), was enacted, which amended the Education Code to establish additional procedures which must be followed if a District seeks approval of a bond proposition pursuant to the 55% majority authorized in Proposition 39 including the formation, composition and purpose of the Citizens' Bond Oversight Committee, and authorization for injunctive relief against the improper expenditure of bond revenues.

The San Ysidro School District Citizens' Oversight Committee consisted of the following members for the fiscal year ended June 30, 2024:

Name	Position	Representative	Term Expiration
Ricardo Macedo	Chair	Business Community Representative	September 2025
Gloria McKearney	Vice-Chair	Taxpayer Association Representative	September 2025
Hilario Rodriguez	Member	At- Large Community	September 2025
Kenneth Johnson	Member	At- Large Community	January 2026
Juan Morales	Member	Parent Representative - Active	May 2025
Daniela Armstrong	Member	Parent Representative	May 2025
Vacant	Member	Senior Citizen Organization	

WILKINSON HADLEY
KING & CO. LLP
CPAs AND ADVISORS

BRIAN K. HADLEY, CPA
AUBREY W. MANN, CPA
KEVIN A. SPROUL, CPA

Independent Auditor's Report

To the Citizens' Oversight Committee
San Ysidro School District
Measure U Building Fund (21-33)
San Ysidro, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the San Ysidro School District's Measure U Building Fund (Fund 21-33), which comprise the balance sheet as of June 30, 2024, and the related statement of revenues, expenditures, and changes in fund balance for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance of the Bond Fund as of June 30, 2024, and the revenues it received and expenditures it paid for the year then ended, in accordance with the financial reporting provisions of Proposition 39 described in Note A.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 San Ysidro School District, including the Measure U Citizens' Oversight Committee, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared by the San Ysidro School District using the modified accrual basis of accounting for the fund, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the financial reporting requirements under Proposition 39. Additionally, the financial statements present only the Bond Fund which is specific to Measure U and is not intended to present fairly the financial position and results of operations of the San Ysidro School District as a whole. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions for fund accounting under the modified accrual basis of accounting, as described in Note A. Management is also responsible 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 Bond Fund'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.

218 West Douglas Avenue, El Cajon, Ca, 92020 I Phone: (619) 447-6700 I Fax: (619) 447-6707 I www.whkcpa.com

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted 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 Bond Fund'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 Bond Fund'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2025, on our consideration of the Bond Fund'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 the Bond Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bond Fund'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 March 25, 2025, on our consideration of the Bond Fund's compliance with the requirements of Proposition 39 with regards to the Measure U Building Fund (Fund 21-33). That report is an integral part of our audit of the Measure U Building Fund (Fund 21-33) for the fiscal year ended June 30, 2024, and should be considered in assessing the results of our financial audit.

Other Information

Management is responsible for the other information included in the introductory section of this report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Restriction on Use

This report is intended solely for the information and use of management, the Citizens' Oversight Committee, the Board of Education, and others within the San Ysidro School District, and is not intended to be and should not be used by anyone other than these specified parties.

Wilkinson Hadley King & Co. LLP

El Cajon, California
March 25, 2025

SAN YSIDRO SCHOOL DISTRICT
MEASURE U BUILDING FUND (21-33)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024
(Unaudited)

This section of the San Ysidro School Districts'(SYSD) Measure U Building Fund annual financial and performance report presents the discussion and analysis of the Measure U bond program during the fiscal year that ended June 30, 2024. This Management Discussion and Analysis (MD&A) should be read in conjunction with the Bond Fund's financial statements that immediately follow this section.

FINANCIAL HIGHLIGHTS

- The Measure U Building Fund expended $1,546,574 in capital expenditures and bond issuance costs during the year ended June 30, 2024.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management discussion and analysis (this section), the financial statements, and the performance audit required by state law.

The District accounts for Measure U bond activity in the District's Building Fund. The Building Fund is a governmental fund type accounted for on a modified accrual basis of accounting.

FINANCIAL ANALYSIS OF MEASURE U BUILDING FUND

Balance Sheet

The District's Measure U Building Fund balance as of June 30, 2024, was $31,287,013 (see Table A-1). The funds are used to finance the modernization and construction of school sites.

Table A-1
Measure U Building Fund
Balance Sheet

	June 30, 2024	June 30, 2023	Change	Percentage Change
Assets				
Cash	$ 29,937,972	$ 18,902,345	$ 11,035,627	58%
Due from other Fund	1,538,132	13,858	1,524,274	100%
Total Assets	$ 31,476,104	$ 18,916,203	$ 12,559,901	66%
Liabilities				
Accounts Payable	$ 188,835	$ 1,971,064	$ (1,782,229)	-90%
Due to other funds	256	13,871	(13,615)	-98%
Total Liabilities	189,091	1,984,935	(1,795,844)	-90%
Fund Balance				
Restricted for capital projects	31,287,013	16,931,281	14,355,732	85%
Total Fund Balance	31,287,013	16,931,281	14,355,732	85%
Total Liabilities & Fund Balance	$ 31,476,104	$ 18,916,216	$ 12,559,888	66%

Fund Balance (or Change in Fund Balance)

The District's total Measure U Building Fund revenue and other sources increased by $15,902,319. The total expenditures and other uses were $2,903,204.

Table A-2
Measure U Building Fund
Changes in Fund Balance

	Year Ended June 30, 2024	Year Ended June 30, 2023	Change	Percentage Change
Revenues & Other Sources				
Proceeds From Sale of Bonds	$ 14,860,000	$ -	$ 14,860,000	100%
Interest Income	970,509	348,711	621,798	178%
Fair Market Value Adjustment	71,810	(36,583)	108,393	-296%
Total Revenues & Other Sources	15,902,319	312,128	15,590,191	4995%
Expenditures & Other Uses				
Other construction services	123,605	-	123,605	100%
Capital Outlay	1,305,131	2,835,120	(1,529,989)	-54%
Plan check fees	117,838	68,084	49,755	73%
Total Expenditures & Other Uses	1,546,574	2,903,204	(1,356,630)	-47%
Change in Fund Balance	14,355,745	(2,591,075)	14,233,561	-549%
Fund Balance - Beginning	16,931,268	19,522,330	(2,591,062)	-13%
Fund Balance - Ending	$ 31,287,013	$ 16,931,268	$ 14,355,745	85%

CAPITAL ASSETS

During the fiscal year ended June 30, 2024, SYSD expended $1,422,969 in capital expenditures from Measure U funds. These expenditures are part of the SYSD total capital assets as reflected in the District's separate financial audit.

LONG TERM DEBT

The following table presents a comparison of long-term debt associated with Measure U Building Fund:

Table A-3
Measure U Building Fund
Long Term Debt

	Year Ended June 30, 2024	Year Ended June 30, 2023	Change	Percentage Change
General Obligation Bonds				
Principal Balance	$ 30,995,000	$ 16,805,000	$ 14,190,000	84%
Bond Premium	2,669,997	2,170,400	499,597	23%
Total Measure U GO Bonds	$ 33,664,997	$ 18,975,400	$ 14,689,597	77%

FACTORS BEARING ON THE BOND PROGRAM'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of the existing circumstances that could affect its financial health in the future:

- Possible increases in building costs during construction

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the Bond Fund's finances and to determine the Bond Fund's accountability for the money it receives. Additional financial information can be obtained by contacting the following:

Business Office
San Ysidro School District
4350 Otay Mesa Rd.
San Ysidro, CA 92173

Financial Statements

San Ysidro School District
Measure U Building Fund (21-33)
Balance Sheet
June 30, 2024

ASSETS		
Current Assets		
Cash in county treasury	$	29,937,972
Due from other fund		1,538,132
Total Current Assets		31,476,104
TOTAL ASSETS	$	31,476,104
LIABILITIES AND FUND BALANCE		
Current Liabilities		
Accounts payable	$	188,835
Due to other funds		256
Total Current Liabilities		189,091
Total Liabilities		189,091
Fund Balance		
Unrestricted		
Restricted for capital projects		31,287,013
Total Fund Balance		31,287,013
TOTAL LIABILITIES AND FUND BALANCE	$	31,476,104

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

San Ysidro School District
Measure U Building Fund (21-33)
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2024

REVENUES	
Interest income	$ 970,509
FMV adjustment	71,810
TOTAL REVENUES	1,042,319
EXPENDITURES	
Current operating expenses:	
Other construction services	123,605
Capital outlay:	
Architect plans	117,838
Tests and exams	50,680
Construction management fees	57,269
Other Costs - Planning	
Building & improvement	1,175,344
Building construction	21,838
TOTAL EXPENDITURES	1,546,574
OTHER SOURCES AND USES	
Proceeds from sale of general obligation bonds	14,860,000
TOTAL OTHER SOURCES	14,860,000
NET CHANGE IN FUND BALANCE	14,355,745
FUND BALANCE, BEGINNING OF YEAR	16,931,268
FUND BALANCE, END OF YEAR	$ 31,287,013

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

A. Summary of Significant Accounting Policies

San Ysidro School District Measure U Building Fund (21-33), hereinafter referred to as the "Bond Fund", accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GTP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

1. Reporting Entity

The Bond Fund was formed to account for renovation of schools for San Ysidro School District (District), through expenditures of general obligation bonds issued under Measure U, authorized by registered voters on March 3, 2020.

The Bond Fund operates under a locally selected Citizens' Oversight Committee comprised of seven members formed in accordance with the Local School Construction Bonds Act of 2000, at Section 15264 *et seq.* of the Education Code, Proposition 39. The reporting entity consists only of the Bond Fund of the District. These financial statements are intended to present only the financial position and results of operations of the Bond Fund in conformity with accounting principles generally accepted in the United States of America, and accordingly do not present the financial position and results of operations of the District.

2. Basis of Accounting – Measurement Focus

Bond Fund. The bond fund is reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Bond Fund considers all revenues reported in the fund to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of interest earned. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the Bond Fund incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the Bond Fund's policy to use restricted resources first, then unrestricted resources.

3. Encumbrances

Encumbrance accounting is used in the Bond Fund 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 or at year end, whichever is sooner.

4. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the Bond Fund. By state law, the District's governing board must adopt a final budget no later than July 1st. A public hearing must be conducted to receive comments prior to adoption. The District's governing board has 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 used 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.

5. Revenues and Expenses

   a. Revenues – Exchange and Non-Exchange

   On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. Generally, available is defined as collectible within 60 days. However, to achieve comparability of reporting among California districts and so as to not distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, property taxes, interest, certain grants, and other local sources.

   Non-exchange transactions are transactions in which the District receives value without directly giving equal value in return, including property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose restrictions. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

b. Expenditures

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, and typically paid within 90 days. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the bond fund as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the Bond Fund.

6. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position

a. Deposits and Investments

Cash balances held in banks and in revolving funds are insured to $250,000 by the Federal Depository Insurance Corporation (FDIC). The Bond Fund does not have any cash held in banks or revolving fund. Highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

In accordance with Education Code §42701, the Bond Fund maintains substantially all its cash in the San Diego County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The county is authorized to deposit cash and invest excess funds by California Government Code §53648 et seq. The funds maintained by the county are either secured by federal depository insurance or are collateralized.

Information regarding the amount of dollars invested in derivatives with San Diego County Treasury was not available.

b. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds of the District. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

c. Fund Balances – Governmental Funds

Fund balances of the Bond Fund are classified as follows:

Nonspendable Fund Balance represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact (such as revolving cash accounts or principal of a permanent fund).

Restricted Fund Balance represents amounts that are subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations, or may be imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance represents amounts that can only be used for a specific purpose because of a formal action by the District's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget or resolution. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

7. Use of Estimates

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

8. Fair Value Measurements

The Bond Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles as defined by Governmental Accounting Standards Board (GASB) Statement No. 72. The hierarchy is based on the valuation inputs used to Measure Uhe fair value of the asset. The hierarchy is detailed as follows:

Level 1 Inputs:	Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.
Level 2 Inputs:	Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
Level 3 Inputs:	Unobservable inputs to an asset or liability.

9. New Accounting Pronouncements

The Bond Fund has adopted accounting policies compliant with new pronouncements issued by the Government Accounting Standards Board (GASB) that are effective for the fiscal year ended June 30, 2024. Those newly implemented pronouncements are as follows:

Description	Date Issued
GASB Statement No. 99 *Omnibus 2022* (Portions related to leases, PPPs, and SBITAs)	Apr-22
GASB Implementation Guide No. 2021-1 *Implementation Guidance Update 2021 (Portion Related to Question 5.1)*	May-21

Implementation of these standards did not result in any changes to financial accounting or reporting for the Bond Fund.

B. Compliance and Accountability

1. Finance Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures", violations of finance-related legal and contractual provisions, if any are reported below, along with actions taken to address such violations:

Violation	Action Taken
None Reported	Not Applicable

2. Deficit Fund Balance or Fund Net Position of Individual Funds

The following funds are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

Fund Name	Deficit Amount	Remarks
None	Not Applicable	Not Applicable

C. Fair Value Measurements

The Bond Fund's investments at June 30, 2024, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

		Fair Value Measurement Using		
	Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
External investment pools measured at fair value				
San Diego County Treasury	$ 29,937,972	$ -	$ 29,937,972	$ -
Total investments by fair value level	$ 29,937,972	$ -	$ 29,937,972	$ -

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

The San Diego County Treasury is not registered with the Securities and Exchange Commission (SEC) as an investment company; however, the County Treasury acts in accordance with investment policies monitored by a Treasury Oversight Committee consisting of members appointed by participants in the investment pool and up to five members of the public having expertise, or an academic background in, public finance. In addition, the County Treasury is audited annually by an independent auditor.

D. Cash and Investments

1. Cash in County Treasury

In accordance with Education Code §41001, the Bond Fund maintains substantially all of its cash in the San Diego County Treasury as part of the common investment pool ($30,396,183 as of June 30, 2024). The fair value of the Bond Fund’s portion of this pool as of that date, as provided by the pool sponsor, was $29,937,972. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

2. Investments Authorized by the California Government Code and the District’s Investment Policy

The table below identifies the investment types that are authorized for the Bond Fund by the California Government Code (or the Bond Fund’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Bond Fund’s investment policy where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the Bond Fund, rather than the general provisions of the California Government Code or the District’s investment policy.

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

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the Bond Fund was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The county treasury is restricted by Government Code §53635 pursuant to §53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of risk.

At June 30, 2024, credit risk for the Bond Fund's investments was as follows:

Investment Type	Rating	Rating Agency	Amount
County Treasurer's Investment Pool	Unrated	Not Applicable	$ 29,937,972

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the Bond Fund's name. The California Government Code and the Bond Fund's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: 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% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the Bond Fund's name.

At June 30, 2024, the Bond Fund was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The investment policy of the Bond Fund contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. Investments in any one issuer that represent five percent or more of the total investments are either an external investment pool and are therefore exempt. As such, the Bond Fund was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Bond Fund maintains pooled investments with the San Diego County Treasury with a fair value of $29,937,972. The average weighted maturity for this pool was 447 days at June 30, 2024.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the Bond Fund was not exposed to foreign currency risk.

4. Investment Accounting Policy

The Bond Fund is required by GASB Statement No. 31 to disclose its policy for determining which investments, if any, are reported at amortized cost. The Bond Fund's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

The Bond Fund's investments in external investment pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is a 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

E. Accounts Receivable

As of June 30, 2024, there was no activity involving accounts receivable.

F. Accounts Payable

Accounts payable balances as of June 30, 2024, consisted of:

Vendor payables	$ 188,835
Total Accounts Payable	$ 188,835

G. Interfund Balances and Activities

As of June 30, 2024, there was interfund activities involving the Bond Fund Measure U.

Interfund Receivable (Due From Other Funds)	Interfund Payable (Due To Other Funds)	Amount	Purpose
General Fund	Building Fund	$ 256	Reimburse expenditures
Building Fund	General Fund	1,538,132	Reimburse expenditures
	Total	$ 1,538,388	

H. Short Term Debt Activity

The Bond Fund accounts for short-term debts for maintenance purposes through the General Fund. The proceeds from loans are shown in the financial statements as other financing sources. The Bond Fund did not issue any short-term debt during the fiscal year ended June 30, 2024.

I. General Obligation Bonds

The District's bonded debt consists of various issues of general obligation bonds that are generally callable with interest payable semiannually. Bond proceeds pay primarily for acquiring or constructing capital facilities. The District repays general obligation bonds from voter-approved property taxes.

In March 2020 registered voters authorized the issuance of $55,500,000 principal amount of general obligation bonds. As of June 30, 2024, $20,500,000 of the authorized remains available for issue.

General obligation bonds at June 30, 2024 consisted of the following:

	Date of Issue	Interest Rate	Maturity Date	Amount of Original Issue
2020 Measure U, Series A	09/03/20	2.140-4.00%	08/01/45	$ 20,000,000
2020 Measure U, Series B	08/01/23	4.00-5.00%	08/01/45	$ 15,000,000
Total General Obligation Bonds				$ 35,000,000

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
2020 Election Series A					
Principal	$ 16,805,000	$ -	$ 810,000	$ 15,995,000	$ 155,000
Premium	2,170,400	-	99,408	2,070,992	19,002
2020 Election Series A					
Principal	-	15,000,000	-	15,000,000	1,460,000
Premium	-	599,005	-	599,005	58,303
Total General Obligation Bonds	$ 18,975,400	$ 15,599,005	$ 909,408	$ 33,664,997	$ 1,692,305

The annual requirements to amortize the bonds outstanding at June 30, 2024 are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	1,615,000	1,287,300	2,902,300
2026	1,340,000	1,215,150	2,555,150
2027	225,000	1,178,100	1,403,100
2028	265,000	1,168,300	1,433,300
2029	305,000	1,163,000	1,468,000
2030-2034	2,250,000	5,549,600	7,799,600
2035-2039	6,500,000	4,726,275	11,226,275
2040-2044	12,045,000	2,634,525	14,679,525
2045-2049	6,450,000	263,200	6,713,200
Total	$ 30,995,000	$ 19,185,450	$ 50,180,450

Premium/Discount

Bond premium arises when the market rate of interest is higher than the stated interest rate on the bond. Bond discount arises when the market rate of interest is lower than the stated interest rate on the bond. Generally Accepted Accounting Principles (GTP) require that the premium increase the face value of the bond and the discount decrease the face value of the bond. The premium and discount are then amortized over the life of the bond using the economic interest method.

Effective interest on general obligation bonds issued at a premium/discount are as follows:

	2020 Election Series A
Total Interest Payments	$ 11,487,125
Less Bond Premium	(2,454,509)
Net Interest Payments	9,032,616
Par Amount of Bonds	20,000,000
Periods	25
Effective Interest Rate	1.81%

J. Commitments and Contingencies

1. Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the Bond Fund as of June 30, 2024.

2. Construction Commitments

As of June 30, 2024, the Bond Fund had no outstanding construction commitments.

	Remaining Commitment	Expected Date of Completion*
Construction in Process:		
San Ysidro Middle School Modernization	$ 39,766,000	December 2026
Safety and Security at Willow Elementary	2,804,254	March 2025
Total	$ 42,570,254	

*Expected date of completion is subject to change.

K. Upcoming Accounting Guidance

The Governmental Accounting Standards Board (GASB) issues pronouncements and additional guidance for governmental agencies to establish consistent accounting across all governments in the United States. The following table represents items that have been issued by GASB that will become effective in future periods:

Description	Date Issued	Fiscal Year Effective
GASB Statement No. 99 *Omnibus 2022* (Portions related to financial guarantees and derivative instruments)	Apr-22	2024-25
GASB Statement No. 100 *Accounting Changes and Error Corrections (Amendment of GASB Statement No. 62)*	Jun-22	2024-25
GASB Statement No. 101 *Compensated Absences*	Jun-22	2024-25
GASB Statement No. 102 *Certain Risk Disclosures*	Dec-23	2024-25
GASB Statement No. 103 *Financial Reporting Model Improvements*	Apr-24	2025-26
GASB Statement No. 104 *Disclosure of Certain Capital Assets*	Sep-24	2025-26
GASB Implementation Guide No. 2023-1 *Implementation Guidance Update* 2023	Jun-23	2024-25

The effects of the upcoming guidance and pronouncements on the District's financial statements has not yet been determined.

Other Independent Auditors' Reports

WILKINSON HADLEY
KING & CO. LLP
CPAs AND ADVISORS

Brian K. Hadley, CPA
Aubrey W. Mann, CPA
Kevin A. Sproul, CPA

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*

To the Citizens' Oversight Committee
San Ysidro School District
Measure U Building Fund (21-33)
San Ysidro, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the San Ysidro School District Measure U Building Fund (Bond Fund), which comprise the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise San Ysidro School District Measure U Building Fund's basic financial statements, and have issued our report thereon dated March 25, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered San Ysidro School District Measure U Building Fund'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of San Ysidro School District Measure U Building Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of San Ysidro School District Measure U Building Fund's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether San Ysidro School District Measure U Building Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

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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 Bond Fund'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 Bond Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wilkinson Hadley King & Co. LLP

El Cajon, California
March 25, 2025

WHK
WILKINSON HADLEY
KING & CO. LLP
CPAs AND ADVISORS

BRIAN K. HADLEY, CPA
AUBREY W. MANN, CPA
KEVIN A. SPROUL, CPA

Independent Auditor's Report on Performance

To the Citizens' Oversight Committee
San Ysidro School District
Measure U Building Fund (21-33)
San Ysidro, California

Performance Results

We were engaged to conduct a performance audit of the San Ysidro School District Measure U Building Fund (Fund 21-33), herein after referred to as the Bond Fund, for the year ended June 30, 2024. Our audit was limited to the objectives listed with the report which includes the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIIIA, Section 1(b)(3)(C) of the California Constitution.

The results of our tests, delineated below, showed an instance of noncompliance with the requirements as set forth in Measure U, approved by voters on November 6, 2018 in accordance with Proposition 39 as outlined in Article XIIIA, Section 1(b)(3)(c) of the California Constitution, as noted in the Schedule of Findings and Questioned Costs.

Responsibilities of Management for Performance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Bond Fund.

Auditor's Responsibility for the Performance Audit

Our responsibility is to prepare a report that contains (1) the objectives, scope, and methodology of the audit; (2) the audit results, including findings, conclusions, and recommendations as appropriate; (3) summary reviews of responsible officials; and (4) if applicable, the nature of any confidential or sensitive information omitted.

We conducted this performance audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to performance audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the *Appendix A of the 2023-24 Guide for Annual Audits of K-12 Local Education Agencies* (the Audit Guide). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusions based on our audit objectives.

In planning and performing our performance audit, we obtained an understanding of the District's internal controls over the Bond Fund and related construction projects in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39, but not for the purpose of expressing an opinion on the effectiveness of the Bond Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bond Fund's internal control.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our findings and conclusions based upon the audit objectives.

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Our audit was designed to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above have occurred, whether due to fraud or error, and to express the findings and conclusions based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Audit Guide will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of Measure U as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 District's compliance with the requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over the Bond Fund relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Objectives, Scope, & Methodology of the Audit

In connection with our performance audit, we performed an audit for compliance as required in the performance requirements set forth in Measure U as approved by registered voters for the fiscal year ended June 30, 2024. The objective of the audit of compliance applicable to the Bond Fund is to determine with reasonable assurance that:

- The proceeds from the sale of Measure U General Obligation Bonds were only used for the purposes set forth in the ballot Measure U and not for any other purpose, such as teacher and administrative salaries.

- The Governing Board of the Heber Elementary School District (District), in establishing approved projects set forth in the ballot measure to modernize, replace, renovate, construct, acquire, equip, furnish and otherwise improve facilities of the District as noted in the bond project list.

Performance Audit Procedures Performed & Results:

1. **Internal Control Evaluation**

Procedure Performed

Inquiries were made of management regarding internal controls to:

- Prevent fraud, waste, or abuse regarding project resources
- Prevent material misstatement in the project funds
- Ensure all expenditures are properly allocated
- Ensure adequate separation of duties exists in the accounting of project funds. All purchase requisitions are reviewed for proper supporting documentation. The Facilities Director or appropriate District employee submits back up information to the business office to initiate a purchase requisition. The Project Manager, Deputy Superintendent, and Accounting Manager verifies that the requested purchase is an allowable project cost in accordance with the grant agreement.

Results of Procedure Performed

The results of our audit determined the internal control procedures as designed are sufficient to meet the financial and compliance objectives required by generally accepted accounting principles and applicable laws and regulations.

Procedure Performed

Tests of controls were performed based on identified controls from procedures above, utilizing samples of expenditures with a sample size sufficient for a high level of assurance, to determine if internal controls as designed are properly implemented and in place over the Bond Fund expenditures.

Results of Procedure Performed

The results of our audit determined that the internal controls as designed were properly implemented during the 2023-24 fiscal year.

2. **Tests of Expenditures**

Procedures Performed

We tested expenditures to determine whether Measure U proceeds were spent solely on voter and board approved school facilities projects as set forth in the Bond Project List and language of the Measure U ballot measure language. Our testing was performed using a sample size sufficient to meet a high level of assurance.

Results of Procedures Performed

Expenditures tested were found to be in compliance with the terms of the Measure U ballot Measure Us well as applicable state laws and regulations.

3. Tests of Contracts and Bid Procedures

Procedures Performed

We tested expenditures under Measure U to determine if the expenditure was part of a valid contract, that the contract was properly approved by the District's Governing Board, and that the contract was established in compliance with Public Contract Code provisions, including bid procedures. Our testing was performed using a sample size sufficient to meet a high level of assurance.

Results of Procedures Performed

Expenditures tested were found to have valid contracts which were issued through proper approval of the District's Governing Board in compliance with Public Contract Code, including bid procedures.

4. Facilities Site Review

Procedures Performed

We reviewed the Independent Citizens' Oversight Committee minutes and agendas along with other pertinent information on Measure U designated projects to determine whether the funds expended for the year ended June 30, 2024, were for valid facilities acquisition and construction purposes as stated in the Bond Project List. Additionally, we reviewed photographs of significant bond projects to determine whether projects were being completed as identified in the Bond Project List.

Results of Procedures Performed

Based on review of expenditure documentation, review of project photographs, and other pertinent information provided, it appears the construction work performed was consistent with the Bond Project List as well as the allowable projects as identified in Measure U ballot measures.

5. Review of Citizens' Oversight Committee Compliance

Procedures Performed

We reviewed the minutes of the Citizens' Oversight Committee meetings to verify compliance with Education Code Section 15278 which requires the Citizens' Oversight Committee to:

- Actively review and report on the proper expenditure of taxpayers' money for school construction.
- Advise the public as to whether the District is in compliance with paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.
- Ensure that bond revenues are expended only for purposes described in paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.
- Ensure that no funds are used for any teacher or administrative salaries or other school operating expenses.

Additionally, Education Code Section 15278 authorizes the Citizens' Oversight Committee to:

- Receive and review copies of the annual, independent performance audit.
- Inspect school facilities and grounds to ensure that bond revenues are expended in compliance with the requirements described in paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.
- Receive and review copies of any deferred maintenance proposals or plans developed by the District.
- Review efforts by the District to maximize bond revenues by implementing cost saving measures.

Results of Procedures Performed

The Citizens' Oversight Committee appears to have complied with the requirements of Education Code Section 15278.

Procedure Performed

We reviewed composition of the Citizens' Oversight Committee to verify compliance with Education Code Section 15282 which requires the following:

- The Citizens' Oversight Committee shall consist of at least seven members who shall serve for a minimum term of two years without compensation and for no more than three consecutive terms.
- One member shall be active in a business organization representing the business community located within the school district boundaries.
- One member shall be active in a senior citizens' organization.
- One member shall be active in a bona fide taxpayers' organization.
- One member shall be the parent or guardian of a child enrolled in the school district.
- One member shall be both a parent or guardian of a child enrolled in the school district and active in a parent-teacher organization.
- An employee or official of the school district shall not be appointed to the citizens' oversight committee.
- A vendor, contractor, or consultant of the school district shall not be appointed to the citizens' oversight committee.

Results of Procedures Performed

The Citizens' Oversight Committee did not comply with the requirements of Education Code Section 15282, stated in Finding 2024-001.

Nature of any Confidential or Sensitive Information Omitted

There was no confidential or sensitive information omitted from this report.

Purpose of the Report

This report is intended solely for the information and use of the District's Governing Board, the Measure U Citizens' Oversight Committee, management, and others within the District and is not intended to be and should not be used by anyone other than these specified parties.

Wilkinson Hadley King & Co. LLP

El Cajon, California
March 25, 2025

Auditor’s Results, Findings & Recommendations

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
One or more material weakness(es) identified?	____ Yes	X No
One or more significant deficiencies identified that are not considered material weakness(es)?	____ Yes	X No
Noncompliance material to financial statements noted?	____ Yes	X No

PERFORMANCE AUDIT

Any audit findings disclosed that are reported as a result of performance audit and in accordance with *2023-24 Guide for for Annual Audits of California K-12 Local Education Agencies, Appendix A Local Construction Bond Audits?*	X Yes	____ No
Type of auditor's report issued on compliance for state programs:	Unmodified	

Findings represent significant deficiencies, material weaknesses, and/or instances of noncompliance related to the financial statements or performance audit that are required to be reported in accordance with *Government Auditing Standards,* or *Appendix A of the 2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

Internal Control Findings

None

Compliance Findings

As stated in our *Independent Auditor's Report on Performance*, our tests resulted in Finding 2024-001 related to the performance audit of the Measure U Building Fund for the year ended June 30, 2024.

Finding 2024-001

We are bringing to management's attention the following exceptions and procedural requirements relating to the composition of the Citizens' Bond Oversight Committee:

Criteria or Specific Requirement:
Proposition 39 Bond Law requires the Citizens Bond Oversight Committee to be comprised of at least seven members who meet the following criteria:

- One member must be active in a business organization within the District's boundaries that represents the business community as a whole
- One member must be active in a senior citizens association
- One member must be a parent/guardian of a child enrolled in the District
- One member must be a parent/guardian of a child enrolled in the District and is an active participant in the Parent Teachers Organization
- One member must be active in a bona fide taxpayer's organization

Proposition 39 Bond Law also requires the Citizens Bond Oversight Committee to have at least one annual meeting with quorum and to approve an annual report summarizing activity.

Condition:
During our review of the Citizens' Bond Oversight Committee member listing, we noted there was not a committee member that was active in a senior citizen association.

Questioned Costs:
The finding relates to an aspect of non-compliance and there is no associated questioned costs.

Cause:
The District has been unable to locate a member that is active in a senior citizens association willing to participate in the Citizens' Bond Oversight Committee.

Effect:
The District is out of compliance with Proposition 39 Bond Law and regulations.

Recommendation:
We recommend the District attempt to obtain the required number of members with required positions. Continue to advertise and attempt to recruit a community member that is active in a senior citizen association.

Corrective Action Plan:
The District is aware of and agrees with the finding. The District is actively searching for candidates through various local publications and conducting interviews for qualified individuals. The District will continue to pursue potential members fitting the criteria as established by Proposition 39 Bond Law.

Finding/Recommendation	Status	Explanation if Not Implemented
2023-001 Citizens' Bond Oversight Committee In our review of the members of the Citizens' Bond Oversight Committee (COC), we noted that there were vacancies in required membership roles. The COC did not have an active member who represented a bona fide taxpayer's organization. We recommend the District attempt to obtain the required members for their COC.	Not Implemented	See Current Year Finding

ITEM NO. 12

SAN YSIDRO SCHOOL DISTRICT

CITIZENS' BOND OVERSIGHT COMMITTEE
4350 Otay Mesa Road, San Ysidro, CA 92173
(619) 428-4476 x3003

MEASURE T ~ MEASURE U
2024-25 ANNUAL REPORT

I. BACKGROUND INFORMATION

B. Measure T and Measure U – Overview

On March 3, 2020, the voters of the San Ysidro School District (the "District") authorized Measure T and Measure U under the Proposition 39 statutes. Measure T ($52,985,000) and Measure U ($55,500,000) authorized the issuance of $108,485,000 million in General Obligation Bonds (the "Bonds") which will replace the Proposition C unissued bonds.

The Bonds were issued pursuant to the provisions of Chapter 2 of Part 10 of Division 1 of Title 1 of the Education Code of the State of California (Act) and pursuant to resolutions adopted by the Governing Board of the District on April 16, 2020, and were reviewed by the BOC on April 30, 2020.

Measure T ($52,985,000):

Measure T was approved by 70.09% of the San Ysidro School District voters. The highest tax rate that would be required to fund this bond issue is $0.030 per $100 of assessed valuation (or $30.00 per $100,000 of assessed valuation).

The net proceeds of the Bonds are intended to be used to make student safety and school security improvements; upgrade classroom technology; and construct, rehabilitate, acquire, equip, and furnish classrooms and school facilities.

Series A – September 2020 (Issuance: $15,830,000)

This issuance of the Bonds was to pay off the District's 2017 Certificates of Participation.

Series B - August 2023 (Issuance: $15,000,000)

This issuance of the Bonds was for financing improvements to and acquiring equipment for various schools in the District as authorized in the Bond Resolution.

Series C - 2025 (Final Issuance: $22,155,000)

The issuance of the Bonds will be applied to (i) finance improvements to and the acquisition of equipment and furnishings for various schools within the District as authorized by the voters pursuant to the Measure T Authorization, (ii) fund a portion of the interest due on the Measure T 2025 Bonds, and (iii) pay the costs of issuing the Measure T 2025 Bonds. Subsequent to the issuance of the Measure T 2025 Bonds, no general obligation bonds will remain available for issuance under the Measure T Authorization.

Measure U ($55,500,000):

Measure U was approved by 68.9% of the San Ysidro School District voters. The highest tax rate required to fund this bond issue is $0.030 per $100 of assessed valuation (or $30.00 per $100,000 of assessed valuation).

The net proceeds of the Bonds are intended to reconstruct or replace roofs and plumbing and construct, rehabilitate, replace, acquire, equip, and furnish classrooms and school facilities.

Series A – September 17, 2020 (Issuance: $20,000,000)

This issuance of the Bonds is to fund improvements to school facilities and acquire equipment and furnishings for various schools within the District as authorized by the voters.

Series B - August 1, 2023 (Issuance: $15,000,000)

The Bonds are being issued to finance improvements to and acquire equipment for various schools in the District as authorized in the Bond Resolution.

Series C - 2025 (Final Issuance: $20,500,000)

The issuance of the Bonds will be applied to (i) finance improvements to and the acquisition of equipment and furnishings for various schools within the District as authorized by the voters pursuant to the Measure U Authorization, (ii) fund a portion of the interest due on the Measure 2025 Bonds, and (iii) pay the costs of issuing the Measure U 2025 Bonds. Subsequent to the issuance of the Measure U 2025 Bonds, no general obligation bonds will remain available for issuance under the Measure U Authorization.

II. Citizens' Bond Oversight Committee (BOC)

Measure T and Measure U – Citizens' Bond Oversight Committee (BOC)

- On September 9, 2021, the New Amended & Restated By-Laws were approved by the Governing Board. The new By-Laws incorporate all of the G.O. Bonds into one document.

III. BOC MEMBERS:

Member	Group Representing
1. Ricardo Macedo – Chair	Business
2. Gloria McKearney – Vice Chair	Taxpayer Group
3. Hilario Rodriguez	At-Large Community
4. Kenneth Johnson	At-Large Community
5. Juan Morales	Parent (Active)
6. Daniela Armstrong	Parent
7. Nancy Kerwin	Senior Citizens Organization

IV. BOC RESPONSIBILITIES – as established in the Bylaws of each bond measure.

- Meet regularly in public sessions, at least three times a year.
- Review expenditure reports produced by the District to ensure that bond revenues are spent in accordance with Measure T and Measure U.
- Receive and review copies of the District's Financial Audit Report
- Inspect school facilities and grounds for which bond proceeds have been or will be expended.
- Produce an annual written report to the District's Governing Board:
  - (a) A statement indicating whether the District complies with the requirements of Article XIIIA, Section 1(b)(3) of the California Constitution; and
  - (b) A summary of the BOC proceedings and activities during the reporting period.

ACTIVITY REPORT

The BOC met on the following dates:

● August 22, 2024	● March 20, 2025
● October 24, 2024	● May 29, 2025
● January 16, 2025	● June 26, 2025*
● April 23, 2025 (Special Mtg.)	**(Annual Report Presentation to the Governing Board)*

<u>Meeting of August 22, 2024 - Regular Meeting</u>

- Approved Minutes of May 16, 2024
- Reviewed Expenditure Report
- 2022-23 Annual Financial Audit Report - Measure T
- 2022-23 Annual Financial Audit Report - Measure U
- Informational Items – a) Bond Construction Projects - Update: SYMS Remod, Beyer CRC, Preschool Move, OVH classroom space, and Willow, single point of entry and security gates b) Senior Group Vacancy - Update
- Future Agenda Requests – Committee members had an opportunity to request that bond-related items be added to the agenda for a future BOC meeting.
- Other: New G.O. Bond Measures for school improvements and construction in the November 2024 elections.

<u>Meeting of October 24, 2024 - Regular Meeting</u>

- Approved Minutes of August 22, 2024
- Reviewed Expenditure Report
- Informational Items – a) Senior Group Vacancy - Update
- Future Agenda Requests – Committee members had an opportunity to request that bond-related items be added to the agenda for a future BOC meeting.
- Other: Committee received an informational flyer supporting the New G.O. Bond Measures KK, LL, MM for school improvements and construction in the November 2024 elections.

<u>Meeting of January 16, 2025 - Organizational Meeting</u>

- Election of Citizens' Bond Oversight Committee Officers
- Approved Minutes of October 24, 2024
- Reviewed Expenditure Report
- Updated 2024-25 Meeting Schedule
- Informational Items: a) Update on New Bond Measures KK, LL, MM b) Bond Projects Update
- Future Agenda Requests – Committee members had an opportunity to request that bond-related items be added to the agenda for a future BOC meeting.

<u>Meeting of March 20, 2025 - Regular Meeting</u>

- Approved the Minutes of January 16, 2025
- Reviewed Expenditure Report
- Bond Construction Projects - Update
- Rescheduled Special Meeting for Site Visit
- Bond Waiver Letter in support of new bonds
- Future Agenda Requests – Committee members had an opportunity to request that bond-related items be added to the agenda for a future BOC meeting.

Meeting of April 23, 2025 - Special Meeting

- Approved the Minutes of March 20, 2025
- Toured the Willow School Site to see bond-related projects at this location.
- Future Agenda Requests – Committee members had an opportunity to request that bond-related items be added to the agenda for a future BOC meeting.

May 29, 2025 - Regular Meeting

- Approved the Minutes of April 23, 2025
- Reviewed Expenditure Report
- Measure T & Measure U - Series C (Update)
- 2024 School Bond Transparency Report - ***Out of 24 school districts that have active bond programs, only 5 received a "Perfect Score, A+". SYSD was one of them.***
- 2023-24 Annual Financial Audit Report - Measure T
- 2023-24 Annual Financial Audit Report - Measure U

June 26, 2025

- BOC Chair will present the 2024-25 Annual Report to the District's Governing Board at its regular Board meeting.

V. STATEMENT OF COMPLIANCE

- **Measure T and Measure U** – Financial Audit
  Note: Wilkinson, Hadley, King & Co., LLP, an independent auditing firm, performed an audit of all the District's financial expenses, including Measure T and Measure U expenses.
  - The latest Audit Report for 2022-23 dated June 30, 2023 was presented to the Governing Board at its August 8, 2024, Regular Board Meeting. *(A copy of the audit reports was provided to the Committee at that time and again on August 22, 2024)*.
  - The latest Audit Report for 2023-24 dated June 30, 2024 was presented to the Governing Board at its May 22, 2025, Regular Board Meeting. *(A copy of the audit reports was provided to the Committee at that time and again on May 29, 2025)*.

VI. DOCUMENTS

- All supporting documents are available on the San Ysidro School District's website at the following link: https://www.sysdschools.org/Page/1056