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SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND

FINANCIAL AND PERFORMANCE AUDITS

JUNE 30, 2025

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SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
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INDEPENDENT AUDITORS' REPORT

Governing Board and Citizens' Oversight Committee
Solana Beach School District
Solana Beach, California

Opinion

We have audited the accompanying financial statements of the Measure JJ Bond Building Fund of Solana Beach School District (the "District") and the related notes to financial statements as of and for the year ended June 30, 2025, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure JJ Bond Building Fund of the District, as of June 30, 2025, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1, the financial statements present only the District's Measure JJ Bond Building Fund and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2025, and the changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America. 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2025 on our consideration of the District's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and other matters for the Measure JJ Bond Building Fund. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance for the Measure JJ Bond Building Fund. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance for the Measure JJ Bond Building Fund.



San Diego, California
November 10, 2025

FINANCIAL SECTION

SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
BALANCE SHEET
JUNE 30, 2025

ASSETS		
Cash and investments	$	3,775,988
Accounts receivable		31,958
Total Assets	$	3,807,946
LIABILITIES		
Accrued liabilities	$	123,521
Due to other funds		1,235,758
Total Liabilities		1,359,279
FUND BALANCE		
Restricted for Measure JJ projects		2,448,667
Total Fund Balance		2,448,667
Total Liabilities and Fund Balance	$	3,807,946

SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2025

REVENUES	
Interest income	$ 183,677
Net increase/(decrease) in the fair value of investments	183,918
Total Revenues	367,595
EXPENDITURES	
Facilities acquisition and construction	7,292,687
Total Expenditures	7,292,687
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(6,925,092)
Other Financing Sources/(Uses)	
Transfers out	(25,813)
Net Financing Sources/(Uses)	(25,813)
Net Change in Fund Balance	(6,950,905)
Fund Balance - Beginning	9,399,572
Fund Balance - Ending	$ 2,448,667

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

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

An oversight committee to the District's Governing Board and Superintendent, called the Independent Citizens' Oversight Committee (ICOC), was established pursuant to the requirements of state law and the provisions of the Measure JJ bond. The ICOC is required by state law to actively review and report on the proper expenditure of taxpayers' money for school construction. The ICOC provides oversight and advises the public whether the District is spending the Measure JJ bond funds for school capital improvements within the scope of projects outlined in the Measure JJ bond project list. In fulfilling its duties, the ICOC reviews, among other things, the District's annual performance and financial audits of Measure JJ activity.

The statements presented are for the individual Measure JJ Bond Building Fund of the District, consisting of the net construction proceeds of Election of 2016, Series A and Series B, as issued by the District, through the County of San Diego, and are not intended to be a complete presentation of the District's financial position or results of operations. There are no related parties or component units included in this financial statement presentation.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

C. Cash and Investments

The District's cash and investments consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

D. Interfund Balances

Receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds."

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

E. Accrued Liabilities

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the fund.

F. Fund Balance

Under GASB Statement No. 54, fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The fund balance in Measure JJ is considered restricted.

The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

G. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements.

H. 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.

I. Budgetary Data

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

NOTE 2 – CASH AND INVESTMENTS

A. Policies and Practices

The District is authorized under *California Government Code* to make direct investments in local agency bonds, notes, or warrants within the state; U.S. treasury instruments; registered state warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; collateralized mortgage obligations; and the County Investment Pool.

Investment in County Treasury – The District maintains substantially all of its cash in the County Treasury in accordance with *Education Code* Section 41001. The San Diego County Treasurer's pooled investments are managed by the County Treasurer who reports on a monthly basis to the board of supervisors. In addition, the function of the County Treasury Oversight Committee is to review and monitor the County's investment policy. The committee membership includes the Treasurer and Tax Collector, the Auditor-Controller, Chief Administrative Officer, Superintendent of Schools Representative, and a public member. The fair value of the District's investment in the pool is based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

NOTE 2 – CASH AND INVESTMENTS, continued

B. General Appropriations

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies the investment types permitted by *California Government Code*.

Authorized Investment Type	Maximum 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%	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

C. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a fair value of approximately $3,775,988. The average weighted maturity for this pool is 562 days.

D. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

NOTE 2 – CASH AND INVESTMENTS, continued

E. Fair Value

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the San Diego County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at $1.00 net asset value per share.

The District's fair value measurements at June 30, 2025 were as follows:

	Uncategorized
Investment in County Treasury	$ 3,775,988
Total	$ 3,775,988

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2025 consisted of $31,958 in interest earned on investments in the San Diego County Treasury.

NOTE 4 – ACCRUED LIABILITIES

Accrued liabilities at June 30, 2025 consisted of $123,521 in construction-related liabilities.

NOTE 5 – INTERFUND TRANSACTIONS

A. Interfund Receivables/Payables (Due From/Due To)

Individual interfund receivable and payable balances for the year ended June 30, 2025 consisted of the following:

Due from Measure JJ Bond Building Fund to the Special Reserve for Capital Outlay Projects Fund	$	25,813
Due from Measure JJ Bond Building Fund to the Capital Project for Blended Component Units Fund		1,209,945
Total	$	1,235,758

B. Operating Transfers

Interfund transfers for the year ended June 30, 2025 consisted of the following:

Transfer from the Measure JJ Bond Building Fund to the Special Reserve for Capital Outlay Projects Fund	$	25,813
Total	$	25,813

NOTE 6 – COMMITMENTS AND CONTINGENCIES

A. 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 District at June 30, 2025.

B. Construction Commitments

		Remaining Construction Commitment
Capital Projects		
Carmel Creek Modernization & Kitchen Upgrade	$	60,730
Solana Pacific Kitchen Upgrade		474,000
Solana Pacific HVAC/Roofing		606,848
Total	$	1,141,578

NOTE 7 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 10, 2025, the date on which the financial statements were available to be issued. The District concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

OTHER REPORTS

CWDL

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

Governing Board and Citizens' Oversight Committee
Solana Beach School District
Solana Beach, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Solana Beach School District's (the "District") Measure JJ Bond Building Fund as of and for the year ended June 30, 2025, and the related notes to financial statements, and have issued our report thereon dated November 10, 2025.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the District's Measure JJ Bond Building Fund and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2025, the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the 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 the District's internal control over the Measure JJ Bond Building Fund financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting for the Measure JJ Bond Building Fund.

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 District's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



San Diego, California
November 10, 2025

SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

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

There were no financial statement findings or questioned costs identified during 2024-25.

SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

There were no financial statement findings or questioned costs identified during 2023-24.

PERFORMANCE AUDIT

CWDL

INDEPENDENT AUDITORS' REPORT ON PROPOSITION 39 COMPLIANCE

Governing Board and Citizens' Oversight Committee
Solana Beach School District
Solana Beach, California

We have conducted a performance audit of the Solana Beach School District's (the "District") Measure JJ Bond Building Fund for the fiscal year ended June 30, 2025.

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

Our audit was limited to the objectives listed on page 20 of this report which includes determining the District's compliance with the performance requirements for the Proposition 39 Measure JJ Bond Building Fund under the applicable provisions of Section 1(b)(3)C of Article XIII A of the California Constitution. Management is responsible for the District's compliance with those requirements.

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

The results of our tests indicated that, in all significant respects, the District expended Measure JJ Bond Building Fund for the year ended June 30, 2025 only for the specific projects developed by the District's Board of Education, and approved by the voters, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)C of Article XIII A of the California Constitution.

CWDL, Certified Public Accountants

San Diego, California
November 10, 2025

BACKGROUND INFORMATION

In November 2000, the voters of the State of California approved Proposition 39 authorizing the issuance of general obligation bonds by California public school districts and community colleges under certain circumstances and subject to certain conditions.

In November 2016, the voters of the District approved by more than the required 55% favorable vote, Measure JJ, authorizing the issuance and sale of general obligation bonds, not to exceed $105,000,000. Measure JJ is a Proposition 39 bond. The passage of Proposition 39 in November 2000 amended the California Constitution to include accountability provisions. Specifically, the District must conduct an annual independent performance audit to ensure that funds have been expended only on the specific projects listed as well as an annual, independent financial audit of the proceeds from the sale of the bonds until all of the proceeds have been expended for facilities projects.

Pursuant to the requirements of Proposition 39, and related state legislation, the Board of Education of the District established a Citizens' Oversight Committee and appointed its members. The principal purpose of the Citizens' Oversight Committee, as set out in state law, is to inform the public as to the expenditures of the proceeds of the bonds issued pursuant to the Measure JJ bond authorization. The Citizens' Oversight Committee is required to issue at least one report annually as to its activities and findings.

Section 1(b)(3)(C) of Article XIII A of the California Constitution requires the District to conduct an annual independent performance audit to ensure that the proceeds of the bonds deposited into the Measure JJ Bond Building Fund have been expended only for the authorized bond projects.

OBJECTIVES

Our audit was limited to the objectives listed below which includes determining the 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 and Appendix A contained in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* issued by the California Education Audit Appeals Panel. Management is responsible for the District compliance with those requirements.

1. Determine the expenditures charged to the District's Measure JJ Bond Building Fund.
2. Determine whether expenditures charged to the Measure JJ Bond Building Fund have been made in accordance with the bond project list approved by the voters through the approval of Measure JJ in November 2016.
3. Provide the District Board and the Measure JJ Citizens' Oversight Committee with a performance audit required under the provision of the California Constitution.

SCOPE OF THE AUDIT

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

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

METHODOLOGY

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2025, for the Measure JJ Bond Building Fund. Within the fiscal year audited, we obtained the actual invoices, purchase orders, and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Section 1(b)(3)(C) of Article XIII A of the California Constitution and Measure JJ as to the approved bond projects list. We performed the following procedures:

1. We identified expenditures and projects charged to the general obligation bond proceeds by obtaining the general ledger and project listing.

2. We selected a sample of expenditures using the following criteria:
   a) We considered all expenditures recorded in all object codes.
   b) We considered all expenditures recorded in all projects that were funded from July 1, 2024 through June 30, 2025 from Measure JJ bond proceeds.
   c) We selected all expenditures that were individually significant expenditures. Individually significant expenditures were identified based on our assessment of materiality.
   d) For all items below the individually significant threshold identified in item 2c, judgmentally selected expenditures based on risk assessment and consideration of coverage of all object codes, including transfers out, and projects for period starting July 1, 2024 and ending June 30, 2025. The results can be projected to the intended population.

3. Our sample included transactions totaling $5,393,740. This represents 74.96% of the total expenditures of $7,292,687.

METHODOLOGY, continued

4. We reviewed the actual invoices and other supporting documentation to determine that:
   a) Expenditures were supported by invoices with evidence of proper approval and documentation of receipting goods or services.
   b) Expenditures were supported by proper bid documentation, as applicable.
   c) Expenditures were expended in accordance with voter-approved bond project list.
   d) Bond proceeds were not used for salaries of school administrators or other operating expenses of the District.

5. We determined that the District has met the compliance requirement of Measure JJ if the following conditions were met:
   a) Supporting documents for expenditures were aligned with the voter-approved bond project list.
   b) Supporting documents for expenditures were not used for salaries of school administrators or other operating expenses of the District.

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

CONCLUSION

The results of our tests indicated that, in all significant respects, the Solana Beach School District has properly accounted for the expenditures held in the Measure JJ Bond Building Fund and that such expenditures were made for authorized bond projects.

FINDINGS AND QUESTIONED COSTS

SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
PERFORMANCE AUDIT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

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

There were no performance audit findings or questioned costs identified during 2024-25.

SOLANA BEACH SCHOOL DISTRICT
MEASURE JJ BOND BUILDING FUND
PERFORMANCE AUDIT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

There were no performance audit findings or questioned costs identified during 2023-24.