

PACIFICA SCHOOL DISTRICT
COUNTY OF SAN MATEO
PACIFICA, CALIFORNIA

MEASURE O BUILDING FUND

BOND AUDIT REPORT

For the Year Ended June 30, 2025

* * *



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**PACIFICA SCHOOL DISTRICT
MEASURE O BONDS
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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Measure O Citizens' Oversight Committee and
Governing Board Members
Pacifica School District

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, we:

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

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

Other Matter

As discussed in Note 1, the financial statements of the Measure O Bond Fund are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They 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.



Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Measure O Bond Fund of Pacifica School District's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements, except for the Statement of Revenues, Project Expenditures and Changes in Fund Balance as of June 30, 2025. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Statement of Revenues, Project Expenditures and Changes in Fund Balance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated April 6, 2026 on our consideration of the Pacifica School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Pacifica School District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of Proposition 39, as incorporated in California Constitution Article 13A, we have also issued our performance audit report dated April 6, 2026 on our consideration of the Measure O Bond's compliance with the requirements of Proposition 39. That report is an integral part of our audit of the Measure O Bonds for the fiscal year ended June 30, 2025 and should be considered in assessing the results of our financial audit.

C & A LLP

April 6, 2026
Morgan Hill, California

PACIFICA SCHOOL DISTRICT
Measure O Bonds
Balance Sheet
June 30, 2025

Assets

Cash and investments	<u>\$ 17,867,551</u>
Total Assets	<u><u>\$ 17,867,551</u></u>

Liabilities and Fund Balance

Liabilities:

Accounts payable	<u>\$ 881,473</u>
Total Liabilities	<u>881,473</u>

Fund Balance:

Restricted for capital projects	<u>16,986,078</u>
Total Fund Balance	<u>16,986,078</u>

Total Liabilities and Fund Balance	<u><u>\$ 17,867,551</u></u>
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The notes to the financial statements are an integral part of this statement.

PACIFICA SCHOOL DISTRICT
Measure O Bonds
Statement of Revenue, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2025

Revenues:	
Interest earnings	\$ 904,866
Contributions from other unrestricted resources	<u>730,432</u>
Total Revenues	<u>1,635,298</u>
Expenditures:	
Classified salaries	185,285
Classified benefits	105,839
Supplies and materials	1,261,009
Professional services	98,114
Capital outlay	4,917,690
Bond issuance costs	<u>238,000</u>
Total Expenditures	<u>6,805,937</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,170,639)</u>
Other financing sources (uses):	
Proceeds from sale of bonds	<u>12,000,000</u>
Total other financing sources (uses)	<u>12,000,000</u>
Net changes in fund balance	6,829,361
Fund balance beginning	<u>10,156,717</u>
Fund balance ending	<u><u>\$ 16,986,078</u></u>

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

PACIFICA SCHOOL DISTRICT
Measure O Bonds
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Principles

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

B. Reporting Entity

The District is the level of government primarily accountable for activities related to public education. The governing authority consists of five elected officials who, together, constitute the Board of Trustees.

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

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

C. Basis of Presentation

Fund Financial Statements

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

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

PACIFICA SCHOOL DISTRICT
Measure O Bonds
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. To achieve comparability of reporting among California districts, and so as not to distort normal revenue patterns with specific respect to reimbursement grants and correction to state-aid appointments, the California Department of Education has defined available for district as collectible within one year.

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

Unearned Revenue

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

Unavailable Revenue

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

Expenditures

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

PACIFICA SCHOOL DISTRICT
Measure O Bonds
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

E. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's governing board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. These budgets are revised by the District's governing board and District superintendent during the year to give consideration to unanticipated income and expenditures. Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object.

F. Encumbrances

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

G. Assets, Liabilities, and Equity

1. Cash and Investments

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

In accordance with *Education Code* Section 41001, the District maintains substantially all of its cash in the County Treasury. The county pools these funds with those of other Districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

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

2. Fair Value Measurements

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction.

PACIFICA SCHOOL DISTRICT
Measure O Bonds
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

In determining this amount, three valuation techniques are available:

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

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

3. Long-Term Liabilities

In the Measure O Bonds financial statements, bond premiums, discounts and bond issuance costs are recognized during the current period. The face amount of the debt issued, premiums, or discounts are reported as other financing sources/uses.

4. Fund Balance Classifications

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

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

PACIFICA SCHOOL DISTRICT
Measure O Bonds
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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

5. Accounting Estimates

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

NOTE 2 – CASH AND INVESTMENTS

Summary of Deposits

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

	Carrying Amount	Fair Value
Cash in county treasury investment pool	\$ 17,867,551	\$ 17,867,551

Fair Value Measurements

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

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

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

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

Cash in County Treasury

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro rata share of the fair value

PACIFICA SCHOOL DISTRICT
Measure O Bonds
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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.

Policies and Practices

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

Risk Disclosures

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are described below:

- *Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains cash with the San Mateo County Investment Pool with a fair value of approximately \$2.877 billion and an amortized book value of \$2.845 billion.

- *Credit Risk*

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

- *Concentration of Credit Risk*

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government code. District investments that are greater than 5 percent of total investments are in either an external investment pool or mutual funds and are therefore exempt.

PACIFICA SCHOOL DISTRICT
Measure O Bonds
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 3 – MEASURE O GENERAL OBLIGATION BONDS

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

Bonds	Year Issued	Interest Rate	Year of Maturity	Original Issue	Outstanding July 01, 2024	Issued	Redeemed	Outstanding June 30, 2025
2018 GOB, Series 2018	2018	4-5%	2048	\$18,000,000	\$14,050,000	\$ -	\$ -	\$14,050,000
2018 GOB, Series 2021	2021	4%	2048	25,000,000	21,400,000	-	-	21,400,000
2018 GOB, Series 2024	2024	4-5%	2044	12,000,000	-	12,000,000	-	12,000,000
Total General Obligation Bonds				\$55,000,000	\$35,450,000	\$12,000,000	\$ -	\$47,450,000

On September 27, 2018, the District issued \$18,000,000 in Series 2018 general obligation bonds, under the Measure O authorization. The issuance generated \$916,067 in bond premiums received by the District. Issuance costs associated with the bond financing was \$165,000, not including underwriter’s discount. The bonds bear interest rates of 4.00% to 5.00%, with maturity dates between August 1, 2019 to August 1, 2048.

On November 17, 2021, the District issued \$25,000,000 in Series 2021 general obligation bonds, under the Measure O authorization. The issuance generated \$3,246,257 in bond premiums received by the District. Issuance costs associated with the bond financing was \$262,500, not including underwriter’s discount. The bonds bear interest rates of 4.00% to 5.00%, with maturity dates between August 1, 2019, to August 1, 2048.

On October 24, 2024, the District issued \$12,000,000 in Series 2024 general obligation bonds, under the 2018 Measure O authorization. The issuance generated \$806,981 in bond premiums received by the District. Issuance costs associated with the bond financing was \$178,000, not including underwriter’s discount of \$60,000. The bonds bear interest rates of 4.00% to 5.00%, with maturity dates between August 1, 2025, to August 1, 2044. As of June 30, 2025, the 2018 Measure O authorization has been fully issued.

The Bonds are payable solely from ad valorem property taxes levied and collected by the County of San Mateo. The Board of Supervisors of the County has power and is obligated to annually levy ad valorem taxes for the payment of interest on, and principal of, upon all property subject to taxation by the District without limitation or rate or amount (except certain personal property which is taxable at limited rates).

PACIFICA SCHOOL DISTRICT
Measure O Bonds
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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

Year Ending June 30,	Principal	Interest	Total
2026	\$ 350,000.00	\$ 2,051,950	\$ 2,401,950
2027	440,000	2,032,200	2,472,200
2028	195,000	2,016,325	2,211,325
2029	280,000	2,004,450	2,284,450
2030-2034	2,975,000	9,690,300	12,665,300
2035-2039	6,260,000	8,714,750	14,974,750
2040-2044	10,840,000	6,853,225	17,693,225
2045-2049	17,090,000	3,847,250	20,937,250
2050-2053	9,020,000	390,150	9,410,150
Total Debt Service	\$ 47,450,000	\$ 37,600,600	\$ 85,050,600

NOTE 4 – COMMITMENTS

As of fiscal year end of June 30, 2025, the District had encumbered \$2,836,866 of the Measure O Bonds proceeds to be spent on capital projects in the fiscal year ended June 30, 2025.

SUPPLEMENTARY INFORMATION

PACIFICA SCHOOL DISTRICT
Measure O Bonds
Schedule of Approved Budget and Expenditures
For the Fiscal Year Ended June 30, 2025

	Fiscal Year Ended June 30, 2025	From Inception Through June 30, 2025
Program Budget		
Bond Proceeds	\$ 12,000,000	\$ 55,000,000
Investment Income	904,866	2,810,902
Contributions from other unrestricted resources	730,432	730,432
Total Program Budget	13,635,298	58,541,334
Site/Project Description:		
Cabrillo School		
Inspection	8,640	8,811
Capital Projects (Sites)	365,748	689,975
Cabrillo School Total	374,388	698,786
Ibl Middle School		
Facilitis/Grounds	-	37,426
Communication System	-	3,808
Capital Projects (Sites)	-	275,620
Locks/Keying/Security	-	510
General Go Bond Expense	-	357
Ibl Middle School Total	-	317,721
Linda Mar Educational Center		
Communication System	-	900
Wall System	-	51,585
Capital Project (Sites)	-	674,447
Inspection	-	78,309
Linda Mar Educational Center Total	-	805,241
Ocean Shore School		
Playgrnds-D.Maint	-	149,596
Capital Projects (Sites)	2,449,072	4,166,621
Equipment/Furniture Replacement	-	60,651
Inspection	110,169	144,079
Locks/Keying/Security	3,204	7,908
Ocean Shore School Total	2,562,445	4,528,855
Ortega School		
Operations	-	1,203
Playgrnds- D.Maint	6,212	83,725
Capital Projects (Sites)	828,818	8,061,262
Inspection	-	140,124
Locks/Keying/Security	2,076	2,076
Ortega School Total	837,106	8,288,390

The notes to the supplementary information are an integral part of this statement.

PACIFICA SCHOOL DISTRICT
Measure O Bonds
Schedule of Approved Budget and Expenditures
For the Fiscal Year Ended June 30, 2025

	Fiscal Year Ended June 30, 2025	From Inception Through June 30, 2025
Site/Project Description:		
Sunset Ridge School		
Capital Projects (Sites)	880,282	3,210,070
Equipment/Furniture Replacement	-	14,113
Inspection	13,500	91,960
Routine Repairs/Maint	1,895	1,895
Undrgrnd Tank-D. Maint	1,030	1,030
Locks/Keying/Security	135	135
Sunset Ridge School Total	896,842	3,319,203
Vallemar School		
Capital Projects (Sites)	23,015	1,723,668
Inspection	-	2,335
Furniture Replacement	700	32,965
Locks/Keying/Security	-	4,262
General Go Bond Expense	318	318
Vallemar School Total	24,033	1,763,548
Instructional Services		
Capital Projects (Sites)	-	68,000
Instructional Services Total	-	68,000
Plant Maintenance		
General Go Bond Expense	-	253
Routine Repairs-Maint	-	8,342
Plant Maintenance Total	-	8,595
Districtwide		
General Go Bond Expense	244,819	292,990
Capital Projects (Sites)	1,230,450	3,707,914
Equipment/Furniture Replacement	30	335,164
Preconstruction Planning/Master Plan	28,590	510,742
Project Management	292,516	1,240,623
Inspection	-	216,250
Roofing	-	537,883
Flooring -D. Maint	168,503	7,376,098
Technology	146,212	7,091,128
Tech Erate	-	11,651
Locks/Keying/Security	-	436,437
Routine Repairs/Maint	-	37
Districtwide Total	2,111,120	21,756,917
Total Expenditures	6,805,934	41,555,256
(Over) Under Budget/Remaining Budget	\$ 6,829,364	\$ 16,986,078

The notes to the supplementary information are an integral part of this statement.

PACIFICA SCHOOL DISTRICT
Measure O Bonds
Notes to the Program Schedule
For the Fiscal Year Ended June 30, 2025

NOTE 1 - THE PROGRAM

Proposition 39 was enacted by the voters on November 7, 2000 and changed the required majority for local voter approval of public school and community college general obligation bonds from two thirds to fifty-five percent of votes.

Passed by voters in the June 5, 2018 election, Measure O authorized the District to issue bonds totaling \$55 million in order to fund needed repairs, upgrades, and new construction projects to the District's schools. District officials estimated the additional property tax rate required to pay off this debt at \$100 per \$100,000 of assessed valuation.

As of June 30, 2025, the District had issued \$55,000,000 of the authorized bonds for Measure O.

NOTE 2 - ORGANIZATION

The Pacifica School District serves approximately 3,000 students. The District is located in San Mateo County in Pacifica, California, and operates two K-5 elementary schools, three K-8 schools, one 6-8 middle school, and one K-8 Education Center.

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

<u>Name</u>	<u>Title/Function</u>	<u>Term Expiration</u>
Elizabeth Bredall	President	2026
Kai Doggett	Vice-President	2028
Lynda Brocchini	Clerk	2028
Laverne Villalobos	Trustee	2026
Bridget Hardt	Trustee	2026

NOTE 3 - CITIZEN'S OVERSIGHT COMMITTEE

In accordance with Education Code Section 15278(b), the Citizen's Oversight Committee shall: Inform the public concerning the District's expenditure of Measure O bond proceeds; Review expenditure reports produced by the District to ensure that Measure O bond proceeds were expended only for the purposes set forth in Measure O; and Present to the Board of Trustees in public session, an annual written report outlining their activities and conclusions regarding the expenditure of Measure O bond proceeds.

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

PACIFICA SCHOOL DISTRICT
Measure O Bonds
Notes to the Program Schedule
For the Fiscal Year Ended June 30, 2025

The committee was formed by the Board trustees as required by state law. During the fiscal year ended June 30, 2024, the District was unable to fill all of the committee positions, however, as required by Article XIII A, the District was actively seeking to fill these roles and publicly posted the vacancies. The Citizens' Oversight Committee was comprised of the following members during the fiscal year ended June 30, 2025:

<u>Name</u>	<u>Title/Function</u>	<u>Term Expiration</u>
Dennis Shillingburg	Business Community Representative	2026
Betsy Landrum	Parent Representative	2026
Amy Swanson	Parent Representative	2026
Jesse Levin	Parent Representative	2026
Chelssee De Barra	Parent Representative	2026
Mary Treanor	Parent Representative	2026
Vacant	Parent Representative	-
Vacant	Senior Citizens' Organization	-
Vacant	Bona Fide Taxpayers' Organization	-

**SCHEDULE OF FINDINGS
AND
RECOMMENDATIONS**

PACIFICA SCHOOL DISTRICT
Measure O Bonds
Schedule of Findings and Recommendations
For the Fiscal Year Ended June 30, 2025

This section identifies the deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements or performance audit that are required to be reported in accordance with *Government Auditing Standards* or Appendix A of the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* issued by the California Education Audit Appeals Panel.

A. Financial Statement Findings

Our tests resulted in no findings and recommendations.

B. Performance Audit Findings

Our tests resulted in no findings and recommendations.

PACIFICA SCHOOL DISTRICT
Measure O Bonds
Schedule of Prior Year Findings and Recommendations
For the Fiscal Year Ended June 30, 2025

This section identifies the deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements or performance audit that are required to be reported in accordance with *Government Auditing Standards* or Appendix A of the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* issued by the California Education Audit Appeals Panel.

A. Financial Statement Findings

Our tests resulted in no findings and recommendations.

B. Performance Audit Findings

Our tests resulted in no findings and recommendations.

**OTHER INDEPENDENT
AUDITOR'S REPORTS**



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

Measure O Citizens' Oversight Committee and
Governing Board Members
Pacifica School District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure O Bond Fund of Pacifica School District (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Pacifica School District's Measure O Bond financial statements, and have issued our report thereon dated April 6, 2026.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Pacifica School District's internal control over financial reporting (internal control) as basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the program statement, but not for the purpose of expressing an opinion on the effectiveness of the Pacifica School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Pacifica School District's internal control.

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

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



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pacifica School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C & A LLP

April 6, 2026
Morgan Hill, California



INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

Measure O Citizens' Oversight Committee and
Governing Board Members
Pacifica School District

Performance Audit

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

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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

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

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

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

Auditor Objectives

Our audit included the following objectives:

1. Determine whether expenditures charged to the Fund have been made in accordance with the bond project list approved by the voters through the approval of the Measure O, and verify that the funds were generally expended for the construction, renovation, furnishing, and equipping of school facilities constituting authorized bond projects.



2. Determine whether salary transactions charged to the Fund were in support of Measure O and not for District general administration or operations, and verify that the funds used to pay the salaries of district employees were allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General.

Scope

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

Methodology

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

1. We identified expenditures and projects charged to the general obligation bond proceeds by obtaining the general ledger and project listing.
2. We selected a sample of expenditures using the following criteria:
 - a. We considered all expenditures recorded in all object codes, including transfers out.
 - b. We considered all expenditures recorded in all projects that were funded from July 1, 2024 through June 30, 2025 from Measure O bond proceeds.
 - c. We selected all expenditures that were individually significant expenditures. Individually significant expenditures were identified as individual transactions (expenditures) that exceeded approximately 5% of the total expenditures incurred.
 - d. For all items below the individually significant threshold identified in item 2c, judgmentally selected expenditures based on risk assessment and consideration of coverage of all object codes, including transfers out, and projects for period starting July 1, 2024 and ending June 30, 2025.
3. We examined 71% of all expenditures within the bond program to ensure they were valid, allowable, accurate, charged to the facilities projects, and expended on specific projects listed in the text of the applicable ballot measure by vouching the actual invoices and other supporting documentation to determine that:
 - a. Expenditures were supported by invoices with evidence of proper approval and documentation of receipting goods or services.
 - b. Expenditures were supported by proper bid documentation, as applicable.
 - c. Expenditures were expended in accordance with voter-approved bond project list.
 - d. Bond proceeds were not used for salaries of school administrators or other operating expenses of the District.



4. We verified that salary transactions charged to the Fund were in support of Measure O and not for District general administration or operations, and verify that the funds used to pay the salaries of district employees were allowable per Opinion 04-110 issued on November 9, 2004 by the State of California Attorney General by vouching to supporting records such as offer letter, position control reports, timecards and payroll reports.
5. We verified that the District was in compliance with Assembly Bill 1908 and Ed Code Section 15278, where the District is required to establish a bond oversight committee for Proposition 39 bonds that includes one active member from each of the following sectors: a business organization, senior citizens' organization, bona fide taxpayer's association, and one parent/guardian of a child enrolled in the District and one parent/guardian of a child enrolled in the District who is also a member of a parent teacher association.
6. We verified the Citizens' Oversight Committee met pursuant to Education Code Section 15280.

Conclusion

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

C & A LLP

April 6, 2026
Morgan Hill, California