



**REGULAR MEETING OF THE
CITIZENS' OVERSIGHT COMMITTEE OF THE
DEL MAR UNION SCHOOL DISTRICT
(MEASURE MM - APPROVED BY DISTRICT VOTERS ON NOVEMBER 6, 2018)**

This meeting will be conducted in person, following the guidelines below:
The District will follow all current health regulations in effect at the time of the meeting.

AGENDA

January 24, 2022

5:30 p.m.

Del Mar Union School District Office Training Center
11232 El Camino Real, San Diego, CA 92130

Citizens' Oversight Committee Website:

<https://www.dmusd.org/Measure-MM/Independent-Citizens-Oversight-Committee-COC/index.html>

A. CALL TO ORDER: 5:30 p.m.

Acting Chairperson: Robert E. Anslow, Esq.

B. ROLL CALL (Establishment of a Quorum)

Committee Members:

Sandip Patel	Vice President, Taxpayer Organization Representative
Mark Maggenti	Clerk, Parent of Enrolled DMUSD Student Representative
Kathy Huang	Business Community Representative
Marina Russo	Senior Citizen Organization Representative
Joe Smith	Community-At-Large Representative
Fuxiao Xin	Community-At-Large Representative
VACANT	Parent-Teacher Organization Representative

C. PUBLIC COMMENTS

At this time, the Committee welcomes public comments. As set out in the Committee Policies, a total of 30 minutes is provided so members of the public can address the Committee. Speakers are limited to three (3) minutes. Unless the item has been placed on the published agenda in accordance with the Brown Act, there shall be no action taken in response to public comments submitted. The Committee may: (1) acknowledge receipt of the information; (2) refer the matter to staff with no direction as to action or priority; and/or (3) direct that the matter be agendaized for a future meeting of the Committee.

D. CITIZENS' OVERSIGHT COMMITTEE MEMBERSHIP UPDATE

E. APPROVAL OF SEPTEMBER 13, 2021, MINUTES

F. REVIEW, RECEIVE, AND FILE THE FISCAL YEAR 2020 – 2021 MEASURE MM BOND FUNDS ANNUAL AUDIT REPORT BY WILKINSON HADLEY KING & CO. LLP

G. PRESENTATION OF MEASURE MM, SERIES 2019 A, BOND PAYMENT LOG

H. MEASURE MM PROJECT PROGRESS UPDATE

I. DISCUSSION AND POSSIBLE ACTION(S) ON CITIZENS' OVERSIGHT COMMITTEE ELECTION OF OFFICERS

J. DISCUSSION AND POSSIBLE ACTION(S) RELATIVE TO PROPOSED COMMITTEE MEETING SCHEDULE

1. Set date, time, and place for the next meeting(s) of Citizens' Oversight Committee

K. COMMENTS FROM COMMITTEE MEMBERS

L. ADJOURNMENT

Compliance with the Requirements of California Government Code Section 54954.2 In compliance with California law and the Americans with Disabilities Act, if you need special disability-related modifications or accommodations, including auxiliary aids or services in order to participate in this meeting, or if you need this agenda provided in an alternative format, please contact the District Office Administration at telephone (858) 755-9301 (as representative of the Committee) at least 72 hours in advance of the scheduled Committee meeting. Notification 72 hours prior to the meeting will assist the Committee and the District in making reasonable arrangements to accommodate your request.

Availability of Agenda Materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Del Mar Union School District Citizens' Oversight Committee in connection with a matter subject to discussion or consideration at an open meeting of the Citizen's Oversight Committee(s) are available for public inspection at the District's website listed below. For meetings with attendance locations(s) if such writings are distributed to members of the Committee less than 72 hours prior to the meeting, they will be available in the District's Business Offices at the same time as they are distributed, except that, if such writings are distributed immediately prior to, or during, the meeting, they will be available in the District's Business Offices.

11232 El Camino Real
San Diego, CA 92130-2657
(858) 755-9301
(858) 523-6114 Fax
www.dmusd.org



Superintendent
Holly McClurg, Ph.D.

Board of Trustees
Erica Halpern, President
Gee Wah Mok, Esq., Clerk
Katherine Fitzpatrick, Member
Doug Rafner, Esq., Member
Scott Wooden, Ph.D., Member

MINUTES

September 13, 2021

5:30 p.m.

Citizens' Oversight Committee website with downloadable written materials:

<https://www.dmusd.org/Measure-MM/Independent-Citizens-Oversight-Committee-COC/index.html>

A. **CALL TO ORDER: 5:30 p.m.**

Acting Chairperson: Robert E. Anslow, Esq.

B. **ROLL CALL (Establishment of a Quorum)**

Committee Members:

Katie Hazen	Parent-Teacher Organization Representative
Kathy Huang	Business Community Representative
Mark Maggenti	Parent of Enrolled DMUSD Student Representative
Sandip Patel	Taxpayer Organization Representative
Marina Russo	Senior Citizen Organization Representative
Joe Smith	Community-At-Large Representative
Fuxiao Xin	Community-At-Large Representative

Fuxiao Xin was absent from the meeting.

C. **PUBLIC COMMENTS**

At this time, the Committee welcomes public comments. As set out in the Committee Policies, a total of 30 minutes is provided so members of the public can address the Committee. Speakers are limited to three (3) minutes. Unless the item has been placed on the published agenda in accordance with the Brown Act, there shall be no action taken in response to public comments submitted. The Committee may: (1) acknowledge receipt of the information; (2) refer the matter to staff with no direction as to action or priority; and/or (3) direct that the matter be agendaized for a future meeting of the Committee.

No comments were made from the public.

D. **INTRODUCTIONS**

1. Citizens' Oversight Committee Members, District Staff and Consultants
Each participant in the Citizens' Oversight Committee introduced themselves.

- E. APPROVAL OF JUNE 2, 2021, MINUTES
On a motion by Sandip Patel, seconded by Mark Maggenti, and carried by six yes votes, the COC approved the minutes of the June 2, 2021 meeting as shown.
- F. PRESENTATION OF MEASURE MM, SERIES 2019 A, BOND PAYMENT LOG
Mr. Pong presented on the budget and expenditures for Measure MM funded projects as of August 31, 2021.
- G. MEASURE MM PROJECT PROGRESS UPDATE
Mr. Delehanty presented on the school district facility projects.
- H. DISCUSSION AND POSSIBLE ACTION(S) ON CITIZENS' OVERSIGHT COMMITTEE ELECTION OF OFFICERS
Mr. Anslow will continue to be the COC Chairperson. On a motion by Mark Maggenti, seconded by Katie Hazen, Sandip Patel will be the new COC Vice President. On a motion by Kathy Huang, seconded by Katie Hazen, Mark Maggenti will be the new COC Clerk.
- I. DISCUSSION AND POSSIBLE ACTION(S) RELATIVE TO PROPOSED COMMITTEE MEETING SCHEDULE
 - 1. Set date, time and place for the next meeting(s) of Citizens' Oversight Committee
The next COC meeting will be on January 24, 2022, 5:30 PM at the Del Mar Union School District.
- J. SYCAMORE RIDGE SCHOOL MEASURE MM PROJECT TOUR
The COC Members and District Staff toured the Sycamore Ridge School to see projects funded by Measure MM.
- K. COMMENTS FROM COMMITTEE MEMBERS
- L. ADJOURNMENT 7:07 PM

The foregoing minutes of the September 13, 2021 have been reviewed and approved by the Citizens' Oversight Committee.

Mark Maggenti, Clerk

Del Mar Union School
District

Measure MM Building Fund
General Obligation Bond

Financial Statements &
Supplementary Information

June 30, 2021



Del Mar Union School District
Measure MM Building Fund (21-39)

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June 30, 2021

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**Del Mar Union School District
 Measure MM Building Fund (21-39)
 Introduction & Citizens’ Oversight Committee Member Listing**

On November 6, 2018, the voters of the Del Mar Union School District approved by more than 55% Measure MM, authorizing the issuance and sale of \$186,000,000 in General Obligation Bonds.

On October 16, 2019, the District issued 2019 Series A bonds in the amount of \$55,285,000.

The General Obligation Bonds are considered Proposition 39 bonds. The passage of Proposition 39 in November 2000 amended the California Constitution to include accountability measures. 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.

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

The Del Mar Union School District Measure MM Independent Citizens’ Oversight Committee as of June 30, 2021, was comprised of the following members:

<u>Name</u>	<u>Position</u>	<u>Representative</u>	<u>Term Expiration</u>
Katie Hazen	Member	Parent-Teacher Association	April 2023
Kathy Huang	Member	Business Organization	April 2023
Mark Maggenti	Member	Parent of DMUSD Student	April 2023
Sandip Patel	Member	Taxpayers Organization	April 2023
Joe Smith	Member	At-Large Community Member	April 2023
Fuxiao Xin	Member	At-Large Community Member	April 2023
VACANT	Member	Senior Citizen Organization	VACANT

Independent Auditor's Report

To the Citizens' Oversight Committee
Del Mar Union School District
Measure MM Building Fund (21-39)
San Diego, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Del Mar Union School District Measure MM Building Fund (21-39), which comprise the balance sheet as of June 30, 2021, 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.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Del Mar Union School District Measure MM Building Fund (21-39) as of June 30, 2021, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note A, the financial statements present only the Building Fund (21-39) which is specific to Measure MM Building Fund (21-39) and is not intended to present fairly the financial position and results of operations of Del Mar Union School District in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as identified in the table of contents be presented to supplement the basic financial statements. Such information, 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 inquiries, 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 Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information identified in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2022, on our consideration of Del Mar Union School District Measure MM Building 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 District'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 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 January 20, 2022 on our consideration of the District's compliance with the requirements of Proposition 39 with regards to the Measure MM Building Fund (21-39). That report is an integral part of our audit of the Del Mar Union School District Measure MM Building Fund (21-39) for the fiscal year ended June 30, 2021 and should be considered in assessing the results of our financial audit.

Wilkinson Hadley King & Co LLP

El Cajon, California
January 20, 2022

DEL MAR UNION SCHOOL DISTRICT
MEASURE MM BUILDING FUND (21-39)
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2021
(Unaudited)

This section of the Del Mar Union School District’s (DMUSD) Measure MM Building Fund annual financial and performance report presents the discussion and analysis of the Measure MM bond program during the fiscal year that ended June 30, 2021. 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

- No additional bonds were issued during the 2020-21 fiscal year under Measure MM.
- \$130,715,000 of amounts authorized under Measure MM remain available for future issuances.
- DMUSD has utilized proceeds from the Series A issuance to begin the following major projects: The Del Mar Heights School Rebuild, Building of Pacific Sky School, the Torrey Hills Field Upgrade, and Del Mar Hills Modernization.

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 MM 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 MM BUILDING FUND

Balance Sheet

The District’s Measure MM Building Fund balance as of June 30, 2021, was \$48,645,170 (see Table A-1). The funds are used to finance the modernization and construction of school sites.

Table A-1				
Measure MM Building Fund				
Balance Sheet				
	<u>Year Ended June 30,</u>		<u>Change</u>	<u>Percentage</u>
	<u>2021</u>	<u>2020</u>		
Assets				
Cash in county treasury	\$ 48,561,237	\$ 51,520,418	\$ (2,959,181)	-6%
Accounts receivable	83,933	219,903	(135,970)	-62%
Total Assets	<u>\$ 48,645,170</u>	<u>\$ 51,740,321</u>	<u>\$ (3,095,151)</u>	<u>-6%</u>
Liabilities				
Accounts payable	\$ 319,689	\$ 549,353	\$ (229,664)	-42%
Due to other funds	-	75,736	(75,736)	-100%
Total Liabilities	<u>319,689</u>	<u>625,089</u>	<u>(305,400)</u>	<u>-49%</u>
Fund Balance				
Restricted for capital projects	48,325,481	51,115,232	(2,789,751)	-5%
Total Fund Balance	<u>48,325,481</u>	<u>51,115,232</u>	<u>(2,789,751)</u>	<u>-5%</u>
Total Liabilities & Fund Balance	<u>\$ 48,645,170</u>	<u>\$ 51,740,321</u>	<u>\$ (3,095,151)</u>	<u>-6%</u>

Fund Balance (or Change in Fund Balance)

The District's total Measure MM Building Bond revenue from interest and investment income decreased by \$53,754. The total expenditures and other uses decreased by \$1,610,683.

Table A-2				
Measure MM Building Fund				
Changes in Fund Balance				
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Change</u>	<u>Percentage Change</u>
Revenues & Other Sources				
Interest and investment income	\$ 677,774	\$ 731,528	\$ (53,754)	-7%
Proceeds from sale of bonds	-	55,461,912	(55,461,912)	-100%
Total Revenues & Other Sources	<u>677,774</u>	<u>56,193,440</u>	<u>(55,515,666)</u>	<u>-99%</u>
Expenditures & Other Uses				
Costs of issuance	-	356,912	(356,912)	-100%
Noncapitalized improvements	95,374	-	95,734	100%
Capital outlay	3,372,151	4,211,920	(839,769)	-20%
Interfund transfers out	-	509,376	(509,376)	-100%
Total Expenditures & Other Uses	<u>3,467,525</u>	<u>5,078,208</u>	<u>(1,610,683)</u>	<u>-32%</u>
Change in Fund Balance	(2,789,751)	51,115,232	(53,904,983)	-105%
Fund Balance - Beginning	<u>51,115,232</u>	<u>-</u>	<u>51,115,232</u>	<u>100%</u>
Fund Balance - Ending	<u>\$ 48,325,481</u>	<u>\$ 51,115,232</u>	<u>\$ (2,789,751)</u>	<u>-5%</u>

CAPITAL ASSETS

During the fiscal year ended June 30, 2021, DMUSD expended \$3,372,151 in capital outlay expenditures from Measure MM funds. These expenditures are part of the DMUSD 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 MM building fund:

Table A-3				
Measure MM Building Fund				
Long Term Debt				
	<u>Year Ended June 30,</u>		<u>Change</u>	<u>Percentage Change</u>
	<u>2021</u>	<u>2020</u>		
General Obligation Bonds				
Principal Balance	\$ 50,060,000	\$ 55,285,000	\$ (5,225,000)	-9%
Bond Premium	3,558,873	3,930,330	(371,457)	-9%
Total Measure MM GO Bonds	<u>\$ 53,618,873</u>	<u>\$ 59,215,330</u>	<u>\$ (5,596,457)</u>	<u>-9%</u>

FACTORS BEARING ON THE BOND PROGRAM'S FUTURE

At the time these financial statements were prepared and audited, DMUSD has begun and completed multiple major projects with the Measure MM bond funds. The Del Mar Heights School Rebuild has continued to face delays as a result of litigation brought by the law firm Procopio on behalf of Save the Field (STF). The District received a final Writ of Mandate from the court on February 8, 2021 in which the court found in favor of the District on 10 of 13 items brought up during the lawsuit. The remaining 3 items were subsequently addressed by the District. One item was removed from the project through a board action, while the other two items were studied further by the District. The District developed a Focused Environmental Impact Report that was approved by the Board of Trustees on June 30, 2021 and a Final Return to the Writ was submitted by the District on July 7, 2021. The Court issued an order declaring that the District had complied with CEQA on July 19, 2021. STF appealed the decision on August 6, 2021 and amended their appeal on September 15, 2021. On November 5, 2021, STF filed a motion to vacate the decision by the court, but this motion was denied on January 7, 2022. The appeal to the decision is ongoing.

Due to the delays incurred as a result of the litigation, the District was forced to pause its efforts to obtain the Coastal Development Permit and associated permits (CDP) necessary to begin construction in February 2021. After the Court's order declaring that the District had complied with CEQA, the District re-submitted its application for the CDP in August 2021. The City of San Diego Planning Commission unanimously approved the permits on October 21, 2021, but STF appealed that approval to the San Diego City Council. On January 11, 2022, City Council unanimously approved the permits, and the District is in the process of acquiring the permits so that construction timelines can be updated and construction can commence. Once construction begins, it is anticipated to take 14 months to complete.

OBTAINING ADDITIONAL INFORMATION ON THE BOND PROGRAM

Additional information on the Measure MM bond fund can be obtained by visiting the DMUSD website: www.dmusd.org and selecting Measure MM.

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
Del Mar Union School District
11232 El Camino Real, Ste. 100
San Diego, CA 92130
(858) 755-9301

Financial Statements

Del Mar Union School District
Measure MM Building Fund (21-39)

Balance Sheet
June 30, 2021

ASSETS

Current Assets

Cash in county treasury	\$ 48,561,237
Accounts receivable	<u>83,933</u>

TOTAL ASSETS	\$ <u>48,645,170</u>
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LIABILITIES AND FUND BALANCE

Current Liabilities

Accounts payable	\$ 319,689
Due to other funds	<u>-</u>

Total Liabilities	<u>319,689</u>
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Fund Balance

Restricted for capital projects	<u>48,325,481</u>
Total Fund Balance	<u>48,325,481</u>

TOTAL LIABILITIES AND FUND BALANCE	\$ <u>48,645,170</u>
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The accompanying notes to the financial statements are an integral part of this statement.

Del Mar Union School District
Measure MM Building Fund (21-39)

Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2021

REVENUES	
Interest income	\$ 475,835
FMV adjustment	<u>201,939</u>
TOTAL REVENUES	<u>677,774</u>
EXPENDITURES	
Other operating expenses:	
Noncapitalized improvements	95,374
Capital outlay:	
Land acquisition	250,714
Land improvements	862,024
Building improvements	2,150,854
Equipment	<u>108,559</u>
TOTAL EXPENDITURES	<u>3,467,525</u>
NET CHANGE IN FUND BALANCE	(2,789,751)
FUND BALANCE, BEGINNING OF YEAR	<u>51,115,232</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 48,325,481</u></u>

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

Del Mar Union School District

Measure MM Building Fund (21-39)

Notes to the Financial Statements
For the Year Ended June 30, 2021

A. Summary of Significant Accounting Policies

Del Mar Union School District Measure MM 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 Del Mar Union School District (District), through expenditures of general obligation bonds issued under Measure MM, authorized by registered voters on November 6, 2018.

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.

Del Mar Union School District

Measure MM Building Fund (21-39)

Notes to the Financial Statements, Continued

June 30, 2021

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.

Del Mar Union School District
Measure MM Building Fund (21-39)

Notes to the Financial Statements, Continued

June 30, 2021

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 §41001, 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.

Del Mar Union School District
Measure MM Building Fund (21-39)

Notes to the Financial Statements, Continued
June 30, 2021

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.

Del Mar Union School District
Measure MM Building Fund (21-39)

Notes to the Financial Statements, Continued
 June 30, 2021

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 District 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, 2021. Those newly implemented pronouncements are as follows:

Description	Date Issued
GASB Statement 84, Fiduciary Activities	01/2017
GASB Statement 90, Majority Equity Interest – an amendment of GASB Statements 14 and 61	08/2018
GASB Statement 93, Replacement of Interbank Offered Rates	03/2020
GASB Implementation Guide No. 2019-1, Implementation Guidance Update – 2019	04/2019
GASB Implementation Guide No. 2019-2, Fiduciary Activities	06/2019

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

Del Mar Union School District
Measure MM Building Fund (21-39)

Notes to the Financial Statements, Continued
 June 30, 2021

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:

<u>Violation</u>	<u>Action Taken</u>
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:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None	Not Applicable	Not Applicable

C. Fair Value Measurements

The Bond Fund’s investments at June 30, 2021, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

	<u>Amount</u>	<u>Fair Value Measurement Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
External investment pools measured at fair value				
San Diego County Treasury	\$ 48,561,237	\$ -	\$ 48,561,237	\$ -
Total investments by fair value level	\$ 48,561,237	\$ -	\$ 48,561,237	\$ -

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.

Del Mar Union School District
Measure MM Building Fund (21-39)

Notes to the Financial Statements, Continued
 June 30, 2021

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 (\$48,359,298 as of June 30, 2021). The fair value of the Bond Fund’s portion of this pool as of that date, as provided by the pool sponsor, was \$48,561,237. 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.

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
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

Del Mar Union School District
Measure MM Building Fund (21-39)

Notes to the Financial Statements, Continued
June 30, 2021

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, 2021, credit risk for the Bond Fund’s investments was as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Amount</u>
County Treasurer's Investment Pool	Unrated	Not Applicable	\$ 48,561,237

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, 2021, the Bond Fund was not exposed to custodial credit risk.

Del Mar Union School District
Measure MM Building Fund (21-39)

Notes to the Financial Statements, Continued
June 30, 2021

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 \$48,561,237. The average weighted maturity for this pool was 613 days at June 30, 2021.

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.

Del Mar Union School District
Measure MM Building Fund (21-39)

Notes to the Financial Statements, Continued
June 30, 2021

E. Accounts Receivable

There are no significant receivables which are not scheduled for collection within one year of year end. Accounts receivable balances as of June 30, 2021 consisted of:

	<u>Accounts Receivable</u>
Interest receivable	<u>\$ 83,933</u>
Total Accounts Receivable	<u><u>\$ 83,933</u></u>

F. Accounts Payable

Accounts payable balances as of June 30, 2021 consisted of:

	<u>Account Payable</u>
Vendor payables	<u>\$ 319,689</u>
Total Accounts Payable	<u><u>\$ 319,689</u></u>

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, 2021.

Del Mar Union School District
Measure MM Building Fund (21-39)

Notes to the Financial Statements, Continued
 June 30, 2021

H. General Obligation Bonds

On October 16, 2019, the District issued 2018 Election, Series A general obligation bonds to finance the repair, upgrading, acquisition, construction and equipping of certain District property and facilities and to pay the costs of issuing the bonds. The Bonds were issued pursuant to a duly called election of the registered voters of the District held on November 6, 2018, at which the requisite 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of \$186,000,000 principal amount of general obligation bonds of the District. The Bonds bear interest ranging from 1.50% to 4.00% payable semi-annually with maturities on August 1st annually through August 1, 2044.

General obligation bonds at June 30, 2021 consisted of the following:

	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>	
2018 Election, Series A	10/16/2019	1.50 - 4.00%	8/1/2044	<u>\$ 55,285,000</u>	
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
2018 Election, Series A					
Principal Balance	\$ 55,285,000	\$ -	\$ 5,225,000	\$ 50,060,000	\$ 5,425,000
Premium	<u>3,930,330</u>	<u>-</u>	<u>371,457</u>	<u>3,558,873</u>	<u>385,675</u>
Total General Obligation Bonds	<u>\$ 59,215,330</u>	<u>\$ -</u>	<u>\$ 5,596,457</u>	<u>\$ 53,618,873</u>	<u>\$ 5,810,675</u>

The annual requirements to amortize the bonds outstanding at June 30, 2021 are as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30,</u>			
2022	\$ 5,425,000	\$ 1,553,919	\$ 6,978,919
2023	960,000	1,426,219	2,386,219
2024	460,000	1,403,569	1,863,569
2025	540,000	1,389,319	1,929,319
2026	640,000	1,365,719	2,005,719
2027-2031	4,945,000	6,320,494	11,265,494
2032-2036	8,680,000	4,977,194	13,657,194
2037-2041	13,505,000	3,143,609	16,648,609
2042-2045	<u>14,905,000</u>	<u>929,650</u>	<u>15,834,650</u>
Total	<u>\$ 50,060,000</u>	<u>\$ 22,509,691</u>	<u>\$ 72,569,691</u>

Del Mar Union School District
Measure MM Building Fund (21-39)

Notes to the Financial Statements, Continued

June 30, 2021

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:

	2018 Series A
Total Interest Payments on Bonds	\$ 24,822,440
Less Bond Premium	<u>(3,930,330)</u>
Net Interest Payments	<u>20,892,110</u>
Par Amount of Bonds	55,285,000
Periods	25
Effective Interest Rate	1.51%

Del Mar Union School District

Measure MM Building Fund (21-39)

Notes to the Financial Statements, Continued

June 30, 2021

I. Commitments and Contingencies

1. Litigation

The District is involved in a 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, 2021.

2. Construction Commitments

As of June 30, 2021, the Bond Fund had the following construction commitments:

2020-2021 Capital Project Commitments						
Project Name	Contractor Name	Type of Service	Commitment Amount	Expenditures through June 30, 2021	Remaining Commitment as of June 30, 2021	Measure MM (Y/N)
Pacific Sky School	Alpers Engineering Group	Commissioning Services	\$ 43,850.00	\$ 5,377.50	\$ 38,472.50	Y
Pacific Sky School	Blackhawk Environmental	Environmental Monitoring	\$ 11,200.00	\$ 5,326.25	\$ 5,873.75	Y
Pacific Sky School	Blue Coast Consulting	DSA Project Inspection	\$ 615,592.00	\$ 38,940.00	\$ 576,652.00	Y
Pacific Sky School	Erickson-Hall Construction	General Contractor	\$ 24,691,566.00	\$ -	\$ 24,691,566.00	Y
Pacific Sky School	Ninyo & Moore	Geotechnical Services	\$ 367,515.50	\$ -	\$ 367,515.50	Y
Pacific Sky School	OBR Architecture	Architectural Services	\$ 2,578,792.00	\$ 1,985,007.89	\$ 593,784.11	Y
Pacific Sky School	Placeworks	Environmental Consultant	\$ 74,365.00	\$ 73,045.24	\$ 1,319.76	Y
Del Mar Heights School Rebuild	Air America Testing	Architectural Services	\$ 2,287,500.00	\$ 1,499,131.98	\$ 788,368.02	Y
Del Mar Heights School Rebuild	Baker Nowicki Design Studio	Architectural Services	\$ 2,792,408.00	\$ 2,091,756.18	\$ 700,651.82	Y
Del Mar Heights School Rebuild	Balfour Beatty Construction	General Contractor	\$ 7,797,624.23	\$ 281,955.61	\$ 7,515,668.62	Y
Del Mar Heights School Rebuild	Cogstone Resource Management	Archaeological Monitoring	\$ 12,850.00	\$ 6,331.35	\$ 6,518.65	Y
Del Mar Heights School Rebuild	Consulting & Inspection Services, LLC	DSA Project Inspection	\$ 442,090.00	\$ 3,264.00	\$ 438,826.00	Y
Del Mar Heights School Rebuild	Elite Modular Leasing and Sales	Interim Housing	\$ 198,468.00	\$ 158,466.50	\$ 40,001.50	Y
Del Mar Heights School Rebuild	Engineering Economics	Commissioning Services	\$ 35,675.00	\$ 3,630.93	\$ 32,044.07	Y
Del Mar Heights School Rebuild	Foxlin	Coastal and CEQA Consultant	\$ 6,000.00	\$ 3,332.50	\$ 2,667.50	Y
Del Mar Heights School Rebuild	Loveless Linton	Archaeological and Paleontological Services	\$ 47,030.00	\$ -	\$ 47,030.00	Y
Del Mar Heights School Rebuild	Nova Services, Inc.	Construction Testing	\$ 317,235.00	\$ -	\$ 317,235.00	Y
Del Mar Hills Academy Modernization	Lionakis	Architectural Services	\$ 1,514,450.00	\$ 33,966.00	\$ 1,480,484.00	Y
Sage Canyon School Window Coverings	Diversified Window Coverings, Inc	Equipment and Install	\$ 116,897.00	\$ -	\$ 116,897.00	Y
Sycamore Ridge School Playground Replacement	Dave Bang Associates	Equipment	\$ 465,220.27	\$ -	\$ 465,220.27	Y
Sycamore Ridge School Playground Replacement	Zasueta Contracting	General Contractor	\$ 131,623.00	\$ -	\$ 131,623.00	Y
Total Construction Commitments			\$ 44,547,951.00	\$ 6,189,531.93	\$ 38,358,419.07	

Del Mar Union School District
Measure MM Building Fund (21-39)

Notes to the Financial Statements, Continued

June 30, 2021

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 87, Leases	06/2017	2021-22
GASB Statement 89, Accounting for Interest Cost Incurred before the End of a Construction Period	06/2018	2021-22
GASB Statement 91, Conduit Debt Obligations	05/2019	2022-23
GASB Statement 92, Omnibus 2020	01/2020	2021-22
GASB Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements	03/2020	2022-23
GASB Statement 96, Subscription-Based Information Technology Arrangements	05/2020	2022-23
GASB Statement 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements 14, 84 and supersession of GASB Statement 32	06/2020	2021-22
GASB Statement 98, The Annual Comprehensive Financial Report	10/2021	2021-22
GASB Implementation Guide No. 2019-3, Leases	08/2019	2021-22
GASB Implementation Guide No. 2020-1, Implementation Guidance Update – 2020	04/2020	2021-22
GASB Implementation Guide No. 2021-1, Implementation Guidance Update – 2021	05/2021	2021-22 Thru 2023-24

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

Supplementary Information

Del Mar Union School District Measure MM Building Fund (21-39)

General Obligation Bonds Project List
Year Ended June 30, 2021

Bond proceeds are required to be expended to modernize, replace, renovate, construct, acquire, equip, furnish and otherwise improve the facilities of the Del Mar Union School District.

Master Plan Facilities Projects and Objectives

The following are master plan facilities projects and objectives to be implemented throughout the District that may be funded by this bond measure:

- Install and upgrade security and safety systems to meet the needs for student safety and campus security.
- Redesign and reconstruct Del Mar Heights School
- Modernize and upgrade District school facilities at Ashley Falls School, Carmel Del Mar School, Del Mar Hills Academy, Ocean Air School, Sage Canyon School, Sycamore Ridge School, and Torrey Hills School.
- Design and construct a new elementary school in East Pacific Highlands Ranch.
- Renovate, upgrade, replace, install, and provide repairs of school site infrastructure (plumbing, electrical, HVAC, communications, and security networks).
- Ensure safety and structural integrity of buildings for student and employee safety by making seismic and safety upgrades and retrofits.
- Remove and/or replace portable classrooms with permanent classrooms.
- Install infrastructure and supporting wiring in order to support broadband access for high-speed data and communications.
- Relocate technology offices and Main Distribution Frame (MDF).
- Upgrade and modernize District schools to provide for compliance with Americans with Disabilities Act (ADA).
- Improve energy efficiency to reduce costs and reduce energy consumption (producing reductions in environmental impacts), through the use/installation of energy-efficient facilities including the construction/installation of solar energy facilities.
- Upgrade landscape and irrigation, using recycled water where available.
- Provide facilities for Storm Water Management.
- Provide facilities for Child Nutrition Services and centralized District kitchen.
- Replace, update and improve access and parking facilities with the goal of reducing traffic congestion in the vicinity of District schools.

Del Mar Union School District
Measure MM Building Fund (21-39)
General Obligation Bonds Project List, Continued
Year Ended June 30, 2021

Ashley Falls School – Renovation, Modernization and Repair

- Modernize, upgrade, renovate, rehabilitate, reconfigure, construct, expand, and equip classrooms, classroom buildings, STEAM+, restrooms, common areas, and school support facilities, including library and multipurpose room/auditorium.
- Security/Safety – Update and install security systems, access control, surveillance systems, exterior lighting, office reconfiguration, fencing, and fire alarm systems.
- Repair or replace deteriorated roofing and HVAC system.
- Provide new outdoor student dining areas with shade structures.
- Replace play structures to include equipment and increased shade.
- Remove and or replace portable classrooms with permanent classrooms.
- Install technology infrastructure and supporting wiring in order to support broadband access for high-speed data and communications.
- Repair or upgrade play structures and fields for improved student safety.
- Update interior lighting and lighting controls to improve energy efficiency.
- Improve landscape, drought tolerant materials, irrigation controls, and recycled water (where and as available).
- Provide and install solar energy and/or storage facilities.
- Provide and install lunch service area and student dining areas.
- Upgrade Main Distribution Frame.
- Construct and install ADA path of travel and accessibility upgrades.

Carmel Del Mar School – Renovation, Modernization and Repair

- Modernize, upgrade, renovate, rehabilitate, reconfigure, construct, expand, and equip classrooms, classroom buildings, STEAM+, restrooms, common areas, and school support facilities, including library and multipurpose room/auditorium.
- Security/Safety – Update and install security systems, access control, surveillance systems, exterior lighting, office reconfiguration, fencing, and fire alarm systems.
- Repair or replace deteriorated roofing and HVAC systems.
- Expand and update the Multi-Use Room for large group instruction.
- Replace deteriorated sewer lines.
- Install pedestrian ramp from Carmel Park Drive to school site.
- Remove and or replace portable classrooms with permanent classrooms.
- Install technology infrastructure and supporting wiring in order to support broadband access for high-speed data and communications.
- Repair or upgrade play structures/fields for improved student safety.
- Install or replace shade structures.
- Update interior lighting and lighting controls to improve energy efficiency.
- Improve landscape, drought tolerant materials, irrigation controls, and recycled water (where and as available).
- Provide and install solar energy and or storage facilities.
- Provide and install lunch service area and student dining areas.
- Construct and install ADA path of travel and accessibility upgrades.

Del Mar Union School District
Measure MM Building Fund (21-39)
General Obligation Bonds Project List, Continued
Year Ended June 30, 2021

Del Mar Heights School – Renovation, Modernization and Repair

- Redesign and reconstruct the campus. This includes construction and/or reconstruction of classrooms, support buildings, campus administration facilities, and other buildings necessary for non-instructional purposes.
- Security/Safety – Update/install security systems, access control, surveillance systems, exterior lighting, office reconfiguration, fencing, and fire alarm systems.
- Reconfigure and reconstruct drop off/pick-up areas and parking for improved traffic flow and student safety.
- Design, construct and install supporting facilities and infrastructure, including, but not limited to, roadways, electrical systems, plumbing, HVAC, parking, hardscape, interior and exterior lighting, and lighting controls.
- Make necessary site improvements including grading, infrastructure, and roadway access.
- Install solar energy and/or storage facilities.
- Install/replace shade structures.
- Repair or upgrade play structures/fields for improved student safety.
- Interior lighting and lighting controls.
- Improve landscape, drought tolerant materials, irrigation controls, and recycled water (where and as available).
- Provide and install lunch service area.
- Provide and install covered student dining area.

Del Mar Hills Academy – Renovation, Modernization and Repair

- Modernize, upgrade, renovate, rehabilitate, reconfigure, construct, expand, and equip classrooms, classroom buildings, STEAM+, restrooms, common areas, and school support facilities, including library and multipurpose room/auditorium.
- Security/Safety – Update and install security systems, access control, surveillance systems, exterior lighting, office reconfiguration, fencing, and fire alarm systems.
- Increase natural light in all learning spaces and common areas.
- Improve campus layout and classroom configuration.
- Add restrooms in proximity to Kindergarten classrooms.
- Increase parking and improve ingress/egress.
- Improve drop-off/pick-up area and parking for improved traffic flow and student safety.
- Repair or replace deteriorated roofing and HVAC systems.
- Remove and or replace portable classrooms with permanent classrooms.
- Install technology infrastructure and supporting wiring in order to support broadband access for high-speed data and communications.
- Repair or upgrade play structures/fields for improved student safety.
- Install/replace shade structures.
- Update interior lighting and lighting controls to improve energy efficiency.
- Improve landscape, drought tolerant materials, irrigation controls, and recycled water (where and as available).
- Provide/install solar energy and/or storage facilities.
- Construct facilities for Child Nutrition Services and centralized District kitchen.

Del Mar Union School District
Measure MM Building Fund (21-39)
General Obligation Bonds Project List, Continued
Year Ended June 30, 2021

- Provide/install lunch service area and student dining areas.
- Construct/install ADA path of travel and accessibility upgrades.

Ocean Air School – Renovation, Modernization and Repair

- Modernize, upgrade, renovate, rehabilitate, reconfigure, construct, expand, and equip classrooms, classroom buildings, STEAM+, restrooms, common areas, and school support facilities, including library and multipurpose room/auditorium.
- Security/Safety – Update and install security systems, access control, surveillance systems, exterior lighting, office reconfiguration, fencing, and fire alarm systems.
- Modify ingress and egress for student drop off and pick up to improve pedestrian safety.
- Repair or replace deteriorated roofing, HVAC systems, and carpeting.
- Install or replace shade structures to include outdoor student dining areas.
- Install technology infrastructure and supporting wiring in order to support broadband access for high-speed data and communications.
- Repair or upgrade play structures/fields for improved student safety.
- Update interior lighting and lighting controls to improve energy efficiency.
- Improve landscape, drought tolerant materials, irrigation controls, and recycled water (where and as available).
- Provide/install solar energy and/or storage facilities.
- Provide/install lunch service area and student dining areas.
- Construct/install ADA path of travel and accessibility upgrades.

Sage Canyon School – Renovation, Modernization and Repair

- Modernize, upgrade, renovate, rehabilitate, reconfigure, construct, expand, and equip classrooms, classroom buildings, STEAM+, restrooms, common areas, and school support facilities, including library and multipurpose room/auditorium.
- Security/Safety – Update and install security systems, access control, surveillance systems, exterior lighting, office reconfiguration, fencing, and fire alarm systems.
- Repair or replace deteriorated roofing and HVAC systems.
- Install or replace shade structures to include outdoor student dining areas.
- Remove and or replace portable classrooms with permanent classrooms.
- Install technology infrastructure and supporting wiring in order to support broadband access for high-speed data and communications.
- Repair or upgrade play structures/fields for improved student safety.
- Update interior lighting and lighting controls to improve energy efficiency.
- Improve landscape, drought tolerant materials, irrigation controls, and recycled water (where and as available).
- Provide/install solar energy and/or storage facilities.
- Provide/install lunch service area and student dining areas.
- Construct/install ADA path of travel and accessibility upgrades.

Del Mar Union School District
Measure MM Building Fund (21-39)
General Obligation Bonds Project List, Continued
Year Ended June 30, 2021

Sycamore Ridge School – Renovation, Modernization and Repair

- Modernize, upgrade, renovate, rehabilitate, reconfigure, construct, expand, and equip classrooms, classroom buildings, STEAM+, restrooms, common areas, and school support facilities, including library and multipurpose room/auditorium.
- Security/Safety – Update and install security systems, access control, surveillance systems, exterior lighting, office reconfiguration, fencing, and fire alarm systems.
- Repair or replace deteriorated roofing and HVAC systems.
- Expand and update the Multi-Use Room for large group instruction.
- Install technology infrastructure and supporting wiring in order to support broadband access for high-speed data and communications.
- Repair or upgrade play structures/fields for improved student safety.
- Install/replace shade structures.
- Update interior lighting and lighting controls to improve energy efficiency.
- Improve landscape, drought tolerant materials, irrigation controls, and recycled water (where and as available).
- Provide/install solar energy and/or storage facilities.
- Provide/install lunch service area and student dining areas.
- Construct/install ADA path of travel and accessibility upgrades.

Torrey Hills School – Renovation, Modernization and Repair

- Modernize, upgrade, renovate, rehabilitate, reconfigure, construct, expand, and equip classrooms, classroom buildings, STEAM+, restrooms, common areas, and school support facilities, including library and multipurpose room/auditorium.
- Security/Safety – Update and install security systems, access control, surveillance systems, exterior lighting, office reconfiguration, fencing, and fire alarm systems.
- Improve Science Lab.
- Improve layout and configuration for Technology Lab and Library.
- Repair or replace deteriorated roofing and HVAC systems.
- Remove or replace portable classrooms with permanent classrooms.
- Install technology infrastructure and supporting wiring in order to support broadband access for high-speed data and communications.
- Repair or upgrade play structures/fields for improved student safety.
- Install/replace shade structures.
- Update interior lighting and lighting controls to improve energy efficiency.
- Improve landscape, drought tolerant materials, irrigation controls, and recycled water (where and as available).
- Provide/install solar energy and/or storage facilities.
- Provide/install lunch service area and student dining areas.
- Construct/install ADA path of travel and accessibility upgrades.

Del Mar Union School District
Measure MM Building Fund (21-39)
General Obligation Bonds Project List, Continued
Year Ended June 30, 2021

New Elementary School in East Pacific Highlands Ranch

- Purchase land, design, and construct a comprehensive elementary school campus. This includes classrooms, support buildings, campus administration facilities, and other buildings necessary for non-instructional purposes.
- Security/Safety – Update and install security systems, access control, surveillance systems, exterior lighting, office reconfiguration, fencing, and fire alarm systems.
- Make necessary site improvements including site preparation, grading, supporting infrastructure, roads, and roadway access.
- Design and construct fields, landscaping, parking, and drop off/pick-up.
- Design construct and install supporting facilities and infrastructure, including, but not limited to, roadways, electrical systems, plumbing, HVAC, parking, hardscape, interior and exterior lighting, and lighting controls.
- Provide/install solar energy and/or storage facilities.
- Provide/install playground facilities and equipment.
- Provide/install landscaping, including, but not limited to, drought tolerant materials, irrigation controls and use of recycled water (where and as available).
- Provide/install lunch service area and student dining areas.
- Construct facilities for Child Nutrition Services and centralized District kitchen.
- Relocate technology offices and/or Main Distribution Frame.

All District School Sites Where Renovation, Major Repairs, and/or New Construction To Be Undertaken

- Remove and mitigate hazardous materials (e.g. asbestos, lead, PCB, mold, mildew, etc.) where necessary.
- Improve contingencies as required to comply with existing building codes and state/federal requirements, including access requirements of the ADA.
- Provide adequate furniture and equipment for all classrooms, and spaces to be newly constructed or reconstructed.
- Acquisition of any of the facilities on this School Facilities Project List through temporary lease or lease-purchase arrangements or execute purchase option under lease for any of these authorized facilities.
- Necessary site preparation/restoration in connection with renovation or remodeling, including ingress and egress, removing, replacing, or installing irrigation, utility lines, trees and landscaping, relocating fire access roads, and acquiring any necessary easements, licenses, or rights of ways to property.
- If the Governing Board of Trustees determines that replacement is more economical than rehabilitation, improvement, or renovation of existing classrooms/school facilities, in those particular cases replacement/new construction will be explored or pursued.
- Provide temporary (interim) classrooms and other school facilities as needed to accommodate students and school functions displaced during construction, including, but not limited to relocation costs.
- The costs to demolish/remove facilities when no longer needed and the costs to restore site and utility systems after removal.
- Modernization upgrade or replacement of structures includes permanent, portable, or modular structures.

Whenever specific items are included in the list above, they are presented to provide an example and are not intended to limit the generality of the broader description of authorized projects.

**Del Mar Union School District
Measure MM Building Fund (21-39)**

General Obligation Bonds Project Timelines
Year Ended June 30, 2021

Project

Timeline and Key Events

Del Mar Heights School Rebuild

2019

April/May - Initial community engagement and design meetings (5)
June - October - Student relocation meetings (9)
September - Design updates to the community (2)

2020

February 20 - Notice of intent to adopt a mitigated negative declaration
May 12 - Board approved CEQA documents
June - Close Del Mar Heights School in preparation of demolition and rebuild
June 9 - Formal submission of Coastal Development Permit Application
June 12 - Save the Fields files lawsuit against DMUSD
December 22 - Hearing on Save the Fields lawsuit against DMUSD

2021

February 8 - DMUSD received Court's Judgment and Writ
The project has continued to face delays as a result of litigation brought by the law firm Procopio on behalf of Save the Field (STF). The District received a final Writ of Mandate from the court on February 8, 2021 in which the court found in favor of the District on 10 of 13 items brought up during the lawsuit. The remaining 3 items were subsequently addressed by the District. One item was removed from the project through a board action, while the other two items were studied further by the District. The District developed a Focused Environmental Impact Report that was approved by the Board of Trustees on June 30, 2021 and a Final Return to the Writ was submitted by the District on July 7, 2021. The Court issued an order declaring that the District had complied with CEQA on July 19, 2021. STF appealed the decision on August 6, 2021 and amended their appeal on September 15, 2021. On November 5, 2021, STF filed a motion to vacate the decision by the court, but this motion was denied on January 7, 2022. The appeal to the decision is ongoing.

Due to the delays incurred as a result of the litigation, the District was forced to pause its efforts to obtain the Coastal Development Permit and associated permits (CDP) necessary to begin construction in February 2021. After the Court's order declaring that the District had complied with CEQA, the District re-submitted its application for the CDP in August 2021. The City of San Diego Planning Commission unanimously approved the permits on October 21, 2021, but STF appealed that approval to the San Diego City Council. On January 11, 2022, City Council unanimously approved the permits, and the District is in the process of acquiring the permits so that construction timelines can be updated and construction can commence. Once construction begins, it is anticipated to take 14 months to complete.

Pending

Coastal Development Permit
Start of Construction

Expected Completion (Subject to Change)

To Be Determined

Del Mar Union School District
Measure MM Building Fund (21-39)
 General Obligation Bonds Project Timelines, Continued
 Year Ended June 30, 2021

Project	Timeline and Key Events
Pacific Sky School	<p>2019 April - October - School Designed October 30 - Final Site Plan approved</p> <p>2021 June - Formal Groundbreaking</p> <p>Expected Completion (Subject to Change) January 2023</p>
Del Mar Hills Academy Modernization	<p>2021 Community planning sessions held June, September, and October</p> <p>Pending Start of Construction</p> <p>Expected Completion (Subject to Change) To Be Determined</p>

Del Mar Union School District
Measure MM Building Fund (21-39)
General Obligation Bonds Project Change Orders
Year Ended June 30, 2021

During the fiscal year ended June 30, 2021, there were no construction change orders made in contracts associated with general obligation bond projects.

Other Independent Auditors' 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*

To the Citizens' Oversight Committee
Del Mar Union School District
Measure MM Building Fund (21-39)
San Diego, 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 Del Mar Union School District Measure MM 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, 2021, and the related notes to the financial statements, which collectively comprise Del Mar Union School District Measure MM Building Fund's basic financial statements, and have issued our report thereon dated January 20, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Del Mar Union School District Measure MM 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 Del Mar Union School District Measure MM Building Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of Del Mar Union School District Measure MM 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 Del Mar Union School District Measure MM 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
January 20, 2022

Independent Auditor's Report on Performance

To the Citizens' Oversight Committee
Del Mar Union School District
Measure MM Building Fund (21-39)
San Diego, California

We were engaged to conduct a performance audit of the Del Mar Union School District Measure MM Building Fund (21-39), herein after referred to as the Bond Fund, for the year ended June 30, 2021.

Management's Responsibility for Performance Compliance

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 XIII A, Section 1(b)(3)(C) of the California Constitution. Management is responsible for the District's compliance with those requirements.

Auditor's Responsibility

Our responsibility is to express an opinion on performance based on our audit. 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 2020-21 Guide for Annual Audits of K-12 Local Education Agencies*. 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.

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 MM as approved by registered voters for the fiscal year ended June 30, 2021. 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 MM General Obligation Bonds were only used for the purposes set forth in the ballot measure and not for any other purpose, such as teacher and administrative salaries.
- The Governing Board of the Del Mar Union 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.

In performing our audit of compliance, we performed procedures including but not limited to those listed as follows:

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 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 2020-21 fiscal year.

Tests of Expenditures

Procedures Performed

We tested expenditures to determine whether Measure MM proceeds were spent solely on voter and Board approved school facilities projects as set forth in the bond Projects List and language of the Measure MM 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 MM ballot measure as well as applicable state laws and regulations.

Tests of Contracts and Bid Procedures

Procedures Performed

We tested expenditures under Measure MM 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.

Facilities Site Review

Procedures Performed

We reviewed the Independent Citizens' Oversight Committee minutes and agendas along with other pertinent information on Measure MM designated projects to determine whether the funds expended for the year ended June 30, 2021, 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 the minutes and agenda of the Independent Citizens' Oversight Committee, 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 MM ballot measures.

Citizens' Oversight Committee

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

In our review of the minutes of the Citizens' Oversight Committee we determined that, during the fiscal year ended June 30, 2021, the Committee fulfilled all required responsibilities identified in Education Code Section 15278 and additionally performed other authorized activities as identified in 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

In our review of the Citizens' Oversight Committee composition for the fiscal year ended June 30, 2021, we noted the committee had a vacancy in one position to be occupied by a senior citizens' organization as of year end.

Opinion on Performance

The results of our tests indicated that the District has complied with the requirements set forth in Measure MM, approved by voters on November 6, 2018 in accordance with Proposition 39 as outlined in Article XIII A, Section 1(b)(3)(c) of the California Constitution, except as noted above and discussed in Finding 2021-001.

Purpose of the Report

This report is intended solely for the information and use of the District's Governing Board, the Measure MM 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
January 20, 2022

Auditor's Results, Findings & Recommendations

Del Mar Union School District
Measure MM Building Fund (21-39)

Schedule of Auditor's Results
 Year Ended June 30, 2021

FINANCIAL STATEMENTS

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

PERFORMANCE AUDIT

Any audit findings disclosed that are reported as a result of performance audit and in accordance with <i>2020-21 Guide for Annual Audits of California K-12 Local Education Agencies, Appendix A Local Construction Bond Audits</i> ?	_____ <u>X</u> Yes	_____ No
Type of auditor's report issued on compliance for state programs:	<u>Unmodified</u>	

Del Mar Union School District Measure MM Building Fund

Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

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 2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

A. Financial Statement Findings

None

B. Performance Audit Findings

Finding 2021-001

Citizens Oversight Committee Composition

Criteria or Specific Requirements

Proposition 39 Bond Law requires the Citizens' 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 organization
- 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

Condition

In our review of the Citizens' Oversight Committee we noted a vacancy on the committee for one position to be held by a member of a senior citizens organization as of June 30, 2021. The position was vacant from April 2021 until filled July 28, 2021.

Questioned Costs

None

Cause:

The member on the committee meeting that requirement in prior years had a term that expired April 2021. The position took time to fill but was appointed at the July 28, 2021 Governing Board of Trustees Regular meeting.

Effect

The District was out of compliance with Education Code Section 15282 as of June 30, 2021.

Del Mar Union School District Measure MM Building Fund

Schedule of Findings and Questioned Costs, continued

Year Ended June 30, 2021

Recommendation

We recommend the District put systems in place to replace members of the Citizens' Oversight Committee as terms expire.

Corrective Action Plan:

The District actively searched for a candidate to fill the vacant position and appointed the roll at the July 28, 2021 Governing Board of Trustees Regular meeting. The District has established processes and timelines for recruiting future positions. As of July 28, 2021, the committee met all requirements of Education Code Section 15282.

Del Mar Union School District
Measure MM Building Fund (21-39)

Schedule of Prior Year Audit Findings
Year Ended June 30, 2021

Finding/Recommendation	Status	Explanation if Not Implemented
There were no findings reported in prior year audit.		



2018 General Obligation Bond Measure

Measure MM
Cumulative Project Expenditures
as of December 31, 2021

Measure MM
Current and Completed Projects
as of December 31, 2021

District Project Name	Measure MM Project Commitments	Measure MM Project Expenditures	Remaining Commitments	Project Status
A	B	C	D (B - C)	

Del Mar Heights School				
School Rebuild	63,178,171	4,477,644	58,700,527	In Progress
Campus Total	63,178,171	4,477,644	58,700,527	

Del Mar Hills Academy				
Modernization	19,975,957	96,551	19,879,406	In Progress
Campus Total	19,975,957	96,551	19,879,406	

Carmel Del Mar School				
Flooring Replacement	45,416	45,416	-	Complete
Campus Total	45,416	45,416	-	

Ashley Falls School				
Flooring Replacement	9,083	9,083	-	Complete
Campus Total	9,083	9,083	-	-

Torrey Hills School				
Field Upgrade	929,246	929,246	-	Complete
Flooring Replacement	13,625	13,625	-	Complete
Campus Total	942,871	942,871	-	

Sage Canyon School				
MUR Audio Visual	29,131	29,131	-	Complete
HVAC Controllers	108,559	108,559	-	Complete
Flooring Replacement	9,083	9,083	-	Complete
Window Coverings	116,897	111,052	5,845	In Progress
Campus Total	263,670	257,825	5,845	

Sycamore Ridge School				
Flooring Replacement	9,083	9,083	-	Complete
Playground Replacement	592,614	592,614	-	Complete
Campus Total	601,697	9,083	-	

Ocean Air School				
Flooring Replacement	9,083	9,083	-	Complete
Campus Total	9,083	9,083	-	

Pacific Sky School				
New School	24,354,494	4,872,855	19,481,639	In Progress
Campus Total	24,354,494	4,872,855	19,481,639	

2021 - 2022 Modern Learning Environments				
Districtwide	1,175,078	984,800	190,278	In Progress
Campus Total	1,175,078	984,800	190,278	

Bond Program Support				
Construction Project Manager	1,200,000	49,504	1,150,496	N/A
Bond Program Management Software	451,000	-	451,000	N/A
Total	1,651,000	49,504	1,601,496	

Project Commitments Total	112,206,520
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Measure MM Remaining Funds	73,793,480
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Del Mar Union School District
2018 General Obligation Bond Measure MM
Expenditures Through 12/31/21

Districtwide Modern Learning Environments Project Budget						
Object Code	Description	Original Budget	Budget Adjustments	Revised Budget as of 12/31/21	Actual Expenditures 12/31/21	Balance
FUNDING SOURCES:						
	Proceeds from General Obligation Bond	1,044,800	130,278	1,175,078		
	TOTAL FUNDS AVAILABLE	1,044,800	130,278	1,175,078		
EXPENDITURES:						
4400000	Furniture	673,766	65,717	739,483	673,766	65,717
5600570	Repairs to Buildings/Grounds	371,034	64,561	435,595	311,034	124,561
	TOTAL BUDGET	1,044,800	130,278	1,175,078	984,800	190,278

Districtwide Modern Learning Environments Project Summary								
Vendor	Description	Commitments as of 8/31/21	Additions	Commitments as of 12/31/21	Expenditures as of 8/31/21	Current Expenditures	Total Expenditures	Remaining Commitment
A&S Flooring	Flooring Replacement	31,045.00	13,579.25	44,624.25	31,045.00	-	31,045.00	13,579.25
Meteor Education	Furniture	673,765.86	65,717.12	739,482.98	-	673,765.56	673,765.56	65,717.42
Quality Sealants	Flooring Finishing	20,400.00	-	20,400.00	20,400.00	-	20,400.00	-
Spooner's Woodworks	Cabinetry Demo	11,060.00	-	11,060.00	11,060.00	-	11,060.00	-
Tandus Flooring	Flooring Replacement	94,027.50	-	94,027.50	94,027.50	-	94,027.50	-
TLS Choice	Ideation Walls	154,501.66	32,689.28	187,190.94	5,057.83	149,443.83	154,501.66	32,689.28
Vasquez Construction Company	Painting	60,000.00	18,292.00	78,292.00	-	-	-	78,292.00
	Grand Total	1,044,800.02	130,277.65	1,175,077.67	161,590.33	823,209.39	984,799.72	190,277.95

Districtwide Modern Learning Environments Project Vendor Detail				
Vendor	Description	Current Expenditures	Invoice #	Payment Date
Meteor Education	Furniture	38,494.55	107156	10/21/2021
		59,981.95	107157	10/21/2021
		170,400.43	107159	11/1/2021
		2,684.59	107160	10/21/2021
		123,393.41	107161	10/21/2021
		54,321.19	107162	10/21/2021
		89,534.50	107163	10/21/2021
		134,954.94	107164	10/21/2021
	Subtotal	673,765.56		
TLS Choice	Ideation Walls	149,443.83	7-1-10215	9/20/2021
		Subtotal	149,443.83	
	Grand Total	823,209.39		

Del Mar Union School District
2018 General Obligation Bond Measure MM
Expenditures Through 12/31/21

Del Mar Heights School Rebuild Project Budget							
Object Code	Description	Original Budget	Budget as of 8/31/21	Budget Adjustments	Revised Budget as of 12/31/21	Actual Expenditures 12/31/21	Balance
FUNDING SOURCES:							
	Proceeds from General Obligation Bond	55,412,500	58,247,055	4,931,116	63,178,171		
TOTAL FUNDS AVAILABLE		55,412,500	58,247,055	4,931,116	63,178,171		
EXPENDITURES:							
1. Site							
6100-040	Surveying Costs	26,950	31,300	-	31,300	31,300	-
6100-052	Dept. of Toxic Substance Control Fees	1,500	1,792	-	1,792	1,792	-
6100-057	Environmental Costs	81,868	300,000	-	300,000	291,568	8,432
6100-060	Other Site Costs	-	132,000	50,000	182,000	114,813	67,187
2. Planning							
6200-001	Architect Fees	2,287,500	2,821,000	-	2,821,000	2,120,240	700,760
6200-020	Division of State Architecture Fees	-	342,428	-	342,428	342,428	-
6200-030	California Dept. of Education Fees	-	35,000	-	35,000	-	35,000
6200-040	Preliminary Tests	13,800	20,000	-	20,000	16,653	3,348
6200-050	Other Costs	-	594,715	60,000	654,715	631,120	23,595
3. Construction							
6200-070	Prelim. Svcs./Preconstruction	-	215,000	-	215,000	215,000	-
6200-070	Main Construction	42,625,000	49,168,585	4,821,116	53,989,701	494,552	53,495,149
6200-074	Other Construction	-	323,000	-	323,000	31,061	291,939
6200-076	Interim Housing	-	245,000	-	245,000	182,991	62,009
6200-080	Inspections	-	450,000	-	450,000	3,264	446,736
6200-090	Construction Tests	-	317,235	-	317,235	863	316,373
6400-000	Furniture and Equipment	-	3,250,000	-	3,250,000	-	3,250,000
	Add'l Soft Costs & Project Contingencies	10,375,882	-	-	-	-	-
TOTAL BUDGET		55,412,500	58,247,055	4,931,116	63,178,171	4,477,644	58,700,528

Del Mar Union School District
2018 General Obligation Bond Measure MM
Expenditures Through 12/31/21

Del Mar Heights School Rebuild Project Summary								
Vendor	Description	Commitments as of 8/31/21	Additions/ Reductions	Commitments as of 12/31/21	Expenditures as of 8/31/21	Current Expenditures	Total Expenditures	Remaining Commitment
AALRR (Legal)	Other Planning Costs	427,629.29	39,072.96	466,702.25	427,629.29	39,072.96	466,702.25	-
Air America Testing	Asbestos Survey & Abatement	20,966.00	-	20,966.00	16,023.00	-	16,023.00	4,943.00
AMS.NET, Inc	Technology	-	200,889.63	200,889.63	-	-	-	200,889.63
Aztec Storage	Interim Housing	695.00	-	695.00	695.00	-	695.00	-
Baker Nowicki Design Studio	Architect Fees	2,820,859.00	-	2,820,859.00	2,091,756.18	28,483.91	2,120,240.09	700,618.91
Balfour Beatty Construction	Prelim. Svcs./Preconstruction	215,000.00	-	215,000.00	215,000.00	-	215,000.00	-
Balfour Beatty Construction	Main Construction	7,797,624.23	46,192,076.68	53,989,700.91	281,955.61	212,596.70	494,552.31	53,495,148.60
Bluebeam Inc	Software	698.00	-	698.00	698.00	-	698.00	-
California Geological Survey	Surveying	3,600.00	-	3,600.00	3,600.00	-	3,600.00	-
City of San Diego Dev. Svcs.	Other Site Costs	71,325.93	34,424.29	105,750.22	71,325.93	34,424.29	105,750.22	-
Cogstone Resource Management	Other Site Costs	12,850.00	-	12,850.00	6,331.35	-	6,331.35	6,518.65
Consulting and Inspection	Inspections	442,090.00	-	442,090.00	3,264.00	-	3,264.00	438,826.00
County of San Diego	Other Site Costs	2,456.75	-	2,456.75	2,456.75	-	2,456.75	-
DataPro Mapping Solutions	Other Site Costs	275.00	-	275.00	275.00	-	275.00	-
Dept. of Toxic Substance Control	DTSC Fee	1,791.93	-	1,791.93	1,791.93	-	1,791.93	-
Division of the State Architect	Plan Check Fees	342,428.05	-	342,428.05	342,428.05	-	342,428.05	-
Elite Modular Leasing & Sales	Interim Housing	198,468.00	-	198,468.00	158,466.50	-	158,466.50	40,001.50
Elite Relocation Services	Interim Housing	22,289.22	-	22,289.22	22,289.22	-	22,289.22	-
Engineering Economics	Other Construction Costs	35,675.00	-	35,675.00	3,630.93	-	3,630.93	32,044.07
Foxlin	Other Planning Costs	6,000.00	-	6,000.00	3,332.50	-	3,332.50	2,667.50
Loveless Linton	Other Site Costs	47,030.00	-	47,030.00	-	-	-	47,030.00
Nova Services	Geotechnical Services	16,800.00	-	16,800.00	16,652.50	-	16,652.50	147.50
Nova Services	Construction Tests	317,235.00	-	317,235.00	-	862.50	862.50	316,372.50
Placeworks, Inc	Environmental Consultant	291,570.00	-	291,570.00	291,567.54	-	291,567.54	2.46
San Diego Gas & Electric	Other Construction Costs	11,407.00	-	11,407.00	11,407.00	-	11,407.00	-
Save The Field	Other Planning Costs	160,387.30	-	160,387.30	160,387.30	-	160,387.30	-
Snipes Engineering, Inc	Surveying	27,700.00	-	27,700.00	27,700.00	-	27,700.00	-
Specialist Install	Interim Housing	1,540.00	-	1,540.00	1,540.00	-	1,540.00	-
Grand Total		13,296,390.70	46,466,463.56	59,762,854.26	4,162,203.58	315,440.36	4,477,643.94	55,285,210.32

Del Mar Heights School Rebuild Project Vendor Detail				
Vendor	Description	Current Expenditures	Invoice #	Payment Date
AALRR (Legal)	Other Planning Costs	4,206.50	628583	9/30/2021
		8,979.44	632464	10/14/2021
		25,887.02	634443	11/8/2021
	Subtotal	<u>39,072.96</u>		
Baker Nowicki Design Studio	Architect Fees	32.91	19009-00-22	9/23/2021
		14,225.50	19009-08-01	9/23/2021
		14,225.50	193915	11/29/2021
	Subtotal	<u>28,483.91</u>		
Balfour Beatty Construction	Main Construction	212,596.70	2	12/20/2021
	Subtotal	<u>212,596.70</u>		
City of San Diego Dev. Svcs.	Other Site Costs	18,349.29	989498	10/21/2021
		3,075.00	987429	11/12/2021
		13,000.00	991887	12/2/2021
	Subtotal	<u>34,424.29</u>		
Nova Services	Construction Tests	862.50	15014	11/13/2021
	Subtotal	<u>862.50</u>		
Grand Total		315,440.36		

Del Mar Union School District
2018 General Obligation Bond Measure MM
Expenditures Through 12/31/21

Pacific Sky School Project Budget							
Object Code	Description	Original Budget	Budget as of 8/31/21	Budget Adjustments	Revised Budget as of 12/31/21	Actual Expenditures 12/31/21	Balance
FUNDING SOURCES:							
	Proceeds from General Obligation Bond	22,648,362	24,354,494	-	24,354,494	4,872,855	19,481,639
	Other Funding Sources - CFD 99-1	45,751,638	49,605,149	-	49,605,149	39,904,657	9,700,492
	TOTAL FUNDS AVAILABLE	68,400,000	73,959,643	-	73,959,643	44,777,512	29,182,131
EXPENDITURES:							
1. Site							
6100-010	Land Purchase	10,000,000	10,891,014	-	10,891,014	10,891,014	-
6100-040	Surveying Costs	17,000	40,666	-	40,666	36,666	4,000
6100-050	Site Support Costs	69,365	81,822	-	81,822	75,552	6,270
6100-051	Phase I Environ. Site Assessment Costs	6,900	6,892	-	6,892	6,892	-
6100-052	Dept. of Toxic Substance Control Fees	3,027	6,000	-	6,000	3,027	2,973
6100-060	Other Site Costs	-	127,500	-	127,500	107,394	20,106
2. Planning							
6200-001	Architect Fees	2,382,620	2,635,000	-	2,635,000	2,145,323	489,677
6200-020	Division of State Architecture Fees	-	355,100	-	355,100	355,100	-
6200-030	California Dept. of Education Fees	-	50,000	-	50,000	-	50,000
6200-040	Preliminary Tests	13,800	30,000	-	30,000	15,065	14,935
6200-050	Other Costs	-	55,000	-	55,000	24,710	30,291
3. Construction							
6200-070	Prelim. Svcs./Preconstruction	-	165,648	-	165,648	165,648	-
6200-070	Main Construction	44,920,000	53,484,129	-	53,484,129	30,661,721	22,822,408
6200-074	Other Construction	-	204,872	-	204,872	120,460	84,412
6200-080	Inspections	-	616,000	-	616,000	168,939	447,061
6200-090	Construction Tests	-	368,000	-	368,000	-	368,000
6400-000	Furniture and Equipment	-	3,750,000	-	3,750,000	-	3,750,000
6400-003	Technology	-	1,000,000	-	1,000,000	-	1,000,000
	Add'l Soft Costs & Project Contingencies	10,987,288	92,000	-	92,000	-	92,000
	TOTAL BUDGET	68,400,000	73,959,643	-	73,959,643	44,777,512	29,182,133

Del Mar Union School District
2018 General Obligation Bond Measure MM
Expenditures Through 12/31/21

Pacific Sky School Project Summary								
Vendor	Description	Commitments as of 8/31/21	Additions/ Reductions	Commitments as of 12/31/21	Expenditures as of 8/31/21	Current Expenditures	Total Expenditures	Remaining Commitment
AALRR (Legal)	Other Site Costs	62,887.60	-	62,887.60	62,887.60	-	62,887.60	-
AALRR (Legal)	Other Planning Costs	14,360.00	-	14,360.00	14,360.00	-	14,360.00	-
Alpers Engineering Group	Other Construction Costs	43,850.00	-	43,850.00	5,377.50	5,400.00	10,777.50	33,072.50
AMS.NET, Inc	Technology	-	236,519.59	236,519.59	-	-	-	236,519.59
Blackhawk Environmental	Other Planning Costs	11,200.00	-	11,200.00	7,111.25	2,126.25	9,237.50	1,962.50
Blue Coast Consulting	Inspections	615,592.00	-	615,592.00	60,390.00	108,549.00	168,939.00	446,653.00
California Geological Survey	Surveying	3,600.00	-	3,600.00	3,600.00	-	3,600.00	-
Chicago Title	Land Purchase	10,891,014.00	-	10,891,014.00	10,891,014.00	-	10,891,014.00	-
City of San Diego Dev. Svcs.	Surveying	10,915.88	-	10,915.88	10,915.88	-	10,915.88	-
City of San Diego Dev. Svcs.	Other Site Costs	44,231.30	-	44,231.30	44,231.30	-	44,231.30	-
City of San Diego Dev. Svcs.	Other Planning Costs	2,400.00	-	2,400.00	-	-	-	2,400.00
City of San Diego Dev. Svcs.	Other Construction Costs	108,821.60	-	108,821.60	108,821.60	-	108,821.60	-
County of San Diego	Other Site Costs	2,506.75	-	2,506.75	2,506.75	-	2,506.75	-
County of San Diego	Other Planning Costs	1,112.00	-	1,112.00	1,112.00	-	1,112.00	-
DataPro Mapping Solutions	Other Site Costs	275.00	-	275.00	275.00	-	275.00	-
Dept. of Toxic Substance Control	Environmental Fee	3,027.22	-	3,027.22	3,027.22	-	3,027.22	-
Division of the State Architect	Plan Check Fees	355,100.00	-	355,100.00	355,100.00	-	355,100.00	-
DUDEK	Phase I Environ. Rpt	6,892.46	-	6,892.46	6,892.46	-	6,892.46	-
Erickson-Hall Construction	Prelim. Svcs./Preconstruction	165,648.00	-	165,648.00	165,648.00	-	165,648.00	-
Erickson-Hall Construction	Main Construction	53,611,129.00	-	53,611,129.00	12,474,361.25	18,187,360.16	30,661,721.41	22,949,407.59
Ninyo & Moore	Construction Tests	367,515.50	-	367,515.50	-	218,764.00	-	367,515.50
Nova Services	Geotechnical Services	15,300.00	-	15,300.00	15,065.00	-	15,065.00	235.00
OBR Architecture, Inc	Architect Fees	2,634,967.00	-	2,634,967.00	1,996,895.99	148,427.26	2,145,323.25	489,643.75
Placeworks, Inc	Environmental Consultant	74,365.00	-	74,365.00	73,045.24	-	73,045.24	1,319.76
San Diego Gas & Electric	Other Construction Costs	3,352.00	-	3,352.00	-	-	-	3,352.00
Snipes Engineering	Surveying	22,150.00	-	22,150.00	22,150.00	-	22,150.00	-
State Water Resource Control Board	Other Construction Costs	861.00	-	861.00	861.00	-	861.00	-
Grand Total		69,073,073.31	236,519.59	69,309,592.90	26,325,649.04	18,670,626.67	44,777,511.71	24,532,081.19

**Del Mar Union School District
2018 General Obligation Bond Measure MM
Expenditures Through 12/31/21**

Pacific Sky School Vendor Detail Summary				
Vendor	Description	Current Expenditure	Invoice #	Payment Date
Alpers Engineering Group	Other Construction Costs	5,400.00	14011-2068	10/28/2021
	Subtotal	5,400.00		
Blackhawk Environmental	Other Planning Costs	2,126.25	21-0168	9/16/2021
	Subtotal	2,126.25		
Blue Coast Consulting	Inspections	21,065.00	5	9/16/2021
		21,780.00	6	10/14/2021
		32,753.00	7	11/12/2021
		32,951.00	8	12/13/2021
	Subtotal	108,549.00		
Erickson-Hall Construction	Main Construction	4,102,833.50	6*	9/16/2021
		215,938.61	6 Retention*	9/16/2021
		5,000.00	Lease Payment 3*	9/16/2021
		4,389,152.77	7*	10/20/2021
		231,008.04	7 Retention*	10/20/2021
		4,762,745.30	8*	11/19/2021
		250,670.81	8 Retention*	11/19/2021
		5,000.00	Lease Payment 4*	12/8/2021
		5,000.00	Lease Payment 5*	12/8/2021
		2,477,852.73	9*	12/17/2021
		1,526,407.84	9	12/20/2021
		210,750.56	9 Retention	12/20/2021
		5,000.00	Lease Payment 6	12/20/2021
	Subtotal	18,187,360.16		
Ninyo & Moore	Construction Tests	5,726.00	250647	9/16/2021
		45,456.00	250977	9/16/2021
		63,201.50	252536	11/1/2021
		52,583.50	253557	10/21/2021
		51,797.00	254271	11/12/2021
	Subtotal	218,764.00		
OBR Architecture, Inc	Architect Fees	12,575.00	006-29	9/20/2021
		21,040.00	006C-1	9/20/2021
		35,664.30	006-30	10/14/2021
		23,776.20	006-31	11/12/2021
		7,287.50	006C-2	12/13/2021
		48,084.26	006-32	12/13/2021
	Subtotal	148,427.26		
Grand Total		18,670,626.67		

* CFD 99-1 Expenditure

Del Mar Union School District
2018 General Obligation Bond Measure MM
Expenditures Through 12/31/21

Del Mar Hills Academy Modernization Project Budget							
Object Code	Description	Original Budget	Budget as of 8/31/21	Budget Adjustments	Revised Budget as of 12/31/21	Actual Expenditures 12/31/21	Balance
FUNDING SOURCES:							
	Proceeds from General Obligation Bond	19,975,957	19,975,957		19,975,957		
TOTAL FUNDS AVAILABLE		19,425,957	19,425,957	-	19,975,957		
EXPENDITURES:							
6200-001	Architect Fees	-	1,518,350		1,518,350	90,991	1,427,359
6200-050	Other Costs	-	15,560		15,560	5,560	10,000
6200-070	Main Construction	14,797,005	14,797,005		14,797,005	-	14,797,005
	Project Contingencies	739,850	739,850		739,850	-	739,850
	Soft Costs	4,439,102	2,905,192		2,905,192	-	2,905,192
TOTAL BUDGET		19,975,957	19,975,957	-	19,975,957	96,551	19,879,406

Del Mar Hills Academy Modernization Project Summary								
Vendor	Description	Commitments as of 8/31/21	Additions/Reductions	Commitments as of 12/31/21	Expenditures as of 8/31/21	Current Expenditures	Total Expenditures	Remaining Commitment
AALRR (Legal)	Other Planning Costs	5,560.00	-	5,560.00	5,560.00	-	5,560.00	-
Baker Nowicki Design Studio	Architect Fees	3,900.00	-	3,900.00	3,900.00	-	3,900.00	-
Lionakis	Architect Fees	1,514,450.00		1,514,450.00	43,290.00	43,801.00	87,091.00	1,427,359.00
Nova Services	Geotechnical Services	-	11,900.00	11,900.00	-	-	-	11,900.00
Placeworks, Inc	Environmental Consultant	-	139,917.00	139,917.00	-	-	-	139,917.00
Snipes-Dye Associates	Surveying	-	41,950.00	41,950.00	-	-	-	41,950.00
Grand Total		1,523,910.00	193,767.00	1,717,677.00	52,750.00	43,801.00	96,551.00	1,621,126.00

Del Mar Hills Academy Modernization Project Vendor Detail				
Vendor	Description	Current Expenditures	Invoice #	Payment Date
Lionakis	Architect Fees	15,279.25	77205	9/16/2021
		10,107.70	77391	10/14/2021
		5,053.85	77583	11/22/2021
		13,360.20	77748	12/16/2021
	Subtotal	43,801.00		
	Grand Total	43,801.00		

Del Mar Union School District
 2018 General Obligation Bond Measure MM
 Expenditures Through 12/31/21

Sage Canyon School Window Coverings Project Budget				
Object Code	Description	Original Budget	Actual Expenditures 12/31/21	Balance
FUNDING SOURCES:				
	Proceeds from General Obligation Bond	116,897		
	TOTAL FUNDS AVAILABLE	116,897		
EXPENDITURES:				
6400-000	Equipment	116,897	111,052	5,845
	TOTAL BUDGET	116,897	111,052	5,845

Sage Canyon School Window Coverings Project Budget								
Vendor	Description	Commitments as of 8/31/21	Additions	Commitments as of 12/31/21	Expenditures as of 8/31/21	Current Expenditures	Total Expenditures	Remaining Commitment
Diversified Window Coverings, Inc	Equipment and Installation	116,897.00	-	116,897.00	-	111,052.00	111,052.00	5,845.00
Grand Total		116,897.00	-	116,897.00	-	111,052.00	111,052.00	5,845.00

Sage Canyon School Window Coverings Project Vendor Detail				
Vendor	Description	Current Expenditures	Invoice #	Payment Date
Diversified Window Coverings, Inc	Equipment and Installation	111,052.00	28726	11/4/2021
	Subtotal	111,052.00		
	Grand Total	111,052.00		

Del Mar Union School District
2018 General Obligation Bond Measure MM
Expenditures Through 12/31/21

Sycamore Ridge School Playground Replacement Project Budget

Object Code	Description	Original Budget	Budget Adjustments	Revised Budget as of 12/31/21	Actual Expenditures 12/31/21	Balance
FUNDING SOURCES:						
	Proceeds from General Obligation Bond	596,843	(4,229)	592,614		
TOTAL FUNDS AVAILABLE		596,843	(4,229)	592,614		
EXPENDITURES:						
6170-000	Land Improvements	465,220	(9,809)	455,411	455,411	-
6170-070	Main Contractor	131,623	5,580	137,203	137,203	-
TOTAL BUDGET		596,843	(4,229)	592,614	592,614	-

Sycamore Ridge School Playground Replacement Project Summary

Vendor	Description	Commitments as of 8/31/21	Additions	Commitments as of 12/31/21	Expenditures as of 8/31/21	Current Expenditures	Total Expenditures	Remaining Commitment
Dave Bang Associates	Equipment	465,220.27	(9,809.24)	455,411.03	-	455,411.03	455,411.03	-
Zasqueta Contracting	Labor Installation	131,623.00	5,580.00	137,203.00	-	137,203.00	137,203.00	-
Grand Total		596,843.27	(4,229.24)	592,614.03	-	592,614.03	592,614.03	-

Sycamore Ridge School Playground Replacement Project Vendor Detail

Vendor	Description	Current Expenditures	Invoice #	Payment Date
Dave Bang Associates	Equipment	432,010.54	CA50492	11/29/2021
		23,400.49	CA50732	12/13/2021
		Subtotal	455,411.03	
Zasqueta Contracting	Labor Installation	35,340.00	2610	9/20/2021
		28,500.00	2625	10/14/2021
		33,250.00	2634	11/1/2021
		27,951.85	2647	11/29/2021
		6,581.15	2651	11/29/2021
		5,580.00	2653	11/29/2021
Subtotal		137,203.00		
Grand Total		592,614.03		