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

**March 8, 2021  
5:30 p.m.**

The Measure MM Citizens' Oversight Committee (Committee) will attend, and participate in, this Committee meeting via teleconferencing. Pursuant to Executive Order N-29-20 issued by the Governor of the State of California, certain provisions of the Ralph M. Brown Act applicable to meetings of the Committee concerning teleconferencing have been suspended due to concerns relative to COVID-19 Coronavirus and public gatherings.

In line with State and local directives concerning physical distancing under the current emergency situation, this meeting of the Committee will be conducted by conference/video call only.

**THERE WILL BE NO PHYSICAL MEETING LOCATION FOR THIS COMMITTEE MEETING**

Please click the link below to join the webinar:

<https://delmarschools.zoom.us/j/86493615411>

Or iPhone one-tap :

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International numbers available: <https://delmarschools.zoom.us/j/86493615411>

Please see link under the heading AGENDA below for a link to written materials.

Persons wishing to address the Committee concerning items on the agenda are invited to do so when the item is addressed at the meeting. Please complete and submit the Request to Provide Public Input Form (see link below). When the Chairperson invites you to speak, the moderator will unmute your device. Please state your name for the record. In the interest of time and order, each speaker is allotted a maximum of three (3) minutes. When your speaking time expires you will be prompted with a 15-second warning, after which the moderator may mute your device.

For access to the Request to Provide Public Input Form please use the link below:  
[Public Input Form Link](#)

This link to the Request to Provide Public Input Form will be available one hour prior to the meeting, beginning at 4:30 pm, Monday, March 8, 2021, in order to give the public an opportunity to complete a request to speak.

If you are unable to access the live link to the Request to Provide Public Input Form, please email John Patten at [jpatten@dmusd.org](mailto:jpatten@dmusd.org).

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## AGENDA

March 8, 2021

5:30 p.m.

Citizens' Oversight Committee website with downloadable written materials:

<https://www.dmusd.org/Page/8772>

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

Acting Chairperson: Robert E. Anslow, Esq.

B. ROLL CALL (Establishment of a Quorum)

Committee Members:

Neelum Arya	Vice President, Community-At-Large Representative
Ira Sharp	Clerk, Senior Citizens' Organization Representative
Kathy Huang	Business Community Representative
David Jackson	Taxpayer Organization Representative
Katie Hazen	Parent-Teacher Organization Representative
Sameer Vora	Parent of Enrolled DMUSD Student Representative
Fuxiao Xin	Community-At-Large Representative

C. PUBLIC COMMENTS

1. 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.

For access to the Request to Provide Public Input Form please use the link below:

[Public Input Form Link](#)

D. APPROVAL OF DECEMBER 7, 2020, MINUTES

E. REVIEW, RECEIVE, AND FILE THE FISCAL YEAR 2019 – 2020 MEASURE MM BOND FUNDS ANNUAL AUDIT REPORT BY WILKINSON HADLEY KING & CO. LLP

F. CONSIDERATION OF AND POSSIBLE ACTION ON CITIZENS' OVERSIGHT COMMITTEE ANNUAL REPORT FOR FISCAL YEAR 2019 – 2020

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

H. MEASURE MM PROJECT PROGRESS UPDATE

- I. REVIEW CITIZENS' OVERSIGHT COMMITTEE MEMBER APPOINTMENTS AND TERM DATES
- J. DISCUSSION AND POSSIBLE ACTION(S) ON CITIZENS' OVERSIGHT COMMITTEE ELECTION OF OFFICERS
- K. 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
- L. COMMENTS FROM COMMITTEE MEMBERS
- M. 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 Overnight 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. If the meeting is conducted by teleconference only the writings/documents will be posted at Citizens' Oversight Committee website with downloadable written materials: <https://www.dmusd.org/Page/8772>

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Katherine Fitzpatrick, Member  
Doug Rafner, Esq., Member  
Scott Wooden, Ph.D., Member

**MINUTES**

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

**December 7, 2020  
5:30 p.m.**

Citizens’ Oversight Committee website with downloadable written materials:  
<https://www.dmusd.org/Page/8772>

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

Acting Chairperson: Robert E. Anslow, Esq.

B. ROLL CALL (Establishment of a Quorum)

Committee Members:

Neelum Arya	Vice President, Community-At-Large Representative
Ira Sharp	Clerk, Senior Citizens’ Organization Representative
Kathy Huang	Business Community Representative
David Jackson	Taxpayer Organization Representative
Katie Hazen	Parent-Teacher Organization Representative
Sameer Vora	Parent of Enrolled DMUSD Student Representative
Fuxiao Xin	Community-At-Large Representative

All Present

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.

For access to the Request to Provide Public Input Form please use the link below:

[Public Input Form Link](#)

No Public Comments were made

- D. APPROVAL OF SEPTEMBER 21, 2020, MINUTES  
On a motion by Kathy Huang, seconded by Katie Hazen and carried by six yes votes, the COC approved the minutes of the September 21, 2020 meeting as shown. Neelum Arya abstained from the vote due to her absence at the September 21, 2020 meeting.
- E. REVIEW OF ALLOWABLE MEASURE MM EXPENDITURES  
Mr. Anslow presented on the Allowable Measure MM Expenditures.
- 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 November 30, 2020.
- G. MEASURE MM PROJECT PROGRESS UPDATE  
Mr. Delehanty presented a progress update on the Pacific Highlands Ranch School #9 Project, the Del Mar Heights School Rebuild Project, Capital Improvement Plan Review and Del Mar Hills Academy Modernization.
- H. DISCUSSION AND POSSIBLE ACTION(S) ON CITIZENS' OVERSIGHT COMMITTEE ELECTION OF CHAIRPERSON  
Mr. Anslow will continue to act as Acting Chairperson. This will continue to be a standing agenda item.
- I. DISCUSSION AND POSSIBLE ACTION(S) RELATIVE TO PROPOSED COMMITTEE MEETING SCHEDULE FOR 2020-2021
  - 1. Set date, time and place for the next meeting(s) of Citizens' Oversight Committee  
The next COC Meeting is scheduled for March 8, 2021 at 5:30 pm
- J. COMMENTS FROM COMMITTEE MEMBERS  
Neelum Arya will be stepping down as a COC Committee Member after her 2-year term ends  
At the next meeting, Mr. Anslow will discuss re-appointment of committee members
- K. ADJOURNMENT 6:26 pm

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 Overnight 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. If the meeting is conducted by teleconference only the writings/documents will be posted at Citizens' Oversight Committee website with downloadable written materials: <https://www.dmusd.org/Page/8772>

Del Mar Union School  
District

Measure MM Building Fund  
General Obligation Bond

Financial Statements &  
Supplementary Information

June 30, 2020





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

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June 30, 2020

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

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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, 2020 was comprised of the following members:

<u>Name</u>	<u>Position</u>	<u>Representative</u>	<u>Term Expiration</u>
Neelum Arya	Vice President	At-Large Community Member	April 2021
Ira Sharp	Clerk	Senior Citizen Organization	April 2021
Katie Hazen	Member	Parent-Teacher Association	April 2021
Kathy Huang	Member	Business Organization	April 2021
David Jackson	Member	Taxpayers Organization	April 2021
Sameer Vora	Member	Parent of DMUSD Student	September 2021
Fuxiao Xin	Member	At-Large Community Member	April 2021

## 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, 2020, 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, 2020, 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 March 5, 2021, 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 March 5, 2021 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, 2020 and should be considered in assessing the results of our financial audit.

*Wilkinson Hadley King & Co LLP*

El Cajon, California  
March 5, 2021

**DEL MAR UNION SCHOOL DISTRICT**  
**MEASURE MM BUILDING FUND (21-39)**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2020**  
**(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, 2020. This Management Discussion and Analysis (MD&A) should be read in conjunction with the Bond Fund’s financial statements that immediately follow this section.

**FINANCIAL HIGHLIGHTS**

- On October 16, 2019 DMUSD issued 2019 Series A bonds in the amount of \$55,285,000.
- \$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 three major projects: The Del Mar Heights School Rebuild, Building of Pacific Highlands Ranch School #9, and the Torrey Hills Field Upgrade.

**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 PROPOSITION E BUILDING FUND**

**Balance Sheet**

The District’s Measure MM Building Fund balance as of June 30, 2020 was \$51,115,232 (see Table A-1). The funds are used to finance the modernization and construction of school sites.

<b>Table A-1</b>				
<b>Measure MM Building Fund</b>				
<b>Balance Sheet</b>				
	Year Ended June 30,		Change	Percentage Change
	2020	2019		
<b>Assets</b>				
Cash in county treasury	\$ 51,520,418	\$ -	\$ 51,520,418	100%
Accounts receivable	219,903	-	219,903	100%
Total Assets	<u>\$ 51,740,321</u>	<u>\$ -</u>	<u>\$ 51,740,321</u>	<u>100%</u>
<b>Liabilities</b>				
Accounts payable	\$ 549,353	\$ -	\$ 549,353	100%
Due to other funds	75,736	-	75,736	100%
Total Liabilities	<u>625,089</u>	<u>-</u>	<u>625,089</u>	<u>100%</u>
<b>Fund Balance</b>				
Restricted for capital projects	51,115,232	-	51,115,232	100%
Total Fund Balance	<u>51,115,232</u>	<u>-</u>	<u>51,115,232</u>	<u>100%</u>
Total Liabilities & Fund Balance	<u>\$ 51,740,321</u>	<u>\$ -</u>	<u>\$ 51,740,321</u>	<u>100%</u>

## Fund Balance (or Change in Fund Balance)

The District's total Measure MM Building Bond revenue from interest income increased by \$731,528. The total expenditures and other uses increased by \$5 million. In October 2019, the District received \$55.5 million from the sale of general obligation bonds.

<b>Table A-2</b>				
<b>Measure MM Building Fund</b>				
<b>Changes in Fund Balance</b>				
	June 30, 2020	June 30, 2019	Change	Percentage Change
<b>Revenues &amp; Other Sources</b>				
Interest income	\$ 731,528	\$ -	\$ 731,528	100%
Proceeds from sale of bonds	55,461,912	-	55,461,912	100%
Total Revenues & Other Sources	<u>56,193,440</u>	<u>-</u>	<u>56,193,440</u>	<u>1</u>
<b>Expenditures &amp; Other Uses</b>				
Costs of issuance	356,912	-	356,912	100%
Capital outlay	4,211,920	-	4,211,920	100%
Interfund transfers out	509,376	-	509,376	100%
Total Expenditures & Other Uses	<u>5,078,208</u>	<u>-</u>	<u>5,078,208</u>	<u>100%</u>
<b>Change in Fund Balance</b>	51,115,232	-	51,115,232	100%
<b>Fund Balance - Beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100%</u>
<b>Fund Balance - Ending</b>	<u>\$ 51,115,232</u>	<u>\$ -</u>	<u>\$ 51,115,232</u>	<u>100%</u>

## CAPITAL ASSETS

During the fiscal year ended June 30, 2020 DMUSD expended \$4,211,920 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:

<b>Table A-3</b>				
<b>Measure MM Building Fund</b>				
<b>Long Term Debt</b>				
	Year Ended June 30,			
	2020	2019	Change	Percentage Change
<b>General Obligation Bonds</b>				
Principal Balance	\$ 55,285,000	\$ -	\$ 55,285,000	100%
Bond Premium	3,930,330	-	3,930,330	100%
Total Measure MM GO Bonds	<u>\$ 59,215,330</u>	<u>\$ -</u>	<u>\$ 59,215,330</u>	<u>100%</u>

## **FACTORS BEARING ON THE BOND PROGRAM'S FUTURE**

At the time these financial statements were prepared and audited, DMUSD has begun three major projects with the Measure MM bond funds. The Del Mar Heights School Rebuild faced some delays as a result of a lawsuit filed by Procopio on behalf of Save the Fields. The lawsuit ruling was made February 2021 in which the courts favored the District for 10 out of 13 items brought up during the lawsuit. The remaining 3 items are in process of being studied by the District and are not expected to have a significant impact on the costs of the project.

## **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](http://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, 2020

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**ASSETS**

**Current Assets**

Cash in county treasury	\$ 51,520,418
Accounts receivable	<u>219,903</u>

<b>TOTAL ASSETS</b>	<b>\$ <u>51,740,321</u></b>
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**LIABILITIES AND FUND BALANCE**

**Current Liabilities**

Accounts payable	\$ 549,353
Due to other funds	<u>75,736</u>

<b>Total Liabilities</b>	<b><u>625,089</u></b>
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**Fund Balance**

Restricted for capital projects	<u>51,115,232</u>
<b>Total Fund Balance</b>	<b><u>51,115,232</u></b>

<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ <u>51,740,321</u></b>
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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, 2020

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<b>REVENUES</b>	
Interest income	\$ 731,528
<b>TOTAL REVENUES</b>	<u>731,528</u>
<b>EXPENDITURES</b>	
Other operating expenses:	
Cost of issuance	356,912
Capital outlay:	
Land acquisition	270,510
Land improvements	71,122
Building improvements	3,841,157
Equipment	<u>29,131</u>
<b>TOTAL EXPENDITURES</b>	<u>4,568,832</u>
<b>OTHER SOURCES AND USES</b>	
Proceeds from sale of general obligation bonds	55,461,912
Interfund transfers out	<u>(509,376)</u>
<b>TOTAL OTHER SOURCES</b>	<u>54,952,536</u>
<b>NET CHANGE IN FUND BALANCE</b>	51,115,232
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 51,115,232</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, 2020

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### 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, 2020

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### 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 1<sup>st</sup>. 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, 2020

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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, 2020

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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, 2020

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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.



# Del Mar Union School District

## Measure MM Building Fund (21-39)

Notes to the Financial Statements, Continued

June 30, 2020

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### 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, 2020. Those newly implemented pronouncements are as follows:

#### *GASB Statement No. 95 – Postponement of the Effective Dates of Certain Authoritative Guidance*

The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, Certain Asset Retirement Obligations
- Statement No. 84, Fiduciary Activities
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
- Implementation Guide No. 2018-1, Implementation Guidance Update – 2018
- Implementation Guide No. 2019-1, Implementation Guidance Update – 2019
- Implementation Guide No. 2019-2, Fiduciary Activities

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, Leases
- Implementation Guide No. 2019-3, Leases

There have been no adjustments to the financial statements or note disclosures as a result of adoption of the accounting policies.

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

Notes to the Financial Statements, Continued  
 June 30, 2020

**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, 2020, 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	\$ 51,520,418	\$ -	\$ 51,520,418	\$ -
Total investments by fair value level	\$ 51,520,418	\$ -	\$ 51,520,418	\$ -

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, 2020

**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 (\$51,520,418 as of June 30, 2020). The fair value of the Bond Fund’s portion of this pool as of that date, as provided by the pool sponsor, was \$51,520,418. 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, 2020

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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, 2020, 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	\$ 51,520,418

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, 2020, 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, 2020

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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 \$51,520,418. The average weighted maturity for this pool was 516 days at June 30, 2020.

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, 2020

**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, 2020 consisted of:

	<u>Accounts Receivable</u>
Interest receivable	\$ 219,903
Total Accounts Receivable	<u>\$ 219,903</u>

**F. Accounts Payable**

Accounts payable balances as of June 30, 2020 consisted of:

	<u>Account Payable</u>
Vendor payables	\$ 549,353
Total Accounts Payable	<u>\$ 549,353</u>

**G. Interfund Balances & Activities**

1. Due to and From Other Funds

Balances due to and due from other funds at June 30, 2020 consisted of the following:

<u>Interfund Receivable (Due From Other Funds)</u>	<u>Interfund Payable (Due To Other Funds)</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Bond Fund (21-39)	\$ 75,736	Del Mar Heights Rebuild legal fees
	Total	<u>\$ 75,736</u>	

2. Transfers to and From Other Funds

As of June 30, 2020 interfund transfers involving the Bond Fund, consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Bond Fund (21-39)	\$ 172,579	Capital projects expenditures
Capital Projects Fund	Bond Fund (21-39)	336,797	Capital projects expenditures
	Total	<u>\$ 509,376</u>	

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

Notes to the Financial Statements, Continued  
 June 30, 2020

**H. Short Term Debt Activity**

The Bond Fund accounts for short-term debts for maintenance purposes through the General Fund. The proceeds from loans are shown in the financial statements as other financing sources. The Bond Fund did not issue any short-term debt during the fiscal year ended June 30, 2020.

**I. 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 1<sup>st</sup> annually through August 1, 2044.

General obligation bonds at June 30, 2020 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>
2018 Election, Series A				
Principal Balance	\$ -	\$ 55,285,000	\$ -	\$ 55,285,000
Premium	-	3,930,330	-	3,930,330
Total General Obligation Bonds	<u>\$ -</u>	<u>\$ 59,215,330</u>	<u>\$ -</u>	<u>\$ 59,215,330</u>

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

Notes to the Financial Statements, Continued

June 30, 2020

The annual requirements to amortize the bonds outstanding at June 30, 2020 are as follows:

Year Ended June 30,	Principal	Interest	Total
2021	\$ 5,225,000	\$ 1,766,918	\$ 6,991,918
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
2026-2030	4,335,000	6,506,094	10,841,094
2031-2035	7,835,000	5,307,494	13,142,494
2036-2040	12,485,000	3,513,744	15,998,744
2041-2045	18,020,000	1,409,334	19,429,334
Total	<u>\$ 55,285,000</u>	<u>\$ 24,276,609</u>	<u>\$ 79,561,609</u>

*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, 2020

### J. 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, 2020.

#### 2. Construction Commitments

As of June 30, 2020, the Bond Fund had the following construction commitments:

2019-2020 Capital Project Commitments					
Project Name	Contractor Name	Type of Service	Commitment Amount	Expenditures through June 30, 2020	Remaining Commitment as of June 30, 2020
Landscaping and Field Renovation, Torrey Hills School	3-D Enterprises, Inc	General Contractor	860,000	-	860,000
Landscaping and Field Renovation, Torrey Hills School	Consulting & Inspection Services, LLC	DSA Project Inspection	9,226	328	8,898
Landscaping and Field Renovation, Torrey Hills School	Baker Nowicki Design Studio	Architectural Services	105,482	60,673	44,809
Pacific Highlands Ranch School #9: Preconstruction	Erickson-Hall Construction	General Contractor	165,648	77,085	88,563
Pacific Highlands Ranch School #9	OBR Architecture, Inc.	Architectural Services	2,382,620	1,327,972	1,054,648
Pacific Highlands Ranch School #9	OBR Architecture, Inc.	Architectural Services Stormwater Plan	11,100	-	11,100
Pacific Highlands Ranch School #9	Nova Services, Inc.	Geotechnical Services	15,300	14,903	398
Pacific Highlands Ranch School #9	Placeworks	Environmental	69,365	68,374	991
Del Mar Heights School Rebuild Preliminary and Preconstruction	Balfour Beatty Construction Company	General Contractor	215,000	215,000	-
Del Mar Heights School Rebuild	Baker Nowicki Design Studio	Architectural Services	2,287,500	1,499,132	788,368
Del Mar Heights School Rebuild	Baker Nowicki Design Studio	Architectural Services Fire Sprinklers	228,987	149,986	79,001
Del Mar Heights School Rebuild	Baker Nowicki Design Studio	Architectural Services Interim Housing	88,695	62,087	26,608
Del Mar Heights School Rebuild	Baker Nowicki Design Studio	Architectural Services Classroom Redesign	129,430	129,430	-
Del Mar Heights School Rebuild	Baker Nowicki Design Studio	Architectural Services Solar Bridging	12,337	6,169	6,169
Del Mar Heights School Rebuild	Consulting & Inspection Services, LLC	DSA Project Inspection	442,090	-	442,090
Del Mar Heights School Rebuild	Nova Services, Inc.	Special Inspection & Material Testing	317,235	-	317,235
Del Mar Heights School Rebuild	Placeworks	Environmental Consulting	152,734	152,734	-
Del Mar Heights School Rebuild	Air America Testing	Asbestos Surgey & Abatement	20,966	8,971	11,995
Del Mar Heights School Rebuild	Nova Services, Inc.	Geotechnical Services	16,800	16,653	148
Del Mar Heights School Rebuild	Elite Relocation	Moving Services	22,289	22,289	-
Del Mar Heights School Rebuild	Engineering Economics	Commissioning Services	35,675	3,631	32,044
Del Mar Hills Academy Field Replacement Project	Baker Nowicki Design Studio	Architectural Services	115,296	3,900	111,396
<b>Total Measure MM Commitments</b>					<b>\$ 3,884,458.90</b>

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

Notes to the Financial Statements, Continued  
 June 30, 2020

**K. Upcoming Accounting Guidance**

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

Description	Date Issued	Fiscal Year Effective
<b>GASB Statement 84, Fiduciary Activities</b>	01/2017	2020-21
<b>GASB Statement 87, Leases</b>	06/2017	2021-22
<b>GASB Statement 89, Accounting for Interest Cost Incurred before the End of a Construction Period</b>	06/2018	2021-22
<b>GASB Statement 90, Majority Equity Interest – an amendment of GASB Statements 14 and 61</b>	08/2018	2020-21
<b>GASB Statement 91, Conduit Debt Obligations</b>	05/2019	2022-23
<b>GASB Statement 92, Omnibus 2020</b>	01/2020	2021-22
<b>GASB Statement 93, Replacement of Interbank Offered Rates</b>	03/2020	2020-21
<b>GASB Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements</b>	03/2020	2022-23
<b>GASB Statement 96, Subscription-Based Information Technology Arrangements</b>	05/2020	2022-23
<b>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</b>	06/2020	2021-22
<b>GASB Implementation Guide No. 2019-1, Implementation Guidance Update – 2019</b>	04/2019	2020-21
<b>GASB Implementation Guide No. 2019-2, Fiduciary Activities</b>	06/2019	2020-21
<b>GASB Implementation Guide No. 2019-3, Leases</b>	08/2019	2021-22
<b>GASB Implementation Guide No. 2020-1, Implementation Guidance Update – 2020</b>	04/2020	2021-22

The effects of the upcoming guidance and pronouncements on the Bond Fund’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, 2020

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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, 2020

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**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, 2020

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**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, 2020

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- 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, 2020

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**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, 2020

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**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, 2020

<b>Project</b>	<b>Timeline and Key Events</b>
<b>Del Mar Heights School Rebuild</b>	<p><b>2019</b>            April/May - Initial community engagement and design meetings (5)            June - October - Student relocation meetings (9)            September - Design updates to the community (2)</p> <p><b>2020</b>            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</p> <p><b>2021</b>            February 8 - DMUSD received Court's Judgment and Writ</p> <p><b>Pending</b>            Focused Environmental Impact Report            Coastal Development Permit            Start of Construction</p> <p><b>Expected Completion (Subject to Change)</b>            To Be Determined</p>
<b>Pacific Highlands Ranch School #9</b>	<p><b>2019</b>            April - October - School Designed            October 30 - Final Site Plan approved</p> <p><b>Pending</b>            Permits            Start of Construction</p> <p><b>Expected Completion (Subject to Change)</b>            August 2022</p>
<b>Torrey Hills Field Upgrade</b>	<p><b>2020</b>            Planning for upgrades begins</p> <p><b>Pending</b>            Start of Construction</p> <p><b>Expected Completion (Subject to Change)</b>            August 2020</p>

**Del Mar Union School District**  
**Measure MM Building Fund (21-39)**  
General Obligation Bonds Project Change Orders  
Year Ended June 30, 2020

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During the fiscal year ended June 30, 2020 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, 2020, 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 March 5, 2021.

**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  
March 5, 2021

## 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, 2020.

### **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 2019-20 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, 2020. 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 2019-20 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, 2020 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, 2020 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, 2020 we determined that the Committee was in compliance with Education Code Section 15282.

## **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.

## **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  
March 5, 2021

## 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, 2020

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**FINANCIAL STATEMENTS**

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

One or more material weakness(es) identified?

\_\_\_\_\_ Yes        X   No

One or more significant deficiencies identified that are  
 not considered material weakness(es)?

\_\_\_\_\_ Yes        X   No

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes        X   No

**PERFORMANCE AUDIT**

Any audit findings disclosed that are required to be reported  
 in accordance with *2019-20 Guide for Annual Audits*  
*of California K-12 Local Education Agencies* or  
 Proposition 39?

\_\_\_\_\_ Yes        X   No

# Del Mar Union School District Measure MM Building Fund

## Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

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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 2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

### A. Financial Statement Findings

None

### B. Performance Audit Findings

None

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

Schedule of Prior Year Audit Findings  
Year Ended June 30, 2020

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Finding/Recommendation	Status	Explanation if Not Implemented
There was no prior year audit.		

DEL MAR UNION SCHOOL DISTRICT

2018 General Obligation Bond Measure MM  
2019-2020 Annual Report



Citizens' Oversight  
Committee Report  
March 8, 2021



**DEL MAR UNION SCHOOL DISTRICT  
CITIZENS' OVERSIGHT COMMITTEE**

**(MEASURE MM - Approved by Del Mar Union School District Voters on November 6, 2018)**

**ANNUAL REPORT**

**PERIOD COVERING – July 1, 2019 to June 30, 2020 (Fiscal Year 2019-2020)**

THIS REPORT IS HEREBY ADOPTED BY THE **DEL MAR UNION SCHOOL DISTRICT CITIZENS' OVERSIGHT COMMITTEE** PURSUANT TO EDUCATION CODE SECTION 15280(b) AND SUBMITTED TO THE PUBLIC IN CONFORMANCE WITH SUCH SECTION. THIS REPORT COVERS THE PERIOD OF FROM JULY 1, 2019 TO JUNE 30, 2020 (FISCAL YEAR 2019-2020), AND CERTAIN RELATED MATTERS.

**I. MEMBERSHIP OF THE DEL MAR UNION SCHOOL DISTRICT CITIZENS' OVERSIGHT COMMITTEE:**

**Citizens' Oversight Committee Members**

The membership on the Del Mar Union School District (District) Citizens' Oversight Committee (COC) consisted of the following individuals (From July 2019 through June 2020):

- Neelum Arya *Community-At-Large Representative*
- Katie Hazen *Parent-Teacher Organization Representative*
- Kathy Huang *Business Community Representative*
- David Jackson *Taxpayer Organization Representative*
- Ira Sharp *Senior Citizens' Organization Representative*
- Sameer Vora *Parent of DMUSD Student Representative  
(Appointed in September 2019)*
- Fuxiao Xin *Community-At-Large Representative*

The following are the current officers of the COC (as of June 30, 2020):

- Acting Chairperson: Robert E. Anslow, Esq.
- Vice President: Neelum Arya
- Clerk: Ira Sharp

The members of the Del Mar Union School District Measure MM Citizens' Oversight Committee are also described on the internet at this address:

<https://www.dmusd.org/Page/8772>

**II. ACTIVITIES OF THE DEL MAR UNION SCHOOL DISTRICT CITIZENS' OVERSIGHT COMMITTEE:**

Minutes describing the meetings and activities of the COC are available as public records and are available on the COC website. For more complete descriptions of actions taken by the COC please see Minutes of the corresponding meeting posted on the COC Website. All approved COC Agendas, approved Minutes and Annual Reports are, and have been, posted on the COC Website: <https://www.dmusd.org/Page/8772>

Additional documents and reports are posted at the COC Website in accordance with the directives of the COC.

**III. CITIZENS' OVERSIGHT COMMITTEE (COC) FINDINGS FOR FISCAL YEAR 2019-2020:**

In order to comply with the requirements of Proposition 39, the COC needs to make certain findings as to activities of the COC and the use and expenditure of Measure MM Bond proceeds. The COC hereby finds and determines as follows:

1. COC has met regularly.

The meetings of the COC are briefly described above. Minutes of the COC meetings are on file with the District and are posted on the COC Website at: <https://www.dmusd.org/Page/8772>

2. The COC has received reports, updates, and information concerning Measure MM, and reviewed project expenditures made on projects authorized under Measure MM.

The COC has received various reports (both written and oral), including, but not limited to, construction and project timelines, has received written and oral updates and reports on expenditures relating to the Measure MM Bond funds. Those reports and documents are briefly described in the Minutes of meetings and in the handouts presented to the COC, as described above.

A complete list of the reports provided to the COC is available at the School District offices for public review upon request. Information on certain COC handouts and documents is also located on the COC Website (see "Additional Materials).

3. The COC expects to visited Schools and Project Sites.

It is the expectation of the COC that school site and project sites will be visited by the COC as Measure MM bond-funded projects move into construction. No such visits were conducted by the COC during the 2019-20 Fiscal Year. Due to the COVID-19 pandemic, school and project site visitations will be scheduled once in-person COC meetings are able to resume.

4. Measure MM Bond funds have been expended on the identified projects authorized by Measure MM (Education Code Section 15278(b)(1)).

Based on the documentation and information provided to the COC, as referenced herein, the COC has found, pursuant to Education Code Section 15278(b)(1) that the expenditures of Measure MM Bond funds have been made by the School District on costs, expenses and construction/acquisition/installation costs of projects authorized by Measure MM.

The specific projects authorized by Measure MM are posted on the COC website at: <https://www.dmusd.org/Page/8675>

Construction updates on the Measure MM projects can be found at: <https://www.dmusd.org/Page/8772>

5. No Measure MM monies have been spent on teacher/administrator salaries or other school operating expenses (Education Code Section 15278(b)(2)).

Based on the documentation and information provided to the COC, as referenced herein, the COC has found, pursuant to Education Code Section 15278(b)(2) that the School District has not expended Measure MM Bonds funds on teacher/administrator salaries or other District operating expenses.

The text of Measure MM includes the following wording:

**“TAXPAYER PROTECTIONS: The following taxpayer protections are specifically provided in this Bond Measure and by law:**

- Bond funds shall be used only for the school facilities projects identified herein, and **not for any other purpose.**
- Requirements of the California Government Code concerning **the use of, and accounting for, the expenditure of bond proceeds** shall be complied with as directed by the Governing Board of Trustees of the District.
- As required by law, an **Independent Citizen’s Oversight Committee** shall oversee expenditures of bond funds, and related matters, and shall report to the Governing Board of Trustees and communicate with the public on such expenditures.
- As required by law, the School District shall conduct **annual financial audits and performance audits** (using independent auditors) for all bond funds.

- Bond Funds **shall not be used** for teacher or non-construction related administrator salaries or other non-construction related operating expenses.”

6. 2019-2020 Audit Report was reviewed, received and filed with the COC.

The required annual financial and performance audits for Fiscal Year 2019-2020 were performed by the accounting firm of Wilkinson Hadley King & Co., LLP (presented as a single audit report). The audit report was reviewed, received and filed by action of the COC at its meeting of March 8, 2021. A copy of the audit report is attached to this Annual Report as Attachment “A”. The COC notes that the audits did not report any irregularities or failures to comply with statutory and Constitutional requirements.

7. The COC has received all necessary and requested technical and administrative assistance from the School District (Education Code Section 15280).

Under the requirements of Education Code Section 15280, the District is required to provide the COC with all necessary technical and administrative assistance without expending Measure MM Bond funds. The District has made presentations to the COC, provided documents and information as set forth herein, and has provided necessary and requested architectural, construction management, legal and planning support and assistance to the COC. Based on the foregoing, and the documentation and information provided to the COC, as referenced herein, the COC has found that the District has provided all necessary and requested technical and administrative assistance without expending Measure MM Bonds funds.

8. COC Website is operating and includes all required documentation and information (Education Code Section 15280(b)).

The COC internet website is operated and maintained by the District on behalf of the COC and is currently located at <https://www.dmusd.org/Page/8772>.

Information relating to the COC, its activities and documents can be viewed at the COC website. This includes minutes of the COC meetings, lists of documents received by the COC, the 2019-2020 audit report and other reports issued by the COC, which will include this Annual Report following its adoption.

9. Based on the foregoing, the Del Mar Union School District is in compliance with the requirements of Article XIII A 1(b)(3) of the California Constitution.

**IV. CONTACT INFORMATION:**

Comments, questions, and suggestions can be forwarded to the COC through the School District at the following address:

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

Attn: Catherine Birks, Assistant Superintendent, Business Services  
Telephone: 858-755-9301  
Facsimile 858-755-4361

or on the COC website by e-mail.

Dates, times, and location(s) of COC meetings can be found on the COC website. Members of the public are invited to attend.

**ADOPTED, SIGNED AND APPROVED BY THE DEL MAR UNION SCHOOL DISTRICT CITIZENS' OVERSIGHT COMMITTEE ON MARCH 8, 2021.**

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Ira Sharp, Clerk

**ATTACHMENT "A"**  
**COPY OF ANNUAL FINANCIAL AND PERFORMANCE AUDIT**  
**(2019-2020 Fiscal Year)**



2018 General Obligation Bond Measure

Measure MM  
Cumulative Project Expenditures  
as of February 28, 2021

**Measure MM  
Current and Completed Projects  
as of February 28, 2021**

District Project Name	Measure MM Project Commitments	Measure MM Project Expenditures	Remaining Commitments	Project Status
A	B	C	D ( B - C )	
<b>Del Mar Heights School</b>				
School Rebuild	57,945,340	3,708,777	54,236,563	In Progress
Campus Total	57,945,340	3,708,777	54,236,563	
<b>Del Mar Hills Academy</b>				
Modernization	19,425,957	10,823	19,415,134	In Progress
Field Upgrade	550,000	3,900	546,100	In Progress
Campus Total	19,975,957	14,723	19,961,234	
<b>Carmel Del Mar School</b>				
Flooring Replacement	45,416	45,416	-	Complete
Campus Total	45,416	45,416	-	
<b>Ashley Falls School</b>				
Flooring Replacement	9,083	9,083	-	Complete
Campus Total	9,083	9,083	-	-
<b>Torrey Hills School</b>				
Field Upgrade	929,246	929,246	-	Complete
Flooring Replacement	13,625	13,625	-	Complete
Campus Total	942,871	942,871	-	
<b>Sage Canyon School</b>				
MUR Audio Visual	29,131	29,131	-	Complete
HVAC Controllers	108,559	108,559	-	Complete
Flooring Replacement	9,083	9,083	-	Complete
Campus Total	146,773	146,773	-	
<b>Sycamore Ridge School</b>				
Flooring Replacement	9,083	9,083	-	Complete
Campus Total	9,083	9,083	-	
<b>Ocean Air School</b>				
Flooring Replacement	9,083	9,083	-	Complete
Campus Total	9,083	9,083	-	
<b>Pacific Highlands Ranch School #9</b>				
New School	22,648,362	2,533,973	20,114,389	In Progress
Campus Total	22,648,362	2,533,973	20,114,389	
<b>Project Commitments Total</b>	<b>101,731,968</b>			
<b>Measure MM Remaining Funds</b>	<b>84,268,032</b>			



**Del Mar Union School District  
2018 General Obligation Bond Measure MM  
Expenditures Through 2/28/21**

Del Mar Heights School Rebuild Project Budget						
Object Code	Description	Budget as of 11/30/20	Budget Adjustments	Revised Budget as of 2/28/21	Actual Expenditures 2/28/21	Balance
<b>FUNDING SOURCES:</b>						
	Proceeds from General Obligation Bond	57,758,659	186,681	57,945,340		
	<b>TOTAL FUNDS AVAILABLE</b>	<b>57,758,659</b>	<b>186,681</b>	<b>57,945,340</b>		
<b>EXPENDITURES:</b>						
<b>1. Site</b>						
6100-040	Surveying Costs	31,300	-	31,300	31,300	-
6100-052	Dept. of Toxic Substance Control Fees	1,792	-	1,792	1,792	-
6100-057	Environmental Costs	300,000	-	300,000	196,744	103,256
6100-060	Other Site Costs	111,095	16,905	128,000	73,799	54,201
<b>2. Planning</b>						
6200-001	Architect Fees	2,800,000	-	2,800,000	2,071,275	728,725
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	20,000	-	20,000	16,653	3,348
6200-050	Other Costs	213,224	104,776	318,000	315,297	2,703
<b>3. Construction</b>						
6200-070	Prelim. Svcs./Preconstruction	215,000	-	215,000	215,000	-
6200-070	Main Construction	49,168,585	-	49,168,585	281,956	48,886,629
6200-074	Other Construction	323,000	-	323,000	31,061	291,939
6200-076	Interim Housing	180,000	65,000	245,000	128,209	116,791
6200-080	Inspections	450,000	-	450,000	3,264	446,736
6200-090	Construction Tests	317,235	-	317,235	-	317,235
6400-000	Furniture and Equipment	3,250,000	-	3,250,000	-	3,250,000
	Project Contingencies	-	-	-	-	-
	<b>TOTAL BUDGET</b>	<b>57,758,659</b>	<b>186,681</b>	<b>57,945,340</b>	<b>3,708,777</b>	<b>54,236,563</b>

Del Mar Union School District  
2018 General Obligation Bond Measure MM  
Expenditures Through 2/28/21

Del Mar Heights School Rebuild Project Summary								
Vendor	Description	Commitments as of 11/30/20	Additions/ Reductions	Commitments as of 2/28/21	Expenditures as of 11/30/20	Current Expenditures	Total Expenditures	Remaining Commitment
AALRR (Legal)	Other Planning Costs	205,629.57	105,637.30	311,266.87	205,629.57	105,637.30	311,266.87	-
Air America Testing	Asbestos Survey & Abatement	20,966.00	-	20,966.00	16,023.00	-	16,023.00	4,943.00
Aztec Storage	Interim Housing	695.00	-	695.00	695.00	-	695.00	-
Baker Nowicki Design Studio	Architect Fees	2,792,408.00	-	2,792,408.00	1,932,508.86	138,765.67	2,071,274.53	721,133.47
Balfour Beatty Construction	Prelim. Srvc./Preconstruction	215,000.00	-	215,000.00	215,000.00	-	215,000.00	-
Balfour Beatty Construction	Main Construction	7,797,624.23	-	7,797,624.23	281,955.61	-	281,955.61	7,515,668.62
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. Srvc.	Other Site Costs	47,900.41	16,835.52	64,735.93	47,900.41	16,835.52	64,735.93	-
Cogstone Resource Management	Other Site Costs	12,850.00	-	12,850.00	6,056.35	275.00	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	CEQA Fee	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	143,686.50	-	143,686.50	103,685.00	-	103,685.00	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	930.00	2,402.50	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	-	-	-	317,235.00
Placeworks, Inc	Environmental Consultant	192,734.41	23,300.00	216,034.41	191,232.35	5,511.25	196,743.60	19,290.81
San Diego Gas & Electric	Other Construction Costs	11,407.00	-	11,407.00	11,407.00	-	11,407.00	-
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	-
<b>Grand Total</b>		<b>12,708,510.07</b>	<b>145,772.82</b>	<b>12,854,282.89</b>	<b>3,439,349.53</b>	<b>269,427.24</b>	<b>3,708,776.77</b>	<b>9,145,506.12</b>

Del Mar Union School District  
2018 General Obligation Bond Measure MM  
Expenditures Through 2/28/21

Del Mar Heights School Rebuild Project Vendor Detail				
Vendor	Description	Current Expenditures	Invoice #	Payment Date
AALRR (Legal)	Other Planning Costs	78,574.90	607274	12/17/2020
		34,931.40	610291	2/4/2021
		42,131.00	611997	2/22/2021
		(50,000.00)	JPA Assistance	2/19/2021
		Subtotal	<u>105,637.30</u>	
Baker Nowicki Design Studio	Architect Fees	80,062.50	19009-00-17	12/7/2020
		40.30	19009-00-18	12/7/2020
		45,750.00	19009-00-19	12/14/2020
		18.59	19009-00-20	2/22/2021
		8,014.54	19009-01-07	12/7/2020
		4,579.74	19009-01-08	12/14/2020
		300.00	19009-06-02	2/22/2021
Subtotal	<u>138,765.67</u>			
City of San Diego Dev. Svcs.	Other Site Costs	2,335.52	957831	12/7/2020
		14,500.00	963137	2/1/2021
		Subtotal	<u>16,835.52</u>	
Cogstone Resource Management	Other Site Costs	275.00	8023	12/17/2020
		Subtotal	<u>275.00</u>	
Foxlin	Other Planning Costs	1,085.00	2016-02	12/3/2020
		1,007.50	2016-03	12/7/2020
		310.00	2016-04	12/7/2020
		Subtotal	<u>2,402.50</u>	
Placeworks, Inc	Environmental Consultant	1,060.00	73819	12/14/2020
		4,451.25	74252	1/28/2021
		Subtotal	<u>5,511.25</u>	
<b>Grand Total</b>		<b>269,427.24</b>		

Del Mar Union School District  
2018 General Obligation Bond Measure MM  
Expenditures Through 2/28/21

Pacific Highlands Ranch School #9 Project Budget						
Object Code	Description	Budget as of 11/30/20	Budget Adjustments	Revised Budget as of 2/28/21	Actual Expenditures 2/28/21	Balance
<b>FUNDING SOURCES:</b>						
	Proceeds from General Obligation Bond	22,648,362	-	22,648,362	2,533,973	20,114,389
	Other Funding Sources - CFD 99-1	47,397,638	-	47,397,638	10,980,159	36,417,479
	<b>TOTAL FUNDS AVAILABLE</b>	<b>70,046,000</b>	<b>-</b>	<b>70,046,000</b>	<b>13,514,132</b>	<b>56,531,868</b>
<b>EXPENDITURES:</b>						
<b>1. Site</b>						
6100-010	Land Purchase	10,891,014	-	10,891,014	10,891,014	-
6100-040	Surveying Costs	36,666	-	36,666	36,666	-
6100-050	Site Support Costs	81,822	-	81,822	71,798	10,024
6100-051	Phase I Environ. Site Assessment Costs	6,892	-	6,892	6,892	-
6100-052	Dept. of Toxic Substance Control Fees	6,000	-	6,000	3,027	2,973
6100-060	Other Site Costs	72,500	14,500	87,000	86,894	106
<b>2. Planning</b>						
6200-001	Architect Fees	2,600,000	-	2,600,000	1,862,852	737,148
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	30,000	-	30,000	15,065	14,935
6200-050	Other Costs	55,000	-	55,000	12,937	42,063
<b>3. Construction</b>						
6200-070	Prelim. Svcs./Preconstruction	165,648	-	165,648	165,648	-
6200-070	Main Construction	45,920,000	-	45,920,000	-	45,920,000
6200-074	Other Construction	532,000	-	532,000	6,239	525,762
6200-080	Inspections	616,000	-	616,000	-	616,000
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
	Project Contingencies	3,509,358	(14,500)	3,494,858	-	3,494,858
	<b>TOTAL BUDGET</b>	<b>70,046,000</b>	<b>-</b>	<b>70,046,000</b>	<b>13,514,132</b>	<b>56,531,869</b>

Del Mar Union School District  
2018 General Obligation Bond Measure MM  
Expenditures Through 2/28/21

**Pacific Highlands Ranch School #9 Project Summary**

Vendor	Description	Commitments as of 11/30/20	Additions/ Reductions	Commitments as of 2/28/21	Expenditures as of 11/30/20	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	5,550.00	3,875.00	9,425.00	5,550.00	3,875.00	9,425.00	-
Alpers Engineering Group	Other Construction Costs	43,850.00	-	43,850.00	-	5,377.50	5,377.50	38,472.50
Blue Coast Consulting	Inspections	615,592.00	-	615,592.00	-	-	-	615,592.00
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	8,731.30	15,000.00	23,731.30	8,731.30	15,000.00	23,731.30	-
City of San Diego Dev. Svcs.	Other Planning Costs	2,400.00	-	2,400.00	2,400.00	-	2,400.00	-
County of San Diego	CEQA Fee	2,456.75	-	2,456.75	2,456.75	-	2,456.75	-
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	122,812.06	42,835.94	165,648.00	-
Erickson-Hall Construction	Main Construction	4,451,163.00	-	4,451,163.00	-	-	-	4,451,163.00
Ninyo & Moore	Construction Tests	367,515.50	-	367,515.50	-	-	-	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	2,563,792.00	15,000.00	2,578,792.00	1,692,773.28	170,078.90	1,862,852.18	715,939.82
Placeworks, Inc	Environmental Consultant	79,365.00	-	79,365.00	69,341.49	-	69,341.49	10,023.51
San Diego Gas & Electric	Other Construction Costs	3,352.00	-	3,352.00	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	-
<b>Grand Total</b>		<b>19,681,689.71</b>	<b>34,736.00</b>	<b>19,716,425.71</b>	<b>13,279,456.04</b>	<b>234,676.34</b>	<b>13,514,132.38</b>	<b>6,202,293.33</b>

**Del Mar Union School District  
2018 General Obligation Bond Measure MM  
Expenditures Through 2/28/21**

<b>Pacific Highlands Ranch School #9 Vendor Detail Summary</b>				
Vendor	Description	Current Expenditure	Invoice #	Payment Date
AALRR (Legal)	Other Planning Costs	2,825.00	607274*	12/17/2020
		70.00	610291*	2/4/2021
		980.00	611997*	2/22/2021
	Subtotal	<u>3,875.00</u>		
Alpers Engineering Group	Other Construction Costs	5,377.50	14011-2043	1/25/2021
	Subtotal	<u>5,377.50</u>		
City of San Diego Dev. Svcs.	Other Site Costs	10,000.00	956042	12/10/2020
		5,000.00	961789	1/19/2021
	Subtotal	<u>15,000.00</u>		
Erickson-Hall Construction	Prelim. Svcs./Preconstruction	27,552.73	4	12/7/2020
		15,283.21	5	2/1/2021
	Subtotal	<u>42,835.94</u>		
OBR Architecture, Inc	Architect Fees	59,440.50	006-20	12/14/2020
		47,552.40	006-21	1/11/2021
		56,056.00	006-22	2/11/2021
		2,590.00	006A-3	12/14/2020
		3,330.00	006A-4	12/14/2020
		1,110.00	006A-5	2/11/2021
	Subtotal	<u>170,078.90</u>		
San Diego Gas & Electric	Other Construction Costs	(3,352.00)	310808	12/18/2020
	Subtotal	<u>(3,352.00)</u>		
State Water Resource Control Board	Other Construction Costs	861.00	n/a	2/11/2021
	Subtotal	<u>861.00</u>		
<b>Grand Total</b>		<b><u>234,676.34</u></b>		

\* CFD 99-1 Expenditure

Del Mar Union School District  
2018 General Obligation Bond Measure MM  
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Sage Canyon School HVAC Controllers Project Budget						
Object Code	Description	Budget as of 11/30/20	Budget Adjustments	Revised Budget as of 2/28/21	Actual Expenditures 2/28/21	Balance
<b>FUNDING SOURCES:</b>						
	Proceeds from General Obligation Bond	110,000	(1,441)	108,559		
	<b>TOTAL FUNDS AVAILABLE</b>	<b>110,000</b>	<b>(1,441)</b>	<b>108,559</b>		
<b>EXPENDITURES:</b>						
6400000	Equipment	110,000	(1,441)	108,559	108,559	-
	<b>TOTAL BUDGET</b>	<b>110,000</b>	<b>(1,441)</b>	<b>108,559</b>	<b>108,559</b>	-

Sage Canyon School HVAC Controllers Project Summary								
Vendor	Description	Commitments as of 11/30/20	Additions	Commitments as of 2/28/21	Expenditures as of 11/30/20	Current Expenditures	Total Expenditures	Remaining Commitment
Landmark Mechanical	Equipment	47,000.00	-	47,000.00	-	47,000.00	47,000.00	-
Russell Sigler	Equipment	62,451.90	(892.48)	61,559.42	47,026.42	14,533.00	61,559.42	-
	<b>Grand Total</b>	<b>109,451.90</b>	<b>(892.48)</b>	<b>108,559.42</b>	<b>47,026.42</b>	<b>61,533.00</b>	<b>108,559.42</b>	-

Sage Canyon School HVAC Controllers Project Vendor Detail				
Vendor	Description	Current Expenditure	Invoice #	Payment Date
Landmark Mechanical	Equipment	47,000.00	369372	1/19/2021
	Subtotal	47,000.00		
Russell Sigler	Equipment	5,465.39	SND21000062	1/25/2021
		3,550.61	SND21000544	1/28/2021
		2,500.00	SND21000545	1/28/2021
		3,017.00	SND21000608	1/28/2021
	Subtotal	14,533.00		
	<b>Grand Total</b>	<b>61,533.00</b>		

Del Mar Union School District  
2018 General Obligation Bond Measure MM  
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Torrey Hills School Field Upgrade Project Budget						
Object Code	Description	Budget as of 11/30/20	Budget Adjustments	Revised Budget as of 2/28/21	Actual Expenditures 2/28/21	Balance
<b>FUNDING SOURCES:</b>						
	Proceeds from General Obligation Bond	993,048	(63,802)	929,246		
	<b>TOTAL FUNDS AVAILABLE</b>	<b>993,048</b>	<b>(63,802)</b>	<b>929,246</b>		
<b>EXPENDITURES:</b>						
<b>Land Improvements</b>						
6170-001	Architect Fees	105,503	-	105,503	105,503	-
6170-070	Main Contractor	859,979	(60,633)	799,346	799,346	-
6170-000	Other Project Costs	27,566	(3,169)	24,397	24,397	-
	Project Contingencies	-	-	-	-	-
	<b>TOTAL BUDGET</b>	<b>993,048</b>	<b>(63,802)</b>	<b>929,246</b>	<b>929,246</b>	-

Torrey Hills School Field Upgrade Project Summary								
Vendor	Description	Commitments as of 11/30/20	Additions/ Reductions	Commitments as of 2/28/21	Expenditures as of 11/30/20	Current Expenditures	Total Expenditures	Remaining Commitment
3-D Enterprises	Main Contractor	794,871.47	4,475.01	799,346.48	703,982.27	95,364.21	799,346.48	-
Baker Nowicki Design Studio	Architect Fees	105,503.00	(0.30)	105,502.70	105,502.70	-	105,502.70	-
Consulting and Inspection	Other Project Costs	9,226.00	(2,710.00)	6,516.00	6,516.00	-	6,516.00	-
County of San Diego	CEQA Fee	50.00	-	50.00	50.00	-	50.00	-
Division of the State Architect	DSA Plan Check Fees	13,290.00	-	13,290.00	13,290.00	-	13,290.00	-
Nova Services	Geological Testing	5,000.00	(459.00)	4,541.00	4,541.00	-	4,541.00	-
	<b>Grand Total</b>	<b>927,940.47</b>	<b>1,305.71</b>	<b>929,246.18</b>	<b>833,881.97</b>	<b>95,364.21</b>	<b>929,246.18</b>	-

Torrey Hills School Field Upgrade Project Vendor Detail				
Vendor	Description	Current Expenditure	Invoice #	Payment Date
3-D Enterprises	Main Contractor	51,145.63	3	2/11/2021
		4,475.01	4	2/11/2021
		39,743.57	Ret	2/11/2021
	Subtotal	95,364.21		
	<b>Grand Total</b>	<b>95,364.21</b>		



Del Mar Union School District  
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**Del Mar Hills Academy Modernization Project Budget**

Object Code	Description	Budget as of 11/30/20	Budget Adjustments	Revised Budget as of 2/28/21	Actual Expenditures 2/28/21	Balance
<b>FUNDING SOURCES:</b>						
	Proceeds from General Obligation Bond	19,975,957	(550,000)	19,425,957		
<b>TOTAL FUNDS AVAILABLE</b>		<b>19,975,957</b>	<b>(550,000)</b>	<b>19,425,957</b>		
<b>EXPENDITURES:</b>						
6200-001	Architect Fees	-	1,154,450	1,154,450	5,328	1,149,122
6200-050	Other Costs	-	5,495	5,495	5,495	
	Main Construction	14,797,005	(407,408)	14,389,597	-	14,389,597
	Project Contingencies	739,850	(20,370)	719,480	-	719,480
	Soft Costs	4,439,102	(1,282,167)	3,156,935	-	3,156,935
<b>TOTAL BUDGET</b>		<b>19,975,957</b>	<b>(550,000)</b>	<b>19,425,957</b>	<b>10,823</b>	<b>19,415,134</b>

**Del Mar Hills Academy Modernization Project Summary**

Vendor	Description	Commitments as of 11/30/20	Additions/ Reductions	Commitments as of 2/28/21	Expenditures as of 11/30/20	Current Expenditures	Total Expenditures	Remaining Commitment
AALRR (Legal)	Other Planning Costs	5,495.00	-	5,495.00	5,495.00	-	5,495.00	-
Lionakis	Architect Fees	-	1,154,450.00	1,154,450.00		5,328.00	5,328.00	1,149,122.00
<b>Grand Total</b>		<b>5,495.00</b>	<b>1,154,450.00</b>	<b>1,159,945.00</b>	<b>5,495.00</b>	<b>5,328.00</b>	<b>10,823.00</b>	<b>1,149,122.00</b>

**Del Mar Hills Academy Modernization Project Vendor Detail**

Vendor	Description	Current Expenditures	Invoice #	Payment Date
Lionakis	Architect Fees	5,328.00	75685	2/25/2021
Subtotal		5,328.00		
<b>Grand Total</b>		<b>5,328.00</b>		

Del Mar Union School District  
 2018 General Obligation Bond Measure MM  
 Expenditures Through 2/28/21

Del Mar Hills Academy Field Upgrade Project Budget				
Object Code	Description	Budget as of 8/31/20	Actual Expenditures 2/28/21	Balance
<b>FUNDING SOURCES:</b>				
	Proceeds from General Obligation Bond	550,000		
	<b>TOTAL FUNDS AVAILABLE</b>	550,000		
<b>EXPENDITURES:</b>				
<b>Land Improvements</b>				
6170-001	Architect Fees	115,296	3,900	111,396
6170-070	Main Contractor	377,704	-	377,704
6170-000	Other Project Costs	7,000	-	7,000
	Project Contingencies	50,000	-	50,000
	<b>TOTAL BUDGET</b>	<b>550,000</b>	<b>3,900</b>	<b>546,100</b>

Del Mar Hills Academy Upgrade Project Summary								
Vendor	Description	Commitments as of 11/30/20	Additions	Commitments as of 2/28/21	Expenditures as of 11/30/20	Current Expenditures	Total Expenditures	Remaining Commitment
Baker Nowicki Design Studio	Architect Fees	115,296.00	-	115,296.00	3,900.00	-	3,900.00	111,396.00
Division of the State Architect	DSA Plan Check Fees		-	-	-	-	-	-
	<b>Grand Total</b>	<b>115,296.00</b>	-	<b>115,296.00</b>	<b>3,900.00</b>	-	<b>3,900.00</b>	<b>111,396.00</b>