



Santee School District

SCHOOLS:

Cajon Park
Carlton Hills
Carlton Oaks
Chet F. Harritt STEAM
Hill Creek
Pepper Drive
PRIDE Academy
at Prospect Avenue
Rio Seco
Sycamore Canyon
Alternative
Success Program

INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE
OF THE SANTEE SCHOOL DISTRICT
(Measure S - Approved by District Voters on November 6, 2018)

DATE: February 15, 2023
TIME: 6:00pm
LOCATION: Charles E. Skidmore Administration Center
Santee School District
9625 Cuyamaca Street
Santee, CA 92071

AGENDA

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF AGENDA**
- 4. APPROVAL OF MINUTES: January 26, 2022**
- 5. PUBLIC COMMENTS**
 - a. Persons wishing to make comments to the Independent Citizens' Oversight Committee on non-agendized items may do so at this time. Each speaker is requested to limit their comments to no more than three (3) minutes. Please notify the Chair if you wish to address the Committee.
- 6. REVIEW AND ACCEPTANCE OF MEASURE S AUDIT FOR YEAR ENDING JUNE 30, 2022**
- 7. REVIEW AND FINALIZE COMMUNITY REPORT FOR MEASURE S**
- 8. COMPLETION OF OVERSIGHT RESPONSIBILITIES AND DESOLUTION OF THE INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE FOR MEASURE S**
- 9. ADJOURNMENT**

INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE
OF THE SANTEE SCHOOL DISTRICT

Wednesday, January 26, 2022

Minutes

1) **Call to Order at 6:03 p.m.** Chair Linda Vail called the meeting to order.

2) **Roll Call.**

Members Present: Erin Garcia, Terri Knight, Beth Rackliffe, and Linda Vail
(Absent: Joseph Perricone, Kai Ramer)

Attendees Present: Evonn Avila, Karl Christensen, Dianne El-Hajj, and Bryce Storm

3) **Approval of Agenda.**

Motioned by Beth Rackliffe; Seconded by Erin Garcia; All in Favor (4-0).

4) **Approval of Minutes: October 27, 2021.**

Motioned by Erin Garcia; Seconded by Beth Rackliffe; All in Favor (4-0).

5) **Public Comments.** None at this time.

6) **Review and Acceptance of Measure S Audit for Year Ending June 30, 2021.**

The Santee School District's Assistant Superintendent of Business Services, Karl Christensen, discussed details of the financial and performance audits for Measure S for the year ending June 30, 2021. Nearly all Measure S funds have been expended with the Fund balance ending at \$12,539 for fiscal year ending June 30, 2021. There were no financial or performance audit findings by the auditor. Mr. Christensen asked if any ICOC member had questions about the audit. There were no questions asked.

Motioned by Terri Knight; Seconded by Erin Garcia; All in Favor (4-0).

7) **Committee Member Comments and Suggested Topics for Next Meeting.** Chair Linda Vail asked members for questions, comments, and/or suggested topics for the next meeting. Board Member Dianne El-Hajj shared positive feedback about Balfour Beatty, LLC and the construction projects that have been achieved. Chair Vail added that Balfour Beatty, LLC has been a wonderful contractor and community partner to the District, and that Balfour's Project Manager, Michelle Reiner, provided an active presence in the District during the course of the projects, as well as attending ribbon cuttings and other events. Chair Vail also noted that the ICOC annual report was published in December. Mr. Christensen commented that one final ICOC annual report to the Board of Education may be needed in 2022. Mr. Christensen also stated that the membership terms of Terri Knight and Joe Perricone will expire in October 2022 and renewal will be needed. Mr. Christensen informed the ICOC members that one additional meeting of the ICOC is anticipated in order for the ICOC to accept the final audit findings for fiscal year ending June 30, 2022.

8) **Meeting Adjourned at 6:20 p.m.**

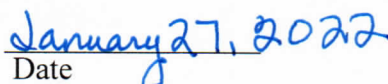
Motioned by Terri Knight to adjourn meeting; Seconded by Beth Rackliffe; All in favor (4-0).

The next ICOC meeting is scheduled for **Wednesday, February 15, 2023.**



Evonn Avila

Administrative Secretary, Business Services



Date



January 30, 2023

To the Governing Board
Santee School District
Santee, California

We have audited the financial statements of Santee School District's (the District) Building Fund (Measure S) as of and for the year ended June 30, 2022, and have issued our report thereon dated January 30, 2023. We have also performed the performance audit of the District's Building Fund. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit of the District's Building Fund (Measure S) under Generally Accepted Auditing Standards and Government Auditing Standards and the Performance Audit under *Government Auditing Standards*.

As communicated in our letter dated June 28, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Additionally, our responsibility, as described by professional standards, is to conduct a performance audit in accordance with *Government Auditing Standards*. Our audit of the financial statements and performance audit does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our 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* dated January 30, 2023.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended June 30, 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. No such significant accounting estimates were identified.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's Building Fund (Measure S) financial statements relate to:

The summary of significant accounting policies in Note 1.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We have made the following modification to our auditor's report:

Emphasis of Matter

As discussed in Note 1, the financial statements of the Building Fund specific to Measure S are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of Santee School District as of June 30, 2022, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated January 30, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

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

Eide Bailly LLP

Rancho Cucamonga, California



Financial and Performance Audits
Building Fund (Measure S)
June 30, 2022
Santee School District

FINANCIAL AUDIT

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Financial Audit
Building Fund (Measure S)
June 30, 2022
Santee School District



Independent Auditor's Report

Governing Board and
Citizens Oversight Committee
Santee School District
Santee, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Building Fund (Measure S) of the Santee School District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Building Fund (Measure S) of the District, as of June 30, 2022, and the change in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Building Fund (Measure S), and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2022, and the change in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statement 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 Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2023 on our consideration of the Building Fund (Measure S) of the District'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 Building Fund (Measure S) 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 Building Fund (Measure S) of the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
January 30, 2023

Santee School District
Building Fund (Measure S)
Balance Sheet
June 30, 2022

Assets	
Investments	\$ -
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ -
Fund Balance	
Restricted for capital projects	-
Total liabilities and fund balance	\$ -

Santee School District
 Building Fund (Measure S)
 Statement of Revenues, Expenditures, and Change in Fund Balance
 Year Ended June 30, 2022

Revenues		
Interest income		\$ 7,628
Change in fair market value of investments		<u>(12,539)</u>
Total revenues		<u>(4,911)</u>
Expenditures		
Capital Outlay		
Buildings and improvement of buildings		<u>201,953</u>
Deficiency of Revenues over Expenditures		<u>(206,864)</u>
Other Financing Sources		
Transfers in		<u>194,325</u>
Net Change in Fund Balance		(12,539)
Fund Balance - Beginning		<u>12,539</u>
Fund Balance - Ending		<u><u>\$ -</u></u>

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Santee School District's (the District) Building Fund (Measure S) conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The Santee School District Building Fund (Measure S) accounts for financial transactions in accordance with the policies and procedures of the *California School Accounting Manual*.

Financial Reporting Entity

The financial statements include only the Building Fund of the Santee School District used to account for Measure S projects. This Fund was established to account for the expenditures of general obligation bonds issued under Measure S. These financial statements are not intended to present fairly the financial position and results of operations of the Santee School District in compliance with accounting principles generally accepted in the United States of America.

Fund Accounting

The operations of the Building Fund (Measure S) are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Basis of Accounting

The Building Fund (Measure S) is accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. The District's governing board adopts an operating budget no later than July 1 in accordance with State law. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. The Board revises this budget during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

Encumbrances

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated when the commitments are paid, and all outstanding encumbrances lapse at June 30.

Spending Order Policy

When an expenditure is incurred for purposes 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, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Note 2 - Interfund Transactions

Operating Transfers

Interfund transfers for the year ended June 30, 2022, consisted of the following:

The Capital Facilities Fund transferred \$194,325 to the Building Fund (Measure S) for reimbursement of construction costs.

Note 3 - Commitments and Contingencies

Litigation

The District is not currently a party to any legal proceedings related to the Building Fund (Measure S) as of June 30, 2022.



Independent Auditor's Report
June 30, 2022

Santee School District



**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***

Governing Board and
Citizens Oversight Committee
Santee School District
Santee, 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 Building Fund (Measure S) of the Santee School District (the District) as of and for the year ended June 30, 2022, and the related notes of the financial statements, and have issued our report thereon dated January 30, 2023.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Building Fund (Measure S), and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2022, and the change in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District’s Building Fund (Measure 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 identified.

Report on Compliance and Other Matters

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

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
January 30, 2023

None reported.

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.



Performance Audit
Building Fund (Measure S)
June 30, 2022
Santee School District



Independent Auditor's Report on Performance

Governing Board and
Citizens Oversight Committee
Santee School District
Santee, California

We were engaged to conduct a performance audit of the Building Fund (Measure S) of the Santee School District (the District) for the year ended June 30, 2022.

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

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution and Appendix A contained in the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* issued by the California Education Audit Appeals Panel. Management is responsible for the District's compliance with those requirements.

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

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

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

A handwritten signature in black ink that reads "Eide Bailly LLP".

Rancho Cucamonga, California
January 30, 2023

Authority for Issuance

The Measure S Bonds are issued pursuant to the Constitution and laws of the State of California (the State), including the provisions of Chapters 1 and 1.5 of Part 10 of the California Education Code, and other applicable provisions of law. The Bonds are authorized to be issued by a resolution adopted by the Board of Education of the District on September 3, 2019 (the Resolution).

The District received authorization at an election held on November 6, 2018, to issue bonds of the District in an aggregate principal amount not to exceed \$15,370,000 to finance specific construction and renovation projects approved by eligible voters within the District. The proposition required approval by at least 55% of the votes cast by eligible voters within the District

Purpose of Issuance

The general obligation bond funds of the District would be used to construct, modernize, update and equip Santee elementary and junior high school classrooms and educational facilities.

Authority for the Audit

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools, and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, community college districts, or county offices of education, “for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of rental property for school facilities”, upon approval by 55% of the electorate. In addition to reducing the approval threshold from two-thirds to 55%, Proposition 39 and the enacting legislation (AB 1908 and AB 2659) requires the following accountability measures as codified in *Education Code* Sections 15278-15282:

1. Requires that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b)(3)(C) of the California Constitution, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.
2. The school district must list the specific school facilities projects to be funded in the ballot measure, and must certify that the governing board has evaluated safety, class size reduction and information technology needs in developing the project list.
3. Requires the school district to appoint a Citizen’s Oversight Committee.
4. Requires the school district to conduct an annual independent financial audit and performance audit in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States of the bond proceeds until all of the proceeds have been expended.
5. Requires the school district to conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed.

Objectives of the Audit

1. Determine whether expenditures charged to the Building Fund have been made in accordance with the bond project list approved by the voters through the approval of Measure S.
2. Determine whether salary transactions, charged to the Building Fund were in support of Measure S and not for District general administration or operations.

Scope of the Audit

The scope of our performance audit covered the period of July 1, 2021 to June 30, 2022. The population of expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2022, were not reviewed, or included within the scope of our audit or in this report.

Methodology

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2022, for the Building Fund (Measure S). Within the fiscal year audited, we obtained the actual invoices, purchase orders, and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution and Measure S as to the approved bond projects list. We performed the following procedures:

1. We identified expenditures and projects charged to the general obligation bond proceeds by obtaining the general ledger and project listing.
2. We selected a sample of expenditures using the following criteria:
 - a. We considered all expenditures recorded in all object codes.
 - b. We considered all expenditures recorded in all projects that were funded from July 1, 2021 through June 30, 2022 from Measure S bond proceeds.
 - c. We selected all expenditures that were individually significant expenditures. Individually significant expenditures were identified based on our assessment of materiality.
 - d. For all items below the individually significant threshold identified in item 2c, judgmentally selected expenditures based on risk assessment and consideration of coverage of all object codes and projects for period starting July 1, 2021 and ending June 30, 2022.
3. Our sample included transactions totaling \$201,953. This represents 100% of the total expenditures of \$201,953.

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

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

Conclusion

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

None reported.

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

Date: February 21, 2023
To: SANTEE SCHOOL DISTRICT BOARD OF TRUSTEES
From: INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE ("ICOC")
PROPOSITION R AND MEASURE S
Subject: ICOC 2022 ANNUAL REPORT TO THE BOARD OF TRUSTEES

As required under California state law, the Santee Proposition R and Measure S **Independent Citizens' Oversight Committee** ("ICOC") hereby delivers this **Annual Report** to the Santee School District Board of Trustees for the year 2022. This will be the final report of activities for the ICOC for Proposition R and Measure S as those authorizations were fully depleted, and the proceeds fully expended, at the end of the 2021-22 fiscal year.

ICOC OVERVIEW

As set forth under California state law:

- The ICOC is responsible for reviewing the District's expenditures of bond proceeds.
- The ICOC is subject to the Ralph M. Brown Public Meetings Act of the State of California.

It should be noted that the expenditure of District funds on regular and deferred maintenance projects and the use of funds generated from sources other than the bond measures fall **outside** the scope of the Committee's review.

REPORT TO THE BOARD/SUMMARY OF ACTIVITIES/COMPLIANCE

In regard to the ICOC's proceedings and activities for the year 2020, the following information is provided:

1. **Annual Report.** The ICOC is required to present an annual report to the Board of Trustees which shall include a statement indicating whether the District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California State Constitution, as follows:
 - a. The bond proceeds from the sale of a Prop 39 bond are to be used only for the purposes specified and not for any other purpose, including teacher and administrator salaries and other school operating expenses;
 - b. A list of the specific school facilities projects to be funded and certification that the district has evaluated safety, class size reduction, and information technology needs in developing that list;
 - c. The district board shall conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed; and
 - d. The district shall conduct an annual independent financial audit of the proceeds from the sale of the bonds until all of those proceeds have been expended for the projects.

Finding: compliant. The ICOC hereby states that it finds the District to be in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California State Constitution.

2. **Review of Expenditures.** It is the duty of the ICOC to provide oversight of bond expenditures, including the review of specific reports produced by the District, in order to ensure that bond proceeds are being expended only for the purposes set forth in the ballot measures and that no bond proceeds are used for teacher or administrative salaries or district operating expenses.

Finding: compliant. Activity successfully completed by ICOC.

3. **Review of Financial and Performance Audit.** The ICOC has reviewed the Santee School District Building Fund draft Financial and Performance Audit.

Finding: compliant. There were no findings or recommendations.

4. **Inform the Public.** The ICOC is to provide information to the public concerning the District's expenditure of bond proceeds.

Finding: compliant. The ICOC is working with District staff and consultants to provide a final report of bond expenditures for the public on the ICOC's webpage. The location of the report will be communicated through normal district communications with parents and the public.

3. **Regular Meetings.** The ICOC is required to hold at least one annual meeting. All meetings are to be open to the public in accordance with the Ralph M. Brown Act.

Finding: compliant. Annual meeting(s) were successfully held. The ICOC held meetings on October 27, 2021, January 26, 2022, and February 15, 2023.

4. **ICOC Membership.** The ICOC membership is to consist of seven members appointed by the Board. The table below reviews the status of the required positions, as specified under Proposition 39 and ICOC bylaws:

Position	Status
Member active in a business organization representing the business community located in the District	Filled
Member active in a senior citizens' organization	Filled
Member active in a bona fide taxpayers' organization	Filled
Member who is the parent or guardian of a child enrolled in the District	Vacant
Member who is both a parent or guardian of a child enrolled in the District and in a parent-teacher organization, such as the PTA or school-site council	Vacant
Member with experience in school finance	Filled
Member of the community at large	Filled

FINDING: compliant. Efforts were made periodically to fill vacant positions but with no success.

COMMITTEE MEMBERSHIP

Under state law, a member’s term is limited to two years. Members may serve up to three consecutive terms. Information regarding the terms of the current members is shown below.

Member	Position	Term Number	Current Term Ends
Erin Garcia	School Finance Experience	Second	10/15/23
Terri Knight	Member of Senior Citizens’ Group	Third	10/15/23
Joseph Perricone	Business Representative Group	Third	10/15/23
Beth Rackliffe	Member of Bona Fide Taxpayers Association	Second	10/6/24
Kai Ramer	At-Large Community Member	Second	8/4/23
Vacant	Parent/Guardian of a School District Student		
Linda Vail	At-Large Community Member	Second	10/15/23

Respectfully submitted,

Linda Vail, Chairperson
Santee School District Independent Citizens Oversight Committee

Final Report to the Community from the Independent Citizens Oversight Committee

February 2023

Dear Santee Citizens:

In November 2018, voters in the Santee School District approved Measure S, a general obligation bond measure. This measure authorized the sale of \$15.37 million of previously approved but unissued Proposition R (2006) bonds. Measure S accelerated the timing for the District to be able to fund school improvements but did not result in an increase in the total amount of voter-approved debt.

After the passage of Measure S, as required by state law (Proposition 39), the District's Board of Education established an Independent Citizens' Oversight Committee (ICOC) to monitor and review the expenditures of the bond funds and to ensure that these funds were spent as set forth in the voter-approved ballot measure. The members of this committee represent a broad cross-section of our community and, by law, may not have any connection to the District as either an employee, elected official, or vendor.

The ICOC conducted a review of bond fund expenditures and the annual audit report and has found that the bond funds were spent in accordance with the bond language. The ICOC has been impressed by the commitment of the staff in seeking the greatest cost benefit during construction and dedication to reducing taxpayer costs through careful planning.

In February 2023, the ICOC presented its 2022 Annual Report to the District's Board of Education. A copy of this report can be viewed on the District's website (www.santeesd.net). **As all of the bond authorization from Measure S has been used and all proceeds have been expended, this will be the final report of the ICOC for Measure S.**

The following Report to the Community expands upon this report in order to provide taxpayers and voters with a fuller understanding of the projects funded and completed under Measure S.

Sincerely,

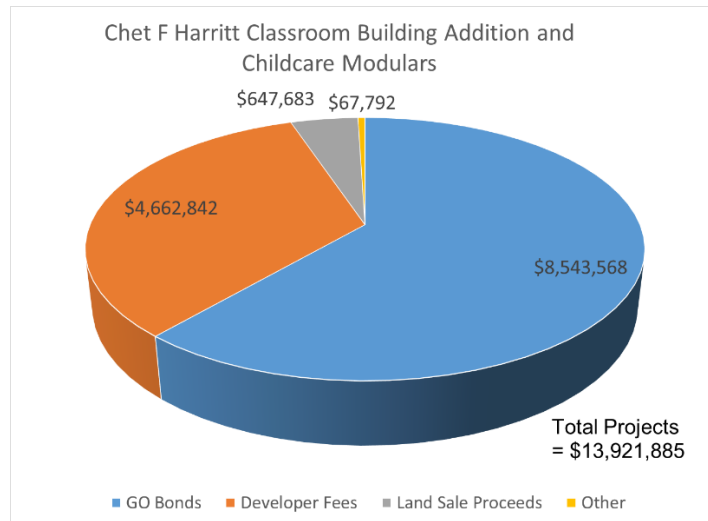
Linda Vail
ICOC Chair
Santee School District

FINAL ACCOUNTING OF PROJECT COSTS AND FUNDING

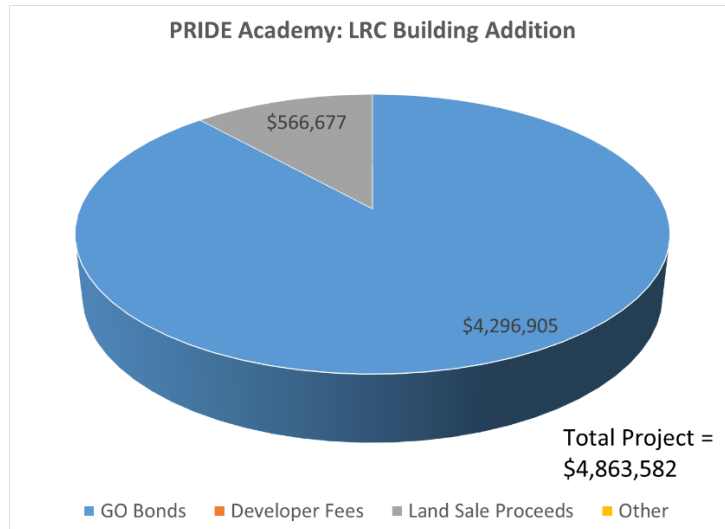
Site	Project	Costs		Funding				
		Total Main Construction Cost	Total Project Cost	GO Bonds	Developer Fees	Land Sale Proceeds	Other	Total
<i>Chet F Harritt</i>	New 7 Classroom and Learning Resource Center Building	\$ 11,460,410	\$ 13,405,907	\$ 8,355,389	\$ 4,662,842	\$ 319,884	\$ 67,792	\$ 13,405,907
	New Modular Classrooms for Childcare	\$ 411,649	\$ 515,978	\$ 188,179		\$ 327,799		\$ 515,978
	Total Site	\$ 11,872,059	\$ 13,921,885	\$ 8,543,568	\$ 4,662,842	\$ 647,683	\$ 67,792	\$ 13,921,885
<i>PRIDE Academy</i>	New Learning Resource Center Building	\$ 4,306,689	\$ 4,863,582	\$ 4,296,905		\$ 566,677		\$ 4,863,582
<i>Sycamore Canyon</i>	New Learning Resource Center Building	\$ 4,650,405	\$ 5,474,632	\$ 2,850,434		\$ 2,624,198		\$ 5,474,632
	New Modular Classrooms for Childcare	\$ 1,040,978	\$ 1,319,562	\$ 9,241		\$ 1,310,322		\$ 1,319,562
	Total Site	\$ 5,691,383	\$ 6,794,194	\$ 2,859,675	\$ -	\$ 3,934,519	\$ -	\$ 6,794,194
Total Costs:		\$ 21,870,131	\$ 25,579,661	\$ 15,700,148	\$ 4,662,842	\$ 5,148,879	\$ 67,792	\$ 25,579,661

PROJECTS COMPLETED: CHET F. HARRITT SCHOOL

Construction of a new 17,000 square foot building with a Learning Resource Center (Library), 8 classrooms, and an outdoor learning area. Construction of two new modular classrooms for the before/after school program.



PROJECTS COMPLETED: PRIDE ACADEMY
Construction of a new 6,000 square foot Learning Resource Center (Library).



PROJECTS COMPLETED: SYCAMORE CANYON

Construction of a new 6,000 square foot Learning Resource Center (Library). Construction of three new modular classrooms for the before/after school and preschool programs.

