

SPRECKELS UNION SCHOOL DISTRICT

P.O. Box 7362

130 Railroad Avenue

Spreckels, California 93962

Phone (831) 455-2550

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Vision Statement

Spreckels Union School District believes our students are our core mission, and our community has a shared responsibility to provide an equitable, rigorous, world-class education in an innovative environment that values creativity, curiosity, collaboration, and diversity in order to promote lifelong learning.

Mission Statement

We fulfill our mission by creating learning opportunities that meet the diverse needs of all students and empower them to flourish both academically and social-emotionally. We nurture all students' strengths and resiliencies to help them reach their full potential. As an academic team and community, we model and instill the core values of compassion, kindness, and respect in all of our work.

**SPRECKELS UNION SCHOOL DISTRICT
CITIZENS' BOND OVERSIGHT COMMITTEE MEETING
MONDAY, SEPTEMBER 26, 2022**

Virtual Meeting

Monday, September 26 · 4:30 PM – 5:30 PM

Google Meet joining info

Video call link: <https://meet.google.com/wed-tcec-ufu>

Or dial: (US) +1 929-269-1983 PIN: 976 104 923#

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AGENDA

Individuals who require special accommodation, including but not limited to an American Sign Language interpreter, accessible seating, or documentation in accessible formats, should contact the Superintendent at least two days before the meeting date.

I. Opening Business:

A. Call to order

B. Introductions/Roll call

Stuart Burbank*, Business Community (appointed Chairperson until election of Officers)

Fernando Elizondo*, Senior Citizen's Organization

Sarah Yowell-Hernandez, Parent/Parent-Teacher Organization

Dan Paul*, Community at Large

Chris Supnski, Parent

Vacant, Community at Large

Vacant, Bona-fide Taxpayers Association

Eric Tarallo, Superintendent

Veronica Flournoy, Chief Business Official/Director of Facilities

*Returning member

C. Approval of Agenda

MOTION TO _____ APPROVE AGENDA

BY: _____ SECONDED BY: _____ AYES: _____ NOES: _____ ABSENT: _____

D. Committee Purpose

The purposes of the Committee are set forth in Prop 39, and these Bylaws are specifically made subject to the applicable provisions of Prop 39 as to the duties and rights of the Committee.

E. Public Comment

To comment by video conference, click on the Participants button at the bottom of your screen and select the "Raise Your Hand" button to request to speak when Public Comment is being asked for. When called upon, you will be unmuted. After the allotted time, you will then be re-muted.

II. Selection of Officers (2-year term)

1. Election of Chairperson
Nominee: _____ By: _____ (First)
Seconded By: _____
Vote by Roll Call: _____

2. Election of Vice-Chairperson
Nominee: _____ By: _____ (First)
Seconded By: _____
Vote by Roll Call: _____

III. Business

A. Information

1. Review of Citizens' Bond Oversight Committee (CBOC) Bylaw and Ethics Policy Statement (Pages #4-9)
2. Review of Resolution 12-13/2 Ordering an Election to Authorize the Issuance of School Bonds, Establishing Specifications of the Election Order and Requesting Consolidation with Other Elections Occurring on November 6, 2012, including Exhibit A-1 Bond Project List (Pages #10-19)
3. Recap of March 31, 2016 CBOC meeting including project notices of completion (Pages #20-49)
4. Review and Discussion of Building Fund 21 Fiscal Transactions April 1, 2016 to June 31, 2022 (Pages #50-51)

IV. Future Agenda Items

- Date and time TBD _____, 2022 regular meeting, virtual
 - Approval of Building Fund 21 Fiscal Transactions April 1, 2016 to June 31, 2022
 - Acceptance of Building Fund 21 Annual Financial and Performance Audits 2016-2021
 - Project priorities for Building Fund 21 remaining balance

V. Adjournment at _____ p.m.

MOTION TO _____ ADJOURNMENT

BY: _____ AYES: _____ NOES: _____ ABSENT: _____

**SPRECKELS UNION SCHOOL DISTRICT
CITIZENS' BOND OVERSIGHT COMMITTEE
BYLAWS**

Section 1. Committee Established. The Spreckels Union School District (the "District") was successful at the election conducted on November 6, 2012 (the "Election"), in obtaining authorization from the District's voters to issue up to \$7,000,000 aggregate principal amount of the District's general obligation bonds, pursuant to a 55% vote. The election was conducted under Proposition 39, being chaptered as the Strict Accountability in Local School Construction Bonds Act of 2000, at Section 15264 *et seq.* of the Education Code of the State of California ("Prop 39"). Pursuant to Section 15278 of the Education Code, the District is now obligated to establish the Oversight Committee to satisfy the accountability requirements of Prop 39. The Board of Trustees of the Spreckels Union School District (the "Board") hereby establishes the Citizens' Bond Oversight Committee (the "Committee") which shall have the duties and rights set forth in these Bylaws. The Committee does not have independent legal capacity from the District.

Section 2. Purposes. The purposes of the Committee are set forth in Prop 39, and these Bylaws are specifically made subject to the applicable provisions of Prop 39 as to the duties and rights of the Committee. The Committee shall be deemed to be subject to the *Ralph M. Brown Public Meetings Act* of the State of California and shall conduct its meetings in accordance with the provisions thereof. The District shall provide necessary administrative support at District expense to the Committee as consistent with the Committee's purposes as set forth in Prop 39.

The proceeds of general obligation bonds issued pursuant to the Election are hereinafter referred to as "bond proceeds." The Committee shall confine itself specifically to bond proceeds generated under the ballot measure. Regular and deferred maintenance projects and all monies generated under other sources shall fall outside the scope of the Committee review.

Section 3. Duties. To carry out its stated purposes, the Committee shall perform the following duties:

3.1 Inform the Public. The Committee shall inform the public concerning the District's expenditures of bond proceeds.

3.2 Review Expenditures. The Committee may review quarterly expenditure reports produced by the District to ensure that (a) bond proceeds are expended only for the purposes set forth in the ballot measure; (b) no bond proceeds are used for any teacher or administrative salaries or other operating expenses.

3.3 Annual Report. The Committee shall present to the Board, in public session, an annual written report which shall include the following:

(a) A statement indicating whether the District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution; and

(b) A summary of the Committee's proceedings and activities for the preceding year.

3.4 Duties of the Board/Superintendent. Either the Board or the Superintendent, as the Board shall determine, shall have the following powers reserved to it, and the Committee

shall have no jurisdiction over the following types of activities:

- (i) Approval of construction contracts,
- (ii) Approval of construction change orders,
- (iii) Appropriation of construction funds,
- (iv) Handling of all legal matters,
- (v) Approval of construction plans and schedules,
- (vi) Approval of Deferred Maintenance Plan, and
- (vii) Approval of the sale of bonds.

3.5 Voter-Approved Projects Only. In recognition of the fact that the Committee is charged with overseeing the expenditure of bond proceeds, the District has not charged the Committee with responsibility for:

(a) Projects financed through the State of California, developer fees, redevelopment tax increment, certificates of participation, lease/revenue bonds, the general fund or the sale of surplus property without bond proceeds shall be outside the authority of the Committee.

(b) The establishment of priorities and order of construction for the bond projects shall be made by the Board in its sole discretion.

(c) The selection of architects, engineers, soil engineers, construction managers, project managers, CEQA consultants and such other professional service firms as are required to complete the project based on District criteria established by the Board in its sole discretion.

(d) The approval of the design for each project including exterior materials, paint color, interior finishes, site plan and construction methods (modular vs. permanent) by the Board in its sole discretion and shall report to the Committee on any cost saving techniques considered or adopted by the Board.

(e) The selection of independent audit firm(s), performance audit consultants and such other consultants as are necessary to support the activities of the Committee.

(f) The approval of an annual budget for the Committee that is sufficient to carry activities set forth in Prop 39 and included herein.

(g) The adoption of a plan for publicizing the activities of the Committee and the determination as to whether a mailer, a newspaper notice or website materials would best suit the distribution of the Committee's findings and recommendations.

(h) The amendment or modification of the Bylaws for the Committee as provided herein, subject to the legal requirements of Prop 39.

(i) The appointment or reappointment of qualified applicants to serve on the Committee, subject to legal limitations, and based on criteria adopted in the Board's sole discretion as part of carrying out its functions under Prop 39.

Section 4. Authorized Activities

4.1 In order to perform the duties set forth in Section 3.0, the Committee may engage in the following authorized activities:

(a) Receive and review copies of the District's annual independent performance audit and annual independent financial audit, required by Article XIIA of the California Constitution.

(b) Inspect school facilities and grounds for which bond proceeds have been or will be expended, in accordance with any access procedure established by the District's Superintendent.

(c) Review copies of deferred maintenance proposals or plans developed by the District.

(d) Review efforts by the District to maximize bond proceeds by implementing various cost-saving measures.

Section 5. Membership

5.1 Number. The Committee shall consist of a minimum of seven (7) members appointed by the Board of Trustees from a list of candidates submitting written applications, and based on criteria established by Prop 39, to wit

- One (1) member active in a business organization representing the business community located in the District.
- One (1) member active in a senior citizen's organization.
- One (1) member active in a bona-fide taxpayers association.
- One (1) member shall be a parent or guardian of a child enrolled in the District.
- One (1) member shall be both a parent or guardian of a child enrolled in the district and active in a parent-teacher organization or school site council.
- Two (2) members of the community at-large appointed by the Board.

5.2 Qualification Standards.

(a) To be a qualified person, he or she must be at least 18 years of age and reside within the District's geographic boundary, in accordance with Government Code Section 1020.

(b) The Committee may not include any employee, official of the District or any vendor, contractor or consultant of the District.

5.3 Ethics: Conflicts of Interest. By accepting appointment to the Committee, each member agrees to comply with Articles 4 (commencing with Section 1090) and 4.7 (commencing with Section 1125) of Division 4 of Title 1 of the Government Code and the Political Reform Act (Gov. Code §§ 81000 *et seq.*), and to complete the Form 700 as required by all "designated employees" of the District. Additionally, each member shall comply with the Committee Ethics Policy attached as "Attachment A" to these Bylaws.

5.4 Term. Except as otherwise provided herein, each member shall serve a term of two (2) years, beginning September, 2022. No member may serve more than three (3) consecutive terms. At the Committee's first meeting, members will draw lots to select a minimum of two (2) members to serve for an initial one (1) year term and the remaining members for an initial two (2) year term.

5.5 Appointment. Members of the Committee shall be appointed by the Board through the following process: (a) appropriate local groups will be solicited for applications; (b) the Superintendent or his designee will review the applications; (c) the Superintendent or his designee will make recommendations to the Board.

5.6 Removal; Vacancy. The Board may remove any Committee member for any reason, including failure to attend two (2) consecutive Committee meetings without reasonable excuse or for failure to comply with the Committee Ethics Policy. Upon a member's removal, his or her seat shall be declared vacant. The Board, in accordance with the established appointment process shall fill any vacancies on the Committee.

5.7 Compensation. The Committee members shall not be compensated for their services.

5.8 Authority of Members. (a) Committee members shall not have the authority to direct staff of the District. (b) Individual members of the Committee retain the right to address the Board as an individual.

Section 6. Meetings of the Committee.

6.1 Regular Meetings. The Committee is required to meet at least once a year including an annual organizational meeting to be held in September 2022

6.2 Location; All meetings shall be held within the District.

6.3 Procedures. All meetings shall be open to the public in accordance with the *Ralph M. Brown Act*, Government Code Section 54950 *et seq.* Meetings shall be conducted according to such additional procedural rules as the Committee may adopt. A majority of the

number of Committee members shall constitute a quorum for the transaction of any business except adjournment.

Section 7. District Support.

7.1 The District shall provide to the Committee necessary technical and administrative assistance as follows:

(a) preparation of and posting of public notices as required by the *Ralph M. Brown Act*, ensuring that all notices to the public are provided in the same manner as notices regarding meetings of the District Board;

(b) provision of a meeting room, including any necessary audio/visual equipment;

(c) preparation and copies of any documentary meeting materials, such as agendas and reports; and

(d) retention of all Committee records and providing public access to such records on an Internet website maintained by the District.

7.2 District staff and/or District consultants shall attend all Committee proceedings in order to report on the status of projects and the expenditures of bond proceeds.

7.3 No bond proceeds shall be used to provide District support to the Committee.

Section 8. Reports. In addition to the Annual Report required in Section 3.2, the Committee may report to the Board at least semi-annually in order to advise the Board on the activities of the Committee. Such report shall be in writing and shall summarize the proceedings and activities conducted by the Committee.

Section 9. Officer. The Superintendent shall appoint the initial Chair. Thereafter, the Committee shall elect a Chair and a Vice-Chair who shall act as Chair only when the Chair is absent, which positions shall continue for two (2) year terms. No person shall serve as Chair for more than two (2) consecutive terms.

Section 10. Amendment of Bylaws. Any amendment to these Bylaws shall be approved by a two-thirds vote of the entire Board.

Section 11. Termination. The Committee shall automatically terminate and disband at the earlier of the date when (a) all bond proceeds are spent, or (b) all projects funded by bond proceeds are completed.

CITIZENS' BOND OVERSIGHT COMMITTEE ETHICS POLICY STATEMENT

This following Ethics Policy Statement provides general guidelines for Committee members to perform their roles. Not all ethical issues that Committee members face are covered in this Statement. However, this Statement captures some of the critical areas that help define ethical and professional conduct for Committee members. The provisions of this Statement were developed from existing laws, rules, policies and procedures as well as from concepts that define generally accepted good business practices. Committee members are expected to strictly adhere to the provisions of this Ethics Policy.

POLICY

- **CONFLICT OF INTEREST.** A Committee member shall not make or influence a District decision related to: (1) any contract funded by bond proceeds or (2) any construction project which will benefit the committee member's outside employment, business, or a personal finance or benefit an immediate family member, such as a spouse, child or parent.

- **OUTSIDE EMPLOYMENT.** A Committee member shall not use his or her authority over a particular matter to negotiate future employment with any person or organization that relates to: (1) any contract funded by bond proceeds, or (2) any construction project. A Committee member shall not make or influence a District decision related to any construction project involving the interest of a person with whom the member has an agreement concerning current or future employment, or remuneration of any kind. For a period of two (2) years after leaving the Committee, a former Committee member may not represent any person or organization for compensation in connection with any matter pending before the District that, as a Committee member, he or she participated in personally and substantially. Specifically, for a period of two (2) years after leaving the Committee, a former Committee member and the companies and businesses for which the member works shall be prohibited from contracting with the District with respect to: (1) bidding on projects funded by the bond proceeds; and (2) any construction project.

- **COMMITMENT TO UPHOLD LAW.** A Committee member shall uphold the federal and California Constitutions, the laws and regulations of the United States and the State of California (particularly the Education Code) and all other applicable government entities, and the policies, procedures, rules and regulations of the Spreckels Union School District;

- **COMMITMENT TO DISTRICT.** A Committee member shall place the interest of the District above any personal or business interest of the member.

The undersigned acknowledges he or she has received a copy of this Ethics Policy Statement, understands the provisions of this policy and agrees to adhere to its requirements.

Date

Member, Bond Oversight Committee

RESOLUTION NO. 12-13/2

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE SPRECKELS UNION
SCHOOL DISTRICT ORDERING AN ELECTION TO AUTHORIZE THE ISSUANCE
OF SCHOOL BONDS, ESTABLISHING SPECIFICATIONS OF THE ELECTION
ORDER, AND REQUESTING CONSOLIDATION WITH OTHER ELECTIONS
OCCURRING ON NOVEMBER 6, 2012**

- WHEREAS, Spreckels Union School District wishes to build upon the excellent, high quality education that exists in both of our local schools; and
- WHEREAS, Improving our classrooms and school sites will allow the District to retain quality teachers and reduce the impact of State budget cuts in our schools; and
- WHEREAS, After years of planning and getting input from the community, parents, teachers and staff we have identified important priorities that include upgrading safety, fire alarms and 9-1-1 security systems; increasing access to classroom/instructional technology; repairing roofs and ventilation systems; and
- WHEREAS, Improving our classrooms and school sites help retain excellent teachers while strengthening and maintaining our community's individual home property values in today's tough economy; and
- WHEREAS, Sacramento is prohibited from taking any of the funds raised from these school bonds; and
- WHEREAS, in the judgment of the Board of Trustees (the "Board") of the Spreckels Union School District (the "District"), it is advisable to call an election to submit to the electors of the District the question whether bonds of the District shall be issued and sold for the purpose of raising money for the acquisition or improvement of real property, and the furnishing and equipping of school facilities; and
- WHEREAS, as a result of the approval of Proposition 39 on November 7, 2000, Article XIII A, Section 1, paragraph (b), of the California Constitution ("Article XIII A") provides an exception to the limit on *ad valorem* property taxes on real property for bonded indebtedness incurred by a school district approved by 55 percent of the voters of the district voting on the proposition; and
- WHEREAS, the Board is specifically authorized, upon approval by a two-thirds vote of the Board, to pursue the authorization and issuance of bonds by a fifty-five percent (55%) vote of the electorate on the question whether bonds of the District shall be issued and sold for specified purposes, pursuant to Education Code Section 15264 *et seq.* (the "Act"); and
- WHEREAS, pursuant to the California Elections Code, it is appropriate for the Board to request consolidation of the election with any and all other elections to be held on Tuesday, November 6, 2012, and to request the Monterey County Registrar of Voters to perform certain election services for the District; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Trustees of the Spreckels Union School District the following:

- Section 1. Call for Election.** The Board hereby orders an election and submits to the electors of the District the question of whether general obligation bonds of the District shall be issued and sold in the maximum principal amount of \$ 7 million for the purpose of raising money to finance school facilities and property of the District, and paying costs incident thereto, as set forth more fully in the ballot proposition approved pursuant to Section 3. This Resolution constitutes the order of the District to call such election.
- Section 2. Election Date.** The date of the election shall be November 6, 2012, and the election shall be held solely within the boundaries of the District.
- Section 3. Purpose of Election; Ballot Proposition.** The purpose of the election shall be for the voters in the District to vote on a proposition, a full copy of which is attached hereto and marked Exhibit A, containing the question of whether the District shall issue the Bonds for the purpose stated therein, together with the accountability requirements of Article XIII A and Government Code Section 53410 and the requirements of Section 15272 of the Act. The Monterey County Registrar of Voters (the "County Registrar") is requested to print the Full Text of Measure contained on Exhibit A, including Exhibit A-1 in the sample ballot pamphlet. As required by Elections Code Section 13247, the abbreviated form of the measure to appear on the ballot is attached hereto and marked as Exhibit B. The Superintendent or his designee is hereby authorized and directed to make any changes to the text of the proposition or this resolution as required to conform to any requirements of Article XIII A, the Act, or the Monterey County Registrar of Voters.
- Section 4. Authority for Election.** The authority for ordering the election is contained in Section 15264 *et. seq.* of the Education Code and Section I, paragraph (b), subsection (3), of Article XIII A. The authority for the specification of this election order is contained in Section 5322 of the Education Code.
- Section 5. School Facilities Projects.** As required by Article XIII A, the Board hereby certifies that it has evaluated safety, class size reduction, enrollment growth, and information technology needs in developing the list of school facilities projects set forth on Exhibit A-1.
- Section 6. Covenants of the Board upon Approval of the Bonds by the Electorate.** As required by Article XIII, Section 15278 of the Act, and Government Code Section 53410, in the event 55 percent of the voters voting in the District approve of the Bonds, the Board shall:
1. conduct an annual, independent performance audit to ensure that the funds have been expended only on the projects listed in Exhibit A-1;
 2. 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 school facilities projects listed in Exhibit A-1;
 3. establish and appoint members to an independent citizens' oversight committee in accordance with Sections 15278, 15280, and 15282 of the Act;

4. apply the bond proceeds only to the specific purposes stated in the ballot proposition;
5. cause creation of accounts into which bond proceeds shall be deposited; and
6. cause the preparation of an annual report pursuant to Government Code Sections 53410 and 53411.

Section 7. Delivery of this Resolution. The Clerk of the Board is hereby directed to send a copy of this Resolution to the Monterey County Superintendent of Schools, the County Registrar and the Monterey County Clerk of the Board of Supervisors.

Section 8. Consolidation of Election. The County Registrar and the Monterey County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on November 6, 2012, within the District.

Section 9. Ballot Arguments; Tax Rate Statement. Any and all members of this Board are hereby authorized to act as an author of any ballot argument prepared in connection with the election, including a rebuttal argument. The Superintendent, President of the Board, or their designees, are hereby authorized to execute any Tax Rate Statement or other document and to perform all acts necessary to place the bond measure on the ballot.


Section 10. Elections Code. Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Board of Supervisors of Monterey County, is requested to permit the Registrar of Voters to render all services specified by Section 10418 of the Elections Code relating to the election, for which services the District agrees to reimburse Monterey County in full upon presentation of a bill, such services to include the mailing of the sample ballot and tax rate statement (described in Section 9401 of the Elections Code).

Section 11. Agreement. The Superintendent is authorized and directed to execute the agreement on file with Jones Hall, A Professional Law Corporation, which firm is appointed hereby to perform bond and disclosure counsel services in regard to the Bonds.

Section 12. Effective Date. This resolution shall take effect on and after its adoption.

PASSED AND ADOPTED by the Board of Trustees of the Spreckels Union School District the 31 day of July, 2012.

Signed:



Clerk V.P.

CLERK'S CERTIFICATE

I, KRISTINA FORESTER ^{VICE PRESIDENT} ~~Clerk~~ of the Board of Trustees of the SPRECKELS UNION SCHOOL DISTRICT, hereby certify that the foregoing is a full, true, and correct copy of Resolution 12-17 adopted at a regular meeting place thereof on the 31 day of JULY, 2012, of which meeting all the members of said Board of Trustees had due notice and at which a majority thereof were present, and that at said meeting said resolution was adopted by the following vote:

AYES: 4
NOES: 0
ABSENT: 1
ABSTENTIONS: 0

An agenda of said meeting was posted at least 72 hours before said meeting at Spreckels, California, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; that the foregoing resolution is a full, true and correct copy of the original resolution adopted at said board meeting and entered in said minutes; and that said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: July 31, 2012



V.P. - Clerk of the Board of Trustees of the
SPRECKELS UNION SCHOOL DISTRICT

EXHIBIT A
BALLOT MEASURE
FULL TEXT OF MEASURE

This proposition may be known and referred to as the Spreckels Union School District General Obligation Bond of 2012, or Measure _____

BOND AUTHORIZATION

By approval of this proposition by at least 55 percent of the registered voters voting on the proposition, the Spreckels Union School District (the "District") shall be authorized to issue and sell bonds of up to \$7 million in aggregate principal at interest rates below the legal limit, to provide financing for the specific school facilities projects listed in the Bond Project List attached hereto as Exhibit A-1, subject to all the accountability requirements specified below.

BOND PROJECT LIST

The Bond Project List attached to this resolution as Exhibit A-1 shall be considered a part of the ballot proposition and shall be reproduced in any official document required to contain the full statement of the bond proposition.

Approval of this Bond Measure (the "Measure") does not guarantee that the proposed project or projects in the District that are the subject of bonds under the Measure will be funded beyond the local revenues generated by the Measure. If state matching funds become available, they will be used for and applied to the Bond Project List as per Exhibit A-1.

The school district's proposal for the project or projects may assume the receipt of matching state funds, which could be subject to appropriation by the Legislature or approval of a statewide bond measure.

ACCOUNTABILITY REQUIREMENTS

The provisions in this section are specifically included in this proposition in order that the voters and taxpayers in the District may be assured that their money will be spent wisely to address specific facilities needs of the District all in compliance with the requirements of Article XIII A, Section 1(b)(3), of the State Constitution and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at Education Code Sections 15264 and following.)

Evaluation of Needs. The Board has prepared an updated facilities plan in order to evaluate and address all of the facilities needs of the District. The Board hereby certifies that it has evaluated safety, class size reduction, enrollment growth, and information technology needs in developing the Bond Project List contained in Exhibit A-1.

Independent Citizens' Oversight Committee. The Board shall establish an Independent Citizens' Oversight Committee pursuant to Education Code Section 15278 and following to ensure bond proceeds are expended only on the school facilities projects listed in Exhibit A-1.

The committee shall be established within 60 days of the date when the results of the election appear in the minutes of the Board.

Performance Audits. The Board shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects listed in Exhibit A-1.

Financial Audits. The Board shall conduct an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent only for the school facilities projects listed in Exhibit A-1. Specifically, the State is prohibited from seizing these local bond proceeds, and NO proceeds can be spent on administrators' salaries or pensions.

Special Bond Proceeds Account: Annual Report to Board. Upon approval of this proposition and the sale of any bonds approved, the Board shall take actions necessary to establish an account in which proceeds of the sale of bonds will be deposited. As long as any proceeds of the bonds remain unexpended, the Superintendent of the District shall cause a report to be filed with the Board annually stating (1) the amount of bond proceeds received and expended in that year, and (2) the status of any project funded or to be funded from bond proceeds. The report may relate to the calendar year, fiscal year, or other appropriate annual period as the Superintendent shall determine and may be incorporated in the annual budget, audit, or another appropriate routine report to the Board.

FURTHER SPECIFICATIONS

No Administrator Salaries. Proceeds from the sale of bonds authorized by this proposition shall be used only for the construction, reconstruction and/or rehabilitation of school facilities including the furnishing and equipping of school facilities or acquisition or lease of real property for school facilities and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

The proceeds of the bonds will be deposited into a Building Fund to be held by the Monterey County Treasurer, as required by the California Education Code.

EXHIBIT A-1

SPRECKELS UNION SCHOOL DISTRICT BOND PROJECT LIST

The Board of Trustees of the Spreckels Union School District (the "District") evaluated the District's urgent and critical facility needs, including safety issues, outdated technology, and desire to improve student achievement and the quality of education in Spreckels schools, in developing the scope of projects to be funded.

The following school projects are the priorities that have been identified by the District in the Spreckels Facilities Funding Profile, following extensive input from school stakeholders including parents, teachers, staff, and the community.

In approving this Project List, the Board of Trustees determines that:

- (i) improving our classrooms and school sites will allow the District to retain quality teachers and reduce the impact of state budget cuts on our schools; and
- (ii) increasing student and teacher access to classroom technology supports student achievement and improves educational quality; and
- (iii) improving student safety, including upgrading safety/fire alarms and 9-1-1 security systems, is necessary and important for our children's health and learning environment; and
- (iv) Spreckels Elementary and Buena Vista Middle School will each receive their fair share of funding, and upgrades and repairs will benefit the community and every student and family served; and
- (v) Specific accountability safeguards must be adhered to such as:
 - a. All expenditures must be subject to annual independent financial audits,
 - b. No funds can be used for teacher and administrators' salaries and pensions (as determined by the California Attorney General),
 - c. All funds must be used on SUSD projects only,
 - d. An independent citizen oversight committee must be appointed to ensure that all funds are spent only as authorized.

Projects are not listed in priority order and may be enhanced, supplemented or expanded to the extent additional state and other unexpected funds become available for such projects in the future from non-bond sources. The specific school facilities projects to be funded include, but shall not be limited to:

LOCAL SCHOOL REPAIR, IMPROVEMENT, UPGRADE, EXPANSION AND CONSTRUCTION PROJECTS
As needed and as sufficient funds are available, bond funds, in conjunction with eligible state funds and other future District funding/revenue sources, will be used to make the following types of repairs, classroom improvements and other upgrades to local school campuses and to improve school safety, as well as to construct, repair and/or expand additional classrooms to address overcrowding, ventilation and health and safety matters, as appropriate, including:
District-wide Projects
• Implement classroom technology and computer upgrades, replacements and enhancements.

<ul style="list-style-type: none"> •Implement student safety repairs or upgrades including fire alarms, 9-1-1 security systems, other safety and security improvements and/or repairs or replacements of systems including clocks, alarms, public address systems, projectors, sound systems District-wide. •Repairing roofs and ventilation systems in school facilities. •Upgrade classroom instruction technology in school facilities. •Construct and implement safety and security improvements at all District sites, including facility and site rehabilitation, upgrades and enhancements to support instruction District-wide. •Seek to obtain matching state grant funds, when and if available, for eligible school repair, improvement, upgrade, expansion and new construction projects.
Projects at Spreckels Elementary School
<ul style="list-style-type: none"> •Implement classroom technology and computer upgrades, replacements and enhancements. •Implement student safety repairs or upgrades including fire alarms, 9-1-1 security systems, other safety and security improvements and/or repairs or replacements of systems including clocks, alarms, public address systems, projectors, and sound systems at the school site. •Construct and implement additional safety and security improvements at this site, including facility and site rehabilitation, upgrades and enhancements to support instruction. •Construct refurbishment, safety improvements and expansion of playfields. •Construct and implement drainage and safety improvements including resurfacing of hard courts. •Construct and implement parking and traffic flow safety and security improvements and upgrades, including ingress and egress. •Construct and install energy-efficient solar energy power package and related improvements. •Construct and implement rehabilitation, upgrades, improvements and repairs of plumbing and drinking fountains. •Implement electrical and Ventilation/HVAC system improvements, upgrades, replacements and repairs. •Address roofing concerns, including repairs, refurbishment, upgrades and/or replacement as appropriate. •Purchase land and any rights-of-way and/or easements, if any are made necessary by such repair, improvement, upgrade, expansion, installation and/or construction projects. •Implement associated onsite and offsite development and other improvements made necessary by any such repair, improvement, upgrade, installation, expansion and/or construction projects. •Planning and designing necessary for any such repair, improvement, upgrade, expansion, refurbishment, and expansion and construction projects. •Purchase and install new school furniture and equipment as needed, including communications, computer, other technology and equipment.
Projects at Buena Vista Middle School
<ul style="list-style-type: none"> •Implement classroom technology and computer upgrades, replacements and enhancements. •Implement student safety repairs or upgrades including fire alarms, 9-1-1 security systems, safety and security improvements and/or repairs or replacements of systems including clocks, alarms, public address systems, projectors, and sound systems at the school site. •Construct and implement additional safety and security improvements at this site, including facility and site rehabilitation, upgrades and enhancements to support instruction. •Conduct renovation, rehabilitation, repair and/or replacement of outdated portables. •Conduct refurbishment, safety improvements and expansion of playfields and other physical education areas. •Construct and install energy efficient solar energy power package and related improvements. •Construct and implement rehabilitation, upgrades, improvements and repairs of plumbing and drinking fountains. •Implement electrical and Ventilation/HVAC system improvements, upgrades, replacements and repairs. •Address roofing concerns, including repairs, refurbishment, upgrades and/or replacement as appropriate. •Purchase land and any rights-of-way and/or easements, if any are made necessary by such repair, improvement, upgrade, expansion, installation and/or construction projects. •Implement associated onsite and offsite development and other improvements made necessary by any such repair, improvement, upgrade, installation, expansion and/or construction projects. •Planning and designing necessary for any such repair, improvement, upgrade, expansion, refurbishment, expansion and construction projects. •Purchase and install new school furniture and equipment as needed, including communications, computer, other technology and equipment.

EXHIBIT B

BALLOT MEASURE (ABBREVIATED FORM)

SPRECKELS UNION SCHOOL DISTRICT STUDENT ACHIEVEMENT AND SCHOOL SAFETY MEASURE.

To improve educational quality/student achievement/safety in every local school, retain teachers, reduce the impact of state budget cuts, qualify for matching grants by:

- Upgrading technology to improve teaching/student learning
- Repairing/Upgrading fire alarms, 9-1-1 systems, roofs, ventilation, classrooms/computer labs

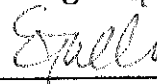
Shall Spreckels Union School District issue \$7 million in bonds, within legal interest rates, with annual audits, citizens' oversight, and no funds for administrators' salaries or pensions?

SPRECKELS UNION SCHOOL DISTRICT
TAX RATE STATEMENT FOR
BOND MEASURE ELECTION TO BE HELD ON NOVEMBER 6, 2012

An election will be held in the Spreckels Union School District of Monterey County on November 6, 2012, to authorize the sale of \$7,000,000 in general obligation bonds. The following information is submitted in compliance with Sections 9401 and 9404 of the California Elections Code.

1. The best estimate of the tax rate which would be required to fund this bond issue during the first fiscal year after the sale of the first series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is 2.6 cents per \$100 (\$26 per \$100,000) of assessed valuation in fiscal year 2013-14.
2. The best estimate of the highest tax rate which would be required to fund this bond issue, based on estimated assessed valuations available at the time of filing this statement, is 2.6 cents per \$100 (\$26 per \$100,000) of assessed valuation in fiscal year 2013-14.
3. The best estimate of the tax rate which would be required to fund this bond issue during the first fiscal year after the sale of the last series of bonds, based on estimated assessed valuations available at the time of filing of this statement is 2.6 cents per \$100 (\$26 per \$100,000) of assessed valuation in fiscal year 2016-17.
4. These estimates are based on projections derived from information obtained from official sources. The actual tax rates and the years in which they will apply may vary depending on the timing of bond sales, the amount of bonds sold at each sale, and actual increases in assessed valuations. The timing of the bond sales and the amount of bonds sold at any given time will be governed by the needs of the District. Actual assessed valuations will depend upon the amount and value of taxable property within the District as determined in the assessment and the equalization process.

Dated: August 9, 2012



Superintendent
Spreckels Union School District

SPRECKELS UNION SCHOOL DISTRICT

**BUILDING FUND (MEASURE B)
FINANCIAL AND PERFORMANCE AUDITS**

JUNE 30, 2015

SPRECKELS UNION SCHOOL DISTRICT

**BUILDING FUND (MEASURE B)
FINANCIAL AUDIT**

JUNE 30, 2015

**SPRECKELS UNION SCHOOL DISTRICT
BUILDING FUND (MEASURE B)**

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INDEPENDENT AUDITOR'S REPORT

Governing Board and
Citizens' Oversight Committee
Spreckels Union School District
Spreckels, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Spreckels Union School District (the District), Building Fund (Measure B), as of and for the year ended June 30, 2015, and the related notes to the financial statements, as listed in the table of contents.

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 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 of 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 financial statements, whether due to error or fraud. 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 principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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 financial position of the Building Fund (Measure B) of the Spreckels Union School District at June 30, 2015, and the respective changes in financial position 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 1, the financial statements present only the Building Fund specific to Measure B, and are not intended to present fairly the financial position and changes in financial position of Spreckels Union School District in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming opinions on the Spreckels Union School District School District's Building Fund (Measure B) financial statements. The Schedule of Long-Term Obligations and Reconciliation of Annual Financial Report with Audited Building Fund are presented for purposes of additional analysis and are not a required part of the financial statements.

The Schedule of Long-Term Obligation and Reconciliation of Annual Financial Report with Audited Building Fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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 supplementary information is fairly stated, in all material respects, in relation to the Building Fund (Measure B) 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 December 9, 2015, on our consideration of the District's Building Fund (Measure B) 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's Building Fund (Measure B) internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

Vannink, Trine, Day & Co, LLP

Fresno, California
December 9, 2015

**SPRECKELS UNION SCHOOL DISTRICT
BUILDING FUND (MEASURE B)**

**BALANCE SHEET
JUNE 30, 2015**

ASSETS

Deposits and investments	\$ 5,252,648
Total Assets	<u><u>\$ 5,252,648</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 26,917
Due to other funds	-
Total Liabilities	<u>26,917</u>

FUND BALANCE

Restricted	<u>5,225,731</u>
Total Fund Balance	<u>5,225,731</u>
Total Liabilities and Fund Balance	<u><u>\$ 5,252,648</u></u>

The accompanying notes are an integral part of these financial statements.

**SPRECKELS UNION SCHOOL DISTRICT
BUILDING FUND (MEASURE B)**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2015**

REVENUES

Local revenue	\$ 26,863
Total Revenues	<u>26,863</u>

EXPENDITURES

Current	
Capital outlay	1,417,070
Total Expenditures	<u>1,417,070</u>

Excess of Expenditures Over Revenues	<u>(1,390,207)</u>
FUND BALANCE - BEGINNING	<u>6,615,938</u>
FUND BALANCE - ENDING	<u><u>\$ 5,225,731</u></u>

The accompanying notes are an integral part of these financial statements.

SPRECKELS UNION SCHOOL DISTRICT BUILDING FUND (MEASURE B)

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Spreckels Union School District's (the District) Building Fund (Measure B) conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). The Spreckels Union School District Building Fund 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 Spreckels Union School District used to account for Measure B. This Fund was established to account for the expenditures of general obligation bonds issued under Measure B. These financial statements are not intended to present fairly the financial position and results of operations of the Spreckels Union School District in compliance with accounting principles generally accepted in the United States of America.

Fund Accounting

The operations of the Building Fund 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 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.

SPRECKELS UNION SCHOOL DISTRICT BUILDING FUND (MEASURE B)

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

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.

Fund Balance - Building Fund (Measure B)

As of June 30, 2015, fund balance of the Building Fund is classified as follows:

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Use of 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.

NOTE 2 - INVESTMENTS

Policies and Practices

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

Investment in County Treasury

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statement at 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 that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

**SPRECKELS UNION SCHOOL DISTRICT
BUILDING FUND (MEASURE B)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% 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 (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the Monterey County Investment Pool. The District maintains a building fund investment of \$5,252,648 with the Monterey County Investment Pool. The fair value of this investment is approximately \$5,252,490 with an average maturity of two years.

NOTE 3 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2015, consisted of the following:

Vendors	<u><u>\$ 26,917</u></u>
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**SPRECKELS UNION SCHOOL DISTRICT
BUILDING FUND (MEASURE B)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 4 - COMMITMENTS AND CONTINGENCIES

Construction Commitments

As of June 30, 2015, the District had the following commitments with respect to the unfinished capital projects:

<u>Election 2012 GOB Series A</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Buena Vista site improvement and technology upgrades	\$ 1,122,408	November 2015
Spreckels school site improvement and technology upgrades	3,044,103	November 2015
Total	<u>\$ 4,166,511</u>	

Litigation

The District is not currently a party to any legal proceedings regarding bond projects.

SUPPLEMENTARY INFORMATION

**SPRECKELS UNION SCHOOL DISTRICT
BUILDING FUND (MEASURE B)**

**SCHEDULE OF LONG-TERM OBLIGATIONS
JUNE 30, 2015**

2012 General Obligation Bonds - Series A

In May 2014, the District issued general obligation bonds in the principal amount of \$7,000,000 for the addition and modernization of school facilities. The bonds were issued as current interest bonds with interest rates ranging from 2.0 percent to 3.75 percent. The bond payments begin on August 1, 2014 and mature on February 1, 2039.

General Obligation Bonds

The general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2014	Redeemed	Bonds Outstanding June 30, 2015
5/8/14	2/1/39	2.0-3.75%	\$ 7,000,000	<u>\$ 7,000,000</u>	<u>\$ 385,000</u>	<u>\$ 6,615,000</u>

2012 Series A General Obligation Bonds

Fiscal Year	Principal	Interest to Maturity	Total
2016	\$ 110,000	\$ 238,713	\$ 348,713
2017	115,000	236,513	351,513
2018	125,000	234,213	359,213
2019	135,000	231,713	366,713
2020	145,000	229,013	374,013
2021-2025	895,000	1,097,688	1,992,688
2026-2030	1,295,000	926,288	2,221,288
2031-2035	1,835,000	618,675	2,453,675
2036-2039	1,960,000	202,000	2,162,000
Total, current interest refunding bonds	<u>\$ 6,615,000</u>	<u>\$ 4,014,816</u>	<u>\$ 10,629,816</u>

**SPRECKELS UNION SCHOOL DISTRICT
BUILDING FUND (MEASURE B)**

**RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED
GENERAL OBLIGATION BOND FUND
JUNE 30, 2015**

There were no adjustments to the Unaudited Actual Building Fund (Measure B), which required reconciliation to the audited financial statements at June 30, 2015.

**SPRECKELS UNION SCHOOL DISTRICT
BUILDING FUND (MEASURE B)**

**NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Long-Term Obligations

This schedule provides a debt repayment schedule associated with the bond proceeds received through issuance of Building Fund (Measure B) obligations.

Reconciliation of Annual Financial Report With Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of the Building Fund (Measure B) reported on the Unaudited Actual Financial Report to the audited financial statements.

INDEPENDENT AUDITOR'S REPORT



**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
Spreckels Union School District
Spreckels, 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 accompanying financial statements of the Spreckels Union School District (the District) Building Fund (Measure B), as of and for the year ended June 30, 2015, and the related notes of the financial statements, and have issued our report thereon dated December 9, 2015.

As discussed in Note 1, the financial statements present only the Building Fund specific to Measure B, and are not intended to present fairly the financial position and changes in financial position of Spreckels Union School District in accordance with accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Spreckels Union School District's internal control over financial reporting as a basis for designing our auditing procedures 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 Spreckels Union School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Spreckels Union School District's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be, significant deficiencies or material weaknesses. 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.

Compliance and Other Matters

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

Purpose of This Report

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

Vannink, Trine, Day & Co, LLP

Fresno, California
December 9, 2015

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**SPRECKELS UNION SCHOOL DISTRICT
BUILDING FUND (MEASURE B)**

**FINANCIAL STATEMENT FINDINGS
JUNE 30, 2015**

None reported.

**SPRECKELS UNION SCHOOL DISTRICT
BUILDING FUND (MEASURE B)**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2015**

There were no audit findings reported in the prior year's schedule of financial statement findings.

SPRECKELS UNION SCHOOL DISTRICT

**BUILDING FUND (MEASURE B)
PERFORMANCE AUDIT**

JUNE 30, 2015

**SPRECKELS UNION SCHOOL DISTRICT
BUILDING FUND (MEASURE B)**

**PERFORMANCE AUDIT
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INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

Governing Board and
Citizens Oversight Committee
Spreckels Union School District
Spreckels, California

We were engaged to conduct a performance audit of the Spreckels Union School District (the District) Building Fund (Measure B) for the year ended June 30, 2015.

We conducted this performance audit in accordance with the standards applicable to performance 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 sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Our audit was limited to the objectives listed 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. 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.

The results of our tests indicated that the District expended Building Fund (Measure B) 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.

Vavrinek, Trine, Day & Co., LLP

Fresno, California
December 9, 2015

SPRECKELS UNION SCHOOL DISTRICT BUILDING FUND (MEASURE B)

JUNE 30, 2015

AUTHORITY FOR ISSUANCE

The general obligation bonds associated with Measure B were 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.

The Spreckels Union School District received authorization at the election held on November 6, 2012, to issue bonds of the Districts in an aggregate principal amount not to exceed \$7,000,000. The proceeds are to finance construction and renovation projects approved by eligible voters within Districts. The propositions required approval by eligible voters within the Districts and the bonds represent the series of the authorized bonds issued under the 2012 authorizations.

PURPOSE OF ISSUANCE

The net proceeds of the Bonds and any other series of general obligation bonds issued under the Authorizations will be used for the purposes specified in the District bond proposition submitted at the election.

The 2012 general obligation bonds were issued "to improve educational quality/student achievement/safety in every local school, retain teachers, reduce the impact of state budget cuts, qualify for matching grants by upgrading technology to improve teaching/student learning, repairing/upgrading fire alarms, 9-1-1 systems, roofs, ventilation, classrooms/computer labs."

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 percent of the electorate. In addition to reducing the approval threshold from two-thirds to 55 percent, 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.

SPRECKELS UNION SCHOOL DISTRICT BUILDING FUND (MEASURE B)

JUNE 30, 2015

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 B.
2. Determine whether salary transactions, charged to the Building Fund were in support of Measure B and not for District general administration or operations.

SCOPE OF THE AUDIT

The scope of our performance audit covered the period of July 1, 2014 to June 30, 2015. 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, 2015, were not reviewed or included within the scope of our audit or in this report.

PROCEDURES PERFORMED

We obtained the general ledger and the project expenditure reports prepared by the District for the period July 1 2014 through June 30, 2015, for the Building Fund (Measure B). Within the fiscal year audited, we obtained the actual invoices 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 B as to the approved bond projects list. We performed the following procedures:

1. We selected a sample of expenditures for the period starting July 1, 2014 and ending June 30, 2015, and reviewed supporting documentation to ensure that such funds were properly expended on the specific projects listed in the ballot text.
2. Our sample included bond related transactions totaling \$1,195,083. This represents 84 percent of the total expenditures of \$1,417,070, within the District's Building Fund.
3. We verified that funds from the Building Fund (Measure B) were generally expended for the construction, renovation, furnishing and equipping of District facilities constituting authorized bond projects.

CONCLUSION

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

**SPRECKELS UNION SCHOOL DISTRICT
BUILDING FUND (MEASURE W)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015**

None reported.

**SPRECKELS UNION SCHOOL DISTRICT
BUILDING FUND (MEASURE B)**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2015**

There were no audit findings reported in the prior year's schedule of financial statement findings.

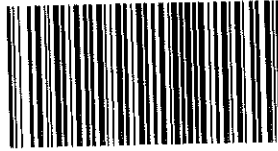
RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

NAME SPRECKELS UNION SCHOOL DISTRICT
STREET P.O. BOX 7362
ADDRESS
CITY, STATE & SPRECKELS, CA 93962
ZIP CODE

Stephen L. Vagnini
Monterey County Recorder
Recorded at the request of
Filer

CRALMA
1/19/2016
12:28:49

DOCUMENT: 2016002756



Titles: 1/ Pages: 1
Fees....
Taxes...
Other...
AMT PAID

SPACE ABOVE THIS LINE FOR RECORDERS USE

NOTICE OF COMPLETION

Notice is hereby given that:

1. The undersigned is owner or corporate officer of the owner of the interest or estate stated below in the property hereinafter described:

2. The full name of the owner is Spreckels Union School District

3. The full address of the owner is P.O. Box 7362, Spreckels, CA 93962

4. The nature of the interest or estate of the owner is: In fee.

N/A

(IF OTHER THAN FEE, STRIKE "IN FEE" AND INSERT, FOR EXAMPLE, "PURCHASED UNDER CONTRACT OF PURCHASE", OR "LESSEE")

5. The full names and full addresses of all persons, if any, who hold title with the undersigned as joint tenants or as tenants in common are:

N/A

6. The full names and full addresses of the predecessors in interest of the undersigned, if the property was transferred subsequent to the commencement of the work or improvements herein referred to:

N/A

7. A work of improvement on the property hereinafter described was completed on October 1, 2015

8. The work done was:

Site Improvements at Buena Vista Middle School, as specified in Agreement executed May 15, 2015

9. The name of the contractor, if any, for such work of improvement was Dilbeck and Sons Inc. (issued a notice to proceed June 8, 2015)

10. The property on which said work of improvement was completed is in the City of Salinas

County of Monterey, State of CA, and is described as follows: Buena Vista Middle School

11. The Street address of said property is 18250 Tara Drive, Salinas, CA 93908

VERIFICATION

I, the undersigned, declare that I am the Superintendent of the Spreckels Union School District and that I have read the foregoing notice of completions and know its contents, and that the same is true to the best of my knowledge and belief.

I have read said notice of completion and know the contents thereof; the same is true of my own knowledge. I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 17th day of November, 2015 in Spreckels, California.

By: 
Eric Tarallo, Superintendent

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

NAME SPRECKELS UNION SCHOOL DISTRICT

STREET P.O. BOX 7362
ADDRESS

CITY, STATE & SPRECKELS, CA 93962
ZIP CODE

Stephen L. Vagnini
Monterey County Recorder
Recorded at the request of
Filer

CRSUSY
3/29/2016
14:54:49

DOCUMENT: 2016016187



Titles: 1/ Pages: 1

Fees....

Taxes...

Other... 2.00

AMT PAID \$2.00

SPACE ABOVE THIS LINE FOR RECORDERS USE

NOTICE OF COMPLETION

Notice is hereby given that:

1. The undersigned is owner or corporate officer of the owner of the interest or estate stated below in the property hereinafter described:

2. The full name of the owner is Spreckels Union School District

3. The full address of the owner is P.O. Box 7362, Spreckels, CA 93962

4. The nature of the interest or estate of the owner is: In fee.

N/A

(IF OTHER THAN FEE, STRIKE "IN FEE" AND INSERT, FOR EXAMPLE, "PURCHASED UNDER CONTRACT OF PURCHASE", OR "LESSEE")

5. The full names and full addresses of all persons, if any, who hold title with the undersigned as joint tenants or as tenants in common are:

NAMES

ADDRESSES

N/A

6. The full names and full addresses of the predecessors in interest of the undersigned, if the property was transferred subsequent to the commencement of the work or improvements herein referred to:

NAMES

ADDRESSES

N/A

7. A work of improvement on the property hereinafter described was completed on October 1, 2015

8. The work done was:

Site Improvements at Spreckels School, as specified in Agreement executed May 15, 2015

9. The name of the contractor, if any, for such work of improvement was Dilbeck and Sons Inc. (issued a notice to proceed June 8, 2015)

10. The property on which said work of improvement was completed is in the City of Spreckels
County of Monterey, State of CA, and is described as follows: Spreckels School

11. The Street address of said property is 4th and Hatton, Spreckels, CA 93962

VERIFICATION

I, the undersigned, declare that I am the Superintendent of the Spreckels Union School District and that I have read the foregoing notice of completions and know its contents, and that the same is true to the best of my knowledge and belief.

I have read said notice of completion and know the contents thereof; the same is true of my own knowledge. I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 29th day of March, 2016 in Spreckels, California.

By: [Signature]
Eric Tarallo, Superintendent

Spreckels Union School District

Citizens' Bond Oversight Committee
Building Fund 21 Activity

A	B	C	D	E	F	G
1	Presented to CBOC March 31, 2016			Expenditures	Revenue	Fund Balance
2	Building Fund Financial and Performance Audit Period Ending June 30, 2015					\$ 5,225,730.83
3	Interest Revenue period ending March 31, 2016				\$ 20,023.90	
4	Expenditures period ending March 31, 2016			\$ 4,434,584.30		
5	Encumbrances period ending March 31, 2016			\$ 18,636.60		
6	TOTAL period ending March 31, 2016			\$ 4,453,220.90	\$ 20,023.90	
7	Fund Balance March 31, 2016 (last CBOC meeting)					\$ 792,533.83
8	Interest Revenue April 1, 2016 to June 30, 2016				\$ 2,708.62	
9	Expenditures April 1, 2016 to June 30, 2016					
10		Dilbeck & Sons Lockdown hardware installation (SES)	\$ 6,312.00			
11		Dilbeck & Sons Lockdown hardware installation (BVMS)	\$ 3,156.00			
12		Dilbeck & Sons Vendor credit adjustment (SES)	\$ (848.77)			
13		Division of State Architects DSA fees	\$ 8,377.74			
14				\$ 16,996.97		
15	Encumbrances released period ending March 31, 2016			\$ (18,636.60)		
16	TOTAL period ending June 30, 2016			\$ (1,639.63)	\$ 2,708.62	\$ 796,882.08
17						
18	FY 2016-17					
19	Interest Revenue period ending June 30, 2017				\$ 8,920.11	
20	Expenditures period ending June 30, 2017					
21		Edges Electric Projector project (SES)	\$ 88.16			
22		Dalco Electronics Projector project (SES)	\$ 122.60			
23		Edges Electric Projector project (SES)	\$ 88.16			
24		Home Depot Projector project (SES)	\$ 211.11			
25		Home Depot Projector project (BVMS)	\$ 142.59			
26		Vavrinek, Trine & Day Bond Audit	\$ 5,000.00			
27		Techdocent A/V upgrade equipment (SES)	\$ 33,500.07			
28		Dalco Electronics Patch cables (SES)	\$ 331.86			
29		Monoprice, Inc A/V upgrade equipment (SES)	\$ 824.77			
30		P. Rhoda DBA Pro Visual Electric AV control system/wiring installation (SES)	\$ 9,000.00			
31		Monoprice, Inc A/V upgrade equipment (SES)	\$ 233.66			
32		P. Rhoda DBA Pro Visual Electric Projector project (SES)	\$ 29,888.30			
33		Monoprice, Inc Projector project materials (SES)	\$ 76.71			
34		CDW-G Projector project (SES)	\$ 307.91			
35		CDW-G Projector project (SES)	\$ 293.52			
36		CDW-G Projector project (SES)	\$ 433.37			
37		Techdocent Projector project supplies (SES)	\$ 474.08			
38		Techdocent A/V upgrade equipment (BVMS)	\$ 23,673.47			
39		Dalco Electronics Patch cables (BVMS)	\$ 202.76			
40		Monoprice, Inc A/V upgrade equipment (BVMS)	\$ 369.54			
41		P. Rhoda DBA Pro Visual Electric AV control system/wiring installation (BVMS)	\$ 6,000.00			
42		P. Rhoda DBA Pro Visual Electric Projector project (BVMS)	\$ 20,212.20			
43		Monoprice, Inc Projector project materials (BVMS)	\$ 234.34			
44		CDW-G Projector project (BVMS)	\$ 5.90			
45		CDW-G Projector project (BVMS)	\$ 9.83			
46		CDW-G Projector project (BVMS)	\$ 10.90			
47	TOTAL period ending June 30, 2017			\$ 131,735.81	\$ 8,920.11	\$ 674,066.38
48						

49	FY 2017-18								
50		Interest Revenue period ending June 30, 2018			\$	8,412.84			
51	Expenditures period ending June 30, 2018								
52	Amazon Tech-projector brackets (SES)	\$	126.40						
53	CDW-G Chromebooks (SES)	\$	2,875.00						
54	CDW-G Chromebooks (SES)	\$	30,685.74						
55	Vavrinek, Trine & Day Bond Audit	\$	2,000.00						
56	MIG Electric Projector Screen project (SES)	\$	10,080.00						
57	MIG Electric Projector Screen project (SES)	\$	16,800.00						
58	MIG Electric Projector Screen project (BVMS)	\$	6,720.00						
59	TOTAL period ending June 30, 2018	\$	69,287.14	\$	8,412.84	\$	613,192.08		
60									
61	FY 2018-19								
62		Interest Revenue period ending June 30, 2019			\$	13,205.29			
63	Expenditures period ending June 30, 2019								
64	Tech Docent Projector project supply (SES)	\$	81.30						
65	Vavrinek, Trine & Day Bond Audit	\$	3,000.00						
66	TOTAL period ending June 30, 2019	\$	3,081.30	\$	13,205.29	\$	623,316.07		
67									
68	FY 2019-20								
69		Interest Revenue period ending June 30, 2020			\$	14,537.66			
70	Expenditures period ending June 30, 2020								
71	U.S. Security Supply Inc. Lockdown project (SES)	\$	21,631.83						
72	U.S. Security Supply Inc. Lockdown project (SES)	\$	5,778.90						
73	U.S. Security Supply Inc. Lockdown project (SES)	\$	1,505.92						
74	U.S. Security Supply Inc. Lockdown project (SES)	\$	397.40						
75	U.S. Security Supply Inc. Lockdown project (BVMS)	\$	14,808.72						
76	U.S. Security Supply Inc. Lockdown project (BVMS)	\$	(722.73)						
77	Eide Bailly (frm VTD) Bond Audit	\$	700.00						
78	Smokey Key Service Lockdown project install (SES)	\$	2,170.00						
79	Smokey Key Service Lockdown project install (SES)	\$	1,085.00						
80	Smokey Key Service Lockdown project install (SES)	\$	1,917.09						
81	Smokey Key Service Lockdown project install (SES)	\$	2,635.00						
82	Smokey Key Service Lockdown project install (BVMS)	\$	1,968.49						
83	AMS.Net Inc Network equipment and license (SES/BVMS)	\$	6,872.66						
84	AMS.Net Inc Network equipment and license (SES/BVMS)	\$	927.44						
85	AMS.Net Inc Network equipment and license (SES/BVMS)	\$	15,347.73						
86	AMS.Net Inc Network equipment and license (SES)	\$	5,587.20						
87	AMS.Net Inc Network equipment and license (BVMS)	\$	9,575.33						
88	TOTAL period ending June 30, 2020	\$	92,185.98	\$	14,537.66	\$	545,667.75		
89									
90	FY 2020-21								
91		Interest Revenue period ending June 30, 2021			\$	8,242.11			
92	Expenditures period ending June 30, 2021								
93	Eide Bailly Bond Audit	\$	1,400.00						
94	Smokey Key Service Lockdown project install (BVMS)	\$	990.00						
95	TOTAL period ending June 30, 2021	\$	2,390.00	\$	8,242.11	\$	551,519.86		
96									
97	FY 2021-22								
98		Interest Revenue period ending June 30, 2022			\$	2,591.68			
99	Expenditures period ending June 30, 2022								
100	Smokey Key Service Lockdown project install (SES)	\$	990.00						
101	Smokey Key Service Lockdown project install (SES)	\$	835.50						
102	TOTAL period ending June 30, 2022	\$	1,825.50	\$	2,591.68	\$	552,286.04		