

SEQUOIA UNION HIGH SCHOOL DISTRICT
PROPOSITION 39/MEASURE W BOND
AUDIT REPORT

For the Fiscal Year Ended June 30, 2025

* * *



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**SEQUOIA UNION HIGH SCHOOL DISTRICT
PROPOSITION 39/MEASURE W BOND
For the Fiscal Year Ended June 30, 2025**

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Measure W Citizens' Oversight Committee and
Governing Board Members
Sequoia Union High School District

Report on the Program Statements

Opinions

We have audited the accompanying program statements of the Proposition 39/Measure W Bond of the Sequoia Union High School District (the District), as of and for the year ended June 30, 2025, and the related notes to the program statements, as listed in the table of contents.

In our opinion, the program statements referred to above present fairly, in all material respects, the respective budgeted and actual expenditures of the Proposition 39/Measure W Bond of the Sequoia Union High School District, as of June 30, 2025, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Program Statements

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

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



Auditor's Responsibilities for the Audit of the Program Statements

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

In performing an audit in accordance with GAAS and GAGAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the program 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 program 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 program 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 Matters

As discussed in Note 1, the program statements present only the Measure W Bond and do not purport to, and do not, present fairly the budgeted and actual expenditures of the Sequoia Union High School District, as of June 30, 2025, and the changes in its budgeted and actual expenditures for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming opinions on the program statements that collectively comprise the Proposition 39/Measure W Bond of Sequoia Union High School District's basic program statements. The Proposition 39/Measure W Bond Schedule of Cumulative Expenditures is presented for purposes of additional analysis and is not a required part of the basic program statements. The Proposition 39/Measure W Bond Schedule of Cumulative Expenditures is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic program statements. Such information has



been subjected to the auditing procedures applied in the audit of the basic program statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic program statements or to the basic program statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Proposition 39/Measure W Bond Schedule of Cumulative Expenditures is fairly stated, in all material respects, in relation to the basic program statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated December 17, 2025, on our consideration of the Measure W Bond of Sequoia Union High School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Sequoia Union High School District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of Proposition 39, as incorporated in California Constitution Article 13A, we have also issued our performance audit report dated December 17, 2025, on our consideration of the Measure W Bond's compliance with the requirements of Proposition 39. That report is an integral part of our audit of the Measure W Bond for the fiscal year ended June 30, 2025, and should be considered in assessing the results of our financial audit.

December 17, 2025
Morgan Hill, California

PROGRAM STATEMENTS

**SEQUOIA UNION HIGH SCHOOL DISTRICT
PROPOSITION 39/MEASURE W BOND
Statement of Budgeted and Cumulative Expenditures
For the Fiscal Year Ended June 30, 2025**

Site	Project Description Summary	Sum of Adjusted Budget	Sum of Cumulative Expended
Carlmont	CHS New T Wing	\$ 103,409	\$ 569,642
	CHS Highlands Multiuse Field	-	135,375
	CHS Roofing	-	1,320,413
Carlmont Total		103,409	2,025,430
District-Wide	Bond Issuance Cost	378,400	325,824
	Program Management	-	23,658
	Construction ADM	2,181,890	1,264,689
District-Wide Total		2,560,290	1,614,171
Menlo-Atherton	MAHS Stadium Bleachers	502,621	371,354
	MAHS New D & E Wing	4,769,196	265,627
	MAHS Weight Room/PE Bldg	622	22,237
	MAHS Stadium Drainage	-	5,000
	MAHS Roofing	-	38,917
Menlo-Atherton Total		5,272,439	703,136
Sequoia	SHS Classroom Wing	3,291,510	333,449
	SHS Roofing	1,895	1,271,551
Sequoia Total		3,293,405	1,605,001
Woodside	WHS New E Wing	4,291,583	283,801
	WHS Roofing	-	29,507
Woodside Total		4,291,583	313,308
Grand Total		\$ 15,521,126	\$ 6,261,045

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

**SEQUOIA UNION HIGH SCHOOL DISTRICT
PROPOSITION 39/MEASURE W BOND
Statement of Expenditures for the Period of
July 1, 2024 through June 30, 2025**

Site	Project Description Summary	Total
Carlmont	CHS New T Wing	\$ 569,642
	CHS Highlands Multiuse Field	135,375
	CHS Roofing	1,320,413
Carlmont Total		2,025,430
	Construction ADM	1,264,689
District-Wide Total		1,264,689
Menlo-Atherton	MAHS Stadium Bleachers	371,354
	MAHS New D & E Wing	265,627
	MAHS Weight Room/PE Bldg	22,237
	MAHS Stadium Drainage	5,000
	MAHS Roofing	38,917
Menlo-Atherton Total		703,136
Sequoia	SHS Classroom Wing	333,449
	SHS Roofing	1,271,551
Sequoia Total		1,605,001
Woodside	WHS New E Wing	283,801
	WHS Roofing	29,507
Woodside Total		313,308
Grand Total		\$ 5,911,563

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

**SEQUOIA UNION HIGH SCHOOL DISTRICT
PROPOSITION 39/MEASURE W BOND
Notes to Program Statements
For the Fiscal Year Ended June 30, 2025**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Principles

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

B. Reporting Entity

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

C. Basis of Presentation

Fund Program Statements

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

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources, are generally included on the balance sheet. The program statements for the Measure W Bonds presents expenditures for the Measure W bond program. The balance sheet and statement of revenues and expenditures are reported in the District's Building Fund as a part of the District overall audited program statements.

D. Basis of Accounting

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

SEQUOIA UNION HIGH SCHOOL DISTRICT
PROPOSITION 39/MEASURE W BOND
Notes to Program Statements
For the Fiscal Year Ended June 30, 2025

Expenditures

On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred. Allocations of cost, such as depreciation and amortization, are not recognized in the program statements.

E. Budgets and Budgetary Accounting

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

F. Accounting Estimates

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

NOTE 2 - THE PROGRAM

Proposition 39 was enacted by the voters on November 7, 2000, and changed the required majority for local voter approval of the public school and community college general obligation bonds from two-thirds to fifty-five percent of votes. It also required school districts to provide facilities to charter schools operating within their jurisdictions.

On November 8, 2022, the District was approved by 100% of the qualified voters to issue and sell bonds of up to \$591,500,000 in aggregate principal amount to provide financing for facilities projects. In March 2024, the District issued \$80,000,000 in general obligation refunding bonds (Measure W) with interest rates of 5.4-5.9% to finance the acquisition, construction, furnishing, and equipping of District facilities. Measure W constitutes the first series of bonds to be issued under the 2022 Authorization. The bonds were designed to be retired in a maximum of either 25 years or 40 years.

All projects funded by the issuance of Measure W general obligation bonds will be subject to review both by the District's Board of Trustees and by an independent citizens' oversight committee. The District will also provide many public forums to present progress and seek input from community members, parents, and staff.

**SEQUOIA UNION HIGH SCHOOL DISTRICT
PROPOSITION 39/MEASURE W BOND
Notes to Program Statements
For the Fiscal Year Ended June 30, 2025**

NOTE 3 - CITIZEN’S OVERSIGHT COMMITTEE

Duties of the committee include ensuring that bond revenues are expended only for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities. The committee must also ensure that no funds are used for any teacher or administrative salaries or other school operation expenses.

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

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

<u>Name</u>	<u>Title/Function</u>
Alan Sarver	Senior Citizens' Organization Member
Joel - Noel Cadiz	Taxpayer Organization Member
Victor Torreano	Community Member at Large
Anthony Nuanes	Community Member at Large
Jon Shank	Parent + Active PTA
Peter Baran	Parent
Vacant	Local Business Organization Member

**SCHEDULE OF FINDINGS
AND
RECOMMENDATIONS**

SEQUOIA UNION HIGH SCHOOL DISTRICT
PROPOSITION 39/MEASURE W BOND
Schedule of Findings and Recommendations
For the Fiscal Year Ended June 30, 2025

This section identifies the deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance related to the program statements that are required to be reported in accordance with *Government Auditing Standards*.

Our tests resulted in no findings and recommendations.

**SEQUOIA UNION HIGH SCHOOL DISTRICT
PROPOSITION 39/MEASURE W BOND
Schedule of Prior Findings and Recommendations
For the Fiscal Year Ended June 30, 2025**

There were no prior year findings and recommendations to be reported.

**OTHER INDEPENDENT
AUDITOR'S REPORTS**



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

Measure W Citizens' Oversight Committee and
Governing Board Members
Sequoia Union High School District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the program statements of the governmental activities of Sequoia Union High School District (the District) as of and for the year ended June 30, 2025, and the related notes to the program statements, which collectively comprise the District's program statements, and have issued our report thereon dated December 17, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit, we considered the Sequoia Union High School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the program statements, but not for the purpose of expressing an opinion on the effectiveness of the Sequoia Union High School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sequoia Union High School District's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Proposition 39/Measure W Bond of Sequoia Union High School District's program statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination



of program 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 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.

December 17, 2025
Morgan Hill, California



INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

Measure W Citizens' Oversight Committee and
Governing Board Members
Sequoia Union High School District

Performance Audit

We were engaged to conduct a performance audit of the Sequoia Union High School District (District) Measure W Fund (Fund) for the year ended June 30, 2025.

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

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

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

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

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

Auditor Objectives

Our audit included the following objectives:

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



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

Scope

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

Methodology

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

1. We identified expenditures and projects charged to the general obligation bond proceeds by obtaining the general ledger and project listing.
2. We selected a sample of expenditures using the following criteria:
 - a. We considered all expenditures recorded in all object codes, including transfers out.
 - b. We considered all expenditures recorded in all projects that were funded from July 1, 2024 through June 30, 2025 from Measure W bond proceeds.
 - c. We selected all expenditures that were individually significant expenditures. Individually significant expenditures were identified as individual transactions (expenditures) that exceeded approximately 5% of the total expenditures incurred.
 - d. For all items below the individually significant threshold identified in item 2c, judgmentally selected expenditures based on risk assessment and consideration of coverage of all object codes, including transfers out, and projects for period starting July 1, 2024 and ending June 30, 2025.
3. We examined 80% of all expenditures within the bond program to ensure they were valid, allowable, accurate, charged to the facilities projects, and expended on specific projects listed in the text of the applicable ballot measure. by vouching the actual invoices and other supporting documentation to determine that:
 - a. Expenditures were supported by invoices with evidence of proper approval and documentation of receipting goods or services.
 - b. Expenditures were supported by proper bid documentation, as applicable.
 - c. Expenditures were expended in accordance with voter-approved bond project list.
 - d. Bond proceeds were not used for salaries of school administrators or other operating expenses of the District.



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

Conclusion

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

C & A LLP

December 17, 2025
Morgan Hill, California