SAN DIEGO UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS

June 30, 2023

SAN DIEGO UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

CONTENTS

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WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

CONTENTS

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Audit Committee and Board of Education
San Diego Unified School District
San Diego, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of San Diego Unified School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise San Diego Unified School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of San Diego Unified School District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended 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 (Government Auditing Standards)*, 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 Financial Statements section of our report. We are required to be independent of San Diego Unified School 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of San Diego Unified School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about San Diego Unified School District's ability to continue as a going concern for a reasonable period of time.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 to 12 and the General Fund Budgetary Comparison Schedule, the Schedule of Changes in the District's Total Other Postemployment Benefits (OPEB) Liability, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 81 to 86 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise San Diego Unified School District's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and, except for that portion marked "unaudited," was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2023 on our consideration of San Diego Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of San Diego Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering San Diego Unified School District's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Sacramento, California
December 6, 2023

SAN DIEGO UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

Management's discussion and analysis of San Diego Unified School District's (District) financial performance provides an overview of the District's financial activities for the school year ended June 30, 2023. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total net position for the year ending June 30, 2023 was $939.81 million, compared to $344.77 million for the year ending June 30, 2022. The change in total net position is due to an increase in federal and state funding to address the impacts of COVID-19 and an increase to capital assets as construction projects were completed. The District's 2022-23 ending fund balance was $20.16 million higher than projected at estimated actuals, which provided a positive change to total net position of $595.05 million.

- Overall revenues were $2,812.9 million, which was greater than expenses of $2,218.3 million.

This annual report consists of the following parts – Management's Discussion and Analysis, the basic financial statements, required supplementary information, supplementary information, findings, and recommendations. These sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.

- **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.

  - **Governmental Funds** provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

  - **Proprietary Funds** report services for which the District charges customers a fee. Like the government-wide statements, they provide both long- and short-term financial information.

  - **Fiduciary Funds** report balances for which the District is a custodian or *trustee* of the funds.

The financial statements also include notes that explain some of the information in the statements and provide data that is more detailed. The basic financial statements are followed by a section of required and other supplementary information that further explains and supports the financial statements.

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how has changed. Net position is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the District include only governmental activities. All of the District's basic services are included here, such as regular education, food service, maintenance and general administration. LCFF funding, federal and state grants finance most of these activities.

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's net position was $939.81 million on June 30, 2023, as reflected in the table below. Of this amount, ($1,987.06) million was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limits the Governing Board's ability to use that new position for day-to-day operations.

	Governmental Activities		
	2023	**2022**	**Net Change**
Assets			
Current and other assets	$ 2,944,008,735	$ 2,435,761,602	$ 508,247,133
Capital assets	5,663,524,078	5,244,572,531	418,951,547
Total Assets	8,607,532,813	7,680,334,133	927,198,680
DEFERRED OUTFLOWS OF RESOURCES	530,781,694	372,358,002	158,423,692
LIABILITIES			
Current liabilities	498,379,684	365,387,468	132,992,216
Long-term liabilities	7,366,328,883	6,573,995,143	792,333,740
Total Liabilities	7,864,708,567	6,939,382,611	925,325,956
DEFERRED INFLOWS OF RESOURCES	333,794,368	768,542,970	(434,748,602)
NET POSITION			
Net investment in capital assets	1,459,458,903	1,180,840,364	278,618,539
Restricted	1,467,410,752	914,695,528	552,715,224
Unrestricted	(1,987,058,083)	(1,750,769,338)	(236,288,745)
Total Net Position	$ 939,811,572	$ 344,766,554	$ 595,045,018

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the Statement of Activities. The table below takes the information from the Statement and rearranges it slightly, so you can see our total revenues, expenses, and special items for the year.

	Governmental Activities		
REVENUES	2023	2022	Net Change
Program revenues			
Charges for services	$ 28,151,714	$ 34,266,377	$ (6,114,663)
Operating grants and contributions	937,274,153	677,712,834	259,561,319
Capital grants and contributions	48,263,686	11,010,167	37,253,519
General revenues			-
Property taxes	1,539,753,160	1,432,348,591	107,404,569
Unrestricted federal and state aid	216,282,712	177,602,089	38,680,623
Other	43,182,375	16,058,101	27,124,274
Total Revenues	2,812,907,800	2,348,998,159	463,909,641
EXPENSES			
Instruction	1,089,926,379	977,807,848	112,118,531
Instruction-related services	209,092,635	166,842,809	42,249,826
Pupil services	272,683,598	262,843,635	9,839,963
General administration	89,313,963	67,172,210	22,141,753
Plant services	152,688,544	125,748,856	26,939,688
Ancillary and community services	17,821,224	11,619,772	6,201,452
Debt service	208,133,073	149,990,502	58,142,571
Other outgo	3,067,767	56,208,323	(53,140,556)
Depreciation	179,624,073	144,999,315	34,624,758
Enterprise activities	(4,488,474)	2,195,212	(6,683,686)
Total Expenses	2,217,862,782	1,965,428,482	252,434,300
Change in net position	595,045,018	383,569,677	211,475,341
Net Position - Beginning	344,766,554	(38,803,123)	383,569,677
Net Position - Restated			-
Net Position - Ending	$ 939,811,572	$ 344,766,554	$ 595,045,018

As reported in the Statement of Activities on page (*14*), the cost of all our governmental activities this year was $2,217.86 million. The amount ultimately that financed these activities through taxes and State Aid was $1,756.04 million. The cost paid by those who benefitted from the programs was $28.15 million, the costs from capital grants and contributions are $48.26 million, the costs paid by other governments, organizations, who subsidized certain programs with grants and contribution, were $937.27 million and other revenues contributed $43.18 million.

	Net Cost of Services	
	2023	**2022**
Instruction	1,089,926,379	$ 977,807,848
Instruction-related services	209,092,635	166,842,809
Pupil services	272,683,598	262,843,635
General administration	89,313,963	67,172,210
Plant services	152,688,544	125,748,856
Ancillary and community services	17,821,224	11,619,772
Debt service	208,133,073	149,990,502
Other outgo	3,067,767	56,208,323
Depreciation	179,624,073	144,999,315
Enterprise activities	(4,488,474)	2,195,212
Total Expenses	$ 2,217,862,782	$ 1,965,428,482

FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed this year, its governmental funds reported a combined fund balance of $2,311.62 million, which is higher than prior year ending fund balance of $1,941.76 million. The District's General Fund had $184.61 million more in operating revenues than expenditures for the year ended June 30, 2023. The District's Building Fund had $426.45 million less in operating revenues than expenditures for the year ended June 30, 2023. The District's Bond Interest and Redemption Fund had $43.99 million less in operating revenues than expenditures for the year ended June 30, 2023. The District's Non-Major Governmental Funds, which includes County School Facilities Fund, had $11.44 million more in operating revenues than expenditures for the year ended June 30, 2023.

CURRENT YEAR BUDGET 2022-23

During the fiscal year, budget revisions and appropriation transfers are presented to the Board for their approval on a monthly basis to reflect changes to both revenues and expenditures that become known during the year. In addition, the Board of Education approves financial projections included with the Adopted Budget, First Interim, and Second Interim financial reports. The Unaudited Actuals reflect the District's financial projections and current budget based on State and local financial information.

GENERAL FUND BUDGETARY HIGHLIGHTS

The following were the major changes between original and final budget:

- Revenues that were received during the year that were not included in the originally adopted budget – Federal funding and special projects of $166.10 million and State Revenue of $283.83 and Local Revenue and special projects of $24.88 million.
- Expenditures that were appropriated during the year which were not included in the originally adopted budget – Salaries and Benefits of $48.68 million, Books and Supplies of $179.23 million, Services and Other Operating Expenses of $116.77 million, and Capital Outlay of $3.66 million.

With these adjustments, actual revenues available were $234.46 million below the final budgeted amounts. The most significant variances resulted from:

- Federal revenues were $181.08 million below final budget amounts. ESSA grants were $14.19 million below appropriations and federal funding for the Secondary School Emergency Relief (ESSER III) grant was $154.23 million below appropriations. The Federal grant for Governor's Emergency Education Relief (GEER III) Expanded Learning Opportunities was $11.12 million below appropriations, which largely represents grant money awarded but not spent by June 30, 2023.

- State revenues were $51.76 million below final budget amounts. California Community School Partnership Program Implementation grant was $10.35 million below appropriations. Career Technical VII grant was $1.17 million below appropriations. K-12 SWP grants were $3.02 million below appropriations. In-Person Instruction grant was $9.05 million below appropriations. Learning Recovery Emergency Block grant was $17.26 million below appropriations. STRS on-behalf pension contribution was $10.91 million below appropriations.

- Local revenues were $7.17 million below final budget amounts. E-Rate was $1.11 million below appropriation. Mental Health Screening to Care grant was $1.26 million below appropriation. No other specific grantor contributed significantly to the remaining $4.80 million below appropriations.

Actual expenditures were $280.31 million below the final budgeted amounts. The most significant variances resulted from:

- Salaries and benefits were $53.09 million below final budget amounts which includes adjustment for STRS on-behalf pension contribution, as well as 10% retro pay increase for all employees.

- Books and Supplies were $178.61 million below final budget amounts.

- Contract Services and Operating Expenditures were $87.70 million below final budget amounts.

- Capital Outlay was $28.34 million above final budget amounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2022-23, the District had invested $5,663.52 million in capital assets, net of depreciation.

	Governmental Activities		
	2023	**2022**	**Net Change**
CAPITAL ASSETS			
Land	$ 320,406,332	$ 323,980,239	$ (3,573,907)
Construction in progress	2,653,014,371	2,612,347,228	40,667,143
Land Improvements	499,592,510	458,958,185	40,634,325
Buildings & Improvements	3,813,720,342	3,332,466,183	481,254,159
Furniture & Equipment	292,505,450	297,442,877	(4,937,427)
Accumulated depreciation	(1,939,721,351)	(1,781,636,643)	(158,084,708)
Leased Equipment	3,157,903	1,441,166	1,716,737
Leased accumulated amortization	(569,214)	(426,704)	(142,510)
Subscription assets	29,923,814		29,923,814
Subscriotion accumulated amortization	(8,506,079)		(8,506,079)
Total Capital Assets	$ 5,663,524,078	$ 5,244,572,531	$ 418,951,547

Long-Term Debt

At year-end, the District had $7,383.65 million in long-term debt, an increase from last year – as shown in the table below. (The District's long-term liabilities are presented in the footnotes to the financial statement in more detail.)

	Governmental Activities		
	2023	**2022**	**Net Change**
LONG-TERM LIABILITIES			
Total General Obligation Bonds	$ 5,821,501,441	$ 5,536,456,919	$ 285,044,522
Net Pension Liability	1,300,079,000	793,205,000	506,874,000
Lease Liabilities	2,348,261	1,108,751	1,239,510
SBITA Liabilites	21,878,137	-	21,878,137
Compensated Absences	37,802,729	39,166,475	(1,363,746)
HRA Liability	6,670,000	10,715,000	(4,045,000)
Claims Liability	73,814,327	74,543,000	(728,673)
Net OPEB obligation	119,560,397	136,132,998	(16,572,601)
Total Long-Term Liabilities	$ 7,383,654,292	$ 6,591,328,143	$ 792,326,149

On November 4, 2008, San Diego voters authorized $2.1 billion in general obligation bonds (Proposition S) to improve every neighborhood school. The bond is a Proposition 39 bond, which required approval from at least 55 percent of the voters to pass. Some of the improvements outlined in the bond are to repair outdated student restrooms, deteriorated plumbing and roofs, upgrading career/vocational classrooms and labs, providing up-to-date classroom technology, improving school safety/security, replacing dilapidated portable classrooms, upgrading fire alarms, and removing hazardous substances. The District issued Series A through M totaling $1.09 billion. As of June 30, 2023, the principal balance, including outstanding accreted interest and refunding bonds, on the Proposition S Bonds was $1.387 billion.

On November 6, 2012, San Diego voters approved Proposition Z, a $2.8 billion bond proposition that the District will use to maintain safe and productive learning environments for students. The bond is a Proposition 39 bond, which required approval from at least 55 percent of voters to pass. The tax rate imposed to meet repayment of the proposed bonds will not exceed $60 per year per $100,000 of assessed valuation of taxable property. The District issued Series A through O totaling $2.8 billion. As of June 30, 2023, the principal balance including outstanding accreted interest and refunding bonds, on the Proposition Z Bonds was $2.052 billion.

On November 6, 2018, San Diego voters approved Measure YY, a $3.5 billion bond proposition that the District will use to improve neighborhood and charter schools by improving school security, upgrading classrooms, repairing foundations, plumbing, and removing lead in drinking water and hazardous asbestos. The District issued Series A through F totaling $1.595 billion. As of June 30, 2023, the principal balance including outstanding accreted interest and refunding bonds, on the Measure YY Bonds was $1.199 billion.

Total expenditures by location for Proposition S, Proposition Z, and Measure YY for capital outlay including planning, design and construction for various bond related projects noted in the following table:

	Fiscal Year 2022-2023		
	Proposition S	**Proposition Z**	**Measure YY**
Elementary Schools	$ 12,144,262	$ 54,200,820	$ 81,851,458
Middle Schools	5,224,527	20,850,633	30,014,115
High Schools	2,679,637	29,593,282	60,748,895
Program Expenditures	634,942	28,985,712	41,118,256
Atypical	-	5,370,404	2,752,577
Charter	1,883,570	51,496,927	11,100,521
Other District Sites	-	6,972,928	10,479,335
Leased Site	-		
Total Expenditures	$ 22,566,938	$ 197,470,706	$ 238,065,157

2023/24 BUDGET AND ECONOMIC FACTORS

The annual process to develop the District's budget begins in January, following the Governor's proposed State budget. The majority of the District's revenue comes from the State; therefore, the District formulates assumptions based on the Governor's proposals, guidance from School Services of California, and from the San Diego County Office of Education. Generally, the release of the 2023-24 May Revision builds on the conceptual basic framework of the proposed budget presented in January. For 2022-23, the economic outlook improved compared to the previous year. The May Revision proposed to increase the LCFF base grants by 8.22% statutory COLA- and increase in funding per student not total funding. School Districts have received Federal dollars from the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act and ESSER II, ESSER III funds to help school districts maintain student's safety while in person learning continues through the 2023-2024 school year. The statutory cost-of-living adjustment (COLA) at 8.22% increased the AB602 per student funding to $887.40 per student. The District negotiated a retro 10% wage increase for FY 2022-23 as well as a 5% wage increase effective July, 2023 for all employees. Employer contribution rates to the California State Teacher' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) have increased each year to address the unfunded liability for these pension systems. Employer rates will continue to increase; therefore, educational agencies must look for other solutions to control expenditure. Accurate position control and staffing attrition, programmatic reductions, and funding shifts are just a few of the solutions the District has implemented.

On June 27, 2023, the District's Board approved an Adopted Budget for Fiscal Year 2023-24 which included a 2% Unrestricted Reserve for Economic Uncertainties. The major assumptions used in developing the budget are as follows:

Revenues

- LCFF and Average Daily Attendance (ADA) – 91,542
- COLA – 8.22%
- Federal Impact Aid - $10.0M
- Mandated Block Grant - $4.2M
- Lottery (GFU - $170; GFR - $67) - $237 per ADA
- Elementary & Secondary School Emergency Relief Learning Loss (ESSER III) - $153.2M
- Expanded Learning Opportunity Funds - $45.0M
- Transfers In - $30.5M

Expenditures

- Salaries Step and Column – Certificated 1.87%; Classified 1.47%
- Salary Increase – 5.0% (July 1, 2023)
- STRS – 19.10%
- PERS – 26.68%
- Health and Welfare Premiums - 5.0%
- Transfers Out - $11.7M
- Contributions:
    - Special Education - $299.0M
    - Restricted Routine Maintenance (RRM) - $54.5M

Factors related to LCFF that the District continues to monitor include: (1) estimates of funding in the next budget year and beyond; (2) the Learning Continuity and Attendance Plan for future school years; (3) ensuring the integrity of reporting student data through the California Longitudinal Pupil Achievement Data System (CALPADS); and (4) meeting new compliance and audit requirements.

Enrollment can fluctuate due to factors such as population growth, competition from private, parochial, inter-district transfers in or out, economic conditions and housing values. Losses in enrollment will cause a school district to lose operating revenues without necessarily permitting the district to adjust fixed operating costs.

On June 27, 2023, the Governor signed the Fiscal Year 2023-24 Budget which provided funds that were not included in the District's adopted budget. The District will make all appropriate adjustments to its Fiscal Year 2023-24 Budget, which will be reflected in the first interim report in December 2023. The District's 2022-23 Unaudited Actuals ending fund balance was higher than at Estimated Actuals. In addition to continued advocacy efforts and budget solutions, the 2022-23 ending fund balance will be used to maintain a positive 2023-24 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the District's Finance Division.

BASIC FINANCIAL STATEMENTS

SAN DIEGO UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2023

	Governmental Activities
ASSETS	
Cash and investments (Note 2)	$ 2,625,141,839
Receivables	232,920,109
Prepaid expenses	445,408
Stores inventory	4,064,890
Lease receivables (Note 4)	81,436,489
Non-depreciable capital assets (Note 5)	2,973,420,703
Depreciable capital assets, net of accumulated depreciation (Note 5)	2,666,096,951
Lease assets, net of amortization (Note 5)	2,588,689
Subscription assets, net of amortization (Note 5)	21,417,735
Total assets	8,607,532,813
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pensions (Notes 9 and 10)	415,235,271
Deferred outflows of resources - OPEB (Note 11)	20,401,225
Deferred loss from refunding of debt	95,145,198
Total deferred outflows of resources	530,781,694
LIABILITIES	
Accounts payable and other current liabilities	436,003,838
Unearned revenue	45,050,437
Self-insurance claims liability - current portion (Note 6)	17,325,409
Long-term liabilities:	
Due within one year (Note 7)	306,526,138
Due after one year (Note 7)	7,003,313,827
Self-insurance claims liability - noncurrent portion (Note 6)	56,488,918
Total liabilities	7,864,708,567
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pensions (Notes 9 and 10)	189,757,000
Deferred inflows of resources - OPEB (Note 11)	52,969,151
Deferred gains from refunding debt	11,673,688
Deferred inflows of resources - leases (Note 4)	79,394,529
Total deferred inflows of resources	333,794,368
NET POSITION	
Net investment in capital assets	1,459,458,903
Restricted:	
Legally restricted programs	362,910,529
Capital projects	532,548,379
Debt service	487,679,077
Self-insurance	84,272,767
Unrestricted	(1,987,058,083)
Total net position	$ 939,811,572

See accompanying notes to financial statements.

SAN DIEGO UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

		Program Revenues			Net (Expense) Revenues and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	$ 1,089,926,379	$ 642,236	$ 462,050,764	$ 48,263,686	$ (578,969,693)
Instruction-related services:					
Instructional supervision and administration	83,273,549	313,605	107,360,095	-	24,400,151
Instructional library, media and technology	8,227,778	19,556	1,286,312	-	(6,921,910)
School site administration	117,591,308	186,804	26,306,035	-	(91,098,469)
Pupil services:					
Home-to-school transportation	45,411,317	54,642	8,644,345	-	(36,712,330)
Food services	65,953,729	589,023	89,966,032	-	24,601,326
All other pupil services	161,318,552	1,009,778	109,136,448	-	(51,172,326)
General administration:					
Centralized data processing	19,843,935	-	3,726,028	-	(16,117,907)
All other general administration	69,470,028	69,785	27,030,763	-	(42,369,480)
Plant services	152,688,544	1,854,211	21,159,053	-	(129,675,280)
Ancillary services	16,497,772	100,789	10,408,329	-	(5,988,654)
Community services	1,323,452	-	182,690	-	(1,140,762)
Enterprise activities	(4,488,474)	1,840	338,506	-	4,828,820
Interest on long-term liabilities	208,133,073	-	-	-	(208,133,073)
Other outgo	3,067,767	23,309,445	69,678,753	-	89,920,431
Depreciation and amortization (unallocated) (Note 5)	179,624,073	-	-	-	(179,624,073)
Total governmental activities	$ 2,217,862,782	$ 28,151,714	$ 937,274,153	$ 48,263,686	(1,204,173,229)

General revenues:	
Taxes and subventions:	
Taxes levied for general purposes	1,042,743,683
Taxes levied for debt service	453,183,076
Taxes levied for other specific purposes	43,826,401
Federal and state aid not restricted to specific purposes	216,282,712
Interest and investment earnings	24,736,647
Interagency transfers	5,273,380
Miscellaneous	13,172,348
Total general revenues	1,799,218,247
Change in net position	595,045,018
Net position, July 1, 2022	344,766,554
Net position, June 30, 2023	$ 939,811,572

See accompanying notes to financial statements.

SAN DIEGO UNIFIED SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General Fund	Building Fund	Special Reserve for Capital Outlay Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
ASSETS						
Cash and investments:						
Cash in County Treasury	$ 538,537,999	$ 1,202,210,476	$ 16,105,146	$ 134,893,823	$ 215,647,295	$ 2,107,394,739
Cash on hand and in banks	-	-	-	-	11,114,137	11,114,137
Cash with fiscal agent	-	-	-	352,503,747	-	352,503,747
Cash collections awaiting deposit	-	-	-	281,507	-	281,507
Cash in revolving fund	54,000	-	-	-	-	54,000
Receivables	188,843,320	14,300,430	203,877	-	28,000,793	231,348,420
Prepaid expenditures	438,680	-	-	-	1,020	439,700
Due from other funds	27,870,309	35,441,417	754	-	3,916,946	67,229,426
Stores inventory	3,964,052	-	-	-	100,838	4,064,890
Leases receivable	679,167	-	80,757,322	-	-	81,436,489
Total assets	$ 760,387,527	$ 1,251,952,323	$ 97,067,099	$ 487,679,077	$ 258,781,029	$ 2,855,867,055
LIABILITIES, DEFERRED INFLOWS OF OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 256,686,781	$ 85,024,478	$ 155,856	$ -	$ 7,471,309	$ 349,338,424
Unearned revenue	41,856,693	10,098	1,438,802	-	1,744,844	45,050,437
Due to other funds	5,983,721	15,299,067	621,131	-	48,563,162	70,467,081
Total liabilities	304,527,195	100,333,643	2,215,789	-	57,779,315	464,855,942
Deferred inflows of resources - leases	648,947	-	78,745,582	-	-	79,394,529
Fund balances:						
Nonspendable	4,456,732	-	-	-	101,858	4,558,590
Restricted	287,847,786	1,151,618,680	16,105,728	487,679,077	200,899,856	2,144,151,127
Assigned	123,944,867	-	-	-	-	123,944,867
Unassigned	38,962,000	-	-	-	-	38,962,000
Total fund balances	455,211,385	1,151,618,680	16,105,728	487,679,077	201,001,714	2,311,616,584
Total liabilities, deferred inflows of resources and fund balances	$ 760,387,527	$ 1,251,952,323	$ 97,067,099	$ 487,679,077	$ 258,781,029	$ 2,855,867,055

See accompanying notes to financial statements.

SAN DIEGO UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2023

Total fund balances - Governmental Funds		$ 2,311,616,584
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used for governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is $7,612,320,722 and the accumulated depreciation and amortization is $1,948,796,644 (Note 5).		5,663,524,078
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at June 30, 2023 consisted of (Note 7):		
General Obligation Bonds	(5,015,334,061)	
Unamortized premiums	(366,715,192)	
Accreted interest	(439,452,188)	
Net pension liability (Notes 9 and 10)	(1,300,079,000)	
Lease liabilities	(2,348,261)	
Subscription-based information technology agreements (SBITA)	(21,878,137)	
Compensated absences	(37,802,729)	
Early Retirement Incentive Health Reimbursement Arrangement (HRA) liability (Note 12)	(6,670,000)	
Total OPEB liability (Note 11)	(119,560,397)	
		(7,309,839,965)
Internal service funds are included in the government-wide financial statements.		84,272,767
(Gains) Losses on refundings of debt are categorized as deferred outflows and inflows of resources and are amortized over the shortened life of the refunded or refunding of the debt.		
Deferred outflows of resources relating to debt refunding	95,145,198	
Deferred inflows of resources relating to debt refunding	(11,673,688)	
		83,471,510
In governmental funds, deferred outflows and inflows of resources relating to pensions and OPEB are not reported because they are applicable to future periods. In the statement net position, deferred outflows and inflows of resources relating to pensions are reported (Notes 9, 10 and 11).		
Deferred outflows of resources relating to pensions	415,235,271	
Deferred outflows of resources relating to OPEB	20,401,225	
Deferred inflows of resources relating to pensions	(189,757,000)	
Deferred inflows of resources relating to OPEB	(52,969,151)	
		192,910,345
Unmatured interest on long-term liabilities is recognized in the period incurred.		(86,143,747)
Total net position - governmental activities		$ 939,811,572

See accompanying notes to financial statements.

SAN DIEGO UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	General Fund	Building Fund	Special Reserve for Capital Outlay Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
Revenues:						
Local Control Funding Formula (LCFF):						
State apportionment	$ 313,143,002	$ -	$ -	$ -	$ -	$ 313,143,002
Local sources	887,104,105	-	-	-	-	887,104,105
Total LCFF	1,200,247,107	-	-	-	-	1,200,247,107
Federal sources	338,820,454	-	-	1,792,113	54,849,432	395,461,999
Other state sources	496,881,932	9,802	-	1,729,951	81,421,436	580,043,121
Other local sources	53,151,284	31,639,148	5,886,212	465,063,435	85,641,395	641,381,474
Total revenues	2,089,100,777	31,648,950	5,886,212	468,585,499	221,912,263	2,817,133,701
Expenditures:						
Current:						
Certificated salaries	795,129,033	-	-	-	2,967,783	798,096,816
Classified salaries	285,008,112	17,160,964	1,176,460	-	34,455,487	337,801,023
Employee benefits	557,821,715	8,886,395	572,470	-	22,531,113	589,811,693
Books and supplies	62,971,637	15,912,487	24,519	-	34,149,572	113,058,215
Contract services and operating expenditures	154,342,558	36,328,583	685,268	-	10,164,385	201,520,794
Other outgo	3,067,747	-	-	-	-	3,067,747
Capital outlay	37,007,172	379,814,372	-	-	106,203,742	523,025,286
Debt service:						
Principal retirement	8,541,045	-	-	347,035,523	-	355,576,568
Interest	598,301	-	-	165,542,815	-	166,141,116
Total expenditures	1,904,487,320	458,102,801	2,458,717	512,578,338	210,472,082	3,088,099,258
Excess (deficiency) of revenues over (under) expenditures	184,613,457	(426,453,851)	3,427,495	(43,992,839)	11,440,181	(270,965,557)
Other financing sources (uses):						
Transfers in	32,566,157	947,365	-	-	-	33,513,522
Transfers out	(13,670,000)	-	(1,422,292)	-	(31,256,230)	(46,348,522)
Issuance of leases	1,734,878	-	-	-	-	1,734,878
Issuance of SBITAs	29,923,814	-	-	-	-	29,923,814
Proceeds from sale of bonds	-	761,115,000	-	-	-	761,115,000
Deposit from refunding escrow account	-	(168,094,740)	-	-	-	(168,094,740)
Premiums on issuance of bonds	-	8,395,308	-	20,587,229	-	28,982,537
Total other financing sources (uses)	50,554,849	602,362,933	(1,422,292)	20,587,229	(31,256,230)	640,826,489
Net change in fund balances	235,168,306	175,909,082	2,005,203	(23,405,610)	(19,816,049)	369,860,932
Fund balances, July 1, 2022	220,043,079	975,709,598	14,100,525	511,084,687	220,817,763	1,941,755,652
Fund balances, June 30, 2023	$ 455,211,385	$ 1,151,618,680	$ 16,105,728	$ 487,679,077	$ 201,001,714	$ 2,311,616,584

See accompanying notes to financial statements.

Net change in fund balances - Total Governmental Funds		$ 369,860,932
Amounts reported for governmental activities in the statement of activities are different because:		
Acquisition of capital assets is an expenditure in the governmental funds, but increases capital assets in the statement of net position (Note 5).	$ 600,092,274	
In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported (Note 5).	(1,516,654)	
In governmental funds, donated capital asset are not reported because they do not affect current financial resources. In the statement of activities, donated assets are reported as revenue and as an increase to capital assets at their fair value on the date of donation (Note 5).	5,347	
Depreciation and amortization of capital assets is an expense is not recorded in the governmental funds (Note 5).	(179,624,073)	
In governmental funds, proceeds from debt are recognized as other financing sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. (Note 7).	(792,773,692)	
Repayment of principal on long-term liabilities is an expenditure in the governmental funds, but decreases the long-term liabilities in the statement of net position (Note 7).	355,576,568	
Payments made to the refunding escrow is an other financing use in the governmental funds, but decreases the long-term liabilities in the statement of net position (Note 7).	168,094,740	
In governmental funds, debt issued at a premium is recognized as an other financing source. In the government-wide statements debt issued at a premium is amortized as interest over the life of the debt (Note 7).	422,097	
Accreted interest is an expense that is not recorded in the governmental funds (Note 7).	(39,481,882)	

(Continued)

Interest on long-term liabilities is recognized in the period it is incurred, in governmental funds it is only recognized when it is due.	$ (4,424,666)	
Activities of the internal service fund are reported with governmental activities.	14,037,566	
Losses on refundings of debt are categorized as deferred outflows and are amortized over the shortened life of the refunded or refunding of the debt in the government-wide statements.	(14,682,089)	
In governmental funds, total OPEB costs are recognized when employers contributions are made. In the government-wide statements, total OPEB costs are recognized on the accrual basis. This year, the difference between accrual-basis OPEB costs and actual employer contributions was (Notes 7 and 11).	12,877,396	
In governmental funds, early retirement healthcare incentives are recognized when employers contributions are made In the government-wide statements, early retirement healthcare incentives are measured on the accrual basis (Notes 7 and 12).	4,045,000	
In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was.	101,172,408	
In the statement of activities, expenses related to compensated absences are measured by the amounts earned during the year. In the governmental funds, expenditures are measured by the amount of financial resources used (Note 7).	1,363,746	225,184,086
Change in net position of governmental activities		$ 595,045,018

See accompanying notes to financial statements.

SAN DIEGO UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION – PROPRIETARY FUND
SELF-INSURANCE FUNDS – GOVERNMENTAL ACTIVITIES
June 30, 2023

ASSETS	San Diego Captive Insurance Fund	Self Insurance Fund	Total Internal Service Funds
Current assets:			
Cash and investments:			
Cash in County Treasury	$ -	$ 148,948,165	$ 148,948,165
Cash with fiscal agent	4,345,544	500,000	4,845,544
Receivables	513	1,571,176	1,571,689
Due from other funds	-	3,603,438	3,603,438
Prepaid expenses	5,708	-	5,708
Total current assets	4,351,765	154,622,779	158,974,544
LIABILITIES			
Current liabilities:			
Accounts payable	44,246	477,421	521,667
Due to other funds	-	365,783	365,783
Claims payable - current portion	968,409	16,357,000	17,325,409
Total current liabilities	1,012,655	17,200,204	18,212,859
Non-current liabilities:			
Claims payable	2,475,918	54,013,000	56,488,918
Total liabilities	3,488,573	71,213,204	74,701,777
NET POSITION			
Restricted for insurance activities	$ 863,192	$ 83,409,575	$ 84,272,767

See accompanying notes to financial statements.

SAN DIEGO UNIFIED SCHOOL DISTRICT
STATEMENT OF CHANGE IN
NET POSITION – PROPRIETARY FUND
SELF-INSURANCE FUNDS – GOVERNMENTAL ACTIVITIES
For the Year Ended June 30, 2023

	San Diego Captive Insurance Fund	Self Insurance Insurance Fund	Total Internal Service Funds
OPERATING REVENUE			
Self insurance premiums	$ 3,402,000	$ 40,726,660	$ 44,128,660
OPERATING EXPENSES			
Salaries and benefits	-	3,961,815	3,961,815
Supplies and materials	83,324	1,368,535	1,451,859
Insurance and claims	2,854,000	37,921,920	40,775,920
Total operating expense	2,937,324	43,252,270	46,189,594
Operating income (loss)	464,676	(2,525,610)	(2,060,934)
NON-OPERATING REVENUES			
Interest income	-	3,263,500	3,263,500
Income before transfers	464,676	737,890	1,202,566
TRANSFERS			
Transfers in	-	13,670,000	13,670,000
Transfers out	-	(835,000)	(835,000)
Net transfers	-	12,835,000	12,835,000
Change in net position	464,676	13,572,890	14,037,566
Net position restricted for insurance activities, June 30, 2022	398,516	69,836,685	70,235,201
Net position restricted for insurance activities, June 30, 2023	$ 863,192	$ 83,409,575	$ 84,272,767

See accompanying notes to financial statements.

SAN DIEGO UNIFIED SCHOOL DISTRICT
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
SELF-INSURANCE FUNDS – GOVERNMENTAL ACTIVITIES
For the Year Ended June 30, 2023

	San Diego Captive Insurance Fund	Self Insurance Fund	Total Internal Service Funds
Cash flows provided by operating activities:			
Cash received from self-insurance premiums	$ 2,170,235	$ 39,347,811	$ 41,518,046
Cash received from user charges	-	1,178,705	1,178,705
Cash paid for employee salaries and benefits	-	(3,961,815)	(3,961,815)
Cash paid for insurance claims and supplies	(150,567)	(43,360,898)	(43,511,465)
Net cash provided by (used in) operating activities	2,019,668	(6,796,197)	(4,776,529)
Cash flows provided by noncapital financing activities:			
Transfers in from District funds	-	12,835,000	12,835,000
Cash flows provided by investing activities:			
Interest income	-	2,264,897	2,264,897
Increase in cash and investments	2,019,668	8,303,700	10,323,368
Cash and investments, July 1, 2022	2,325,876	141,144,465	143,470,341
Cash and investments, June 30, 2023	$ 4,345,544	$ 149,448,165	$ 153,793,709
Reconciliation of operating income (loss) to net cash used in operating activities:			
Operating income (loss)	$ 464,676	$ (2,525,610)	$ (2,060,934)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Decrease in:			
Amount due from other funds	-	(214,765)	(214,765)
Prepaid expenses	(5,708)	-	(5,708)
Increase (decrease) in:			
Accounts payable	39,817	102,557	142,374
Unearned revenue	(1,231,765)	-	(1,231,765)
Claims payable	2,752,648	(4,173,000)	(1,420,352)
Amount due to other funds	-	14,621	14,621
Total adjustments	1,554,992	(4,270,587)	(2,715,595)
Net cash provided by (used in) operating activities	$ 2,019,668	$ (6,796,197)	$ (4,776,529)

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

San Diego Unified 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 Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies.

Reporting Entity: The Board of Education is the level of government which has governance responsibilities over all activities related to public school education in the District. The Board is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board since Board members have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

Basis of Presentation - Financial Statements: The basic financial statements include a Management's Discussion and Analysis (MD & A) section providing an analysis of the District's overall financial position and results of operations, financial statements prepared using full accrual accounting for all of the District's activities, including infrastructure, and a focus on the major funds.

Basis of Presentation - Government-Wide Financial Statements: The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole.

The Statement of Net Position and the Statement of Activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of Governmental Accounting Standards Board Cod. Sec. N50.118-.121.

Program revenues: Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

Allocation of indirect expenses: The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense and interest on general long-term liabilities are considered indirect expenses and are reported separately on the Statement of Activities.

Basis of Presentation - Fund Accounting: The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

A - Major Funds

General Fund - The General Fund is the main operating fund of the District. It is used to account for all activities except those that are required to be accounted for in another fund. In keeping with the minimum number of funds principle, all of the District's activities are reported in the general fund unless there is a compelling reason to account for an activity in another fund. A District may have only one General Fund.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Building Fund - The Building Fund is a capital projects fund used primarily to account separately for proceeds from the sale of bonds (*Education Code Section 15146*) and may not be used for any purposes other than those for which the bonds were issued. Other authorized revenues to the Building Fund are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code Section 17462*) and revenue from rentals and leases of real property specifically authorized for deposit into the fund by the governing board (*Education Code Section 41003*).

Special Reserve for Capital Outlay Projects Fund: The Special Reserve for Capital Outlay Projects Fund is a capital project fund used to provide for the accumulation of funds for capital outlay purposes (*Education Code Section 42840*).

Bond Interest and Redemption Fund - The Bond Interest and Redemption Fund is a debt service fund used for the repayment of bonds issued for the District (*Education Code Sections 15125-15262*). The proceeds from the sale of the bonds are deposited in the county treasury to the Building Fund of the District. Any premiums or accrued interest received from the sale of the bonds must be deposited in the Bond Interest and Redemption Fund of the District. The San Diego County Auditor and Controller manages the District's Bond Interest and Redemption Fund due to the fact that the principal and interest on the bonds must be paid by the San Diego County Treasurer from the taxes levied by the San Diego County Treasurer-Tax Collector on behalf of the District.

B - Other Funds

Special Revenue Funds - The Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The District maintains the following special revenue funds:

a - Student Activity Fund: This fund is used to account separately for local revenues for student activity programs. Money in this fund shall be expended for student activity purposes only.

b - Adult Education Fund: This fund is used to account separately for federal, state, and local revenues for adult education programs. Money in this fund shall be expended for adult education purposes only. Money received from programs other than adult education shall not be expended for adult education (*Education Code Section 52616[b] and 52501.5[a]*)

c - Child Development Fund: This fund is used to account separately for federal, state, and local revenues to operate child development programs. All moneys received by the District for, or from the operation of, child development services covered under the Child Care and Development Services Act (*Education Code Section 8200 et seq.*) shall be deposited into this fund. The moneys may be used only for expenditures for the operation of child development programs. The costs incurred in the maintenance and operation of child development services hall be paid from this fund, with accounting to reflect specific funding sources (*Education Code Section 83228*).

d - Cafeteria Fund: This fund is used to account for federal, state, and local resources to operate the food service program (*Education Code Sections 38090-38093*). The Cafeteria Special Revenue Fund shall be used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code Sections 38091 and 38100*).

e - Pupil Transportation Equipment Fund: This fund is used to account separately for state and local revenues specifically for the acquisition, rehabilitation, or replacement of equipment used to transport students (*Education Code Section 41852[b]*).

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Project Funds - The capital project funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

a - Capital Facilities Fund: This fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (*Education Code Sections 17620-17626*). The authority for these levies may be county/city ordinances (*Government Code Sections 65970-65981*) or private agreements between the District and the developer. Interest earned in the Capital Facilities Fund is restricted to that fund (*Government Code Section 66006*).

b - County School Facilities Fund: The County School Facilities Fund is a capital project fund used to account for the accumulation and expenditure of resources used for the acquisition or construction of major capital facilities and equipment (*Education Code Section 17070.43*).

<u>Proprietary Fund</u>:

Self-Insurance Fund - The Self Insurance Fund is a proprietary fund used to separate moneys received from self-insurance activities from other operating funds of the District. Separate funds may be established for each type of self-insurance activity, such as workers' compensation, health and welfare, and deductible property loss (*Education Code Section 17566*).

San Diego Captive Insurance Fund - The San Diego Captive Insurance Fund is a proprietary fund used to account for the San Diego Unified School District Captive Insurance Company. In January 2022, the District established the San Diego Unified School District Captive Insurance Company, IC (‘Captive”), a captive insurance program based in Burlington, Vermont. The Captive was established by the District for purposes of managing the District’s general liability program. (*Education Code Section 17566*).

<u>Basis of Accounting</u>: Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

<u>Accrual</u>: Governmental activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

<u>Modified Accrual</u>: The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term liabilities, if any, is recognized when due.

<u>Budgets and Budgetary Accounting</u>: By state law, the Board of Education must adopt a final budget by July 1. A public hearing is conducted to receive comments prior to adoption. The Board of Education complied with these requirements.

<u>Receivables</u>: Receivables are made up principally of amounts due from the State of California and Categorical programs. The District has determined that no allowance for doubtful accounts was needed as of June 30, 2023.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Stores Inventory: Inventories are recorded using the purchase method in that the cost is recorded as an expenditure at the time the individual inventory items are requisitioned. Inventories are valued at historical cost and consist of expendable supplies held for consumption.

Capital Assets: The accounting and reporting treatment applied to the capital assets associated with a fund is determined by its measurement focus. Capital assets are reported in the governmental activities column of the government-wide state of net position, but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost), except for intangible right-to-use lease assets, the measurement of which is discussed in the “Leases” note below. Donated fixed assets are recorded at acquisition value for the contributed asset. The District maintains a capitalization threshold of $5,000 for equipment purchased and $100,000 for improvement of land, modernization of buildings and construction of new buildings. The District does not own any infrastructure as defined in GASB Statement No. 34. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. All reported capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Life
Buildings and Improvements	25 - 50 years
Furniture and Equipment	5 -15 years
Vehicles	6 years

Leases: The District is a lessee for leases of property and equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of $100,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

The District is a lessor for leases of property and equipment. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Activity: Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred loss on refunding reported, which is in the Statement of Net Position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. Additionally, the District has recognized a deferred outflow of resources related to the recognition of the pension liability and total OPEB liability reported in the Statement of Net Position.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized a deferred gain on refunding reported, which is in the Statement of Net Position. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. Additionally, the District has recognized deferred inflows of resources related to the recognition of the pension liability, leases and OPEB liability reported in the Statement of Net Position.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State Teachers' Retirement Plan (STRP) and Public Employers Retirement Fund B (PERF B) and additions to/deductions from STRP's and PERF B's fiduciary net position have been determined on the same basis as they are reported by STRP and PERF B. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Certain investments are reported at fair value. The following is a summary of pension amounts in the aggregate:

	STRP	PERF B	Total
Deferred outflows of resources	$ 214,229,005	$ 201,006,266	$ 415,235,271
Deferred inflows of resources	$ 168,651,000	$ 21,106,000	$ 189,757,000
Net pension liability	$ 690,354,000	$ 609,725,000	$ 1,300,079,000
Pension expense	$ 83,597,218	$ 75,829,587	$ 159,426,805

Compensated Absences: Compensated absences benefits are recorded as a liability of the District. The liability of $37,802,729 is for the earned but unused benefits.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accumulated Sick Leave: Sick leave benefits are accumulated for each employee. The employees do not gain a vested right to accumulated sick leave. Accumulated employee sick leave benefits are not recognized as liabilities of the District since cash payment of such benefits is not probable. Therefore, sick leave benefits are recorded as expenditures in the period that sick leave is taken.

Unearned Revenue: Revenue from federal, state, and local special projects and programs is recognized when qualified expenditures have been incurred. Funds received but not earned are recorded as unearned revenue until earned.

Net Position: Net position is displayed in three components:

1. *Net Investment in Capital Assets* – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

2. *Restricted Net Position* - Restrictions of the ending net position indicate the portions of net position not appropriable for expenditure or amounts legally segregated for a specific future use. The restriction for legally restricted programs represents the portion of net position restricted to specific program expenditures. The restriction for debt service represents the portion of net position available for the retirement of debt. The restriction for capital projects represents the portion of net position restricted for capital projects. The restriction for self-insurance represents the portion of net position restricted for the District's self-insurance program. It is the District's policy to use restricted net position first when allowable expenditures are incurred.

3. *Unrestricted Net Position* – All other net position that do not meet the definitions of "restricted" or "net investment in capital assets".

Fund Balance Classifications: Governmental Accounting Standards Board Codification Sections 1300 and 1800, Fund Balance Reporting and *Governmental Fund Type Definitions* (GASB Cod. Sec. 1300 and 1800) implements a five-tier fund balance classification hierarchy that depicts the extent to which a government is bound by spending constraints imposed on the use of its resources. The five classifications, discussed in more detail below, are nonspendable, restricted, committed, assigned and unassigned.

A - *Nonspendable Fund Balance* - The nonspendable fund balance classification reflects amounts that are not in spendable form, such as revolving fund cash, prepaid expenditures and stores inventory.

B - *Restricted Fund Balance* - The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation. These are the same restrictions used to determine restricted net position as reported in the government-wide financial statements.

C - *Committed Fund Balance* - The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Board of Education. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. Formal action by the Board of Education is required to remove any commitment from any fund balance. At June 30, 2023, the District had no committed fund balances.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D - *Assigned Fund Balance* - The assigned fund balance classification reflects amounts that the District's Board of Education has approved to be used for specific purposes, based on the District's intent related to those specific purposes. The Board of Education can designate personnel within the District to assign fund balances. However, as of June 30, 2023 no such designation has occurred.

E - *Unassigned Fund Balance* - In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes.

In any fund other than the General Fund, a positive unassigned fund balance is never reported because amounts in any other fund are assumed to have been assigned, at least, to the purpose of that fund. However, deficits in any fund, including the General Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

<u>Fund Balance Policy</u>: The District has an expenditure policy relating to fund balances. For purposes of fund balance classifications, expenditures are to be spent from restricted fund balances first, followed in order by committed fund balances (if any), assigned fund balances and lastly unassigned fund balances.

While GASB Cod. Sec. 1300 and 1800 do not require districts to establish a minimum fund balance policy or a stabilization arrangement, GASB Cod. Sec. 1300 and 1800 do require the disclosure of a minimum fund balance policy and stabilization arrangements, if they have been adopted by the Board of Education. At June 30, 2023, the District has not established a minimum fund balance policy nor has it established a stabilization arrangement.

<u>Property Taxes</u>: Secured property taxes are attached as an enforceable lien on property as of January 1. Taxes are due in two installments on or before December 10 and April 10. Unsecured property taxes are due in one installment on or before August 31. The County of San Diego bills and collects taxes for the District. Tax revenues are recognized by the District when received.

<u>Encumbrances</u>: Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated at June 30.

<u>Eliminations and Reclassifications</u>: In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

<u>Estimates</u>: The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions 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 or expenses during the reporting period. Accordingly, actual results may differ from those estimates.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements: In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB Statement No. 96 defines a subscription-based information technology arrangement and requires the recognition of a right to use subscription asset and corresponding subscription liability. This statement was effective for fiscal years beginning after June 15, 2022. There was no impact to the District's July 1, 2022 net position as a result of the implementation of GASB Statement No. 96.

NOTE 2 - CASH AND INVESTMENTS

District cash and investments at June 30, 2023 consisted of the following:

	Governmental Funds	Internal Service Funds	Total Governmental Activities
Cash in County Treasury	$ 2,107,394,739	$ 148,948,165	$ 2,256,342,904
Collections awaiting deposit	281,507	-	281,507
Cash on hand and in banks	11,114,137	-	11,114,137
Cash in revolving fund	54,000	-	54,000
Cash with fiscal agent	352,503,747	4,845,544	357,349,291
Total cash and cash equivalent	$ 2,471,348,130	$ 153,793,709	$ 2,625,141,839

Pooled Funds: In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the interest-bearing San Diego County Treasurer's Pooled Investment Fund. The District is considered to be an involuntary participant in an external investment pool. The fair value of the District's investment in the pool is reported in the financial statements at amounts based upon the District's pro- rata share of the fair value 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.

Deposits - Custodial Credit Risk: The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2023, the carrying amount of the District's accounts was $11,168,137 and the bank balances were $11,276,571. The total uninsured bank balance at June 30, 2023 was $11,026,571.

Cash with Fiscal Agent: Cash with Fiscal Agent in the Internal Service Funds represents cash balances held by Chase Bank for the claims payments. Cash with Fiscal Agent in the Governmental Funds represents cash balances held by US Bank for the debt payments. The cash balances are fully collateralized at June 30, 2023.

Credit Risk: The District does not have a formal investment policy that limits its investment choices other than the limitations of state law.

(Continued)

NOTE 2 - CASH AND INVESTMENTS (Continued)

Interest Rate Risk: The District does not have a formal investment policy that limits the cash and investment maturities as a means of managing its exposure to fair value arising from increasing interest rates. At June 30, 2023, the District had no significant interest rate risk related to investments held.

Concentration of Credit Risk: The District does not place limits on the amount they may invest in any one issuer. At June 30, 2023, the District had no concentration of credit risk.

NOTE 3 - INTERFUND TRANSACTIONS

Interfund Activity: Transactions between funds of the District are recorded as interfund transfers. The unpaid balances at year end, as a result of such transactions, are shown as due to and due from other funds.

Interfund Receivables/Payables: Individual fund interfund receivable and payable balances at June 30, 2023 were as follows:

	Interfund Receivables	Interfund Payables
Governmental Activities		
Major Funds:		
General	$ 27,870,309	$ 5,983,721
Building	35,441,417	15,299,067
Special Reserve for Capital Outlay Projects	754	621,131
Non-Major Funds:		
Adult Education	-	132,157
Child Development	1,744,922	301,386
Cafeteria	3,647	3,570,289
Pupil Transportation	-	548
Capital Facilities	-	4,292,814
County School Facilities	2,168,377	40,265,968
Proprietary Fund:		
Self-Insurance	3,603,438	365,783
Totals	$ 70,832,864	$ 70,832,864

(Continued)

NOTE 3 - INTERFUND TRANSACTIONS (Continued)

Transfers: Transfers consists of operating transfers from funds receiving revenue to funds through which the resources are to be expended.

Transfers for the 2022-2023 fiscal year were as follows:

Transfer from the Capital Facilities Fund to the General Fund for reduction in expenditures related to CCDC RDA.	$ 22,880,000
Transfer from the General Fund to the Self-Insurance Fund for unused benefits.	13,670,000
Transfer from the County School Facilities Fund to the General Fund for board approved transfer.	5,000,000
Transfer from the Cafeteria Fund to the General Fund for indirect costs.	2,164,877
Transfer from the Special Reserve for Capital Outlay Projects Fund to the General Fund for additional rent expense.	1,422,292
Transfer from the County School Facilities Fund to the Building Fund for to reimburse Prop Z for construction costs.	947,365
Transfer from the Self Insurance Fund to the General Fund for premiums and insurance costs.	835,000
Transfer from the Child Development Fund to the General Fund for indirect costs.	194,702
Transfer from the Adult Education Fund to the General Fund for indirect costs.	69,286
	$ 47,183,522

NOTE 4 – LEASE RECEIVABLES

The District leases out its buildings and land. Lease terms vary, and may contain one or more renewal options. The District has generally included these renewal periods in the lease term when it is reasonably certain that the lessee will exercise the renewal option. The District's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the District's leases is not readily determinable, the District utilizes its incremental borrowing rate to discount the lease payments.

(Continued)

NOTE 4 – LEASE RECEIVABLES (Continued)

Minimum lease payments receivable on leases of investment properties are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 5,141,625	$ 1,689,640	$ 6,831,265
2025	2,837,019	1,073,202	3,910,221
2026	1,424,732	1,047,427	2,472,159
2027	1,503,173	1,028,992	2,532,165
2028	1,005,633	1,013,654	2,019,287
2029-2033	5,971,784	4,816,093	10,787,877
2034-2038	7,937,509	4,307,213	12,244,722
2039-2043	9,604,797	3,662,509	13,267,306
2044-2048	9,429,465	2,925,030	12,354,495
2049-2053	7,041,163	2,475,830	9,516,993
2054-2058	8,787,200	2,050,412	10,837,612
2059-2063	6,787,092	1,561,474	8,348,566
2064-2068	2,151,831	1,303,400	3,455,231
2069-2073	2,383,505	1,080,412	3,463,917
2074-2078	2,964,103	819,843	3,783,946
2079-2083	3,280,725	512,351	3,793,076
2084-2088	2,201,738	183,385	2,385,123
2089-2093	307,258	82,444	389,702
2094-2098	349,417	50,126	399,543
2099-2103	326,720	13,927	340,647
	$ 81,436,489	$ 31,697,364	$ 113,133,853

The total amount of inflows of resources relating to leases recognized in the current fiscal year are as follows:

	2023 Governmental Funds/ Governmental Activities
Lease revenue	$ 3,683,516
Interest revenue	$ 781,749

NOTE 5 - CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2023 is shown below:

	Balance July 1, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Tangible capital assets not depreciable:					
Land	$ 323,980,239	$ -	$ -	$ (3,573,907)	320,406,332
Work-in-process	2,612,347,228	568,427,790	-	(527,760,647)	2,653,014,371
Tangible capital assets being depreciated:					
Improvement of sites	458,958,185	-	-	40,634,325	499,592,510
Buildings	3,332,466,183	-	731,764	481,985,923	3,813,720,342
Equipment	297,442,877	5,792	13,657,525	8,714,306	292,505,450
Totals, at cost	7,025,194,712	568,433,582	14,389,289	-	7,579,239,005
Less accumulated depreciation:					
Improvement of sites	(227,220,825)	(19,569,555)	-	-	(246,790,380)
Buildings	(1,313,736,390)	(140,452,666)	(716,164)	-	(1,453,472,892)
Equipment	(240,679,428)	(10,951,095)	(12,172,444)	-	(239,458,079)
Total accumulated depreciation	(1,781,636,643)	(170,973,316)	(12,888,608)	-	(1,939,721,351)
Intangible capital assets being amortized:					
Lease assets:					
Vehicles and equipment	1,441,166	1,734,878	18,141	-	3,157,903
Totals, at cost	1,441,166	1,734,878	18,141	-	3,157,903
Accumulated lease amortization:					
Vehicles and equipment	(426,704)	(144,678)	(2,168)	-	(569,214)
Total accumulated lease amortization	(426,704)	(144,678)	(2,168)	-	(569,214)
Total lease assets, net	1,014,462	1,590,200	15,973	-	2,588,689
Subscription assets:					
Subscriptions	-	29,923,814	-	-	29,923,814
Totals, at cost	-	29,923,814	-	-	29,923,814
Accumulated subscriptions amortization:					
Subscriptions	-	(8,506,079)	-	-	(8,506,079)
Total accumulated subscriptions amortization	-	(8,506,079)	-	-	(8,506,079)
Total subscriptions assets, net	-	21,417,735	-	-	21,417,735
Governmental activities Capital assets, net	$ 5,244,572,531	$ 420,468,201	$ 1,516,654	$ -	$ 5,663,524,078

(Continued)

NOTE 5 - CAPITAL ASSETS (Continued)

Depreciation and amortization expense was charged to governmental activities for the year ended June 30, 2023 as follows:

Governmental activities:	
Unallocated	$ 179,624,073

NOTE 6 - SELF-INSURANCE

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The District has established Internal Service Funds to account for and finance its uninsured risks of loss. Under this program, the Internal Service Funds provide coverage for a maximum of $500,000 for each worker's compensation claim, $150,000 for each general liability claim and $150,000 for each property damage claim. The District purchases commercial insurance for claims in excess of coverage provided by the funds and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Funding of the Internal Service Funds is based on estimates of the amounts needed to pay prior and current year claims. Worker's Compensation claims are charged to the respective funds which generate the liability and the Property and Liability claims are paid by the General Fund.

The District established the San Diego Unified School District Captive Insurance Company, IC (‘Captive’), a captive insurance program based in Burlington, Vermont. The Captive was established by the District for purposes of managing the District’s general liability program. Under this program, the Captive provides coverage for a maximum of $500,000 for each general liability claim.

At June 30, 2023, the District accrued the claims liability in accordance with GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Claims liability is estimated at $73.8 million. Changes in the reported liability are shown below:

	General Liability	Workers' Compensation	Total
Liability balance, June 30, 2021	$ 5,090,000	$ 71,088,000	$ 76,178,000
Incurred claims	12,956,135	11,894,695	24,850,830
Claims payments	(12,481,456)	(13,312,695)	(25,794,151)
Liability balance, June 30, 2022	$ 5,564,679	$ 69,670,000	$ 75,234,679
Incurred claims	12,373,792	9,821,813	22,195,605
Claims payments	(10,533,144)	(13,082,813)	(23,615,957)
Liability balance, June 30, 2023	$ 7,405,327	$ 66,409,000	$ 73,814,327

(Continued)

NOTE 7 - LONG TERM LIABILITIES

A schedule of changes in long term liabilities, excluding claims payable on self-insurance activities in Note 6, for the fiscal year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
General Obligation Bonds:					
General Obligation Bonds	$4,769,349,324	$ 761,115,000	$ 515,130,263	$5,015,334,061	$ 254,127,618
Unamortized premiums	367,137,289	28,982,537	29,404,634	366,715,192	24,261,435
Accreted interest	399,970,306	56,897,832	17,415,950	439,452,188	15,367,382
Total General Obligation Bonds	5,536,456,919	846,995,369	561,950,847	5,821,501,441	293,756,435
Other Long-term Liabilities:					
Net pension liability (Notes 9 & 10)	793,205,000	506,874,000	-	1,300,079,000	-
Lease liabilities	1,108,751	1,734,878	495,368	2,348,261	674,944
SBITA liabilities	-	29,923,814	8,045,677	21,878,137	8,459,759
Compensated absences	39,166,475	-	1,363,746	37,802,729	-
HRA liability (Note 12)	10,715,000	-	4,045,000	6,670,000	3,635,000
Total OPEB liability (Note 11)	136,132,998	-	16,572,601	119,560,397	-
Total	$6,516,785,143	$1,385,528,061	$ 592,473,239	$7,309,839,965	$ 306,526,138

Payments on General Obligation bonds are paid from the Bond Interest and Redemption Fund, lease liabilities and SBITA liabilities are paid from the General Fund. Payments on OPEB, HRA and compensated absences are paid from the fund for which the related employee worked.

General Obligation Bonds

Proposition MM General Obligation Bond Authorization

On November, 5 1998, voters in San Diego approved the issuance of general obligation bonds not to exceed $1.51 billion (Proposition MM), for the purpose of repairing deteriorating roofs, drainage, heating, plumbing and electrical systems; upgrading fire security, disabled access, science laboratories, wiring for computers; removing hazardous lead paints; building needed libraries; enabling additional class size reduction, building schools and classrooms; and financing the acquisition and improvement of real property in order to address District needs. The District has issued the entire authorization Series A through G totaling $1.51 billion.

(Continued)

NOTE 7 - LONG TERM LIABILITIES (Continued)

Proposition S General Obligation Bond Authorization

On November 4, 2008, voters in San Diego passed the $2.1 billion general obligation bond measure, Proposition S. This bond program will provide resources for the District to repair, renovate and revitalize 181 neighborhood schools. Proposition S extends the previous voter approved Proposition MM tax rate of $66.70 per $100,000 of assessed property value until the year 2029. Once the Proposition MM bonds are paid, the tax rate will be $60.00 per $100,000 of assessed property value beginning 2030. The District issued Series A through M totaling $1.09 billion including Qualified School Construction Bonds.

Proposition Z General Obligation Bond Authorization

On November 6, 2012, San Diego voters in San Diego approved Proposition Z, a $2.8 billion bond proposition that the District will use to maintain safe and productive learning environments for students. The bond is a Proposition 39 bond, which requires approval from at least 55 percent of voters to pass. The tax rate imposed to meet repayment of the proposed bonds will not exceed $60 per year per $100,000 of assessed valuation of taxable property. The District issued Series A through O totaling $2,800,000,000.

Measure YY General Obligation Bond Authorization

On November 6, 2018, San Diego voters in San Diego approved Measure YY, a $3.5 billion bond proposition that the District will use to maintain safe and productive learning environments for students. The bond is a Proposition 39 bond, which requires approval from at least 55 percent of voters to pass. The tax rate imposed to meet repayment of the proposed bonds will not exceed $60 per year per $100,000 of assessed valuation of taxable property. The District issued Series A through F totaling $1,595,000,000.

Measure U General Obligation Bond Authorization

On November 8, 2022, San Diego voters approved Measure U, a $3.2 billion bond proposition that the District will use for the purpose of school construction improvements. The funds will be used to repair leaky roofs and plumbing, provide safe drinking water, remove asbestos, lead and paint/mold, improve classroom security/communications systems, cameras, and door locks to protect against school shootings, and upgrade career science, technology, and engineering classrooms. The bond is a Proposition 39 bond, which requires approval from at least 55 percent of voters to pass. No bond issuances have been made at this time.

(Continued)

NOTE 7 - LONG TERM LIABILITIES (Continued)

The outstanding general obligation bonded debt, not including premium or discount, of the District at June 30, 2023 is summarized in the following:

Proposition MM

Series	Date of Issue	Interest Rate %	Maturity Date	Amount of Original Issue	Outstanding July 1, 2022	Issued/Accreted Current Year	Redeemed Current Year	Outstanding June 30, 2023	Amount due in One Year
1998, Series A	5/27/1999	4.20 - 5.34	2024	$ 139,995,085	$ 12,087,268	$ -	$ 6,084,650	$ 6,002,618	$ 6,002,618
A - Accreted interest		-	-	-	26,639,841	2,095,756	14,465,350	14,270,247	15,367,382
1998, Series B	12/14/2000	4.40-5.35	2025	149,999,084	-	-	-	-	-
1998, Series C	11/21/2001	2.95 - 5.00	2027	199,995,712	93,185,000	-	15,790,000	77,395,000	14,210,000
1998, Series D	9/12/2002	2.10 - 5.25	2026	274,995,346	75,185,000	-	14,160,000	61,025,000	15,705,000
1998, Series E	8/19/2003	1.90 - 5.25	2028	349,993,599	117,985,000	-	-	117,985,000	-
1998, Series F	9/2/2004	1.95 - 5.00	2029	199,996,373	53,625,000	-	10,000,000	43,625,000	-
1998 Series G	9/8/2005	3.00 - 5.00	2029	195,024,801	55,055,000	-	-	55,055,000	-
Subtotal of original issue before refunding				1,510,000,000	433,762,109	2,095,756	60,500,000	375,357,865	51,285,000
R-1 Refunding (various)	3/15/2012	2.00 - 5.00	2032	65,434,442	65,434,442	-	-	65,434,442	-
R-1 Refunding - Accreted interest		-	-	-	41,149,052	5,444,236	-	46,593,288	-
R-3 Refunding (various)	4/16/2014	2.00 - 5.00	2030	199,285,000	54,290,000	-	18,930,000	35,360,000	19,895,000
R-4 Refunding (various)	5/27/2015	2.00 - 5.00	2030	172,505,000	167,970,000	-	-	167,970,000	-
R-5 Refunding (various)	5/4/2016	4.00 - 5.00	2030	126,135,000	126,135,000	-	-	126,135,000	-
Total Proposition MM				$2,073,359,442	$ 888,740,603	$ 7,539,992	$ 79,430,000	$ 816,850,595	$ 71,180,000

(Continued)

NOTE 7 - LONG TERM LIABILITIES (Continued)

The outstanding general obligation bonded debt, not including premium or discount, of the District June 30, 2023 is summarized in the following:

Proposition S Series	Date of Issue	Interest Rate %	Maturity Date	Amount of Original Issue	Outstanding July 1, 2022	Issued/Accreted Current Year	Redeemed Current Year	Outstanding June 30, 2023	Amount due in One Year
2008, Series A	5/7/2009	2.52 - 6.19	2033	$ 131,157,581	$ 19,904,188	$ -	$ 2,615,613	$ 17,288,575	$ -
A - Accreted interest		-	-	-	26,492,074	2,893,979	2,950,600	26,435,453	-
2008, Series B QSCB	4/21/2009	-	2023	38,840,000	38,840,000	-	38,840,000	-	-
2008, Series C	8/18/2010	6.10 - 6.63	2051	163,869,783	112,548,275	-	-	112,548,275	-
C - Accreted interest		-	2051	-	123,964,387	14,583,661	-	138,548,048	-
2008, Series D QSCB	8/5/2010	5.26	2028	36,130,000	36,130,000	-	-	36,130,000	-
2008, Series E	5/24/2012	4.89 - 5.48	2052	149,998,825	149,998,825	-	-	149,998,825	-
E - Accreted interest		-	-	-	98,822,432	13,468,592	-	112,291,024	-
2008, Series F	4/16/2014	1.00-5.00	2017	15,095,000	-	-	-	-	-
2008, Series G	4/16/2014	5.18 - 5.58	2039	50,000,726	-	-	-	-	-
2008, Series H	6/18/2015	0.50 - 5.00	2025	31,770,000	28,380,000	-	13,330,000	15,050,000	14,605,000
2008, Series I	12/2/2015	3.85 - 8.00	2040	99,999,241	84,397,611	-	-	84,397,611	-
I - Accreted interest	12/2/2015	-	-	-	23,022,533	4,415,523	-	27,438,056	-
2008, Series J	5/5/2016	0.52 - 5.00	2028	45,000,000	35,485,000	-	4,925,000	30,560,000	4,850,000
2008, Series K-1	12/12/2017	3.00 - 5.00	2020	23,460,000	-	-	-	-	-
2008, Series K-2	12/12/2017	3.28 - 3.97	2043	76,538,885	76,538,885	-	-	76,538,885	-
K - Accreted Interest	12/12/2017	-	-	-	12,446,614	3,371,639	-	15,818,253	-
2008, Series L-1	3/4/2021	0.10-4.00	2050	7,165,000	-	-	-	-	-
2008, Series L-2	3/4/2021	0.10-4.00	2050	117,835,000	101,020,000	-	8,440,000	92,580,000	-
2008, Series M-1	11/30/2022	4.375	2023	2,115,000	-	2,115,000	2,115,000	-	-
2008, Series M-2	11/30/2022	5.00	2053	97,885,000	-	97,885,000	-	97,885,000	10,370,000
Subtotal of original issue before refunding				1,086,860,041	967,990,824	138,733,394	73,216,213	1,033,508,005	29,825,000

(Continued)

NOTE 7 - LONG TERM LIABILITIES (Continued)

The outstanding general obligation bonded debt, not including premium or discount, of the District June 30, 2023 is summarized in the following:

Proposition S Series	Date of Issue	Interest Rate %	Maturity Date	Amount of Original Issue	Outstanding July 1, 2022	Issued/Accreted Current Year	Redeemed Current Year	Outstanding June 30, 2023	Amount due in One Year
2008, R-2 Refunding (various)	3/1/2012	6.625	2042	$ 56,869,830	$ 56,869,830	$ -	$ -	$ 56,869,830	$ -
R-2 Refunding - accreted interest		-	-	-	47,433,373	10,624,446	-	58,057,819	-
2008, SR-1 Refunding	4/5/2016	3.00 - 5.00	2034	145,915,000	145,915,000	-	-	145,915,000	-
2008, Series SR-2	3/12/2020	2.40 - 2.84	2039	92,475,000	92,475,000	-	-	92,475,000	-
Total Proposition S				$1,382,119,871	$1,310,684,027	$ 149,357,840	$ 73,216,213	$1,386,825,654	$ 29,825,000

(Continued)

NOTE 7 - LONG TERM LIABILITIES (Continued)

The outstanding general obligation bonded debt, not including premium or discount, of the District June 30, 2023 is summarized in the following:

Proposition Z

Series	Date of Issue	Interest Rate %	Maturity Date	Amount of Original Issue	Outstanding July 1, 2022	Issued/Accreted Current Year	Redeemed Current Year	Outstanding June 30, 2023	Amount due in One Year
2012, Series A	4/30/2013	3.42	2014	$ 52,500,000	$ -	$ -	$ -	-	$ -
2012, Series A-1	4/30/2013	4.26	2014	3,000,000	-	-	-	-	-
2012, Series B	4/30/2013	1.212	2015	60,500,000	-	-	-	-	-
2012, Series C	4/30/2013	4.00 - 5.00	2024	414,000,000	30,000,000	-	26,865,000	3,135,000	3,135,000
2012, Series D	10/14/2015	4.5	2016	75,400,000	-	-	-	-	-
2012, Series E	10/14/2015	3.00-4.00	2018	78,955,000	-	-	-	-	-
2012, Series F	1/5/2016	4.285 - 5.00	2046	370,645,000	370,645,000	-	117,445,000	253,200,000	-
2012, Series G	1/5/2016	3.578 - 5.00	2046	100,000,000	100,000,000	-	15,620,000	84,380,000	-
2012, Series H-1	11/1/2017	1.25	2018	43,735,000	-	-	-	-	-
2012, Series H-2	11/1/2017	1.25 - 5.00	2021	176,265,000	-	-	-	-	-
2012, Series I	11/1/2017	3.846 - 5.00	2047	441,000,000	441,000,000	-	-	441,000,000	-
2012, Series J	11/1/2017	3.125 - 4.653	2041	59,000,000	59,000,000	-	-	59,000,000	-
2012, Series K-1 and K-2	10/30/2019	1.75 - 4.00	2022	123,365,000	-	-	-	-	-
2012, Series L	10/30/2019	4.00 - 5.00	2050	126,635,000	126,635,000	-	-	126,635,000	-
2012, Series M-1 and M-2	8/27/2020	0.23-5.00	2050	300,000,000	276,340,000	-	51,630,000	224,710,000	-
2012, Series N-1 and N-2	10/6/2021	0.016-5.00	2047	225,000,000	205,670,000	-	-	205,670,000	63,455,000
2012, Series O-1 and O-2	10/4/2022	3.95-5.00	2047	150,000,000	-	150,000,000	2,990,000	147,010,000	-
Subtotal of original issue before refunding				2,800,000,000	1,609,290,000	150,000,000	214,550,000	1,544,740,000	66,590,000
2012, Series ZR-1	10/6/2021	0.199-2.907	2043	401,380,000	401,380,000	-	55,525,000	345,855,000	-
2012, Series ZR-2	5/31/2023	5.00	2029	25,025,000	-	25,025,000	-	25,025,000	-
2012, Series ZR-3	5/31/2023	5.00	2043	16,415,000	-	16,415,000	-	16,415,000	-
2012, Series ZR-4A	5/31/2023	5.00	2046	17,775,000	-	17,775,000	-	17,775,000	-
2012, Series ZR-4B	5/31/2023	5.00	2046	101,900,000	-	101,900,000	-	101,900,000	-
Total Proposition Z				$3,362,495,000	$2,010,670,000	$ 311,115,000	$ 270,075,000	$2,051,710,000	$ 66,590,000

(Continued)

NOTE 7 - LONG TERM LIABILITIES (Continued)

The outstanding general obligation bonded debt, not including premium or discount, of the District June 30, 2023 is summarized in the following:

Measure YY

Series	Date of Issue	Interest Rate %	Maturity Date	Amount of Original Issue	Outstanding July 1, 2022	Issued/Accreted Current Year	Redeemed Current Year	Outstanding June 30, 2023	Amount Due in One Year
2018, Series A	5/6/2019	2.00 - 5.00	2021	$ 201,260,000	$ -	$ -	$ -	$ -	$ -
2018, Series B	5/6/2019	3.25	2048	48,740,000	48,740,000	-	-	48,740,000	-
2018, Series C-1 and C-2	10/30/2019	1.75 - 5.00	2050	100,000,000	92,170,000	-	-	92,170,000	-
2018, Series D-1 and D-2	8/27/2020	0.23-5.00	2050	545,000,000	496,935,000	-	104,850,000	392,085,000	-
2018, Series E-1 and E-2	10/6/2021	0.016-5.00	2051	350,000,000	321,380,000	-	-	321,380,000	101,900,000
2018, Series F-1 and F-2	10/4/2022	3.95-5.00	2051	350,000,000	-	350,000,000	4,975,000	345,025,000	-
Total Measure YY				$1,595,000,000	$ 959,225,000	$ 350,000,000	$ 109,825,000	$1,199,400,000	$ 101,900,000

(Continued)

NOTE 7 - LONG TERM LIABILITIES (Continued)

The annual requirements to amortize the General Obligation Bonds payable and outstanding as of June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Accreted Interest	Total
2024	$ 254,127,618	$ 177,524,797	$ 15,367,382	$ 447,019,797
2025	287,710,000	163,414,256	-	451,124,256
2026	121,235,000	153,376,623	-	274,611,623
2027	135,005,000	147,255,762	-	282,260,762
2028	149,735,000	139,630,763	-	289,365,763
2029-2033	769,939,379	644,824,477	224,200,621	1,638,964,477
2034-2038	667,189,987	644,002,061	238,300,013	1,549,492,061
2039-2043	861,377,412	498,646,265	413,317,588	1,773,341,265
2044-2048	1,012,437,796	277,309,519	377,107,204	1,666,854,519
2049-2053	756,576,869	64,880,695	270,394,822	1,091,852,386
	$ 5,015,334,061	$ 2,910,865,218	$ 1,538,687,630	$ 9,464,886,909

1998 Series A: Capital appreciation bonds were issued as part of the Series A issuance with maturity dates from July 1, 2004 through 2023. Prior to their applicable maturity dates, each capital appreciation bond will accrete interest on the principal component, with all interest accreting through the applicable maturity date and payable only upon maturity or prior payment of the principal component. Future accreted interest accruals of $1,097,135 have not been reflected in the long-term liabilities balance in the schedule above.

The annual payments required to amortize the Election of 1998, Series A, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ 6,002,618	$ 15,367,382	$ 21,370,000

(Continued)

NOTE 7 - LONG TERM LIABILITIES (Continued)

1998 Series C: The annual payments required to amortize the Election of 1998, Series C, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ 14,210,000	$ 3,865,950	$ 18,075,950
2025	19,015,000	2,952,263	21,967,263
2026	20,960,000	1,852,950	22,812,950
2027	23,210,000	638,275	23,848,275
	$ 77,395,000	$ 9,309,438	$ 86,704,438

1998 Series D: The annual payments required to amortize the Election of 1998, Series D, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ 15,705,000	$ 2,924,488	$ 18,629,488
2025	21,575,000	1,899,288	23,474,288
2026	23,745,000	652,988	24,397,988
	$ 61,025,000	$ 5,476,764	$ 66,501,764

1998 Series E: The annual payments required to amortize the Election of 1998, Series E, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ -	$ 6,489,175	$ 6,489,175
2025	11,620,000	6,169,625	17,789,625
2026	24,680,000	5,171,375	29,851,375
2027	33,990,000	3,557,950	37,547,950
2028	47,695,000	1,311,610	49,006,610
	$ 117,985,000	$ 22,699,735	$ 140,684,735

(Continued)

NOTE 7 - LONG TERM LIABILITIES (Continued)

1998 Series F: The annual payments required to amortize the Election of 1998, Series F, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ -	$ 2,290,312	$ 2,290,312
2025	-	2,290,312	2,290,312
2026	-	2,290,312	2,290,312
2027	-	2,290,313	2,290,313
2028	11,175,000	1,996,969	13,171,969
2029	32,450,000	851,813	33,301,813
	$ 43,625,000	$ 12,010,031	$ 55,635,031

1998 Series G: The annual payments required to amortize the Election of 1998, Series G, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ -	$ 2,890,387	$ 2,890,387
2025	-	2,890,388	2,890,388
2026	-	2,890,388	2,890,388
2027	-	2,890,388	2,890,388
2028	14,795,000	2,502,018	17,297,018
2029	40,260,000	1,056,825	41,316,825
	$ 55,055,000	$ 15,120,394	$ 70,175,394

1998 Refunding, Series R-1: The District issued the 1998 Refunding, Series R-1 bonds to refund certain portions of 1998, Series A, B, C, D, E, F and G general obligation bonds. Capital appreciation bonds were issued as part of Series R-1 issuance. Prior to their applicable maturity dates, each capital appreciation bond will accrete interest on the principal component, with all interest accreting through the applicable maturity date and payable only upon maturity or prior payment of the principal component. Future accreted interest accruals of $52,662,271 have not been reflected in the long term liabilities balance in the schedule above.

The annual payments required to amortize the Election of 1998, Series R-1, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2029-2033	$ 65,434,442	$ 99,255,558	$ 164,690,000

(Continued)

NOTE 7 - LONG TERM LIABILITIES (Continued)

1998 R-3 Refunding: The District issued the 1998 Refunding, Series R-3 bonds to refund certain portions of 1998, Series B, C, E, F and G general obligation bonds. The annual payments required to amortize the Election of 1998, Series R-3, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ 19,895,000	$ 1,270,625	$ 21,165,625
2025	12,050,000	472,000	12,522,000
2026	730,000	152,500	882,500
2027	-	134,250	134,250
2028	-	134,250	134,250
2029-2030	2,685,000	201,375	2,886,375
	$ 35,360,000	$ 2,365,000	$ 37,725,000

1998 R-4 Refunding: The District issued the 1998 Refunding, Series R-4 bonds to refund certain portions of 1998, Series A, B, D, E and G general obligation bonds.

The annual payments required to amortize the Election of 1998, Series R-4, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ -	$ 8,093,625	$ 8,093,625
2025	18,465,000	7,637,100	26,102,100
2026	20,690,000	6,665,325	27,355,325
2027	32,245,000	5,350,700	37,595,700
2028	42,995,000	3,551,450	46,546,450
2029-2030	53,575,000	1,328,738	54,903,738
	$ 167,970,000	$ 32,626,938	$ 200,596,938

NOTE 7 - LONG TERM LIABILITIES (Continued)

1998 R-5 Refunding: The District issued the 1998 Refunding, Series R-5 bonds to refund certain portions of 1998, Series F-1 Bonds and 1998, Series G-1.

The annual payments required to amortize the Election of 1998, Series R-5, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ -	$ 5,927,250	$ 5,927,250
2025	-	5,927,250	5,927,250
2026	1,505,000	5,889,625	7,394,625
2027	18,220,000	5,396,500	23,616,500
2028	-	4,941,000	4,941,000
2029-2030	106,410,000	7,411,500	113,821,500
	$ 126,135,000	$ 35,493,125	$ 161,628,125

2008 Series A: Capital appreciation bonds were issued as part of Series A issuance. Prior to their applicable maturity dates, each capital appreciation bond will accrete interest on the principal component, with all interest accreting through the applicable maturity date and payable only upon maturity or prior payment of the principal component. Future accreted interest accruals of $27,715,973 have not been reflected in the long-term liabilities balance in the schedule above.

The annual payments required to amortize the Election of 2008, Series A, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Accreted Interest	Total Debt Service
2029-2033	$ 17,288,575	$ 54,151,425	$ 71,440,000

NOTE 7 - LONG TERM LIABILITIES (Continued)

2008 Series C: Capital appreciation bonds were issued as part of Series C issuance. Prior to their applicable maturity dates, each capital appreciation bond will accrete interest on the principal component, with all interest accreting through the applicable maturity date and payable only upon maturity or prior payment of the principal component. Future accreted interest accruals of $465,753,676 have not been reflected in the long term liabilities balance in the schedule above.

The annual payments required to amortize the Election of 2008, Series C, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2029-2033	$ 15,463,959	$ 52,584,322	$ 68,048,281
2034-2038	24,443,911	125,897,652	150,341,563
2039-2043	29,777,963	203,763,600	233,541,563
2044-2048	28,631,118	283,412,963	312,044,081
2049-2051	14,231,324	39,682,388	53,913,712
	$ 112,548,275	$ 705,340,925	$ 817,889,200

2008 Series D

Qualified School Construction Bonds - The QSCBs are tax credit bonds within the meaning of Section 54F of the Internal Revenue Code (the Code), and accordingly the QSCBs do not bear interest to be paid by the District. The owners of the QSCBs will be allowed a credit under the Code against their Federal income tax liability. Proceeds from the sale of QSCBs are restricted to the uses prescribed for bonds designated as QSCBs under Section 54F of the Code.

The District issued $36,130,000 of Qualified School Construction Bonds (QSCBs) on August 5, 2010, pursuant to an authorization granted by voters of the District on November 4, 2008. The QSCBs were issued simultaneously with the District's 2010 General Obligation Bonds in order to fund projects authorized under Proposition S. The QSCBs are payable from ad valorem taxes upon all property subject to taxation by the District.

The annual payments required to amortize the Election of 2008, Series D, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ -	$ 1,900,438	$ 1,900,438
2025	7,000,000	1,900,438	8,900,438
2026	8,000,000	1,900,438	9,900,438
2027	10,000,000	1,900,438	11,900,438
2028	11,130,000	950,219	12,080,219
	$ 36,130,000	$ 8,551,971	$ 44,681,971

NOTE 7 - LONG TERM LIABILITIES (Continued)

2008 Series E: Capital appreciation bonds were issued as part of Series E issuance. Prior to their applicable maturity dates, each capital appreciation bond will accrete interest on the principal component, with all interest accreting through the applicable maturity date and payable only upon maturity or prior payment of the principal component. Future accreted interest accruals of $347,155,151 have not been reflected in the long term liabilities balance in the schedule above.

The annual payments required to amortize the Election of 2008, Series E, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2029-2033	$ 7,798,224	$ 22,173,770	$ 29,971,994
2034-2038	20,595,186	112,085,489	132,680,675
2039-2043	22,388,193	98,921,538	121,309,731
2044-2048	63,631,678	148,166,522	211,798,200
2049-2052	35,585,544	232,666,146	268,251,690
	$ 149,998,825	$ 614,013,465	$ 764,012,290

2008 Series H: The annual payments required to amortize the Election of 2008, Series H, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ 14,605,000	$ 351,175	$ 14,956,175
2025	445,000	8,900	453,900
	$ 15,050,000	$ 360,075	$ 15,410,075

2008 Series I: Capital appreciation bonds were issued as part of Series I issuance. Prior to their applicable maturity dates, each capital appreciation bond will accrete interest on the principal component, with all interest accreting through the applicable maturity date and payable only upon maturity or prior payment of the principal component. Future accreted interest accruals of $80,769,333 have not been reflected in the long term liabilities balance in the schedule above.

The annual payments required to amortize the Election of 2008, Series I, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2029-2033	$ 4,313,831	$ 3,776,169	$ 8,090,000
2034-2038	58,790,892	70,104,108	128,895,000
2039-2043	21,292,888	34,327,112	55,620,000
	$ 84,397,611	$ 108,207,389	$ 192,605,000

NOTE 7 - LONG TERM LIABILITIES (Continued)

2008 Series J: The annual payments required to amortize the Election of 2008, Series J, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ 4,850,000	$ 1,285,400	$ 6,135,400
2025	11,180,000	909,650	12,089,650
2026	10,640,000	414,150	11,054,150
2027	2,135,000	130,450	2,265,450
2028	1,755,000	43,875	1,798,875
	$ 30,560,000	$ 2,783,525	$ 33,343,525

2008 Series K-2: Capital appreciation bonds were issued as part of Series K-2 issuance. Prior to their applicable maturity dates, each capital appreciation bond will accrete interest on the principal component, with all interest accreting through the applicable maturity date and payable only upon maturity or prior payment of the principal component. Future accreted interest accruals of $58,847,860 have not been reflected in the long term liabilities balance in the schedule above.

Year Ending June 30,	Principal	Interest	Total Debt Service
2029-2033	$ 23,065,349	$ 13,609,651	$ 36,675,000
2034-2038	30,739,998	28,770,002	59,510,000
2039-2043	22,733,538	32,286,462	55,020,000
	$ 76,538,885	$ 74,666,115	$ 151,205,000

2008 Series L-2: The annual payments required to amortize the Election of 2008, Series L-2, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ -	$ 2,619,945	$ 2,619,945
2025	340,000	2,613,145	2,953,145
2026	470,000	2,596,945	3,066,945
2027	610,000	2,575,345	3,185,345
2028	765,000	2,547,845	3,312,845
2029-2033	6,520,000	12,088,925	18,608,925
2034-2038	12,320,000	10,235,125	22,555,125
2039-2043	19,880,000	7,293,713	27,173,713
2044-2048	29,075,000	4,348,405	33,423,405
2049-2051	22,600,000	801,665	23,401,665
	$ 92,580,000	$ 47,721,058	$ 140,301,058

(Continued)

NOTE 7 - LONG TERM LIABILITIES (Continued)

2008 Series M-1 and M-2: The annual payments required to amortize the Election of 2008, Series M-1 and M-2, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ 10,370,000	$ 4,381,450	$ 14,751,450
2025	19,040,000	3,646,200	22,686,200
2026	-	3,170,200	3,170,200
2027	-	3,170,200	3,170,200
2028	-	3,170,200	3,170,200
2029-2033	435,000	15,840,125	16,275,125
2034-2038	4,955,000	15,224,625	20,179,625
2039-2043	11,175,000	13,255,875	24,430,875
2044-2048	19,955,000	9,669,314	29,624,314
2049-2053	31,955,000	3,891,274	35,846,274
	$ 97,885,000	$ 75,419,463	$ 173,304,463

2008 R-2 Refunding: The District issued the 2008 Refunding, Series R-2 bonds to refund certain portions of 2008, Series C general obligation bonds. Capital appreciation bonds were issued as part of R-2 Refunding issuance. Prior to their applicable maturity dates, each capital appreciation bond will accrete interest on the principal component, with all interest accreting through the applicable maturity date and payable only upon maturity or prior payment of the principal component. Future accreted interest accruals of $72,452,351 have not been reflected in the long term liabilities balance in the schedule above.

The annual payments required to amortize the Election of 2008, Series R-2, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2029-2033	$ -	$ 31,034,813	$ 31,034,813
2034-2038	-	62,069,625	62,069,625
2039-2043	56,869,830	167,341,195	224,211,025
	$ 56,869,830	$ 260,445,633	$ 317,315,463

NOTE 7 - LONG TERM LIABILITIES (Continued)

2008 SR-1 Refunding: The District issued the 2008 Refunding, Series SR-1 bonds to refund certain portions of 2008, Series A general obligation bonds in the amount of $73,168,837.

The annual payments required to amortize the Election of 2008, Series SR-1, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ -	$ 5,692,600	$ 5,692,600
2025	-	5,692,600	5,692,600
2026	-	5,692,600	5,692,600
2027	-	5,692,600	5,692,600
2028	-	5,692,600	5,692,600
2029-2033	94,755,000	24,001,150	118,756,150
2034	51,160,000	917,400	52,077,400
	$ 145,915,000	$ 53,381,550	$ 199,296,550

2008 SR-2 Refunding: The District issued the 2008 Refunding, Series SR-2 bonds to refund certain portions of 2008, Series G general obligation bonds in the amount of $50,000,726.

The annual payments required to amortize the Election of 2008, Series SR-2, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ -	$ 2,509,869	$ 2,509,869
2025	-	2,509,869	2,509,869
2026	-	2,509,869	2,509,869
2027	-	2,509,869	2,509,869
2028	-	2,509,869	2,509,869
2029-2033	8,625,000	12,395,707	21,020,707
2034-2038	66,310,000	7,547,181	73,857,181
2039	17,540,000	249,068	17,789,068
	$ 92,475,000	$ 32,741,301	$ 125,216,301

2012 Series C: The annual payments required to amortize the Election of 2012, Series C, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ 3,135,000	$ 687,050	$ 3,822,050

(Continued)

NOTE 7 - LONG TERM LIABILITIES (Continued)

2012 Series F: The annual payments required to amortize the Election of 2012, Series F, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ -	$ 13,743,500	$ 13,743,500
2025	-	10,865,900	10,865,900
2026	-	10,865,900	10,865,900
2027	995,000	10,841,025	11,836,025
2028	1,995,000	10,766,275	12,761,275
2029-2033	22,680,000	51,027,900	73,707,900
2034-2038	37,045,000	44,193,725	81,238,725
2039-2043	72,080,000	34,672,025	106,752,025
2044-2046	118,405,000	7,712,750	126,117,750
	$ 253,200,000	$ 194,689,000	$ 447,889,000

2012 Series G: The annual payments required to amortize the Election of 2012, Series G, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ -	$ 3,792,656	$ 3,792,656
2025	-	3,408,331	3,408,331
2026	-	3,408,331	3,408,331
2027	555,000	3,397,231	3,952,231
2028	835,000	3,369,431	4,204,431
2029-2033	9,040,000	16,169,856	25,209,856
2034-2038	13,460,000	13,942,091	27,402,091
2039-2043	23,560,000	10,471,100	34,031,100
2044-2046	36,930,000	2,305,200	39,235,200
	$ 84,380,000	$ 60,264,227	$ 144,644,227

NOTE 7 - LONG TERM LIABILITIES (Continued)

2012 Series I: The annual payments required to amortize the Election of 2012, Series I, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ -	$ 18,744,450	$ 18,744,450
2025	-	18,744,450	18,744,450
2026	-	18,744,450	18,744,450
2027	-	18,744,450	18,744,450
2028	-	18,744,450	18,744,450
2029-2033	22,440,000	92,627,250	115,067,250
2034-2038	85,830,000	79,795,275	165,625,275
2039-2043	85,935,000	62,656,750	148,591,750
2044-2047	246,795,000	29,772,650	276,567,650
	$ 441,000,000	$ 358,574,175	$ 799,574,175

2012 Series J: The annual payments required to amortize the Election of 2012, Series J, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ -	$ 2,304,200	$ 2,304,200
2025	-	2,304,200	2,304,200
2026	2,940,000	2,260,100	5,200,100
2027	3,520,000	2,145,600	5,665,600
2028	4,555,000	1,984,100	6,539,100
2029-2033	20,985,000	5,931,125	26,916,125
2034-2038	-	4,218,750	4,218,750
2039-2041	27,000,000	1,265,625	28,265,625
	$ 59,000,000	$ 22,413,700	$ 81,413,700

NOTE 7 - LONG TERM LIABILITIES (Continued)

2012, Series K-1, K-2 and L: The annual payments required to amortize the Election of 2012, Series K-1, K-2 and L, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ -	$ 5,137,750	$ 5,137,750
2025	-	5,137,750	5,137,750
2026	-	5,137,750	5,137,750
2027	-	5,137,750	5,137,750
2028	-	5,137,750	5,137,750
2029-2033	3,730,000	25,336,000	29,066,000
2034-2038	10,935,000	23,635,475	34,570,475
2039-2043	17,870,000	20,683,800	38,553,800
2044-2048	52,235,000	14,356,100	66,591,100
2049-2050	41,865,000	1,708,100	43,573,100
	$ 126,635,000	$ 111,408,225	$ 238,043,225

2012, Series M-1 and M-2: The annual payments required to amortize the Election of 2012, Series M-1 and M-2, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ -	$ 7,588,400	$ 7,588,400
2025	-	7,588,400	7,588,400
2026	-	7,588,400	7,588,400
2027	-	7,588,400	7,588,400
2028	-	7,588,400	7,588,400
2029-2033	-	37,942,000	37,942,000
2034-2038	-	37,942,000	37,942,000
2039-2043	-	37,942,000	37,942,000
2044-2048	-	37,942,000	37,942,000
2049-2050	224,710,000	17,001,000	241,711,000
	$ 224,710,000	$ 206,711,000	$ 431,421,000

(Continued)

NOTE 7 - LONG TERM LIABILITIES (Continued)

2012 Series N-1 and N-2: The annual payments required to amortize the Election of 2012, Series N-1 and N-2, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ 63,455,000	$ 6,974,975	$ 70,429,975
2025	-	5,388,600	5,388,600
2026	-	5,388,600	5,388,600
2027	-	5,388,600	5,388,600
2028	-	5,388,600	5,388,600
2029-2033	-	26,943,000	26,943,000
2034-2038	-	26,943,000	26,943,000
2039-2043	-	26,943,000	26,943,000
2044-2048	142,215,000	11,608,650	153,823,650
	$ 205,670,000	$ 120,967,025	$ 326,637,025

2012 Series O-1 and O-2: The annual payments required to amortize the Election of 2012, Series O-1 and O-2, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ -	$ 6,908,187	$ 6,908,187
2025	60,110,000	5,405,437	65,515,437
2026	-	3,902,687	3,902,687
2027	-	3,902,688	3,902,688
2028	-	3,902,688	3,902,688
2029-2033	23,795,000	15,601,063	39,396,063
2034-2038	-	13,564,688	13,564,688
2039-2043	-	13,564,688	13,564,688
2044-2048	63,105,000	11,892,868	74,997,868
	$ 147,010,000	$ 78,644,994	$ 225,654,994

(Continued)

NOTE 7 - LONG TERM LIABILITIES (Continued)

2012 Series ZR-1: The District issued the 2012 Refunding, Series ZR-1 bonds to refund certain portions of 2012, Series C general obligation bonds in the amount of $370,235,000.

The annual payments required to amortize the Election of 2012, Series ZR-1, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ -	$ 9,459,212	$ 9,459,212
2025	505,000	9,232,873	9,737,873
2026	555,000	9,228,577	9,783,577
2027	1,975,000	9,214,078	11,189,078
2028	895,000	9,195,824	10,090,824
2029-2033	33,100,000	45,132,326	78,232,326
2034-2038	110,035,000	36,513,652	146,548,652
2039-2043	198,790,000	15,459,040	214,249,040
	$ 345,855,000	$ 143,435,582	$ 489,290,582

2012 Series ZR-2: The District issued the 2012 Refunding, Series ZR-1 bonds to refund certain portions of 2012, Series C general obligation bonds in the amount of $25,025,000. On June 30, 2023, $25,025,000 of bonds outstanding are considered defeased.

The annual payments required to amortize the Election of 2012, Series ZR-2, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ -	$ 733,372	$ 733,372
2025	3,410,000	1,166,000	4,576,000
2026	4,220,000	975,250	5,195,250
2027	4,970,000	745,500	5,715,500
2028	5,775,000	476,875	6,251,875
2029-2033	6,650,000	166,250	6,816,250
	$ 25,025,000	$ 4,263,247	$ 29,288,247

(Continued)

NOTE 7 - LONG TERM LIABILITIES (Continued)

2012 Series ZR-3: The District issued the 2012 Refunding, Series ZR-3 bonds to refund certain portions of 2012, Series ZR-1 refunding bonds in the amount of $16,415,000. On June 30, 2023, $16,415,000 of bonds outstanding are considered defeased.

The annual payments required to amortize the Election of 2012, Series ZR-3, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ -	$ 481,051	$ 481,051
2025	1,390,000	786,000	2,176,000
2026	1,140,000	722,750	1,862,750
2027	500,000	681,750	1,181,750
2028	2,080,000	617,250	2,697,250
2029-2033	2,885,000	2,754,125	5,639,125
2034-2038	1,950,000	1,844,000	3,794,000
2039-2043	6,470,000	1,017,000	7,487,000
	$ 16,415,000	$ 8,903,926	$ 25,318,926

2012 Series ZR-4A: The District issued the 2012 Refunding, Series ZR-4A bonds to refund certain portions of 2012, Series F and Series G general obligation bonds in the amount of $17,775,000. On June 30, 2023, $17,775,000 of bonds outstanding are considered defeased.

Although the advance refunding resulted in the recognition of an accounting loss of $5,090,072 for the year ended June 30, 2023, the District in effect reduced its aggregate debt service payments by $2,301,069 over the next 23 years and obtained an economic gain of $1,617,037.

Calculation of difference in cash flow requirements and economic gain are as follows:

Calculation of Cash Flow Savings:

Old debt service cash flows	$ 30,291,350
New debt service cash flows	27,990,281
Total cash flow difference	$ 2,301,069

Calculation of Economic Gain:

Present value of old debt service cash flows	$ 23,135,459
Present value of new debt service cash flows	21,518,422
Economic gain	$ 1,617,037

(Continued)

NOTE 7 - LONG TERM LIABILITIES (Continued)

The annual payments required to amortize the Election of 2012, Series ZR-4A, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ -	$ 520,906	$ 520,906
2025	-	888,750	888,750
2026	-	888,750	888,750
2027	-	888,750	888,750
2028	-	888,750	888,750
2029-2033	4,930,000	4,178,000	9,108,000
2034-2038	9,905,000	1,465,125	11,370,125
2039-2043	2,040,000	428,750	2,468,750
2044-2046	900,000	67,500	967,500
	$ 17,775,000	$ 10,215,281	$ 27,990,281

2012 Series ZR-4B: The District issued the 2012 Refunding, Series ZR-4B bonds to refund certain portions of 2012, Series F and Series G general obligation bonds in the amount of $101,900,000. On June 30, 2023, $101,900,000 of bonds outstanding are considered defeased.

The annual payments required to amortize the Election of 2012, Series ZR-4B, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

June 30,	Principal	Interest	Debt Service
2024	$ -	$ 2,986,236	$ 2,986,236
2025	-	5,095,000	5,095,000
2026	-	5,095,000	5,095,000
2027	-	5,095,000	5,095,000
2028	-	5,095,000	5,095,000
2029-2033	-	25,475,000	25,475,000
2034-2038	23,465,000	24,338,125	47,803,125
2039-2043	54,730,000	11,366,250	66,096,250
2044-2046	23,705,000	1,778,125	25,483,125
	$ 101,900,000	$ 86,323,736	$ 188,223,736

NOTE 7 - LONG TERM LIABILITIES (Continued)

2018 Series B: The annual payments required to amortize the Election of 2018, Series B, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ -	$ 1,584,050	$ 1,584,050
2025	-	1,584,050	1,584,050
2026	-	1,584,050	1,584,050
2027	-	1,584,050	1,584,050
2028	-	1,584,050	1,584,050
2029-2033	-	7,920,250	7,920,250
2034-2038	-	7,920,250	7,920,250
2039-2043	-	7,920,250	7,920,250
2044-2048	37,500,000	5,597,313	43,097,313
2049	11,240,000	182,650	11,422,650
	$ 48,740,000	$ 37,460,963	$ 86,200,963

2018 Series C-1 and C-2: The annual payments required to amortize the Election of 2018, Series C-1 and C-2, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ -	$ 3,530,200	$ 3,530,200
2025	-	3,530,200	3,530,200
2026	-	3,530,200	3,530,200
2027	360,000	3,523,000	3,883,000
2028	530,000	3,502,550	4,032,550
2029-2033	5,835,000	16,833,375	22,668,375
2034-2038	12,860,000	14,666,650	27,526,650
2039-2043	22,130,000	11,368,625	33,498,625
2044-2048	32,835,000	6,887,800	39,722,800
2049-2050	17,620,000	725,000	18,345,000
	$ 92,170,000	$ 68,097,600	$ 160,267,600

NOTE 7 - LONG TERM LIABILITIES (Continued)

2018 Series D-1 and D-2: The annual payments required to amortize the Election of 2018, Series D-1 and D-2, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ -	$ 12,977,300	$ 12,977,300
2025	-	12,977,300	12,977,300
2026	-	12,977,300	12,977,300
2027	145,000	12,975,125	13,120,125
2028	680,000	12,962,750	13,642,750
2029-2033	12,935,000	63,803,500	76,738,500
2034-2038	68,140,000	56,765,375	124,905,375
2039-2043	112,700,000	41,134,950	153,834,950
2044-2048	107,005,000	27,530,250	134,535,250
2049-2051	90,480,000	5,699,400	96,179,400
	$ 392,085,000	$ 259,803,250	$ 651,888,250

2018 Series E-1 and E-2: The annual payments required to amortize the Election of 2018, Series E-1 and E-2, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ 101,900,000	$ 10,595,500	$ 112,495,500
2025	-	8,048,000	8,048,000
2026	960,000	8,024,000	8,984,000
2027	1,575,000	7,960,625	9,535,625
2028	2,080,000	7,869,250	9,949,250
2029-2033	46,770,000	35,743,275	82,513,275
2034-2038	21,375,000	24,521,500	45,896,500
2039-2043	-	24,094,000	24,094,000
2044-2048	9,515,000	23,937,750	33,452,750
2049-2051	137,205,000	12,217,525	149,422,525
	$ 321,380,000	$ 163,011,425	$ 484,391,425

NOTE 7 - LONG TERM LIABILITIES (Continued)

2018 Series F-1 and F-2: The annual payments required to amortize the Election of 2018, Series F-1 and F-2, General Obligation Bonds outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	$ -	$ 16,283,113	$ 16,283,113
2025	101,565,000	13,743,987	115,308,987
2026	-	11,204,862	11,204,862
2027	-	11,204,862	11,204,862
2028	-	11,204,862	11,204,862
2029-2033	75,085,000	43,678,937	118,763,937
2034-2038	2,875,000	37,181,188	40,056,188
2039-2043	36,415,000	33,537,438	69,952,438
2044-2048	-	27,430,563	27,430,563
2049-2051	129,085,000	20,700,369	149,785,369
	$ 345,025,000	$ 226,170,181	$ 571,195,181

Lease Liabilities: The District is obligated under leases covering certain vehicles and IT equipment that expire at various dates during the next 5 years. The district is a lessee for a non-cancellable lease of vehicles and equipment. Most leases have initial terms of 5 years, and contain an option to purchase at the end of the term. The District's leases generally do not include termination options for either party to the lease or restrictive financial or other covenants. The District's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the District's leases is not readily determinable, the District utilizes its incremental borrowing rate to discount the lease payments.

The annual payments required to amortize the lease liabilities outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 674,944	$ 52,457	$ 727,401
2025	707,285	33,936	741,221
2026	318,493	21,307	339,800
2027	301,163	13,289	314,452
2028	346,376	4,350	350,726
	$ 2,348,261	$ 125,339	$ 2,473,600

(Continued)

NOTE 7 - LONG TERM LIABILITIES (Continued)

Subscription-Based Information Technology Arrangements: The District has entered into subscription-based contracts to use vendor-provided information technology with noncancelable terms ranging from one to five years. These contracts require the District to make fixed payments for the right to use software.

Future subscription payments at June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 8,459,759	$ 470,688	$ 8,930,447
2025	6,731,498	268,860	7,000,358
2026	4,089,380	124,544	4,213,924
2027	2,532,560	35,431	2,567,991
2028	64,940	430	65,370
	$ 21,878,137	$ 899,953	$ 22,778,090

NOTE 8 - FUND BALANCES

Fund balances were composed of the following at June 30, 2023:

	General Fund	Building Fund	Special Reserve for Capital Outlay Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
Nonspendable:						
Revolving cash	$ 54,000	$ -	$ -	$ -	$ -	$ 54,000
Prepaid expenditures	438,680	-	-	-	1,020	439,700
Stores inventory	3,964,052	-	-	-	100,838	4,064,890
Total nonspendable	4,456,732	-	-	-	101,858	4,558,590
Restricted:						
Legally restricted programs:						
Grants	287,847,786	-	-	-	-	287,847,786
Cafeteria operations	-	-	-	-	66,853,727	66,853,727
Special revenues	-	-	-	-	2,024,781	2,024,781
Student body activities	-	-	-	-	6,082,377	6,082,377
Capital projects	-	1,151,618,680	16,105,728	-	125,938,971	1,293,663,379
Debt service	-	-	-	487,679,077	-	487,679,077
Total restricted	287,847,786	1,151,618,680	16,105,728	487,679,077	200,899,856	2,144,151,127
Assigned:						
Reserve for FY 2023-24 deficit	115,672,806	-	-	-	-	115,672,806
School site ending balances	3,964,052	-	-	-	-	3,964,052
Retiree benefits	4,308,009	-	-	-	-	4,308,009
Total assigned	123,944,867	-	-	-	-	123,944,867
Unassigned:						
Reserve for economic uncertainties	38,962,000	-	-	-	-	38,962,000
Total unassigned	38,962,000	-	-	-	-	38,962,000
Total	$ 455,211,385	$ 1,151,618,680	$ 16,105,728	$ 487,679,077	$ 201,001,714	$ 2,311,616,584

(Continued)

NOTE 9 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN

General Information about the State Teachers' Retirement Plan

Plan Description: Teaching-certified employees of the District are provided with pensions through the State Teachers' Retirement Plan (STRP) – a cost-sharing multiple-employer defined benefit pension plan administered by the California State Teachers' Retirement System (CalSTRS). The Teachers' Retirement Law (California Education Code Section 22000 et seq.), as enacted and amended by the California Legislature, established this plan and CalSTRS as the administrator. The benefit terms of the plans may be amended through legislation. CalSTRS issues a publicly available financial report that can be obtained at http://www.calstrs.com/comprehensive-annual-financial-report.

Benefits Provided: The STRP Defined Benefit Program has two benefit formulas:

- CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS.
- CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS.

The Defined Benefit (DB) Program provides retirement benefits based on members' final compensation, age and years of service credit. In addition, the retirement program provides benefits to members upon disability and to survivors/beneficiaries upon the death of eligible members. There are several differences between the two benefit formulas which are noted below.

CalSTRS 2% at 60 - CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, up to the 2.4 percent maximum.

CalSTRS calculates retirement benefits based on a one-year final compensation for members who retired on or after January 1, 2001, with 25 or more years of credited service, or for classroom teachers with less than 25 years of credited service if the employer elected to pay the additional benefit cost prior to January 1, 2014. One-year final compensation means a member's highest average annual compensation earnable for 12 consecutive months calculated by taking the creditable compensation that a member could earn in a school year while employed on a fulltime basis, for a position in which the person worked. For members with less than 25 years of credited service, final compensation is the highest average annual compensation earnable for any 36 consecutive months of credited service.

CalSTRS 2% at 62 - CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

All CalSTRS 2% at 62 members have their final compensation based on their highest average annual compensation earnable for any 36 consecutive months of credited service.

(Continued)

NOTE 9 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

Contributions: Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014, and various subsequent legislation.

The CalSTRS Funding Plan established a schedule of contribution rate increases shared among members, employers, and the State of California to bring CalSTRS toward full funding by fiscal year 2046. California Senate Bill 90 and California Assembly Bill 84 (collectively the "Special Legislation"), were signed into law in June 2019 and June 2020, respectively, and provided supplemental contributions to the DB Program along with supplemental contribution rate relief to employers through fiscal year 2021–22.

A summary of statutory contribution rates and other sources of contributions to the DB Program pursuant to the CalSTRS Funding Plan, SB 90 and SB84, are as follows:

Members - Under CalSTRS 2% at 60, the member contribution rate was 10.250 percent of applicable member earnings for fiscal year 2022-23. Under CalSTRS 2% at 62, members contribute 50 percent of the normal cost of their retirement plan, which resulted in a contribution rate of 10.205 percent of applicable member earnings for fiscal year 2021-22.

Under CalSTRS 2% at 62, members pay 9% toward the normal cost and an additional 1.205 percent as per the CalSTRS Funding Plan for a total member contribution rate of 10.205 percent. The contribution rate for CalSTRS 2% at 62 members is adjusted if the normal cost increases or decreases by more than 1% since the last time the member contribution rate was set. Based on the June 30, 2021, valuation adopted by the CalSTRS board in May 2022, the increase in normal cost was less than 1 percent. Therefore, the contribution rate for CalSTRS 2% at 62 members did not change effective July 1, 2022.

Employers – Employers are required to contribute a base contribution rate set in statute at 8.25%. Pursuant to the CalSTRS Funding Plan, employers also have a supplemental contribution rate to eliminate their share of the CalSTRS unfunded actuarial obligation by 2046.

Beginning in fiscal year 2021–22, the CalSTRS Funding Plan authorized the CalSTRS board to adjust the employer supplemental contribution rate up or down by a maximum of 1% for a total rate of no higher than 20.25% and no lower than 8.25%. In May 2022, the CalSTRS board voted to keep the employer supplemental contribution rate at 10.85% for fiscal year 2022–23 for a total employer contribution rate of 19.10%.

The CalSTRS employer contribution rates effective for fiscal year 2022-23 through fiscal year 2046-47 are summarized in the table below:

Effective Date	Base Rate	Supplemental Rate Per CalSTRS Funding Plan	Total
July 1, 2022	8.250%	10.850%	19.100%
July 1, 2023 to June 30, 2046	8.250%	(1)	(1)
July 1, 2046	8.250%	Increase from AB 1469 rate ends in 2046-47	

(1) The CalSTRS Funding Plan authorizes the board to adjust the employer contribution rate up or down by up to 1% each year, but no higher than 20.250% total and no lower than 8.250%.

The District contributed $142,821,005 to the plan for the fiscal year ended June 30, 2023.

NOTE 9 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

State – 10.828 percent of the members' calculated based on creditable compensation from two fiscal years prior.

The state is required to contribute a base contribution rate set in statute at 2.017%. Pursuant to the CalSTRS Funding Plan, the state also has a supplemental contribution rate, which the board can increase by up to 0.5% each fiscal year to help eliminate the state's share of the CalSTRS unfunded actuarial obligation by 2046. In May 2022, the CalSTRS board voted to keep the state supplemental contribution rate at 6.311% for fiscal year 2022–23 for a total contribution rate of 10.828%.

Special legislation appropriated supplemental state contributions to reduce the state's portion of the unfunded actuarial obligation of the DB Program in fiscal years 2019-20 through 2022-23. These contributions are funded from future excess General Fund revenues, pursuant to the requirements of California Proposition 2, the "Rainy-Day Budget Stabilization Fund Act", which passed in 2014. Accordingly, the contribution amounts are subject to change each year based on the availability of funding. For fiscal year 2021–22, CalSTRS received $410.0 million in supplemental state contributions from Proposition 2 funds. Additionally, CalSTRS received a one-time supplemental payment of $173.7 million from the General Fund in fiscal year 2021–22 to offset forgone contributions due to the suspension of the 0.5% increase to the state supplemental contribution rate in fiscal year 2020–21.

The CalSTRS state contribution rates effective for fiscal year 2022-23 and beyond are summarized in the table below.

Effective Date	Base Rate	Supplemental Rate Per CalSTRS Funding Plan	SBMA Funding(1)	Total
July 01, 2022	2.017%	6.311%	2.50%	10.828%
July 01, 2023 to June 30, 2046	2.017%	(2)	2.50%	(2)
July 01, 2046	2.017%	(3)	2.50%	(3)

(1) The SBMA contribution rate excludes the $72 million that is reduced from the required contribution in accordance with Education Code section 22954.
(2) The CalSTRS board has limited authority to adjust the state contribution rate annually through June 2046 in order to eliminate the remaining unfunded actuarial obligation. The board cannot increase the supplemental rate by more than 0.5% in a fiscal year, and if there is no unfunded actuarial obligation, the supplemental contribution rate imposed would be reduced to 0%.
(3) From July 1, 2046, and thereafter, the rates in effect prior to July 1, 2014, are reinstated, if necessary, to address any remaining unfunded actuarial obligation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$ 690,354,000
State's proportionate share of the net pension liability associated with the District	390,206,000
Total	$ 1,080,560,000

(Continued)

NOTE 9 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school districts and the State. At June 30, 2022, the District's proportion was 0.994 percent, which was an increase of 0.052 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of $83,597,218 and revenue of $62,605,208 for support provided by the State. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 566,000	$ 51,762,000
Changes of assumptions	34,237,000	-
Net differences between projected and actual earnings on investments	-	33,760,000
Changes in proportion and differences between District contributions and proportionate share of contributions	36,605,000	83,129,000
Contributions made subsequent to measurement date	142,821,005	-
Total	$ 214,229,005	$ 168,651,000

$142,821,005 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources (deferred inflows of resources) related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2024	$ (22,483,567)
2025	$ (52,953,567)
2026	$ (57,251,066)
2027	$ 43,529,600
2028	$ (11,578,400)
2029	$ 3,494,000

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 7 years as of the June 30, 2022 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

NOTE 9 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

Actuarial Methods and Assumptions: The total pension liability for the STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022 . The financial reporting actuarial valuation as of June 30, 2021, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2021
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2.00% simple for DB, maintain 85% Purchasing power level for DB, not applicable for DBS/CBB

Discount Rate: The discount rate used to measure the total pension liability was 7.10 percent, which was unchanged from the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increase per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Mortality: CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process.

NOTE 9 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

The actuarial investment rate of return assumption was adopted by the CalSTRS board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS consulting actuary reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term* Expected Real Rate of Return
Public Equity	42%	4.8%
Real Estate	15	3.6
Private Equity	13	6.3
Fixed Income	12	1.3
Risk Mitigating Strategies	10	1.8
Inflation Sensitive	6	3.3
Cash / Liquidity	2	(0.4)

* 20-year geometric average

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District’s proportionate share of the net pension liability	$ 1,172,478,000	$ 690,354,000	$ 290,047,000

Pension Plan Fiduciary Net Position: Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalSTRS financial report.

NOTE 10 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B

General Information about the Public Employer’s Retirement Fund B

Plan Description: The schools cost-sharing multiple-employer defined benefit pension plan Public Employer’s Retirement Fund B (PERF B) is administered by the California Public Employees’ Retirement System (CalPERS). Plan membership consists of non-teaching and non-certified employees of public schools (K-12), community college districts, offices of education, charter and private schools (elective) in the State of California.

NOTE 10 – NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

The Plan was established to provide retirement, death and disability benefits to non-teaching and non- certified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at: https://www.calpers.ca.gov/docs/forms-publications/acfr- 2022.pdf.

Benefits Provided: The benefits for the defined benefit plans are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years (10 years for State Second Tier members) of credited service.

Contributions: The benefits for the defined benefit pension plans are funded by contributions from members and employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. Employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Employer contributions, including lump sum contributions made when district's first join the PERF B, are credited with a market value adjustment in determining contribution rates.

The required contribution rates of most active plan members are based on a percentage of salary in excess of a base compensation amount ranging from zero dollars to $863 monthly.

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2023 were as follows:

Members - The member contribution rate was 7.0 percent of applicable member earnings for fiscal year 2022-2023.

Employers - The employer contribution rate was 25.37 percent of applicable member earnings.

The District contributed $75,469,266 to the plan for the fiscal year ended June 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the District reported a liability of $609,725,000 or its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school districts. At June 30, 2022 the District's proportion was 1.772 percent, which was a decrease of 0.021 percent from its proportion measured as of June 30, 2021.

(Continued)

NOTE 10 – NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

For the year ended June 30, 2023, the District recognized pension expense of $75,829,587. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows Resources
Difference between expected and actual experience	$ 2,756,000	$ 15,171,000
Changes of assumptions	45,104,000	-
Net differences between projected and actual earnings on investments	71,992,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	5,685,000	5,935,000
Contributions made subsequent to measurement date	75,469,266	-
Total	$ 201,006,266	$ 21,106,000

$75,469,266 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources (deferred inflows of resources) related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2024	$ 28,074,083
2025	$ 18,274,083
2026	$ 14,185,084
2027	$ 43,897,750

Differences between expected and actual experience, changes in assumptions and changes in proportion and differences between District contributions and proportionate share of contributions are amortized over a closed period equal to the average remaining service life of plan members, which is 3.9 years as of the June 30, 2022 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

NOTE 10 – NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

Actuarial Methods and Assumptions: The total pension liability for the Plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2021 and rolling forward the total pension liability June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2021
Experience Study	June 30, 2000 through June 30, 2019
Actuarial Cost Method	Entry age normal
Investment Rate of Return	6.90%
Consumer Price Inflation	2.30%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies, 2.30% thereafter

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 80% of scale MP2020. For more details on this table, please refer to the 2021 experience study report.

All other actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from 2000 to 2019, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS' website.

During the 2021-22 measurement period, the financial reporting discount rate for PERF B was lowered from 7.15 percent to 6.90 percent. In addition, the inflation assumption was reduced from 2.50 percent to 2.30 percent. Lastly, demographic assumptions for mortality rates were updated.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	Assumed Asset Allocation	Expected Real Rates of Return Years 1-10 (1, 2)
Global Equity – cap-weighted	30.00%	4.45%
Global Equity non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	.27%
Mortgage-backed Securities	5.00%	.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

(1) An expected inflation rate of 2.30% used for this period
(2) Figures are based on the 2021-22 CalPERS Asset Liability Management Study

NOTE 10 – NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 6.90 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan. The results of the crossover testing for the Plan are presented in a detailed report that can be obtained at CalPERS' website.

The long-term expected rate of return on pension plan investments was determined using a building- block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	$ 880,778,000	$ 609,725,000	$ 385,709,000

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS

General Information Other Postemployment Benefits Plan (OPEB)

Plan Description: In addition to the pension benefits described in Notes 9 and 10, the District provides post-employment health care benefits under a single employer defined benefit OPEB plan to eligible retirees and their spouses through an implicit rate subsidy for all retirees who elect to purchase benefits at the District's negotiated insurance premium rates. The plan does not issue separate financial statements.

The San Diego Unified School District's Retiree Health Care Plan (Plan) is a single-employer defined benefit postemployment health care plan that covers eligible retired employees of the District. The Plan, which is administered by the District, allows employees who retire and meet retirement eligibility requirements under one of the District's retirement plans to continue medical, dental and life insurance coverage as a participant in the District's plan.

(Continued)

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

The District's Governing Board has the authority to establish or amend the benefit terms offered by the Plan. The District's Governing Board also retains the authority to establish the requirements for paying the Plan benefits as they come due. As of June 30, 2023, the District has not accumulated assets in a qualified trust for the purpose of paying the benefits related to the District's Total OPEB Liability.

Employees Covered by Benefit Terms: The following is a table of plan participants at June 30, 2023:

	Number of Participants
Inactive Plan members, covered spouses, or beneficiaries currently receiving benefits	1,132
Active employees	13,087
Total	14,219

Benefits Provided: The benefits provided are the same as those provided for active employees. Spouses and dependents of eligible retirees are also eligible for medical coverage. All salaried employees of the District are eligible to receive postemployment health care benefits. Hourly employees (i.e. non-salaried with variable work hours) are not eligible to receive postemployment health care benefits.

Contributions: California Government Code specifies that the District's contribution requirements for covered employees are established and may be amended by the Governing Board. Retirees participating in the group insurance plans offered by the District are required to contribute 100% of the active premiums. In future years, contributions are assumed to increase at the same rate as premiums. The District's premium rates being charged to these retirees are lower than the expected cost for a retiree population under age 65. Thus, an implicit subsidy exists as a result of this difference between the actual cost and the true retiree cost.

The District did not make any contributions to the plan for the year ended June 30, 2023.

(Continued)

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Total OPEB Liability

Actuarial Assumptions: The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2021
Fiscal Year End	June 30, 2023
Pre-Retirement Mortality Rate	PERS - Non-work related rated developed in 2021 California PERS experience study. STRS - Match rates developed in 2020 experience study. Male – 2019 CalSTRS Active Member Male Female – 2019 CalSTRS Active Member Female
Post-Retirement Mortality Rate	PERS - Healthy post retirement rates developed in 2021 California PERS experience study. STRS - Match rates developed in 2020 experience study. Male – 2019 CalSTRS service retired male Female – 2019 CalSTRS service retired female
Discount Rate	4.09%. Based on the June 30, 2022 S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices.
Retirement Rate	Retirement rates march rates developed in the most recent experience studies for California PERS (2021) and California STRS (2020).
Inflation Rate	CalPERS 2.75% per year CalSTRS 3.50% per year
Health Plan Participation	Future retirees are assumed to elect retiree medical coverage at the following rates:

	Retire With Less than 17 years	Retire With More than 17 years
SDEA	40%	60%
OSS	20%	50%
OTBS	35%	50%
POA	20%	35%
Paraeducators	25%	35%
Administrators	66%	70%

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Medicare Coverage	All current and future participating retirees and spouses will qualify for Medicare coverage and enroll in Parts A and B upon age 65.
Health Care Inflation	Initial rate of 7.5% in fiscal 2022, then 7.25% in fiscal 2023, grading down to the ultimate trend rate of 4.0% in fiscal 2075.
Termination Rate	Termination rates match rates developed in the most recent experience studies for California PERS (2021) and California STRS (2020).
Disability Rate	None
Funding Method	Entry Age Cost Method (Level Percentage of Pay).

Discount Rate: Given the District's decision not to fund the program, all future benefit payments were discounted using a high quality municipal bond rate of 4.09%. The municipal bond rate was based on the week closest but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices.

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2022	$ 136,132,998
Changes for the year:	
Service cost	6,507,741
Interest	2,981,964
Changes in assumptions	(14,292,079)
Benefit payments	(11,770,227)
Net change	(16,572,601)
Balance at June 30, 2023	$ 119,560,397

The District's Total OPEB Liability (TOL) was measured as of June 30, 2022. The District's TOL was measured as of June 30, 2022 using a discount rate of 4.09%. The changes in assumptions includes a change in the discount rate from 2.18% at the June 30, 2021 measurement date to 4.09% at the June 30, 2022 measurement date.

Additional changes to assumptions that led to the significant change in the Total OPEB liability include the following:

- The annual per capita claims costs have been updated to reflect current age-adjusted health care premiums, using age and gender adjustment factors as published by the Society of Actuaries. The premium rates have been updated to use those effective during the 2023 calendar year.

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

- Health care inflation rates have been updated to reflect recent healthcare trend rate surveys, blended with the Getzen model published by the Society of Actuaries.
- Retirement, termination, mortality, and salary merit scale rates have been updated to correspond to both the 2021 PERS Experience Study and 2020 STRS Experience Study.

There was a retirement incentive provided during 2021. Eligible employees who elected to participate are given a benefit of either $15,000 or $5,000 annually, depending on Medicare eligibility status, for a maximum of five years. This is reflected as a change in benefit terms.

There were no changes between the measurement date and the year ended June 30, 2023 which had a significant effect on the District's total OPEB liability.

Sensitivity of the Total OPEB Liability to changes in the Discount Rate: The following presents the Total OPEB Liability of the District, as well as what the District's Total OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
Total OPEB liability	$ 126,940,358	$ 119,560,397	$ 112,476,761

Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates: The following presents the Total OPEB Liability of the District, as well as what the District's Total OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (3.0 - 6.5%)	Healthcare Cost Trend Rates (4.0 - 7.5%)	1% Increase (5.0 - 8.5%)
Total OPEB liability	$ 108,556,288	$ 119,560,397	$ 132,384,980

OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2023, the District recognized OPEB expense of $3,248,032. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 6,212,369	$ -
Changes of assumptions	1,523,862	52,969,151
Benefits paid subsequent to measurement date	12,664,994	-
Total	$ 20,401,225	$ 52,969,151

(Continued)

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

$12,664,994 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2024. Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,		
2024	$	(6,266,673)
2025	$	(6,266,673)
2026	$	(6,266,673)
2027	$	(6,266,673)
2028	$	(6,266,673)
Thereafter	$	(13,899,555)

Changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 9 years as of the June 30, 2022 measurement date.

NOTE 12 - EARLY RETIREMENT INCENTIVE

Early Retirement Healthcare Incentive (HRA): The District and all bargaining units agreed to the implementation of a 2020-21 Health Reimbursement Arrangement (HRA), through Gallagher HealthInvest HRA. A total of approximately 371 employees elected to participate in this incentive, effective December 31, 2020. Contributions will be deposited semi-annually beginning on January 1, 2021, for a period of five years. Non-Medicare retirees will receive $15,000 ($7,500 paid twice per year) and Medicare-eligible retirees will receive $5,000 ($2,500 paid twice per year).

The District is obligated to pay annual installments for the calculated benefits for employees under the plan.

The annual requirements to amortize the HRA liability outstanding as of June 30, 2023 are as follows:

Year Ending June 30,		
2024	$	3,635,000
2025		3,035,000
Total	$	6,670,000

NOTE 13 - JOINT POWERS AGREEMENT

Public Risk Innovation, Solutions, and Management (PRISM) and School Excess Liability Fund (SELF): The District participates in two joint powers agreements with PRISM and SELF. The relationship between the District and the JPAs is such that the JPAs are not component units of the Authority for financial reporting purposes.

(Continued)

NOTE 13 - JOINT POWERS AGREEMENT (Continued)

PRISM arranges for and provides general liability coverage for the District. The District is also a member of SELF for its excess liability exposures from $5 million to $55 million. Each JPA board controls the operations of the individual JPA, including selection of management and approval of operating budgets, independent of any influence by the member agencies beyond their representation on the board. Each member agency pays a premium commensurate with the amount of coverage requested. As a member of the JPAs, the Authority is entitled to retrospective premium adjustments for those claim years where costs were less than expected. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage since the prior year.

Condensed audited financial information for PRISM for the year ended June 30, 2022 (the latest information available) is as follows:

Total assets	$	1,053,760,735
Deferred outflows of resources	$	2,000,236
Total liabilities	$	908,008,660
Deferred inflows of resources	$	3,713,839
Total net position	$	144,038,472
Total revenues	$	1,375,141,319
Total expenditures	$	1,417,457,481
Change in net position	$	(42,316,162)

Condensed audited financial information for SELF for the year ended June 30, 2022 (the latest information available) is as follows:

Total assets	$	289,680,806
Total deferred outflows of resources	$	246,406
Total liabilities	$	218,707,290
Total deferred inflows of resources	$	178,227
Total net position	$	71,041,695
Total revenues	$	141,145,379
Total expenditures	$	110,272,506
Change in net position	$	30,872,873

NOTE 14 - CONTINGENCIES

Contingent Liabilities: The District is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the District.

Also, the District has received federal and state funds for specific purposes that are subject to review or audit by the grantor agencies. Although such audits could generate expenditure disallowance's under terms of the grants, it is believed that any required reimbursements will not be material.

Construction Commitments: As of June 30, 2023, the District has $530 million in outstanding commitments on construction contracts.

(Continued)

NOTE 15 - SUBSEQUENT EVENTS

On July 11, 2023, the District issued Tax and Revenue Anticipation Notes (TRANs) totaling $200,000,000, with an interest rate of 5.00%. The TRANs are payable only out of taxes, income, revenue, cash receipts and other monies which are received by the District for its General Fund and are attributable to the fiscal year 2023-24 and legally available for payment thereof. The TRANs are secured by a pledge of certain unrestricted revenues received by the District issuing such TRANs for its General Fund attributable to the fiscal year 2023-24, and the TRANs constitute a first lien and charge payable from the first monies received by the District from such pledged revenues. The TRANs are scheduled to mature on June 28, 2024.

On October 4, 2023, the 2023 General Obligation Bonds were issued in total of $670,000,000. $350,000,000 of the bonds were issued under Measure YY and $320,000,000 were issued under Measure U. The bonds range in maturity date with a final payoff on July 1, 2053, and interest rates ranging from 4.00% to 5.00%.

On November 29, 2023, the 2023 General Obligation Bonds, Election of 2008 Series N-1 and N-2 were issued under Proposition S for a total of $100,000,000. Additionally, the 2023 General Obligation Refunding Bonds, Election of 1998, Series R-6 and Election of 2008, Series SR-3A were issued for a total of $37,665,000. $3,230,000 of the refunding bonds were issued under Proposition MM and $34,435,000 were issued under Proposition S. The bonds range in maturity date with a final payoff on July 1, 2053, and interest rates ranging from 5.00% to 5.50%.

REQUIRED SUPPLEMENTARY INFORMATION

SAN DIEGO UNIFIED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2023

	Budget Original	Budget Final	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local Control Funding Formula (LCFF):				
State apportionment	$ 274,081,040	$ 316,263,241	$ 313,143,002	$ (3,120,239)
Local sources	833,353,838	878,432,820	887,104,105	8,671,285
Total LCFF	1,107,434,878	1,194,696,061	1,200,247,107	5,551,046
Federal sources	353,802,120	519,903,681	338,820,454	(181,083,227)
Other state sources	264,814,419	548,642,308	496,881,932	(51,760,376)
Other local sources	35,443,225	60,322,408	53,151,284	(7,171,124)
Total revenues	1,761,494,642	2,323,564,458	2,089,100,777	(234,463,681)
Expenditures:				
Current:				
Certificated salaries	742,988,747	800,801,238	795,129,033	5,672,205
Classified salaries	291,754,292	297,406,417	285,008,112	12,398,305
Employee benefits	607,626,293	592,844,228	557,821,715	35,022,513
Books and supplies	62,354,880	241,584,101	62,971,637	178,612,464
Contract services and operating expenditures	125,275,286	242,041,201	154,342,558	87,698,643
Other outgo	1,783,608	1,457,723	3,067,747	(1,610,024)
Capital outlay	5,003,352	8,661,980	37,007,172	(28,345,192)
Debt service:				
Principal retirement	-	-	8,541,045	(8,541,045)
Interest	-	-	598,301	(598,301)
Total expenditures	1,836,786,458	2,184,796,888	1,904,487,320	280,309,568
(Deficiency) excess of revenues (under) over expenditures	(75,291,816)	138,767,570	184,613,457	45,845,887
Other financing sources (uses):				
Transfers in	23,421,548	24,256,548	32,566,157	8,309,609
Transfers out	(9,766,548)	(14,766,548)	(13,670,000)	1,096,548
Issuance of leases	-	-	1,734,878	1,734,878
Issuance of SBITAs	-	-	29,923,814	29,923,814
Total other financing sources (uses)	13,655,000	9,490,000	50,554,849	41,064,849
Net change in fund balance	(61,636,816)	148,257,570	235,168,306	86,910,736
Fund balance, July 1, 2022	220,043,079	220,043,079	220,043,079	-
Fund balance, June 30, 2023	$ 158,406,263	$ 368,300,649	$ 455,211,385	$ 86,910,736

See accompanying note to required supplementary information.

SAN DIEGO UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY
For the Year Ended June 30, 2023

Last 10 Fiscal Years

	2018	2019	2020	2021	2022	2023
Total OPEB liability						
Service cost	$ 6,647,630	$ 5,818,159	$ 5,652,492	$ 7,430,738	$ 7,797,455	$ 6,507,741
Interest	3,823,699	4,645,142	5,047,631	3,922,048	3,935,166	2,981,964
Differences betw een expected and actual experience	-	-	2,838,076	-	5,797,961	-
Change in assumptions	(7,211,912)	(2,840,873)	953,766	1,359,436	(45,002,507)	(14,292,079)
Change in benefit terms	-	-	-	-	26,444,532	-
Benefit payments	(6,848,335)	(6,848,335)	(6,714,308)	(5,509,419)	(5,922,625)	(11,770,227)
Net change in total OPEB liability	(3,588,918)	774,093	7,777,657	7,202,803	(6,950,018)	(16,572,601)
Total OPEB liability, beginning of year	130,917,381	127,328,463	128,102,556	135,880,213	143,083,016	136,132,998
Total OPEB liability, end of year	$ 127,328,463	$ 128,102,556	$ 135,880,213	$ 143,083,016	$ 136,132,998	$ 119,560,397
Covered employee payroll	$ 714,548,355	$ 750,722,365	$ 758,448,252	$ 777,409,458	$ 835,966,445	$ 867,231,590
Total OPEB liability as a percentage of covered-employee payroll	17.82%	17.06%	17.92%	18.41%	16.28%	13.79%

This is a 10-year schedule, however the information in this schedule is not required to be presented retrospectively. The amounts presented for each fiscal year were determined as of the yearend that occurred one year prior. All years prior to 2018 are not available.

See accompanying note to required supplementary information.

SAN DIEGO UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2023

State Teachers' Retirement Plan
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's proportion of the net pension	1.168%	1.162%	1.132%	1.127%	1.047%	1.051%	1.024%	0.942%	0.994%
District's proportionate share of the net pension liability	$ 682,566,000	$ 782,123,000	$ 927,256,000	$ 1,042,490,000	$ 962,350,000	$ 949,265,000	$ 992,491,000	$ 428,698,000	$ 690,354,000
State's proportionate share of the net pension liability associated with the District	412,166,000	413,656,000	527,920,000	616,731,000	550,992,000	517,890,000	542,389,000	255,066,000	390,206,000
Total net pension liability	$ 1,094,732,000	$ 1,195,779,000	$ 1,455,176,000	$ 1,659,221,000	$ 1,513,342,000	$ 1,467,155,000	$ 1,534,880,000	$ 683,764,000	$ 1,080,560,000
District's covered payroll	$ 520,247,000	$ 539,213,000	$ 571,356,000	$ 597,440,000	$ 557,382,000	$ 571,616,000	$ 590,874,000	$ 613,389,000	$ 652,648,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	131.20%	145.05%	162.29%	174.49%	172.66%	166.07%	167.97%	69.89%	105.78%
Plan fiduciary net position as a percentage of the total pension liability	76.52%	74.02%	70.04%	69.46%	70.99%	72.56%	71.82%	87.21%	81.20%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

All years prior to 2015 are not available.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2023

Public Employer's Retirement Fund B
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's proportion of the net pension	2.049%	1.986%	2.060%	2.026%	1.737%	1.717%	1.804%	1.793%	1.772%
District's proportionate share of the net pension liability	$ 242,318,083	$ 312,198,000	$ 420,881,000	$ 497,140,000	$ 476,148,000	$ 500,303,000	$ 553,644,000	$ 364,507,000	$ 609,725,000
District's covered payroll	$ 218,874,000	$ 235,814,000	$ 243,244,000	$ 258,254,000	$229,064,000	$ 224,089,000	$ 260,578,000	$ 246,327,000	$ 249,505,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	110.71%	132.39%	173.03%	192.50%	214.17%	223.26%	212.47%	147.98%	244.37%
Plan fiduciary net position as a percentage of the total pension liability	83.38%	79.43%	73.89%	71.87%	70.85%	70.05%	70.00%	80.97%	69.76%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

All years prior to 2015 are not available.

See accompanying note to required supplementary information.

SAN DIEGO UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTION
For the Year Ended June 30, 2023

State Teachers' Retirement Plan
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	$ 47,882,108	$ 61,306,467	$ 75,157,977	$ 80,930,171	$ 93,059,038	$ 101,039,518	$ 99,062,403	$ 110,428,011	$ 142,821,005
Contributions in relation to the contractually required contribution	(47,882,108)	(61,306,467)	(75,157,977)	(80,930,171)	(93,059,038)	(101,039,518)	(99,062,403)	(110,428,011)	(142,821,005)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 539,213,000	$ 571,356,000	$ 597,440,000	$ 557,382,000	$ 571,616,000	$ 590,874,000	$ 613,389,000	$ 652,648,000	$ 747,754,000
Contributions as a percentage of covered payroll	8.88%	10.73%	12.58%	14.43%	16.28%	17.10%*	16.15%**	16.92%***	19.10%

All years prior to 2015 are not available.

* This rate reflects the original employer contribution rate of 18.13 percent under AB1469, reduced for the 1.03 percentage points to be paid on behalf of employers pursuant to SB 90.

** This rate reflects the original employer contribution rate of 19.10 percent under AB1469, reduced for the 2.95 percentage points to be paid on behalf of employers pursuant to SB 90.

*** This rate reflects the original employer contribution rate of 19.10 percent under AB1469, reduced for the 2.18 percentage points to be paid on behalf of employers pursuant to SB 90.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2023

Public Employer's Retirement Fund B
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	$ 27,757,643	$ 28,817,068	$ 35,871,548	$ 36,433,853	$ 41,281,899	$ 51,388,492	$ 50,989,723	$ 57,161,587	$ 75,469,266
Contributions in relation to the contractually required contribution	(27,757,643)	(28,817,068)	(35,871,548)	(36,433,853)	(41,281,899)	(51,388,492)	(50,989,723)	(57,161,587)	(75,469,266)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 235,814,000	$ 243,244,000	$ 258,254,000	$ 229,064,000	$ 224,089,000	$ 260,578,000	$ 246,327,000	$ 249,505,000	$ 297,474,000
Contributions as a percentage of covered payroll	11.77%	11.85%	13.89%	16.39%	18.42%	19.72%	20.70%	22.91%	25.37%

All years prior to 2015 are not available.

See accompanying note to required supplementary information.

NOTE 1 - PURPOSE OF SCHEDULES

Budgetary Comparison Schedule: The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Education to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

Schedule of Changes in Total Other Postemployment Benefits (OPEB) Liability: The Schedule of Changes in Total OPEB liability is presented to illustrate the elements of the District's Total OPEB liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available. The District has not accumulated assets in a qualified trust for the purpose of paying the benefits related to the District’s Total OPEB Liability.

Schedule of the District’s Proportionate Share of the Net Pension Liability: The Schedule of the District’s Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District’s Net Pension Liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of the District's Contributions: The Schedule of the District's Contributions is presented to illustrate the District’s required contributions relating to the pensions. There is a requirement to show information for 10 years. However, until a full 10- year trend is compiled, governments should present information for those years for which information is available.

Changes of Benefit Terms: There are no changes in benefit terms reported in the Required Supplementary Information.

Changes of Assumptions: The District’s Total OPEB Liability was measured as of June 30, 2016 using a discount rate of 2.85%. The Total OPEB Liability determined by the actuarial valuation as of June 30, 2017 used a discount rate of 3.58%. The Total OPEB Liability determined by the actuarial valuation as of June 30, 2018 used a discount rate of 3.87%. The Total OPEB Liability determined by the actuarial valuation as of June 30, 2019 used a discount rate of 2.79%. The Total OPEB Liability determined by the actuarial valuation as of June 30, 2020 used a discount rate of 2.66%. The Total OPEB Liability determined by the actuarial valuation as of June 30, 2021 used a discount rate of 2.18%. The Total OPEB Liability determined by the actuarial valuation as of June 30, 2022 used a discount rate of 4.09%.

The discount rate used for the Public Employer's Retirement Fund B (PERF B) plan was 7.50, 7.65, 7.65, 7.15, 7.15, 7.15, 7.15, 7.15 and 6.90 percent in the June 30, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 actuarial reports, respectively.

The inflation rate used for the PERF B plan was 2.50, 2.50, 2.50, 2.50, 2.50, 2.50, 2.50, 2.50, and 2.30 percent in the June 30, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 actuarial reports, respectively.

(Continued)

NOTE 1 - PURPOSE OF SCHEDULES (Continued)

The following are the assumptions for State Teachers' Retirement Plan:

	Measurement Period							
Assumption	As of June 30, 2022	As of June 30, 2021	As of June 30, 2020	As of June 30, 2019	As of June 30, 2018	As of June 30, 2017	As of June 30, 2016	As of June 30, 2015
Consumer price inflation	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%
Investment rate of return	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.60%	7.60%
Wage growth	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.75%	3.75%

SUPPLEMENTARY INFORMATION

SAN DIEGO UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NON-MAJOR FUNDS
June 30, 2023

	Student Activity Special Revenue Fund	Adult Education Fund	Child Develop-ment Fund	Cafeteria Fund	Pupil Transportation Equipment Fund	Capital Facilities Fund	County School Facilities Fund	Non-Major Governmental Total
ASSETS								
Cash in County Treasury	$ -	$ 863,353	$ 3,792,262	$ 44,238,613	$ 533	$ 80,259,069	$ 86,493,465	$ 215,647,295
Cash on hand and in banks	6,082,377	-	-	5,031,760	-	-	-	11,114,137
Receivables	-	51,646	39,557	25,271,732	-	1,762,228	875,630	28,000,793
Due from other funds	-	-	1,744,922	3,647	-	-	2,168,377	3,916,946
Prepaid expenditures	-	-	286	734	-	-	-	1,020
Stores inventory	-	-	-	100,838	-	-	-	100,838
Total assets	$ 6,082,377	$ 914,999	$ 5,577,027	$ 74,647,324	$ 533	$ 82,021,297	$ 89,537,472	$ 258,781,029
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	$ -	$ 123,138	$ 2,165,419	$ 4,121,736	$ -	$ 959,776	$ 101,240	$ 7,471,309
Unearned revenue	-	-	1,744,844	-	-	-	-	1,744,844
Due to other funds	-	132,157	301,386	3,570,289	548	4,292,814	40,265,968	48,563,162
Total liabilities	-	255,295	4,211,649	7,692,025	548	5,252,590	40,367,208	57,779,315
Fund balances:								
Nonspendable	-	-	286	101,572	-	-	-	101,858
Restricted	6,082,377	659,704	1,365,092	66,853,727	(15)	76,768,707	49,170,264	200,899,856
Total fund balance	6,082,377	659,704	1,365,378	66,955,299	(15)	76,768,707	49,170,264	201,001,714
Total liabilities and fund balances	$ 6,082,377	$ 914,999	$ 5,577,027	$ 74,647,324	$ 533	$ 82,021,297	$ 89,537,472	$ 258,781,029

SAN DIEGO UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
ALL NON-MAJOR FUNDS
For the Year Ended June 30, 2023

	Student Activity Special Revenue Fund	Adult Education Fund	Child Develop-ment Fund	Cafeteria Fund	Pupil Transportation Equipment Fund	Capital Facilities Fund	County School Facilities Fund	Non-Major Governmental Total
Revenues:								
Federal sources	$ -	$ 148,835	$ -	$ 54,700,597	$ -	$ -	$ -	$ 54,849,432
Other state sources	-	1,453,069	4,000,344	29,092,511	-	2,826	46,872,686	81,421,436
Other local sources	8,730,946	35,158	114,107	2,018,768	419	73,350,997	1,391,000	85,641,395
Total revenues	8,730,946	1,637,062	4,114,451	85,811,876	419	73,353,823	48,263,686	221,912,263
Expenditures:								
Current:								
Certificated salaries	-	871,117	2,096,666	-	-	-	-	2,967,783
Classified salaries	-	204,140	677,747	26,845,988	-	6,727,612	-	34,455,487
Employee benefits	-	522,415	1,411,613	16,046,500	-	4,550,585	-	22,531,113
Books and supplies	9,644,198	36,362	120,395	24,039,533	9,897	299,187	-	34,149,572
Contract services and operating expenditures	-	67,749	16,920	2,624,384	-	7,048,725	406,607	10,164,385
Capital outlay	-	-	-	95,395	-	46,817,933	59,290,414	106,203,742
Total expenditures	9,644,198	1,701,783	4,323,341	69,651,800	9,897	65,444,042	59,697,021	210,472,082
(Deficiency)/excess of revenues (under) over expenditures	(913,252)	(64,721)	(208,890)	16,160,076	(9,478)	7,909,781	(11,433,335)	11,440,181
Other financing uses:								
Transfers out	-	(69,286)	(194,702)	(2,164,877)	-	(22,880,000)	(5,947,365)	(31,256,230)
Net change in fund balances	(913,252)	(134,007)	(403,592)	13,995,199	(9,478)	(14,970,219)	(17,380,700)	(19,816,049)
Fund balance, July 1, 2022	6,995,629	793,711	1,768,970	52,960,100	9,463	91,738,926	66,550,964	220,817,763
Fund balance, June 30, 2023	$ 6,082,377	$ 659,704	$ 1,365,378	$ 66,955,299	$ (15)	$ 76,768,707	$ 49,170,264	$ 201,001,714

San Diego Unified School District began operations in 1854 under the laws of the State of California. The San Diego Unified School District serves more than 116,198 students in preschool through grade 12, including Charter Schools, and is the second largest district in California. The District's educational facilities include 109 elementary schools, 10 K-8 schools, 24 middle/junior schools, 22 senior high schools, 11 atypical/alternative schools, 18 State preschools sites, 4 special education centers and is the sponsoring agency for 41 charter schools. There were no changes in the District's boundaries in the current year audited.

GOVERNING BOARD

Name	Office	Term Expires
Sabrina Bazzo	President	December 2024
Shana Hazan	Vice President	December 2026
Richard Barrera	Member	December 2024
Cody Petterson	Member	December 2026
Dr. Sharon Whitehurst-Payne	Member	December 2024

DISTRICT ADMINISTRATORS

Lamont A. Jackson, Ph.D.
Superintendent of Public Education

Fabiola Bagula, Ph.D.
Deputy Superintendent

Enrique Ruacho, Ed.D.
Senior Executive Director

W. Drew Rowlands
Deputy Superintendent, Operations

Callie Harrington
Director, Strategic Planning & Innovation

Nicole DeWitt
Senior Executive Director of Thriving School Communities

Wendy Ranck-Buhr
Senior Executive Director of Equity, Access, and Opportunity

Kristine Morshead
Senior Executive Director, Human Resources

John Hensley
Senior Executive Director, Operations

(Continued)

DISTRICT ADMINISTRATORS (Continued)

Lee Dulgeroff
Senior Executive Director, Facilities, Planning and Construction

Andra M. Greene
General Counsel

Jodie Macalos
Executive Director, Finance

Jessica Falk-Michelli
Executive Director, Labor Relations and Assistant General Counsel

Farshad M. Talebi
Executive Director, Office of Investigations, Compliance & Accountability

Marty Stultz
Director, Board Services

Gary Petill
Director, Special Projects Operations

Ebonee Weathers
Executive Director of Equity & Belonging

Toren Allen
Executive Director, Integrated Technology

Dr. Angelia “Niecy” Watkins
Executive Director, Special Education

Scott Irwin
Executive Director, Student Services

Maria Gomez
Area A Superintendent

Michel Cazary
Area B Superintendent

Mitzi Merino
Area C Superintendent

Gabriel Nunez-Soria
Area D Superintendent

(Continued)

DISTRICT ADMINISTRATORS (Continued)

Steven Dorsey
Area E Superintendent

Michelle Irwin
Area Superintendent of Middle Schools

Erin Richison, Ed.D
Area Superintendent of High Schools and Senior Executive Director of Office of Graduation

SAN DIEGO UNIFIED SCHOOL DISTRICT
SCHEDULE OF DAILY AVERAGE ATTENDANCE
For the Year Ended June 30, 2023

Certificate #:	108DA053 Second Period Report	5BEC1B98 Revised* Second Period Report	5BEC1BED Annual Report
Transitional Kindergarten through Third			
Regular ADA	29,310	29,333	29,618
Special Education	135	135	136
Total Transitional Kindergarten through Third	29,445	29,468	29,754
Fourth through Sixth			
Regular ADA	19,543	19,555	19,594
Special Education	89	89	91
Total Fourth through Sixth	19,632	19,644	19,685
Seventh through Eighth			
Regular ADA	11,325	11,326	11,325
Special Education	59	59	62
Community Day School	8	8	9
Total Seventh through Eighth	11,392	11,393	11,396
Ninth through Twelfth			
Regular ADA	25,633	25,626	25,321
Special Education	257	257	262
Community Day School	10	10	10
Total Ninth through Twelfth	25,900	25,893	25,593
District Total	86,369	86,398	86,428

*Reflects revisions made by the District subsequent to the submission of the original Second Period Report of Attendance, based on an internal review of the records. Additional edits were made due to findings 2023-005 and 2023-006 noted in the Findings and Recommendations section of the report.

Grade Level	Minutes Require-ment	2022-2023 Actual Minutes	Number of Days	Status
District:				
Kindergarten	36,000	53,460	180	In compliance
Grade 1	50,400	54,000	180	In compliance
Grade 2	50,400	54,000	180	In compliance
Grade 3	50,400	54,000	180	In compliance
Grade 4	54,000	54,000	180	In compliance
Grade 5	54,000	54,000	180	In compliance
Grade 6	54,000	61,400	180	In compliance
Grade 7	54,000	61,400	180	In compliance
Grade 8	54,000	61,400	180	In compliance
Grade 9	64,800	64,812	180	In compliance
Grade 10	64,800	64,812	180	In compliance
Grade 11	64,800	64,812	180	In compliance
Grade 12	64,800	64,812	180	In compliance

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expend-itures
U.S. Department of Education - Passed through California Department of Education			
	Special Education Cluster:		
84.027	IDEA Part B, Sec.611, Local Assistance Entitlement	15638	$ 4,325,805
84.027	IDEA Part B, Sec.611, Local Assistance Private School Individual Service Plans (ISPs)	10169	80,460
84.027	IDEA Part B, Sec. 619, Preschool Grants	15639	377,520
84.027	IDEA Basic Local Assistance Entitlement, Part B, Sec. 611 (Formerly 94-142)	13379	18,712,014
84.027	IDEA Local Assistance, Part B, Sec. 619 Private School ISPs	10119	517,552
84.027	Special Ed: IDEA Local Assistance, Part B, Sec 611, Early Intervening Services	13430	98,826
84.173A	Alternative Dispute Resolution Program, Part B	13007	18,356
84.173	Pl 99-457 Preschool Grant Programs	13431	713,534
84.027A	IDEA Support Inclusive Practices	15321	1,140,028
	Subtotal Special Education Cluster		25,984,095
	ESEA: Title III Program:		
84.365	ESEA: Title III, English Learner Student Program	14346	3,686,335
	Subtotal ESEA: Title III Program		3,686,335
	COVID-19: Education Stabilization Fund (ESF) Programs:		
84.425	Elementary and Secondary School Emergency Relief (ESSER) Fund I - COVID-19	15536	134,600
84.425	Elementary and Secondary School Emergency Relief II (ESSER II) Fund - COVID-19	15547	69,407,505
84.425	Elementary and Secondary School Emergency Relief III (ESSER III) Fund - COVID-19	15559	93,353,973
84.425U	Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss - COVID-19	10155	36,766,064
84.425	Governor's Emergency Education Relief Fund: Learning Loss Mitigation - COVID-19	15517	26,356
84.425	Expanded Learning Opportunities (ELO) Grant: ESSER II State Reserve - COVID-19	15618	9,348
84.425	Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve Emergency Needs - COVID-19	15620	4,949,227
84.425	Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve Learning Loss	15621	1,760,813

(Continued)

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expenditures
	U.S. Department of Education - Passed through California Department of Education (Continued)		
84.425	After school Education and Safety (ASES) Rate Increase: ESSER III State Reserve Summer Learning Programs	15620	$ 12,630
84.425	American Rescue Plan-Homeless Children and Youth (ARP - Homeless I) - COVID-19	15564	139,374
84.425C	American Rescue Plan - Homeless Children and Youth II (ARP HCY II) - COVID-19	15566	383,321
	Subtotal ESF Programs		206,943,211
	Federal Impact Aid Program:		
84.041	Federal Impact Aid	10015	25,544,766
	Subtotal Federal Impact Aid Program		25,544,766
	Magnet School Assistance Program:		
84.165A	Magnet School Assistance Program	*	2,150,824
	Subtotal Magnet School Assistance Program		2,150,824
	Adult Education Program:		
84.002A	Adult Education: Adult Basic Education & ELA (Section 231)	14508	6,000
84.002A	Adult Education: Adult Secondary Education (Section 231)	13978	142,835
	Subtotal Adult Education Program		148,835
	Title I Program:		
84.010	ESEA: Title I, Part A Basic Grants, Low Income and Neglected	14329	52,432,229
84.010	ESEA: ESSA School Improvement (CSI) Funding for LEAs	15438	3,459,408
	Subtotal Title I Program		55,891,637
84.048	Carl D. Perkins Career and Technical Education: Secondary, Section 131 (Vocational Education)	14894	1,018,107
84.060	Indian Education	10011	84,238
84.181	Special Ed: IDEA Early Intervention Grants, Part C	23761	297,053

(Continued)

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expenditures
	U.S. Department of Education - Passed through California Department of Education (Continued)		
84.367	ESEA: Title II, Part A, Improving Teacher Quality Local Grants	14341	$ 2,364,649
84.287	ESEA: Title IV, Part B, 21st Century Community Learning Centers Program	14349	1,180,113
84.424	ESEA: Title IV, Part A, SSAE	15396	2,261,031
84.U01	JROTC	*	1,380,610
84.126	Department of Rehab: Workability II, Transition Partnership	10006	781,008
84.196	ESSA: Title IX, Part A, McKinney-Vento Homeless Assistance Grants	14332	254,352
84.411C	Education Innovation and Research (EIR) - Early-phase grant	*	1,314,131
	Total U.S. Department of Education		331,284,995
	U.S. Department of Defense - Passed Through California Department of Education		
	Invitational Grants for Military-Connected Schools Program:		
12.557	OpCollege and Career Readiness	*	395,151
12.556	DoDEA OWLS	*	87,342
	Subtotal Invitational Grants for Military-Connected Schools Program		482,493
	Total U.S. Department of Defense		482,493
	U.S. Department of Health and Human Services - Passed through California Department of Education		
93.036	FEMA Public Assistance	*	6,488,574
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	*	602,188
93.576	Refugee School Impact Grant	*	111,038
	Total U.S. Department of Health and Human Services		7,201,800

(Continued)

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture - Passed through California Department of Education			
10.558	Child Nutrition: Child Care Food Program (CCFP) Claims-Centers and Family Day Care Homes (Meal Reimbursements)	13394	$ 2,902,589
	Subtotal Child Nutrition: CCFP programs		2,902,589
	Child Nutrition Cluster:		
10.553	Child Nutrition: School Programs (e.g., School Lunch, School Breakfast, Milk, Pregnant & Lactating Students)	13526	41,929,934
	Subtotal Child Nutrition Cluster		41,929,934
	Total U.S. Department of Agriculture		44,832,523
U.S. Department of Homeland Security - Passed through California Department of Education			
N/A	Bond Interest & Redemption - Federal Interest Subsidy	*	1,792,113
	Total Federal Programs		$ 385,593,924

* PCA or Assistance Listing (AL) Number not available or not applicable.

There were no adjustments to any funds of the District.

	(Adopted Budget) 2024	2023	2022	2021
General Fund				
Revenues and other financing sources	$ 1,863,363,658	$ 2,153,325,626	$ 1,747,276,578	$ 1,523,888,657
Expenditures	2,025,021,272	1,904,487,320	1,673,877,317	1,487,054,021
Other uses and transfers out	12,090,776	13,670,000	9,878,238	12,670,000
Total outgo	2,037,112,048	1,918,157,320	1,683,755,555	1,499,724,021
Change in fund balance	$ (173,748,390)	$ 235,168,306	$ 63,521,023	$ 24,164,636
Ending fund balance	$ 281,462,995	$ 455,211,385	$ 220,043,079	$ 156,522,056
Available reserves	$ 60,292,740	$ 38,962,000	$ 33,682,000	$ 29,977,000
Designated for economic uncertainties	$ 40,691,000	$ 38,962,000	$ 33,682,000	$ 29,977,000
Undesignated fund balance	$ 19,601,740	$ -	$ -	$ -
Available reserves as percentages of total outgo	2.96%	2.03%	2.00%	2.00%
All Funds				
Total long-term liabilities	$ 7,673,313,827	$ 7,309,839,965	$ 6,516,785,143	$ 6,946,156,685
Average daily attendance at P-2	86,059	86,398	85,699	97,479

The General Fund balance has increased by $322,853,965 over the past three years. The fiscal year 2023-2024 budget projects a decrease of $173,748,390. For a district this size, the State of California recommends available reserves of at least 2% of total General Fund expenditures, transfers out, and other uses be maintained. For the year ended June 30, 2023, the District met this requirement.

The District has incurred operating surpluses in each of the past three years, and anticipates an operating deficit in fiscal year 2023-2024.

Total long-term liabilities have increased by $363,683,280 over the past two years, as shown in Note 7 to the basic financial statements.

Average daily attendance has decreased by 11,081 over the past two years. An decrease of 339 ADA is projected for the 2023-2024 fiscal year.

Charter School	Charter Number	Status	Included in District Report
Albert Einstein Academies	0773	Active	No
America's Finest Charter School	1301	Active	No
Audeo Charter	0406	Active	No
Charter School of San Diego	0028	Active	No
City Heights Preparatory Charter	1312	Active	No
Darnall Charter	0033	Active	No
E3 Civic High	1302	Active	No
Elevate Elementary	1633	Active	No
Empower Language Academy	1634	Active	No
Gompers Preparatory Academy	1080	Active	No
Harriet Tubman Village Charter	0046	Active	No
Health Sciences High	0876	Active	No
High Tech Elementary	1709	Active	No
High Tech Elementary Explorer	0278	Active	No
High Tech High	0269	Active	No
High Tech High International	0623	Active	No
High Tech High Media Arts	0622	Active	No
High Tech Middle	0546	Active	No
High Tech Middle Media Arts	0660	Active	No
Holly Drive Leadership Academy	0264	Active	No
Ingenuity Charter	1719	Active	No
Innovations Academy	1024	Active	No
Kavod Charter	1447	Active	No
Keiller Leadership Academy	0695	Active	No
King-Chavez Academy of Excellence	0420	Active	No
King-Chavez Arts Academy	0704	Active	No
King-Chavez Community High	1015	Active	No
King-Chavez Preparatory Academy	0772	Active	No
King -Chavez Primary Academy	0705	Active	No
Kipp Adelante Preparatory Academy	0550	Active	No
Learning Choice Academy	0659	Active	No
Magnolia Science Academy San Diego	0698	Active	No
McGill School of Success	0095	Active	No
Museum	0081	Active	No
Old Town Academy K-8 Charter	1279	Active	No
Preuss School UCSD	0169	Active	No
San Diego Cooperative Charter	0396	Active	No
San Diego Global Vision Academy	1190	Active	No
School for Entrepreneurship and Technology	1253	Active	No
The O'Farrell Charter	0048	Active	No
Urban Discovery Academy Charter	1008	Active	No

See accompanying notes to supplementary information.

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Average Daily Attendance: Average daily attendance is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

Schedule of Instructional Time: The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District, and whether the District complied with the provisions of Education Code Sections 46201 through 46206.

Schedule of Expenditure of Federal Awards: The Schedule of Expenditure of Federal Awards includes the federal award activity of the District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has not elected to use the 10-percent de minimis indirect cost rate allowed in the Uniform Guidance.

Reconciliation of Unaudited Actual Financial Report with Audited Financial Statements: This schedule provides the information necessary to reconcile the fund balances of all funds and the total long-term liabilities as reported on the Unaudited Actual Financial Report to the audited financial statements.

Schedule of Financial Trends and Analysis – Unaudited: This schedule provides information on the District's financial condition over the past three years and its anticipated condition for the 2023-2024 fiscal year, as required by the State Controller's Office. The information in this schedule has been derived from audited information.

Schedule of Charter Schools: This schedule provides information for the California Department of Education to monitor financial reporting by Charter Schools.

NOTE 2 - EARLY RETIREMENT INCENTIVE PROGRAM

Education Code Section 14502 requires certain disclosure in the financial statements of districts which adopt Early Retirement Incentive Programs pursuant to Education Code Section 22714 and 44929. For the fiscal year ended June 30, 2023, the District did not adopt such a program.

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Audit Committee and Board of Education
San Diego Unified School District
San Diego, California

Report on Compliance

Qualified Opinion on State Compliance

We have audited San Diego Unified School District's (the District) compliance with the requirements specified in the State of California *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the District's state program requirements identified below for the year ended June 30, 2023.

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, the District complied, in all material respects, with the compliance requirements that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2023.

Basis for Qualified Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards and the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* are further described in the Auditor's Responsibilities for the Audit of Compliance 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 opinion. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on State Compliance

As described in the accompanying Schedule of Findings and Questioned Costs as items 2023-003, 2023-004, 2023-005, and 2023-006, the District did not comply with requirements regarding Attendance, Teacher Certification and Misassignments, Independent Study, and Middle or Early College High School, respectively. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to those programs.

(Continued)

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and

- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

2022-23 K-12 Audit Guide Procedures	Procedures Performed
Local Education Agencies Other than Charter Schools:	
A. Attendance	Yes
B. Teacher Certification and Misassignments	Yes
C. Kindergarten Continuance	Yes
D. Independent Study	Yes
E. Continuation Education	Yes
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratio of Administrative Employees to Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive	N/A, see below
K. Gann Limit Calculation	Yes
L. School Accountability Report Card	Yes

(Continued)

2022-23 K-12 Audit Guide Procedures	Procedures Performed
M. Juvenile Court Schools	N/A, see below
N. Middle or Early College High Schools	Yes
O. K-3 Grade Span Adjustment	Yes
P. Transportation Maintenance of Effort	Yes
Q. Apprenticeship: Related and Supplemental Instruction	N/A, see below
R. Comprehensive School Safety Plan	Yes
S. District of Choice	N/A, see below
TT. Home to School Transportation Reimbursement	Yes
UU. Independent Study Certification for ADA Loss Mitigation	Yes
School Districts, County Offices of Education, and Charter Schools:	
T. California Clean Energy Jobs Act	N/A, see below
U. After/Before School Education and Safety Program	Yes
V. Proper Expenditure of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control and Accountability Plan	Yes
Y. Independent Study – Course-Based	N/A, see below
Z. Immunizations	Yes
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunities Grant (ELO-G)	Yes
CZ. Career Technical Education Incentive Grant	Yes
EZ. Transitional Kindergarten	Yes
Charter Schools:	
AA. Attendance	N/A, see below
BB. Mode of Instruction	N/A, see below
CC. Nonclassroom-Based Instruction/Independent Study	N/A, see below
DD. Determination of Funding for Nonclassroom-Based Instruction	N/A, see below
EE. Annual Instructional Minutes-Classroom Based	N/A, see below
FF. Charter School Facility Grant Program	N/A, see below

We did not perform any procedures related to Early Retirement Incentive Program because the District did not offer this program in the current year.

We did not perform any procedures related to Juvenile Court Schools because the District does not operate any Juvenile Court Schools, as it is not a County Office.

We did not perform any procedures related to Apprenticeship: Related and Supplemental Instruction because the District did not operate this program in the current year.

The District is not reported as a District of Choice per the California Department of Education, therefore we did not perform any procedures related to District of Choice.

We did not perform any procedures related to California Clean Energy Jobs Act because the district did not expend any funds related to this program in the current year.

The District did not offer an Independent Study-Course Based program, therefore, we did not perform any procedures related to this program.

The District does not have any Charter Schools; therefore, we did not perform any of the testing related to charter schools.

(Continued)

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with compliance requirement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2023-004, 2023-005, and 2023-006 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Sacramento, California
December 6, 2023

Crowe LLP
Independent Member Crowe Global

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*

Audit Committee and Board of Education
San Diego Unified School District
San Diego, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of San Diego Unified School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise San Diego Unified School District's basic financial statements, and have issued our report thereon dated December 6, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered San Diego Unified School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of San Diego Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of San Diego Unified 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified. We identified deficiencies in internal controls that were communicated to management as identified in the accompanying Schedule of Audit Findings and Questioned Costs as Findings 2023-001 and 2023-002.

(Continued)

Report on Compliance and Other Matters

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

San Diego Unified School District Responses to Finding

San Diego Unified School District's responses to the findings identified in our audit are described in the accompanying schedule of Audit Findings and Questioned Costs. San Diego Unified School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.

Crowe LLP

Crowe LLP

Sacramento, California
December 6, 2023

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; REQUIRED BY THE UNIFORM GUIDANCE

Audit Committee and Board of Education
San Diego Unified School District
San Diego, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited San Diego Unified School District's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of San Diego Unified School District's major federal programs for the year ended June 30, 2023 . San Diego Unified School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, San Diego Unified School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of San Diego Unified School District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of San Diego Unified School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to San Diego Unified School District's federal programs.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on San Diego Unified School District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about San Diego Unified School District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 San Diego Unified School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of San Diego Unified School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of San Diego Unified School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

(Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Sacramento, California
December 6, 2023

FINDINGS AND RECOMMENDATIONS

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified			
Internal control over financial reporting: Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified not considered to be material weakness(es)?		Yes	X	None reported
Noncompliance material to financial statements noted?		Yes	X	No

FEDERAL AWARDS

Internal control over major programs: Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified not considered to be material weakness(es)?		Yes	X	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified			

AL Number(s)	Name of Federal Program or Cluster	Type of Opinion
84.027, 84.027A, 84.173, 84.173A	Special Education Cluster	Unmodified
84.365	ESEA: Title III, English Learner Student Program	Unmodified
84.425, 84.425C, 84.425U	COVID-19: Education Stabilization Fund (ESF) Programs	Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?		Yes	X	No

Identification of major programs:

AL Number(s)	Name of Federal Program or Cluster
84.027, 84.027A, 84.173, 84.173A	Special Education Cluster
84.365	ESEA: Title III, English Learner Student Program
84.425, 84.425C, 84.425U	COVID-19: Education Stabilization Fund (ESF) Programs

Dollar threshold used to distinguish between Type A and Type B programs:	$ 3,000,000			
Auditee qualified as low-risk auditee?	X	Yes		No

STATE AWARDS

Type of auditors' report issued on compliance for state programs:	Qualified

(Continued)

SECTION II - FINANCIAL STATEMENT FINDING

2023-001 DEFICIENCY – INTERNAL CONTROL – ASSOCIATED STUDENT BODY (30000)

Criteria: Education Code Section 48930 (and California Department of Education's "Accounting Procedures for Student Organizations Handbook") requires student body organizations to follow the regulations set by the Governing Board of the school district.

Condition:

Canyon Hills High School –

- The June 2023 student store inventory count sheets were not signed and dated.

Gage Elementary –

- Check disbursements requiring two signatures were only signed by the elementary school assistant.
- The school did not utilize requisition forms required by the District for documenting cash disbursement approvals.

Millennial Tech Middle –

- The student store inventory counts were not performed prior to January 2023 due to staff turnover.

Miramar Ranch Elementary –

- The school did not utilize requisition forms required by the District for documenting cash disbursement approvals.

Roosevelt Middle –

- The June 2023 student store inventory count sheets were not signed and dated.

Wegeforth Elementary –

- The school did not utilize requisition forms required by the district for documenting cash disbursement approvals.

Context: The deficiencies listed above were identified through our walkthrough of the design effectiveness of internal controls related to Associated Student Body Funds.

Effect: ASB funds could potentially be misappropriated.

Cause: Adequate internal control procedures have not been implemented and enforced.

Recommendation: This is a repeat finding. Based on the deficiencies identified above, we recommend the following:

- The student store inventory counts should occur periodically throughout the year and the count sheets should be signed and dated.
- Check disbursements should be signed with the two signatures before issuance.
- Approval of expenditures should be formally documented by the proper individuals prior to the warrant being issued.

(Continued)

SECTION II - FINANCIAL STATEMENT FINDING
(Continued)

2023-001 DEFICIENCY – INTERNAL CONTROL – ASSOCIATED STUDENT BODY (30000)
(Continued)

Views of Responsible Officials and Planned Corrective Action: In 2022-23, the District Internal Audit department held a series of in person trainings to review Associated Student Body requirements, including expenditure pre-approvals and dual signatures for disbursements. For 2023-24, ASB training is being held throughout the year and is mandatory for all staff who manage ASB finances. The district has also developed a monthly ASB communication that includes policies and procedure reminders.

2023-002 DEFICIENCY – INTERNAL CONTROL – CYBERSECURITY POLICY (30000)

Criteria: Internal Controls are to be an integral part of any organization's financial and business policies and procedures. Internal controls consist of all the measures taken by the organization for the purpose of; (1) protecting its resources against waste, fraud, and inefficiency; (2) ensuring accuracy and reliability in accounting and operating data; (3) securing compliance with the policies of the organization; and (4) evaluating the level of performance in all organizational units of the organization.

Condition: The District has not formalized a cybersecurity policy to include District policies surrounding cybersecurity threats and risk assessment procedures.

Context: We performed internal control inquiries surrounding the cybersecurity risks associated with the District.

Effect: Internal controls policies and procedures are not properly documented.

Cause: Adequate internal control procedures have not been established and documented.

Recommendation: This is a repeat finding. We recommend that the District formalize a comprehensive cybersecurity policy to include risk assessment of response to and mitigation of cybersecurity threats.

Views of Responsible Officials and Planned Corrective Action: The District's Integrated Technology department engaged with a vendor in the 2022-23 school year to assist with developing a cybersecurity policy as well as modernizing/updating other IT related policies. The cybersecurity policies were completed and are currently with the San Diego Unified Board Office for review followed by formal adoption.

(Continued)

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

(Continued)

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

2023-003 DEFICIENCY – STATE COMPLIANCE – ATTENDANCE (10000)

Criteria: Attendance Accounting and Reporting in California Public Schools, Title 5, CCR, Section 401 and 421 (b) and Education Code Section 44809 - Each LEA must develop and maintain accurate and adequate records to support the attendance reported to the State.

Condition: At Wegeforth Elementary, one student was improperly recorded as present, resulting in an overstatement of one day of attendance.

Context: We performed the audit procedures enumerated in the State of California *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect: The effect of this finding is an overstatement of 0.01 ADA.

Cause: The errors were the result of clerical errors in accounting for attendance.

Fiscal impact: The error is below 0.50 ADA, therefore there is no fiscal impact.

Recommendation: This is a repeat finding. The District should enforce controls to ensure accurate accounting for attendance.

Views of Responsible Officials and Planned Corrective Action: The District agrees with the auditor's recommendations. The district will continue to provide training for staff at the school sites who are responsible for attendance reporting.

(Continued)

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

2023-004 MATERIAL WEAKNESS – STATE COMPLIANCE – TEACHER CERTIFICATION AND MISASSIGNMENTS (71000)

Criteria: Teachers must possess a valid certification document pursuant to Education Code Section 45037.

Condition:

San Diego SCPA –

- One teacher did not possess a valid certification document for 20 school days of the year.

Ocean Beach Elementary –

- One teacher did not possess a valid certification document for 102 school days of the year.

Loma Portal Elementary –

- One teacher did not possess a valid certification document for 105 school days of the year.

Context: We performed the audit procedures enumerated in the State of California *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the findings described above.

Effect: The District is out of compliance with state requirements.

Cause: Teachers did not possess valid certification documents for the entirety of the school year.

Fiscal impact: The effect of this finding is a financial penalty of $284,792.

Recommendation: The District should ensure teachers have proper certifications throughout the school year.

Views of Responsible Officials and Planned Corrective Action: The District agrees with the auditor's recommendations. The noted misassignments were all corrected in the 22/23 school year. Human Resources is currently collaborating with the Integrated Technology Division to implement an upgraded reporting system that will identifying teacher misassignments more efficiently.

(Continued)

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

2023-005 MATERIAL WEAKNESS – STATE COMPLIANCE – INDEPENDENT STUDY (40000)

Criteria: Pursuant to Education Code 51747, no days of attendance are to be reported for dates prior to the signing of the independent study agreement by all parties.

Condition:

iHigh Virtual Academy –

- Independent study agreements were not signed by all required parties for six students.

Encanto Elementary –

- An independent study agreement for one student was not signed by all required parties.

Context: We performed the audit procedures enumerated in the State of California *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect: The District is out of compliance with state requirements.

Cause: The District claimed attendance for students prior to the completion of the independent study contract.

Fiscal impact: The effect of this finding is an overstatement of 0.58 ADA in Grade Span TK-3 and 0.82 in Grade Span 9-12 for a total overstatement of 1.40 ADA or approximately $17,300.

Recommendation: The District should ensure independent study ADA is not claimed until an independent study contract is completed by all required parties.

Views of Responsible Officials and Planned Corrective Action: The District agrees with the auditor's recommendations. ADA adjustments will be made where necessary.

iHigh Virtual Academy implemented the use of paper Independent Study agreements for 2023/24 to ensure that signatures and dates are completed timely and that ADA is claimed based on the agreement completion date.

The most current version of the short-term independent study agreement is provided to school sites at the beginning of each school year. Encanto Elementary is now using the current agreement format.

(Continued)

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

2023-006 MATERIAL WEAKNESS – STATE COMPLIANCE – MIDDLE OR EARLY COLLEGE HIGH SCHOOL (40000)

Criteria: Students must adhere to instructional time and enrollment conditions set forth in Education Code Section 4616.5 or 46160(a)(2).

Condition: At East Village Middle College High School, three students were not enrolled in a minimum of 180 minutes per school day.

Context: We performed the audit procedures enumerated in the State of California *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect: The District is out of compliance with state requirements.

Cause: The District claimed attendance for students not enrolled in a minimum of 180 minutes per school day.

Fiscal impact: The effect of this finding is an overstatement of 0.53 ADA in Grade Span 9-12 or approximately $6,926.

Recommendation: Crowe recommends that the District train Early Middle College staff to ensure they are offering the minimum required 180 minutes daily for students attending community college classes.

Views of Responsible Officials and Planned Corrective Action: The District agrees with the auditor's recommendations. ADA adjustments will be made where necessary. The minimum day schedule has been corrected for East Village Middle College High School to ensure the minimum required 180 minutes are attained on a daily basis.

STATUS OF PRIOR YEAR

FINDINGS AND RECOMMENDATIONS

2022-001 DEFICIENCY – INTERNAL CONTROL – ASSOCIATED STUDENT BODY (30000)

Condition:

Green Elementary –
- Pre-approval of expenditures was not formally documented using a requisition form before purchase was made.
- The October 2021 bank reconciliation was prepared and approved in January 2022.

Bird Rock Elementary –
- The November 2021 bank reconciliation was prepared and approved in February 2022.

Chollas Mead Elementary –
- The October 2021 bank reconciliation was prepared and approved in February 2022.

Porter South Campus –
- Bank reconciliations were not prepared for September 2022 through April 2022 due to staff turnover.

Perkins K-8 –
- The October 2021 bank reconciliation was prepared and approved in February 2022.

Marvin Elementary –
- The October 2021 bank reconciliation was prepared and approved in February 2022.

Recommendation: This is a repeat finding. Based on the deficiencies identified above, we recommend that approval of expenditures be formally documented by the proper individuals prior to the warrant being issued. Additionally, the District should ensure bank reconciliations are prepared and approved timely.

Current Status: See current year finding at 2023-001.

District Explanation if Not Implemented: See current year finding at 2023-001.

2022-002 DEFICIENCY – INTERNAL CONTROL – CYBERSECURITY POLICY (30000)

Condition: The District has not formalized a cybersecurity policy to include District policies surrounding cybersecurity threats and risk assessment procedures.

Recommendation: We recommend that the District formalize a comprehensive cybersecurity policy to include risk assessment of, response to and mitigation of cybersecurity threats.

Current Status: See current year finding at 2023-002.

District Explanation if Not Implemented: See current year finding at 2023-002.

(Continued)

2022-003 DEFICIENCY – STATE COMPLIANCE – ATTENDANCE (10000)

Condition: At La Jolla High, one student was improperly recorded as present, resulting in an overstatement of one day of attendance.

Recommendation: The District should enforce controls to ensure accurate accounting for attendance.

Current Status: See current year finding at 2023-003.

District Explanation if Not Implemented: See current year finding at 2023-003.

2022-004 DEFICIENCY – STATE COMPLIANCE – COMPREHENSIVE SCHOOL SAFETY PLAN (40000)

Condition: Of the 33 sites selected for testing, Doyle Elementary and La Jolla High comprehensive school safety plans were reviewed and approved after March 1, 2022.

Of the 33 sites selected, the following sites did not have a comprehensive school safety plan prepared for the 2021/22 fiscal year:

- Chollas Mead Elementary
- Curie Elementary
- Hearst Elementary
- Porter-South Campus
- Sherman Elementary
- Dana Middle

Recommendation: This is a repeat finding. The District should ensure comprehensive school safety plans are adopted or reviewed and updated by the March 1st deadline to comply with Education Code section 32288. The District should also maintain appropriate documentation to support district's compliance with Education Code section 32288.

Current Status: Implemented.

District Explanation if Not Implemented: Not applicable.

(Continued)

2022-005 DEFICIENCY – STATE COMPLIANCE – AFTER/BEFORE SCHOOL EDUCATION AND SAFETY PROGRAM (40000)

Condition: At Wilson Middle School, one student was improperly excluded from the attendance system.

Recommendation: The District should enforce controls to ensure accurate accounting for attendance.

Current Status: Implemented.

District Explanation if Not Implemented: Not applicable.

2022-006 DEFICIENCY – STATE COMPLIANCE – IMMUNIZATIONS (40000)

Condition: Immunization records evidencing a second dose of varicella and measles vaccine were not obtained for one student, however, the student was admitted and attendance was claimed for the disallowed period.

Recommendation: The District should ensure the Title 17, California Code of Regulations section 6025 requirements are properly followed prior to admission.

Current Status: Implemented.

District Explanation if Not Implemented: Not applicable.