

SAN DIEGO UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS

June 30, 2021

SAN DIEGO UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2021

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SAN DIEGO UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying 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, 2021, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the 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, 2021, 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.

(Continued)

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. This resulted in a restatement of the beginning governmental activities net position and the beginning aggregate remaining fund information fund balance totaling \$6,740,959. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 to 13 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 74 to 79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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.

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 expenditure of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the 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.

The schedule of expenditure of federal awards and other supplementary information as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except for the Schedule of Financial Trends and Analysis, 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, the schedule of expenditure of federal awards and other supplementary information as listed in the table of contents, except for the Schedule of Financial Trends and Analysis, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Financial Trends and Analysis has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

(Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2021 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering San Diego Unified School District's internal control over financial reporting and compliance.


Crowe LLP

Sacramento, California
December 3, 2021

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, 2021. 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, 2021 was (\$38.80) million, compared to (\$172.47) million for the year ending June 30, 2020. The change in total net position is due to an increase in federal and state funding to address the impacts of COVID-19, as well as the implementation of GASB Statement No.84 which required a restatement of beginning fund balance, providing a positive change to total net position of \$126.92 million.
- Overall revenues were \$2,113.72 million, which was greater than expenses of \$1,986.79 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 customer 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 are more detailed. The basic financial statements are followed by a section of required and other supplementary information that further explain and support 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 (\$38.80) million at June 30, 2021, as reflected in the table below. Of this amount, (\$1,859.45) million was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Governing Board's ability to use that new position for day-to-day operations.

			Governmental Activities		
			2021	2020	Net Change
Assets					
	Current and other assets		\$ 2,215,302,996	\$ 1,588,991,137	\$ 626,311,859
	Capital assets		4,773,348,550	4,395,689,434	377,659,116
	Total Assets		6,988,651,546	5,984,680,571	1,003,970,975
DEFERRED OUTFLOWS OF RESOURCES			419,785,850	430,994,119	(11,208,269)
LIABILITIES					
	Current liabilities		309,132,238	283,424,562	25,707,676
	Long-term liabilities		7,022,334,685	6,138,063,548	884,271,137
	Total Liabilities		7,331,466,923	6,421,488,110	909,978,813
DEFERRED INFLOWS OF RESOURCES			115,773,596	166,652,328	(50,878,732)
NET POSITION					
	Net investment in capital assets		1,025,541,927	911,010,582	114,531,345
	Restricted		795,104,272	682,494,262	112,610,010
	Unrestricted		(1,859,449,322)	(1,765,970,592)	(93,478,730)
	Total Net Position		\$ (38,803,123)	\$ (172,465,748)	\$ 133,662,625

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 them slightly, so you can see our total revenues, expenses, and special items for the year.

		Governmental Activities		
REVENUES		2021	2020	Net Change
	Program revenues			
	Charges for services	\$ 16,989,518	\$ 23,754,584	\$ (6,765,066)
	Operating grants and contributions	514,002,640	395,178,069	118,824,571
	Capital grants and contributions	2,482,678	5,520,180	(3,037,502)
	General revenues			-
	Property taxes	1,378,311,554	1,306,198,126	72,113,428
	Unrestricted federal and state aid	167,985,395	212,859,849	(44,874,454)
	Other	33,948,779	44,401,108	(10,452,329)
	Total Revenues	2,113,720,564	1,987,911,916	125,808,648
EXPENSES				
	Instruction	975,012,201	935,127,437	39,884,764
	Instruction-related services	180,489,811	166,610,707	13,879,104
	Pupil services	244,403,223	236,560,756	7,842,467
	General administration	90,479,759	65,258,582	25,221,177
	Plant services	142,886,646	126,781,983	16,104,663
	Ancillary and community services	7,380,387	5,627,279	1,753,108
	Debt service	171,070,025	196,514,915	(25,444,890)
	Other outgo	30,825,471	16,791,824	14,033,647
	Depreciation	137,924,630	122,997,948	14,926,682
	Enterprise activities	6,326,745	3,403,287	2,923,458
	Total Expenses	1,986,798,898	1,875,674,718	111,124,180
	Change in net position	126,921,666	112,237,198	14,684,468
	Net Position - Beginning	(172,465,748)	(284,702,946)	112,237,198
	GASB 84 Implementation	6,740,959	-	6,740,959
	Net Position - Restated	(165,724,789)	-	-
	Net Position - Ending	\$ (38,803,123)	\$ (172,465,748)	\$ 133,662,625

As reported in the Statement of Activities on page (15), the cost of all our governmental activities this year was \$1,986.80 million. The amount ultimately that financed these activities through taxes and State Aid was \$1,546.29 million. The cost paid by those who benefitted from the programs was \$16.99 million, the costs from capital grants and contributions are \$2.48 million, the costs paid by other governments, organizations, who subsidized certain programs with grants and contribution, were \$514.00 million and other revenues contributed \$33.95 million.

	Net Cost of Services	
	2021	2020
Instruction	\$ 975,012,201	\$ 935,127,437
Instruction-related services	180,489,811	166,610,707
Pupil services	244,403,223	236,560,756
General administration	90,479,759	65,258,582
Plant services	142,886,646	126,781,983
Ancillary and community services	7,380,387	5,627,279
Debt service	171,070,025	196,514,915
Other outgo	30,825,471	16,791,824
Depreciation	137,924,630	122,997,948
Enterprise activities	6,326,745	3,403,287
Total Expenses	\$ 1,986,798,898	\$ 1,875,674,718

FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS

The financial performance of the District as a whole are reflected in its governmental funds. As the District completed this year, its governmental funds reported a combined fund balance of \$1,834.75 million, which is higher than prior year ending fund balance of \$1,243.39 million. The District's General Fund had \$16.69 million more in operating revenues than expenditures for the year ended June 30, 2021. The District's Building Fund had \$479.18 million less in operating revenues than expenditures for the year ended June 30, 2021. The District's Bond Interest and Redemption Fund had \$52.38 million less in operating revenues than expenditures for the year ended June 30, 2021. The District's Non-Major Governmental Funds, which includes County School Facilities Fund, had \$35.68 million more in operating revenues than expenditures for the year ended June 30, 2021.

CURRENT YEAR BUDGET 2020-21

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 \$108.83 million and Local grants and special projects of \$7.87 million and a decrease to State revenue of (\$38.93) million.
- Expenditures that were appropriated during the year which were not included in the originally adopted budget – Salaries and Benefits of \$25.88 million, Books and Supplies of \$68.99 million, Services and Other Operating Expenses of \$59.53 million, and Capital Outlay of \$10.91 million.

With these adjustments, actual revenues available were \$49.93 million below the final budgeted amounts. The most significant variances resulted from:

- Federal revenues were \$54.40 million below final budget amounts. ESSA grants were \$36.26 million below appropriations and federal funding for the CARES Act and Elementary and Secondary School Emergency Relief (ESSER I) grant was \$10.82 million below appropriations. The Federal grant for Governor's Emergency Education Relief (GEER) Learning Loss was \$7.30 million below appropriations, which largely represents grant money awarded but not spent by June 30, 2021.
- State revenues were \$5.77 million above final budget amounts. State Lottery was \$3.84 million above the appropriation amount and other state grants combined were as well as other state resources was \$2.02 million above the appropriation amount.
- Local revenues were \$2.13 million below final budget amounts. No specific grantor contributed to the decrease in local revenue.

Actual expenditures were \$174.13 million below the final budgeted amounts. Throughout the online learning period campuses were largely closed, causing a decrease in the following expenditures associated with maintaining physical locations. The most significant variances resulted from:

- Salaries and benefits were \$76.02 million below final budget amounts that includes the adjustment for STRS On-Behalf Pension Contribution.
- Books and Supplies were \$57.36 million below final budget amounts.
- Contract Services, Operating Expenditures and Other outgo were \$34.85 million below final budget amounts.
- Capital Outlay was \$5.89 million below final budget amounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2020-21, the District had invested \$4,773.35 million in capital assets, net of depreciation.

		Governmental Activities		
		2021	2020	Net Change
CAPITAL ASSETS				
Land		\$ 323,980,239	\$ 323,980,239	\$ -
Construction in progress		2,408,693,788	2,148,056,052	260,637,736
Land Improvements		420,189,227	403,746,763	16,442,464
Buildings & Improvements		2,967,832,261	2,740,436,777	227,395,484
Furniture & Equipment		292,201,264	284,883,777	7,317,487
Accumulated depreciation		(1,639,548,229)	(1,505,414,174)	(134,134,055)
Total Capital Assets		\$ 4,773,348,550	\$ 4,395,689,434	\$ 377,659,116

Long-Term Debt

At year-end, the District had \$7,022.33 million in long-term debt, an increase from last year – as shown in the table below. (The District’s long-term liabilities is presented in the footnotes to the financial statement in more detail.)

		Governmental Activities		
		2021	2020	Net Change
LONG-TERM LIABILITIES				
Total General Obligation Bonds		\$ 5,186,533,575	\$ 4,411,004,171	\$ 775,529,404
Net Pension Liability		1,546,135,000	1,449,568,000	96,567,000
Compensated Absences		39,457,864	38,185,704	1,272,160
SERP Liability		30,947,230	31,774,460	(827,230)
Claims Liability		76,178,000	71,651,000	4,527,000
Net OPEB obligation		143,083,016	135,880,213	7,202,803
Total Long-Term Liabilities		\$ 7,022,334,685	\$ 6,138,063,548	\$ 884,271,137

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 L totaling \$987 million. As of June 30, 2021, the principal balance, including outstanding accreted interest and refunding bonds, on the Proposition S Bonds was \$1.298 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 M totaling \$2.425 billion. As of June 30, 2021, the principal balance on the Proposition Z Bonds was \$1.842 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 D-2 totaling \$895 million. As of June 30, 2021, the principal balance on the Measure YY Bonds was \$752 million.

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 2020-2021		
	Proposition S	Proposition Z	Measure YY
Elementary Schools	\$ 1,482,244	\$ 65,307,335	\$ 86,839,145
Middle Schools	12,601,191	80,306,516	30,880,244
High Schools	2,311,835	79,233,154	30,629,606
Program Expenditures	86,796	29,439,763	36,497,101
Atypical	13,440	330,231	1,796,180
Charter	1,744,733	19,692,828	10,495,116
Other District Sites	-	71,243	1,252,876
Leased Site	-		
Total Expenditures	\$ 18,240,239	\$ 274,381,070	\$ 198,390,268

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES FOR 2021/22

On March 19, 2020, the Governor issued Executive Order N-33-20, a statewide stay at home order to protect the health and well-being of all Californians and to establish consistency across the State in order to slow the spread of COVID-19. Such order went into effect immediately. The District resumed to in-person learning on April 12, 2021.

In regards to COVID-19, the District has been monitoring guidelines and regulations from state and local agencies and will do so until the threat is gone.

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 2021-22 May Revision builds on the conceptual basic framework of the proposed budget presented in January. For 2021-22, the economic outlook improved compared to the previous year. The May Revision proposed to payback 20-21 deferral's by August of 2021 and utilize additional surplus in revenues. School Districts have received Federal dollars from the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act and Elementary and Secondary School Emergency Relief (ESSER II, ESSER III) funds to help school districts maintain student's safety while in person learning continues through the 2021-2022 school year. The 2021-22 Budget brought back the statutory cost-of-living adjustment (COLA) and increased the AB602 per student funding to \$725 per student. Expenditures continue to rise, 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 beyond full implementation of the LCFF so educational agencies must look for other solutions to control expenditures. Accurate position control and staffing formulas, avoiding excessive settlements at the bargaining table, commitments to maintain existing programs before adding new ones, and the use of capital expenditures to make facilities more efficient and reduce operating costs are just a few of the solutions the District has implemented.

On June 22, 2021, the District's Board approved an Adopted Budget for Fiscal Year 2021-22 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) – 97,967
- COLA – 5.07%
- Federal Impact Aid - \$10.0M
- Mandated Block Grant - \$4.03M
- Lottery (GFU - \$150; GFR - \$49) - \$199 per ADA
- Elementary & Secondary School Emergency Relief (ESSER) - \$30.3M
- Coronavirus Relief Fund (CRF) Learning Loss Mitigation - \$67.1M
- State Learning Loss Mitigation Funds - \$8M
- Transfers In - \$34.5M

Expenditures

- Salaries Step and Column – Certificated 1.87%; Classified .58%
- Salary Increase – None
- STRS – 16.92%
- PERS – 22.91%
- Health and Welfare Premiums - 6.0%
- Transfers Out - \$7.3M
- Contributions:
 - Special Education - \$249.4M
 - Restricted Routine Maintenance (RRM) - \$45.9M

Subsequent to the above approved budget, the Board approved a 4% salary increase with all bargaining units retroactive to July 1, 2021. The fiscal impact of these increases approximates \$45,890,000.

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 2021-2022 school year; (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 make adjustments in fixed operating costs.

On July 16, 2021, the Governor signed the Fiscal Year 2021-22 Budget. There were no major changes affecting the District's adopted budget, therefore a revision to the Board of Education was not necessary. The District's 2020-21 Unaudited Actuals ending fund balance is higher than at Estimated Actuals, which will be used to offset any 2021-22 deficit.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report 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, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash and investments (Note 2)	\$ 2,027,143,906
Receivables	183,372,550
Prepaid expenses	183,825
Stores inventory	4,602,715
Non-depreciable capital assets (Note 4)	2,732,674,027
Depreciable capital assets, net of accumulated depreciation (Note 4)	<u>2,040,674,523</u>
Total assets	<u>6,988,651,546</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pensions (Notes 8 and 9)	333,285,126
Deferred outflows of resources - OPEB (Note 10)	10,190,589
Deferred loss from refunding of debt	<u>76,310,135</u>
Total deferred outflows	<u>419,785,850</u>
LIABILITIES	
Accounts payable and other current liabilities	258,449,310
Unearned revenue	50,682,928
Self-insurance claims liability - current portion (Note 5)	17,884,000
Long-term liabilities:	
Due within one year (Note 6)	326,666,545
Due after one year (Note 6)	6,619,490,140
Self-insurance claims liability - noncurrent portion (Note 5)	<u>58,294,000</u>
Total liabilities	<u>7,331,466,923</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pensions (Notes 8 and 9)	108,835,000
Deferred inflows of resources - OPEB (Note 10)	<u>6,938,596</u>
Total deferred inflows of resources	<u>115,773,596</u>
NET POSITION	
Net investment in capital assets	1,025,541,927
Restricted:	
Legally restricted programs	78,311,092
Capital projects	146,389,188
Debt service	504,629,459
Self-insurance	65,774,533
Unrestricted	<u>(1,859,449,322)</u>
Total net position	<u>\$ (38,803,123)</u>

See accompanying notes to financial statements.

SAN DIEGO UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

		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	\$ 975,012,201	\$ 901,969	\$ 268,306,645	\$ 2,482,678	\$ (703,320,909)
Instruction-related services:					
Instructional supervision and administration	69,982,425	236,679	41,840,198	-	(27,905,548)
Instructional library, media and technology	8,641,884	36,914	628,887	-	(7,976,083)
School site administration	101,865,502	310,127	9,871,295	-	(91,684,080)
Pupil services:					
Home-to-school transportation	35,193,573	30,774	2,987,741	-	(32,175,058)
Food services	71,375,292	20,030	81,894,352	-	10,539,090
All other pupil services	137,834,358	1,958,985	41,962,017	-	(93,913,356)
General administration:					
Centralized data processing	28,361,025	47,696	9,620,540	-	(18,692,789)
All other general administration	62,118,734	72,264	6,110,736	-	(55,935,734)
Plant services	142,886,646	4,240,447	34,739,448	-	(103,906,751)
Ancillary services	7,198,694	122,026	3,116,861	-	(3,959,807)
Community services	181,693	-	92	-	(181,601)
Enterprise activities	6,326,745	-	4,619	-	(6,322,126)
Interest on long-term liabilities	171,070,025	-	-	-	(171,070,025)
Other outgo	30,825,471	9,011,607	12,919,209	-	(8,894,655)
Depreciation (unallocated) (Note 4)	137,924,630	-	-	-	(137,924,630)
Total governmental activities	\$ 1,986,798,898	\$ 16,989,518	\$ 514,002,640	\$ 2,482,678	(1,453,324,062)
General revenues:					
Taxes and subventions:					
Taxes levied for general purposes					915,574,490
Taxes levied for debt service					423,795,178
Taxes levied for other specific purposes					38,941,886
Federal and state aid not restricted to specific purposes					167,985,395
Interest and investment earnings					18,103,024
Interagency transfers					4,452,882
Miscellaneous					11,392,873
Total general revenues					1,580,245,728
Change in net position					126,921,666
Net position, July 1, 2020					(172,465,748)
Cumulative effect of GASB 84 implementation					6,740,959
Net Position, July 1, 2020, as restated					(165,724,789)
Net position, June 30, 2021					\$ (38,803,123)

See accompanying notes to financial statements.

SAN DIEGO UNIFIED SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	<u>General Fund</u>	<u>Building Fund</u>	<u>Bond Interest and Redemption Fund</u>	<u>All Non-Major Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments:					
Cash in County Treasury	\$ 233,912,916	\$ 1,046,271,058	\$ 489,807,700	\$ 180,588,940	\$ 1,950,580,614
Cash on hand and in banks	-	-	14,821,759	4,334,368	19,156,127
Cash in revolving fund	54,000	-	-	-	54,000
Receivables	158,203,777	1,967,573	-	22,725,668	182,897,018
Prepaid expenditures	183,091	-	-	734	183,825
Due from other funds	23,785,665	24,997,676	-	598,821	49,382,162
Stores inventory	3,619,439	-	-	983,276	4,602,715
	<u>3,619,439</u>	<u>-</u>	<u>-</u>	<u>983,276</u>	<u>4,602,715</u>
Total assets	<u>\$ 419,758,888</u>	<u>\$ 1,073,236,307</u>	<u>\$ 504,629,459</u>	<u>\$ 209,231,807</u>	<u>\$ 2,206,856,461</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 128,173,141	\$ 56,763,305	\$ -	\$ 2,790,287	\$ 187,726,733
Unearned revenue	47,188,547	-	-	3,494,381	50,682,928
Due to other funds	87,875,144	19,618,631	-	26,202,671	133,696,446
	<u>87,875,144</u>	<u>19,618,631</u>	<u>-</u>	<u>26,202,671</u>	<u>133,696,446</u>
Total liabilities	<u>263,236,832</u>	<u>76,381,936</u>	<u>-</u>	<u>32,487,339</u>	<u>372,106,107</u>
Fund balances:					
Nonspendable	3,856,530	-	-	984,010	4,840,540
Restricted	47,955,812	996,854,371	504,629,459	175,760,458	1,725,200,100
Assigned	74,732,714	-	-	-	74,732,714
Unassigned	29,977,000	-	-	-	29,977,000
	<u>29,977,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,977,000</u>
Total fund balances	<u>156,522,056</u>	<u>996,854,371</u>	<u>504,629,459</u>	<u>176,744,468</u>	<u>1,834,750,354</u>
Total liabilities and fund balances	<u>\$ 419,758,888</u>	<u>\$ 1,073,236,307</u>	<u>\$ 504,629,459</u>	<u>\$ 209,231,807</u>	<u>\$ 2,206,856,461</u>

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, 2021

Total fund balances - Governmental Funds \$ 1,834,750,354

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 \$6,412,896,779 and the accumulated depreciation is \$1,639,548,229 (Note 4). 4,773,348,550

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, 2021 consisted of (Note 6):

General Obligation Bonds	(4,484,627,582)	
Unamortized premiums	(336,343,547)	
Accreted interest	(365,562,446)	
Net pension liability (Notes 8 and 9)	(1,546,135,000)	
Compensated absences	(39,457,864)	
Supplemental Employee Retirement Plan liability (Note 11)	(30,947,230)	
Total OPEB liability (Note 10)	(143,083,016)	(6,946,156,685)

Internal service funds are included in the government-wide financial statements. 65,774,533

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. 76,310,135

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 8, 9 and 10).

Deferred outflows of resources relating to pensions	333,285,126	
Deferred outflows of resources relating to OPEB	10,190,589	
Deferred inflows of resources relating to pensions	(108,835,000)	
Deferred inflows of resources relating to OPEB	(6,938,596)	227,702,119

Unmatured interest on long-term liabilities is recognized in the period incurred. (70,532,129)

Total net position - governmental activities \$ (38,803,123)

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, 2021

	General Fund	Building Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
Revenues:					
Local Control Funding Formula (LCFF):					
State apportionment	\$ 277,059,545	\$ -	\$ -	\$ -	\$ 277,059,545
Local sources	773,938,862	-	-	-	773,938,862
Total LCFF	<u>1,050,998,407</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,050,998,407</u>
Federal sources	182,427,227	-	-	56,766,087	239,193,314
Other state sources	231,794,774	10,891	1,876,159	19,134,044	252,815,868
Other local sources	<u>38,520,593</u>	<u>11,823,319</u>	<u>425,926,438</u>	<u>83,080,103</u>	<u>559,350,453</u>
Total revenues	<u>1,503,741,001</u>	<u>11,834,210</u>	<u>427,802,597</u>	<u>158,980,234</u>	<u>2,102,358,042</u>
Expenditures:					
Current:					
Certificated salaries	620,420,824	-	-	6,077,287	626,498,111
Classified salaries	225,013,082	13,863,775	-	26,695,998	265,572,855
Employee benefits	470,126,588	6,810,699	-	19,904,765	496,842,052
Books and supplies	54,640,705	12,761,344	-	18,992,433	86,394,482
Contract services and operating expenditures	108,832,055	17,031,281	-	25,991,189	151,854,525
Other outgo	2,832,158	-	-	-	2,832,158
Capital outlay	5,188,609	440,544,478	-	25,641,704	471,374,791
Debt service:					
Principal retirement	-	-	313,049,308	-	313,049,308
Interest	-	-	<u>167,134,707</u>	-	<u>167,134,707</u>
Total expenditures	<u>1,487,054,021</u>	<u>491,011,577</u>	<u>480,184,015</u>	<u>123,303,376</u>	<u>2,581,552,989</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,686,980</u>	<u>(479,177,367)</u>	<u>(52,381,418)</u>	<u>35,676,858</u>	<u>(479,194,947)</u>
Other financing sources (uses):					
Transfers in	20,147,656	388,562	-	5,041,579	25,577,797
Transfers out	(12,670,000)	(5,041,579)	-	(20,536,218)	(38,247,797)
Proceeds from issuance of bonds	-	970,000,000	-	-	970,000,000
Premiums from issuance of bonds	-	-	<u>106,488,971</u>	-	<u>106,488,971</u>
Total other financing sources (uses)	<u>7,477,656</u>	<u>965,346,983</u>	<u>106,488,971</u>	<u>(15,494,639)</u>	<u>1,063,818,971</u>
Net change in fund balances	24,164,636	486,169,616	54,107,553	20,182,219	584,624,024
Fund balances, July 1, 2020	<u>132,357,420</u>	<u>510,684,755</u>	<u>450,521,906</u>	<u>149,821,290</u>	<u>1,243,385,371</u>
Cumulative effect of GASB 84 implementation	-	-	-	6,740,959	6,740,959
Fund balance, July 1, 2020, as restated	<u>132,357,420</u>	<u>510,684,755</u>	<u>450,521,906</u>	<u>156,562,249</u>	<u>1,250,126,330</u>
Fund balances, June 30, 2021	<u>\$ 156,522,056</u>	<u>\$ 996,854,371</u>	<u>\$ 504,629,459</u>	<u>\$ 176,744,468</u>	<u>\$ 1,834,750,354</u>

See accompanying notes to financial statements.

SAN DIEGO UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS –
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Net change in fund balances - Total Governmental Funds	\$ 584,624,024
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 4).	526,722,322
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 4).	(11,145,576)
In governmental funds, donated capital assets 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 4).	7,000
Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4).	(137,924,630)
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 6).	(970,000,000)
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 6).	313,049,308
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 6).	(85,884,797)
Accreted interest is an expense that is not recorded in the governmental funds (Note 6).	(32,693,915)

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS –
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Interest on long-term liabilities is recognized in the period it is incurred, in governmental funds it is only recognized when it is due.	\$	(1,988,227)
Activities of the internal service fund are reported with governmental activities.		6,700,426
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.		(6,461,898)
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 6 and 10).		(5,096,558)
In governmental funds, public agency retirement system incentives are recognized when employers contributions are made. In the government-wide statements, public agency retirement system incentives are measured on the accrual basis (Notes 6 and 10).		827,230
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.		(52,540,883)
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 6).		(1,272,160)
		<u>(457,702,358)</u>
Change in net position of governmental activities		<u>\$ 126,921,666</u>

See accompanying notes to financial statements.

SAN DIEGO UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION – PROPRIETARY FUND
SELF-INSURANCE FUND – GOVERNMENTAL ACTIVITIES
June 30, 2021

ASSETS

Current assets:

Cash and investments:

Cash in County Treasury	\$ 56,853,165
Cash with fiscal agent	500,000
Receivables	475,532
Due from other funds	<u>84,627,036</u>

Total current assets 142,455,733

LIABILITIES

Current liabilities:

Accounts payable	190,448
Due to other funds	312,752
Claims payable - current portion	<u>17,884,000</u>

Total current liabilities 18,387,200

Non-current liabilities:

Claims payable	<u>58,294,000</u>
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Total liabilities 76,681,200

NET POSITION

Restricted for insurance activities	<u>\$ 65,774,533</u>
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See accompanying notes to financial statements.

SAN DIEGO UNIFIED SCHOOL DISTRICT
STATEMENT OF CHANGE IN
NET POSITION – PROPRIETARY FUND
SELF-INSURANCE FUND – GOVERNMENTAL ACTIVITIES
For the Year Ended June 30, 2021

OPERATING REVENUE

Self insurance premiums \$ 35,052,522

OPERATING EXPENSES

Salaries and benefits 2,302,656

Supplies and materials 990,440

Insurance and claims 38,975,516

Total operating expense 42,268,612

Operating loss (7,216,090)

NON-OPERATING REVENUES

Interest income 1,246,516

Income before transfers (5,969,574)

TRANSFERS

Transfers in 12,670,000

Change in net position 6,700,426

Net position restricted for insurance activities, July 1, 2020 59,074,107

Net position restricted for insurance activities, June 30, 2021 \$ 65,774,533

See accompanying notes to financial statements.

SAN DIEGO UNIFIED SCHOOL DISTRICT
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
SELF-INSURANCE FUND – GOVERNMENTAL ACTIVITIES
For the Year Ended June 30, 2021

Cash flows from operating activities:	
Cash received from self-insurance premiums	\$ (47,745,193)
Cash received from user charges	(408,280)
Cash paid for employee salaries and benefits	(2,302,656)
Cash paid for insurance claims and supplies	<u>(35,252,668)</u>
Net cash used in operating activities	<u>(85,708,797)</u>
 Cash flows provided by noncapital financing activities:	
Transfers in from District funds	<u>12,670,000</u>
 Cash flows provided by investing activities:	
Interest income received	<u>1,300,555</u>
Decrease in cash and investments	(71,738,242)
Cash and investments, July 1, 2020	<u>129,091,407</u>
Cash and investments, June 30, 2021	<u>\$ 57,353,165</u>
 Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ <u>(7,216,090)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
Decrease in:	
Amount due from other funds	(81,853,891)
Increase (decrease) in:	
Accounts payable	186,288
Claims payable	4,527,000
Amount due to other funds	<u>(1,352,104)</u>
Total adjustments	<u>(78,492,707)</u>
Net cash used in operating activities	<u>\$ (85,708,797)</u>

See accompanying notes to financial statements.

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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)

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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*).

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 shall 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)

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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*).

c - 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*).

Proprietary Fund:

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*).

Basis of Accounting: 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.

Accrual: 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.

Modified Accrual: 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.

Budgets and Budgetary Accounting: 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.

Receivables: 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, 2021.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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) and updated for additions and retirements during the year. 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:

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

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 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 inflow of resources related to the recognition of the pension liability and OPEB liability reported in the Statement of Net Position.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

	<u>STRP</u>	<u>PERF B</u>	<u>Total</u>
Deferred outflows of resources	\$ 224,228,403	\$ 109,056,723	\$ 333,285,126
Deferred inflows of resources	\$ 92,922,000	\$ 15,913,000	\$ 108,835,000
Net pension liability	<u>\$ 992,491,000</u>	<u>\$ 553,644,000</u>	<u>\$ 1,546,135,000</u>
Pension expense	<u>\$ 188,584,395</u>	<u>\$ 85,950,492</u>	<u>\$ 274,534,887</u>

Compensated Absences: Compensated absences benefits are recorded as a liability of the District. The liability of \$39,457,864 is for the earned but unused benefits.

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 appropriate 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".

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2021, the District had no committed fund balances.

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, 2021 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.

Fund Balance Policy: 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, 2021, the District has not established a minimum fund balance policy nor has it established a stabilization arrangement.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes: 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.

Encumbrances: 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.

Eliminations and Reclassifications: 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.

Estimates: 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.

New Accounting Pronouncements: In January 2017, the GASB issued GASB Statement No. 84, *Fiduciary Activities*. The principal objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. The provisions in GASB Statement No. 84 are effective for reporting periods beginning after December 15, 2019. Based on the implementation of GASB Statement No. 84, the District restated its beginning net position of governmental activities as well as the aggregate remaining fund information beginning fund balance for a total of \$6,740,959. The activities of the student body fund are reported in a special revenue fund, the Student Activity Fund, as a result of the implementation of GASB 84.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 2 - CASH AND INVESTMENTS

District cash and investments at June 30, 2021 consisted of the following:

	Governmental <u>Funds</u>	Internal Service <u>Funds</u>	Total Governmental <u>Activities</u>
Cash in County Treasury	\$ 1,950,580,614	\$ 56,853,165	\$ 2,007,433,779
Cash on hand and in banks	19,156,127	-	19,156,127
Cash in revolving fund	54,000	-	54,000
Cash with fiscal agent	<u>-</u>	<u>500,000</u>	<u>500,000</u>
Total cash and cash equivalent	<u>\$ 1,969,790,741</u>	<u>\$ 57,353,165</u>	<u>\$ 2,027,143,906</u>

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, 2021, the carrying amount of the District's accounts was \$19,210,127 and the bank balances were \$23,756,095. The total uninsured bank balance at June 30, 2021 was \$23,256,095.

Cash with Fiscal Agent: Cash with Fiscal Agent represents cash balances held by Chase Bank for the claims payments. The cash balances are fully collateralized at June 30, 2021.

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

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, 2021, 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, 2021, the District had no concentration of credit risk.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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, 2021 were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<u>Governmental Activities</u>		
Major Funds:		
General	\$ 23,785,665	\$ 87,875,144
Building	24,997,676	19,618,631
Non-Major Funds:		
Adult Education	104,598	121,114
Child Development	45,734	5,419,195
Cafeteria	448,429	11,651,207
Capital Facilities	-	1,644,490
County School Facilities	60	6,943,241
Special Reserve for Capital Outlay Projects	-	423,424
Proprietary Fund:		
Self-Insurance	<u>84,627,036</u>	<u>312,752</u>
Totals	<u>\$ 134,009,198</u>	<u>\$ 134,009,198</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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 2020-2021 fiscal year were as follows:

Transfer from the Capital Facilities Fund to the General Fund for reduction in expenditures related to CCDC RDA.	\$ 17,300,000
Transfer from the General Fund to the Self Insurance Fund for annual approved funding.	12,670,000
Transfer from the Building Fund to the County School Facilities Fund for construction costs at Salk Elementary School.	5,041,579
Transfer from the Special Reserve for Capital Outlay Projects Fund to the General Fund for additional rent.	1,301,072
Transfer from the Cafeteria Fund to the General Fund for indirect costs.	1,235,118
Transfer from the County School Facilities Fund to the Building Fund for construction costs at Mission Bay High School Gaming CTE.	388,562
Transfer from the Child Development Fund to the General Fund for indirect costs.	272,030
Transfer from the Adult Education Fund to the General Fund for indirect costs.	<u>39,436</u>
	<u>\$ 38,247,797</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 4 - CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2021 is shown below:

	Balance July 1, <u>2020</u>	Transfers and <u>Additions</u>	Transfers and <u>Deletions</u>	Balance June 30, <u>2021</u>
<u>Governmental Activities</u>				
Non-depreciable:				
Land	\$ 323,980,239	\$ -	\$ -	\$ 323,980,239
Work-in-process	2,148,056,052	526,722,322	266,084,586	2,408,693,788
Depreciable:				
Land improvements	403,746,763	16,442,464	-	420,189,227
Buildings and improvements	2,740,436,777	241,666,610	14,271,126	2,967,832,261
Furniture and equipment	<u>284,883,777</u>	<u>7,982,512</u>	<u>665,025</u>	<u>292,201,264</u>
Totals, at cost	<u>5,901,103,608</u>	<u>792,813,908</u>	<u>281,020,737</u>	<u>6,412,896,779</u>
Less accumulated depreciation:				
Land improvements	(192,738,055)	(16,854,978)	-	(209,593,033)
Buildings and improvements	(1,091,355,060)	(109,693,421)	(3,374,439)	(1,197,674,042)
Furniture and equipment	<u>(221,321,059)</u>	<u>(11,376,231)</u>	<u>(416,136)</u>	<u>(232,281,154)</u>
Total accumulated depreciation	<u>(1,505,414,174)</u>	<u>(137,924,630)</u>	<u>(3,790,575)</u>	<u>(1,639,548,229)</u>
Governmental activities capital assets, net	<u>\$ 4,395,689,434</u>	<u>\$ 654,889,278</u>	<u>\$ 277,230,162</u>	<u>\$ 4,773,348,550</u>

Depreciation expense was charged to governmental activities for the year ended June 30, 2021 as follows:

Governmental activities:	
Unallocated	<u>\$ 137,924,630</u>

NOTE 5 - 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.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 5 - SELF-INSURANCE (Continued)

At June 30, 2021, 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 \$76.2 million. Changes in the reported liability are shown below:

	<u>General Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
Liability balance, June 30, 2019	\$ 2,893,000	\$ 66,640,000	\$ 69,533,000
Incurred claims	8,393,846	20,382,898	28,776,744
Claims payments	<u>(7,540,846)</u>	<u>(19,117,898)</u>	<u>(26,658,744)</u>
Liability balance, June 30, 2020	<u>\$ 3,746,000</u>	<u>\$ 67,905,000</u>	<u>\$ 71,651,000</u>
Incurred claims	9,643,047	21,188,252	30,831,299
Claims payments	<u>(8,299,047)</u>	<u>(18,005,252)</u>	<u>(26,304,299)</u>
Liability balance, June 30, 2021	<u>\$ 5,090,000</u>	<u>\$ 71,088,000</u>	<u>\$ 76,178,000</u>

NOTE 6 - LONG TERM LIABILITIES

A schedule of changes in long term liabilities, excluding, claims payable on self-insurance activities in Note 5, for the fiscal year ended June 30, 2021 is as follows:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>	<u>Due Within One Year</u>
General Obligation Bonds:					
General Obligation Bonds	\$ 3,827,676,890	\$ 970,000,000	\$ 313,049,308	\$ 4,484,627,582	\$ 271,535,731
Unamortized premiums	250,458,750	106,488,971	20,604,174	336,343,547	21,319,314
Accreted interest	<u>332,868,531</u>	<u>48,466,529</u>	<u>15,772,614</u>	<u>365,562,446</u>	<u>13,579,270</u>
Total General Obligation Bonds	<u>4,411,004,171</u>	<u>1,124,955,500</u>	<u>349,426,096</u>	<u>5,186,533,575</u>	<u>306,434,315</u>
Other Long-term Liabilities:					
Net pension liability (Notes 8 & 9)	1,449,568,000	96,567,000	-	1,546,135,000	-
Compensated absences	38,185,704	1,272,160	-	39,457,864	-
SERP liability (Note 11)	31,774,460	19,745,292	20,572,522	30,947,230	20,232,230
Total OPEB liability (Note 10)	<u>135,880,213</u>	<u>7,202,803</u>	<u>-</u>	<u>143,083,016</u>	<u>-</u>
Total	<u>\$ 6,066,412,548</u>	<u>\$ 1,249,742,755</u>	<u>\$ 369,998,618</u>	<u>\$ 6,946,156,685</u>	<u>\$ 326,666,545</u>

(Continued)

NOTE 6 - LONG TERM LIABILITIES (Continued)

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.

On September 5, 2017 the District placed \$10,870,745 from existing resources into an irrevocable escrow trust account to refund certain portions of Election of 2000, Series B. At June 30, 2018, \$9,925,000 of bonds outstanding are considered defeased. Although the refundings resulted in the recognition of an accounting loss of \$945,745 for the year ended June 30, 2018, the District in effect reduced its aggregate debt service payments by \$245,255 over the next two years. Substitution of essentially risk-free monetary assets with monetary assets that are not essentially risk-free is not prohibited by the District's policies.

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 L totaling \$986,860,041 million 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 M totaling \$2,425,000,000.

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 D totaling \$895,000,000.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 6 - LONG TERM LIABILITIES (Continued)

The outstanding general obligation bonded debt, not including premium or discount, of the District at June 30, 2021 is summarized in the following:

<u>Proposition MM</u>									
Series	Date of Issue	Interest Rate %	Maturity Date	Amount of Original Issue	Outstanding July 1, 2020	Issued/Accreted Current Year	Redeemed Current Year	Outstanding June 30, 2021	Amount due in One Year
1998, Series A	5/27/1999	4.20 - 5.34	2024	\$ 139,995,085	\$ 23,783,545	\$ -	\$ 5,515,546	\$ 18,267,999	\$ 6,180,731
A - Accreted interest		-	-	-	44,612,445	3,819,353	11,214,454	37,217,344	13,579,270
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	114,895,000	-	10,240,000	104,655,000	11,470,000
1998, Series D	9/12/2002	2.10 - 5.25	2026	274,995,346	99,300,000	-	11,390,000	87,910,000	12,725,000
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	-	-	53,625,000	-
1998 Series G	9/8/2005	3.00 - 5.00	2029	<u>195,024,801</u>	<u>55,055,000</u>	<u>-</u>	<u>-</u>	<u>55,055,000</u>	<u>-</u>
Subtotal of original issue before refunding				<u>1,510,000,000</u>	<u>509,255,990</u>	<u>3,819,353</u>	<u>38,360,000</u>	<u>474,715,343</u>	<u>43,955,001</u>
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		-	-	-	31,042,070	4,927,978	-	35,970,048	-
R-3 Refunding (various)	4/16/2014	2.00 - 5.00	2030	199,285,000	119,095,000	-	31,380,000	87,715,000	33,425,000
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	<u>126,135,000</u>	<u>126,135,000</u>	<u>-</u>	<u>-</u>	<u>126,135,000</u>	<u>-</u>
Total Proposition MM				<u>\$ 2,073,359,442</u>	<u>\$ 1,018,932,502</u>	<u>\$ 8,747,331</u>	<u>\$ 69,740,000</u>	<u>\$ 957,939,833</u>	<u>\$ 77,380,001</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 6 - LONG TERM LIABILITIES (Continued)

The outstanding general obligation bonded debt, not including premium or discount, of the District June 30, 2021 is summarized in the following:

<u>Proposition S</u> <u>Series</u>	<u>Date of</u> <u>Issue</u>	<u>Interest</u> <u>Rate %</u>	<u>Maturity</u> <u>Date</u>	<u>Amount of</u> <u>Original Issue</u>	<u>Outstanding</u> <u>July 1, 2020</u>	<u>Issued/Accreted</u> <u>Current Year</u>	<u>Redeemed</u> <u>Current Year</u>	<u>Outstanding</u> <u>June 30, 2021</u>	<u>Amount due</u> <u>in One Year</u>
2008, Series A	5/7/2009	2.52 - 6.19	2033	\$ 131,157,581	\$ 30,990,477	\$ -	\$ 9,148,762	\$ 21,841,715	\$ -
A - Accreted interest		-	-	-	29,920,622	-	4,558,160	25,362,462	-
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	-	94,938,705	14,034,416	-	108,973,121	-
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		-	-	-	73,929,741	12,117,333	-	86,047,074	-
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	-	-	-	-	-
G - Accreted interest		-	-	-	-	-	-	-	-
2008, Series H	6/18/2015	0.50 - 5.00	2025	31,770,000	28,380,000	-	-	28,380,000	-
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	-	-	-	14,708,953	4,072,894	-	18,781,847	-
2008, Series J	5/5/2016	0.52 - 5.00	2028	45,000,000	38,620,000	-	1,530,000	37,090,000	1,605,000
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	-	-	-	6,069,480	3,129,256	-	9,198,736	-
2008, Series L-1	3/4/2021	0.10-4.00	2050	7,165,000	-	7,165,000	-	7,165,000	7,165,000
2008, Series L-2	3/4/2021	0.10-4.00	2050	117,835,000	-	117,835,000	-	117,835,000	16,815,000
Subtotal of original issue before refunding				<u>986,860,041</u>	<u>816,011,574</u>	<u>158,353,899</u>	<u>15,236,922</u>	<u>959,128,551</u>	<u>25,585,000</u>
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		-	-	-	37,646,515	6,365,299	-	44,011,814	-
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				<u>\$ 1,282,119,871</u>	<u>\$ 1,148,917,919</u>	<u>\$ 164,719,198</u>	<u>\$ 15,236,922</u>	<u>\$ 1,298,400,195</u>	<u>\$ 25,585,000</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 6 - LONG TERM LIABILITIES (Continued)

The outstanding general obligation bonded debt, not including premium or discount, of the District June 30, 2021 is summarized in the following:

<u>Proposition Z</u>									
<u>Series</u>	<u>Date of Issue</u>	<u>Interest Rate %</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Outstanding July 1, 2020</u>	<u>Issued/Accreted Current Year</u>	<u>Redeemed Current Year</u>	<u>Outstanding June 30, 2021</u>	<u>Amount due in One Year</u>
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	2043	414,000,000	404,150,000	-	3,915,000	400,235,000	-
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	-	-	370,645,000	-
2012, Series G	1/5/2016	3.578 - 5.00	2046	100,000,000	100,000,000	-	-	100,000,000	-
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	45,195,000	-	45,195,000	-	-
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	103,900,000	-	35,455,000	68,445,000	68,445,000
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	-	300,000,000	23,660,000	276,340,000	-
Total Proposition Z				<u>\$ 2,425,000,000</u>	<u>\$ 1,650,525,000</u>	<u>\$ 300,000,000</u>	<u>\$ 108,225,000</u>	<u>\$ 1,842,300,000</u>	<u>\$ 68,445,000</u>
<u>Measure YY</u>									
<u>Series</u>	<u>Date of Issue</u>	<u>Interest Rate %</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Outstanding July 1, 2020</u>	<u>Issued/Accreted Current Year</u>	<u>Redeemed Current Year</u>	<u>Outstanding June 30, 2021</u>	<u>Amount Due in One Year</u>
2018, Series A	5/6/2019	2.00 - 5.00	2021	\$ 201,260,000	\$ 201,260,000	\$ -	\$ 87,555,000	\$ 113,705,000	\$ 113,705,000
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	-	545,000,000	48,065,000	496,935,000	-
Total Measure YY				<u>\$ 895,000,000</u>	<u>\$ 342,170,000</u>	<u>\$ 545,000,000</u>	<u>\$ 135,620,000</u>	<u>\$ 751,550,000</u>	<u>\$ 113,705,000</u>

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SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 6 - LONG TERM LIABILITIES (Continued)

The annual requirements to amortize the General Obligation Bonds payable and outstanding as of June 30, 2021 are as follows:

Year Ending June 30,	Principal	Interest	Accreted Interest	Total
2022	\$ 271,535,731	\$ 146,758,611	\$ 13,579,270	\$ 431,873,612
2023	273,979,650	144,145,795	14,465,350	432,590,795
2024	78,742,619	136,635,132	15,367,381	230,745,132
2025	105,590,000	132,255,445	-	237,845,445
2026	119,020,000	126,810,733	-	245,830,733
2027-2031	686,428,816	545,488,888	144,301,184	1,376,218,888
2032-2036	594,737,758	566,792,049	216,797,242	1,378,327,049
2037-2041	747,403,507	477,641,616	353,011,493	1,578,056,616
2042-2046	860,701,283	268,620,694	380,793,717	1,510,115,694
2047-2051	737,788,784	82,285,041	374,952,906	1,195,026,731
2052	8,699,434	-	63,345,566	72,045,000
	<u>\$ 4,484,627,582</u>	<u>\$ 2,627,434,004</u>	<u>\$ 1,576,614,109</u>	<u>\$ 8,688,675,695</u>

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 \$6,194,657 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, 2021, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2022	\$ 6,180,731	\$ 13,579,269	\$ 19,760,000
2023	6,084,650	14,465,350	20,550,000
2024	<u>6,002,618</u>	<u>15,367,382</u>	<u>21,370,000</u>
	<u>\$ 18,267,999</u>	<u>\$ 43,412,001</u>	<u>\$ 61,680,000</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 6 - 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, 2021, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 11,470,000	\$ 5,440,600	\$ 16,910,600
2023	12,790,000	4,773,450	17,563,450
2024	14,210,000	4,030,950	18,240,950
2025	19,015,000	3,117,263	22,132,263
2026	20,960,000	2,017,950	22,977,950
2027-2028	<u>26,210,000</u>	<u>720,775</u>	<u>26,930,775</u>
	<u>\$ 104,655,000</u>	<u>\$ 20,100,988</u>	<u>\$ 124,755,988</u>

1998 Series D: The annual payments required to amortize the Election of 1998, Series D, General Obligation Bonds outstanding as of June 30, 2021, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 12,725,000	\$ 4,485,112	\$ 17,210,112
2023	14,160,000	3,745,775	17,905,775
2024	15,705,000	2,924,488	18,629,488
2025	21,575,000	1,899,288	23,474,288
2026	<u>23,745,000</u>	<u>652,987</u>	<u>24,397,987</u>
	<u>\$ 87,910,000</u>	<u>\$ 13,707,650</u>	<u>\$ 101,617,650</u>

1998 Series E: The annual payments required to amortize the Election of 1998, Series E, General Obligation Bonds outstanding as of June 30, 2021, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ -	\$ 6,489,175	\$ 6,489,175
2023	-	6,489,175	6,489,175
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
2027-2029	<u>81,685,000</u>	<u>4,869,563</u>	<u>86,554,563</u>
	<u>\$ 117,985,000</u>	<u>\$ 35,678,088</u>	<u>\$ 153,663,088</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 6 - 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, 2021, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ -	\$ 2,815,313	\$ 2,815,313
2023	-	2,815,313	2,815,313
2024	-	2,815,313	2,815,313
2025	-	2,815,313	2,815,313
2026	-	2,815,313	2,815,313
2027-2029	<u>53,625,000</u>	<u>6,241,592</u>	<u>59,866,592</u>
	<u>\$ 53,625,000</u>	<u>\$ 20,318,157</u>	<u>\$ 73,943,157</u>

1998 Series G: The annual payments required to amortize the Election of 1998, Series G, General Obligation Bonds outstanding as of June 30, 2021, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ -	\$ 2,890,388	\$ 2,890,388
2023	-	2,890,388	2,890,388
2024	-	2,890,388	2,890,388
2025	-	2,890,388	2,890,388
2026	-	2,890,388	2,890,388
2027-2029	<u>55,055,000</u>	<u>6,449,230</u>	<u>61,504,230</u>
	<u>\$ 55,055,000</u>	<u>\$ 20,901,170</u>	<u>\$ 75,956,170</u>

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 \$63,285,510 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, 2021, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2027-2031	\$ 42,019,255	\$ 61,030,745	\$ 103,050,000
2032	<u>23,415,187</u>	<u>38,224,813</u>	<u>61,640,000</u>
	<u>\$ 65,434,442</u>	<u>\$ 99,255,558</u>	<u>\$ 164,690,000</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

NOTE 6 - 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, 2021, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 33,425,000	\$ 3,534,875	\$ 36,959,875
2023	18,930,000	2,241,250	21,171,250
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
2027-2030	<u>2,685,000</u>	<u>469,875</u>	<u>3,154,875</u>
	<u>\$ 87,715,000</u>	<u>\$ 8,141,125</u>	<u>\$ 95,856,125</u>

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, 2021, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ -	\$ 8,093,625	\$ 8,093,625
2023	-	8,093,625	8,093,625
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
2027-2030	<u>128,815,000</u>	<u>10,230,888</u>	<u>139,045,888</u>
	<u>\$ 167,970,000</u>	<u>\$ 48,814,188</u>	<u>\$ 216,784,188</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

NOTE 6 - 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, 2021, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ -	\$ 5,927,250	\$ 5,927,250
2023	-	5,927,250	5,927,250
2024	-	5,927,250	5,927,250
2025	-	5,927,250	5,927,250
2026	1,505,000	5,889,625	7,394,625
2027-2030	<u>124,630,000</u>	<u>17,749,000</u>	<u>142,379,000</u>
	<u>\$ 126,135,000</u>	<u>\$ 47,347,625</u>	<u>\$ 173,482,625</u>

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 \$38,670,822 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, 2021, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Accreted Interest</u>	<u>Total Debt Service</u>
2027-2031	\$ 19,624,601	\$ 57,695,399	\$ 77,320,000
2032-2034	<u>2,217,114</u>	<u>6,337,886</u>	<u>8,555,000</u>
	<u>\$ 21,841,715</u>	<u>\$ 64,033,285</u>	<u>\$ 85,875,000</u>

2008 Series B

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.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

NOTE 6 - LONG TERM LIABILITIES (Continued)

The District issued \$38,840,000 of Qualified School Construction Bonds (QSCBs) on April 21, 2009, 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 B, General Obligation Bonds outstanding as of June 30, 2021, are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Debt Service</u>
2023	\$ 38,840,000	\$ -	\$ 38,840,000

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 \$495,328,603 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, 2021, are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Debt Service</u>
2027-2031	\$ 9,422,718	\$ 24,535,938	\$ 33,958,656
2032-2036	18,633,881	90,682,682	109,316,563
2037-2041	29,874,917	176,866,645	206,741,562
2042-2046	27,211,797	251,774,766	278,986,563
2047-2051	27,404,962	161,480,894	188,885,856
	<u>\$ 112,548,275</u>	<u>\$ 705,340,925</u>	<u>\$ 817,889,200</u>

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.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 6 - LONG TERM LIABILITIES (Continued)

The annual payments required to amortize the Election of 2008, Series D, General Obligation Bonds outstanding as of June 30, 2021, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ -	\$ 108,325	\$ 108,325
2023	-	108,325	108,325
2024	-	108,325	108,325
2025	7,000,000	108,325	7,108,325
2026	8,000,000	108,324	8,108,324
2027-2029	<u>21,130,000</u>	<u>162,487</u>	<u>21,292,487</u>
	<u>\$ 36,130,000</u>	<u>\$ 704,111</u>	<u>\$ 36,834,111</u>

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 \$373,399,102 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, 2021, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2032-2036	\$ 18,990,137	\$ 86,908,820	\$ 105,898,957
2037-2041	22,596,977	107,486,092	130,083,069
2042-2046	43,203,455	125,790,608	168,994,063
2047-2051	56,508,822	230,482,381	286,991,203
2052	<u>8,699,434</u>	<u>63,345,566</u>	<u>72,045,000</u>
	<u>\$ 149,998,825</u>	<u>\$ 614,013,467</u>	<u>\$ 764,012,292</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 6 - LONG TERM LIABILITIES (Continued)

2008 Series H: The annual payments required to amortize the Election of 2008, Series H, General Obligation Bonds outstanding as of June 30, 2021, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ -	\$ 1,275,150	\$ 1,275,150
2023	13,330,000	979,850	14,309,850
2024	14,605,000	351,175	14,956,175
2025	445,000	8,900	453,900
	<u>\$ 28,380,000</u>	<u>\$ 2,615,075</u>	<u>\$ 30,995,075</u>

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 \$89,425,542 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, 2021, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2032-2036	\$ 42,414,695	\$ 46,060,305	\$ 88,475,000
2037-2040	41,982,916	62,147,084	104,130,000
	<u>\$ 84,397,611</u>	<u>\$ 108,207,389</u>	<u>\$ 192,605,000</u>

2008 Series J: The annual payments required to amortize the Election of 2008, Series J, General Obligation Bonds outstanding as of June 30, 2021, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 1,605,000	\$ 1,643,775	\$ 3,248,775
2023	4,925,000	1,505,150	6,430,150
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
2027-2029	3,890,000	174,325	4,064,325
	<u>\$ 37,090,000</u>	<u>\$ 5,932,450</u>	<u>\$ 43,022,450</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 6 - LONG TERM LIABILITIES (Continued)

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 \$65,467,379 have not been reflected in the long term liabilities balance in the schedule above.

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2027-2031	\$ 7,857,242	\$ 3,902,758	\$ 11,760,000
2032-2036	34,841,745	26,443,255	61,285,000
2037-2041	24,307,082	29,237,918	53,545,000
2042-2044	9,532,816	15,082,184	24,615,000
	<u>\$ 76,538,885</u>	<u>\$ 74,666,115</u>	<u>\$ 151,205,000</u>

2008 Series L-1: The annual payments required to amortize the Election of 2008, Series L-1, General Obligation Bonds outstanding as of June 30, 2021, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 7,165,000	\$ 2,329	\$ 7,167,329

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, 2021, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 16,815,000	\$ 1,179,797	\$ 17,994,797
2023	8,440,000	2,957,545	11,397,545
2024	-	2,619,945	2,619,945
2025	340,000	2,619,945	2,959,945
2026	470,000	2,606,345	3,076,345
2027-2031	4,695,000	12,630,125	17,325,125
2032-2036	9,770,000	11,312,525	21,082,525
2037-2041	16,550,000	8,830,925	25,380,925
2042-2046	25,340,000	5,863,051	31,203,051
2047-2050	35,415,000	2,548,170	37,963,170
	<u>\$ 117,835,000</u>	<u>\$ 53,168,373</u>	<u>\$ 171,003,373</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

NOTE 6 - LONG TERM LIABILITIES (Continued)

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 \$86,498,356 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, 2021, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2027-2031	\$ -	\$ 6,206,963	\$ 6,206,963
2032-2036	-	62,069,625	62,069,625
2037-2041	30,316,615	128,334,154	158,650,769
2042	<u>26,553,215</u>	<u>63,834,891</u>	<u>90,388,106</u>
	<u>\$ 56,869,830</u>	<u>\$ 260,445,633</u>	<u>\$ 317,315,463</u>

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, 2021, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ -	\$ 5,692,600	\$ 5,692,600
2023	-	5,692,600	5,692,600
2024	-	5,692,600	5,692,600
2025	-	5,692,600	5,692,600
2026	-	5,692,600	5,692,600
2027-2031	6,760,000	27,989,250	34,749,250
2032-2034	<u>139,155,000</u>	<u>8,314,500</u>	<u>147,469,500</u>
	<u>\$ 145,915,000</u>	<u>\$ 64,766,750</u>	<u>\$ 210,681,750</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

NOTE 6 - LONG TERM LIABILITIES (Continued)

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, 2021, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ -	\$ 2,509,869	\$ 2,509,869
2023	-	2,509,869	2,509,869
2024	-	2,509,869	2,509,869
2025	-	2,509,869	2,509,869
2026	-	2,509,869	2,509,869
2027-2031	-	12,549,345	12,549,345
2032-2036	43,730,000	10,532,159	54,262,159
2037-2040	<u>48,745,000</u>	<u>2,130,191</u>	<u>50,875,191</u>
	<u>\$ 92,475,000</u>	<u>\$ 37,761,040</u>	<u>\$ 130,236,040</u>

2012 Series C: The annual payments required to amortize the Election of 2012, Series C, General Obligation Bonds outstanding as of June 30, 2021, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ -	\$ 8,504,300	\$ 8,504,300
2023	-	17,008,600	17,008,600
2024	3,135,000	16,961,575	20,096,575
2025	3,770,000	16,820,300	20,590,300
2026	4,520,000	16,613,050	21,133,050
2027-2031	34,725,000	78,706,875	113,431,875
2032-2036	66,360,000	66,320,000	132,680,000
2037-2041	167,480,000	43,050,800	210,530,800
2042-2043	<u>120,245,000</u>	<u>4,967,100</u>	<u>125,212,100</u>
	<u>\$ 400,235,000</u>	<u>\$ 268,952,600</u>	<u>\$ 669,187,600</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

NOTE 6 - 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, 2021, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ -	\$ 16,621,100	\$ 16,621,100
2023	-	16,621,100	16,621,100
2024	-	16,621,100	16,621,100
2025	-	16,621,100	16,621,100
2026	-	16,621,100	16,621,100
2027-2031	16,115,000	81,680,875	97,795,875
2032-2036	51,540,000	74,310,075	125,850,075
2037-2041	96,360,000	57,428,000	153,788,000
2042-2046	<u>206,630,000</u>	<u>24,967,800</u>	<u>231,597,800</u>
	<u>\$ 370,645,000</u>	<u>\$ 321,492,250</u>	<u>\$ 692,137,250</u>

2012 Series G: The annual payments required to amortize the Election of 2012, Series G, General Obligation Bonds outstanding as of June 30, 2021, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ -	\$ 4,176,981	\$ 4,176,981
2023	-	4,176,981	4,176,981
2024	-	4,176,981	4,176,981
2025	-	4,176,981	4,176,981
2026	-	4,176,981	4,176,981
2027-2031	5,805,000	20,489,138	26,294,138
2032-2036	15,025,000	18,800,297	33,825,297
2037-2041	27,200,000	14,084,500	41,284,500
2042-2046	<u>51,970,000</u>	<u>5,874,400</u>	<u>57,844,400</u>
	<u>\$ 100,000,000</u>	<u>\$ 80,133,240</u>	<u>\$ 180,133,240</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 6 - 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, 2021, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ -	\$ 18,744,450	\$ 18,744,450
2023	-	18,744,450	18,744,450
2024	-	18,744,450	18,744,450
2025	-	18,744,450	18,744,450
2026	-	18,744,450	18,744,450
2027-2031	-	93,722,250	93,722,250
2032-2036	69,580,000	86,243,375	155,823,375
2037-2041	76,530,000	69,965,700	146,495,700
2042-2046	165,895,000	46,823,400	212,718,400
2047-2048	128,995,000	5,586,100	134,581,100
	<u>\$ 441,000,000</u>	<u>\$ 396,063,075</u>	<u>\$ 837,063,075</u>

2012 Series J: The annual payments required to amortize the Election of 2012, Series J, General Obligation Bonds outstanding as of June 30, 2021, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ -	\$ 2,304,200	\$ 2,304,200
2023	-	2,304,200	2,304,200
2024	-	2,304,200	2,304,200
2025	-	2,304,200	2,304,200
2026	2,940,000	2,260,100	5,200,100
2027-2031	29,060,000	8,373,325	37,433,325
2032-2036	-	4,218,750	4,218,750
2037-2041	27,000,000	2,953,125	29,953,125
	<u>\$ 59,000,000</u>	<u>\$ 27,022,100</u>	<u>\$ 86,022,100</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 6 - 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, 2021, are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 68,445,000	\$ 6,506,650	\$ 74,951,650
2023	-	5,137,750	5,137,750
2024	-	5,137,750	5,137,750
2025	-	5,137,750	5,137,750
2026	-	5,137,750	5,137,750
2027-2031	1,580,000	25,596,500	27,176,500
2032-2036	7,980,000	24,481,375	32,461,375
2037-2041	15,295,000	22,013,700	37,308,700
2042-2046	32,265,000	17,716,700	49,981,700
2047-2050	69,515,000	6,186,700	75,701,700
	<u>\$ 195,080,000</u>	<u>\$ 123,052,625</u>	<u>\$ 318,132,625</u>

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, 2021, are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ -	\$ 10,169,900	\$ 10,169,900
2023	51,630,000	8,879,150	60,509,150
2024	-	7,588,400	7,588,400
2025	-	7,588,400	7,588,400
2026	-	7,588,400	7,588,400
2027-2031	-	37,942,000	37,942,000
2032-2036	-	37,942,000	37,942,000
2037-2041	-	37,942,000	37,942,000
2042-2046	-	37,942,000	37,942,000
2047-2050	224,710,000	32,177,800	256,887,800
	<u>\$ 276,340,000</u>	<u>\$ 225,760,050</u>	<u>\$ 502,100,050</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 6 - LONG TERM LIABILITIES (Continued)

2018 Series A: The annual payments required to amortize the Election of 2018, Series A, General Obligation Bonds outstanding as of June 30, 2021, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2022	\$ 113,705,000	\$ 2,830,025	\$ 116,535,025

2018 Series B: The annual payments required to amortize the Election of 2018, Series B, General Obligation Bonds outstanding as of June 30, 2021, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2022	\$ -	\$ 1,584,050	\$ 1,584,050
2023	-	1,584,050	1,584,050
2024	-	1,584,050	1,584,050
2025	-	1,584,050	1,584,050
2026	-	1,584,050	1,584,050
2027-2031	-	7,920,250	7,920,250
2032-2036	-	7,920,250	7,920,250
2037-2041	-	7,920,250	7,920,250
2042-2046	17,340,000	7,367,588	24,707,588
2047-2049	31,400,000	1,580,475	32,980,475
	<u>\$ 48,740,000</u>	<u>\$ 40,629,063</u>	<u>\$ 89,369,063</u>

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, 2021, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2022	\$ -	\$ 3,530,200	\$ 3,530,200
2023	-	3,530,200	3,530,200
2024	-	3,530,200	3,530,200
2025	-	3,530,200	3,530,200
2026	-	3,530,200	3,530,200
2027-2031	3,685,000	17,305,325	20,990,325
2032-2036	9,775,000	15,685,450	25,460,450
2037-2041	18,165,000	12,791,475	30,956,475
2042-2046	28,230,000	8,990,050	37,220,050
2047-2050	32,315,000	2,734,700	35,049,700
	<u>\$ 92,170,000</u>	<u>\$ 75,158,000</u>	<u>\$ 167,328,000</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 6 - 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, 2021, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2022	\$ -	\$ 18,219,800	\$ 18,219,800
2023	104,850,000	15,598,550	120,448,550
2024	-	12,977,300	12,977,300
2025	-	12,977,300	12,977,300
2026	-	12,977,300	12,977,300
2027-2031	6,475,000	64,539,175	71,014,175
2032-2036	40,075,000	60,976,550	101,051,550
2037-2041	103,350,000	47,782,675	151,132,675
2042-2046	104,465,000	32,704,950	137,169,950
2047-2050	137,720,000	14,868,000	152,588,000
	<u>\$ 496,935,000</u>	<u>\$ 293,621,600</u>	<u>\$ 790,556,600</u>

NOTE 7 - FUND BALANCES

Fund balances were composed of the following at June 30, 2021:

	General Fund	Building Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
Nonspendable:					
Revolving cash	\$ 54,000	\$ -	\$ -	\$ -	\$ 54,000
Prepaid expenditures	183,091	-	-	734	183,825
Stores inventory	3,619,439	-	-	983,276	4,602,715
Total nonspendable	<u>3,856,530</u>	<u>-</u>	<u>-</u>	<u>984,010</u>	<u>4,840,540</u>
Restricted:					
Legally restricted programs:					
Grants	47,955,812	-	-	-	47,955,812
Cafeteria operations	-	-	-	20,591,102	20,591,102
Special revenues	-	-	-	2,331,138	2,331,138
Student body activities	-	-	-	6,449,030	6,449,030
Capital projects	-	996,854,371	-	146,389,188	1,143,243,559
Debt service	-	-	504,629,459	-	504,629,459
Total restricted	<u>47,955,812</u>	<u>996,854,371</u>	<u>504,629,459</u>	<u>175,760,458</u>	<u>1,725,200,100</u>
Assigned:					
Reserve for FY 2021-22 deficit	67,995,802	-	-	-	67,995,802
School site ending balances	3,180,000	-	-	-	3,180,000
Retiree benefits	3,556,912	-	-	-	3,556,912
Total assigned	<u>74,732,714</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,732,714</u>
Unassigned:					
Reserve for economic uncertainties	29,977,000	-	-	-	29,977,000
Total unassigned	<u>29,977,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,977,000</u>
Total	<u>\$ 156,522,056</u>	<u>\$ 996,854,371</u>	<u>\$ 504,629,459</u>	<u>\$ 176,744,468</u>	<u>\$ 1,834,750,354</u>

(Continued)

NOTE 8 – 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 8 – 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. Contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method.

Also, SB 90 appropriated future 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, Rainy-Day Budget Stabilization Fund Act which passed in 2014. Accordingly, the contribution amounts are subject to change each year. For fiscal year 2019-20, CalSTRS received \$1.1 billion of supplemental state contributions pursuant to SB 90.

California Assembly Bill 84, Chapter 16, Statutes of 2020, (AB 84) was signed into law in June 2020 and revised certain provisions of Teachers' Retirement Law enacted by SB 90. Specifically, AB 84 repurposed the aforementioned \$1.6 billion contribution originally intended to reduce employers' long-term liabilities, to further supplant employer contributions through fiscal year 2021–22. Pursuant to AB 84, employers will remit contributions to CalSTRS based on a rate that is 2.95 percent less than the statutory rate for fiscal year 2020–21 and 2.18 percent less than the rate set by the board for fiscal year 2021–22. Any remaining amounts must be allocated to reduce the employers' share of the unfunded actuarial obligation of the DB Program. The rate reduction for fiscal year 2019-20 under SB 90 was not changed by AB 84. The employer contribution rates set in statute and the board's authority to adjust those rates starting in fiscal year 2021-22 under the CalSTRS Funding Plan were not changed by the passage of SB 90 or AB 84 .

In addition, the board's rate-setting authority for the state contribution rate was suspended for fiscal year 2020–21 by AB 84. Although the board exercised its authority in May 2020 to increase the state contribution rate by 0.50 percent effective July 1, 2020, the rate increase did not go into effect. Instead, the state rate remained at the 2019–20 level of 7.828 percent.

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 10.25 percent of applicable member earnings for fiscal year 2020-2021.

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 2020-2021. According to current law, the contribution rate for CalSTRS 2% at 62 members is adjusted if the normal cost increases or decreases by more than 1percent since the last timethe member contribution rate was set. Based on the June 30, 2019, valuation adopted by the board in May 2020, the increase in normal cost was less than 1percent. Therefore, the contribution rate for CalSTRS 2% at 62 members did not change effective July 1, 2020

Employers – 16.15 percent of applicable member earnings. This rate reflects the original employer contribution rate of 19.10 percent resulting from the CalSTRS Funding Plan, and subsequently reduced for the 2.95 percentage points to be paid on behalf of employers pursuant to SB 90 and AB 84.

The CalSTRS Funding Plan, which was enacted in June 2014 with the passage of California Assembly Bill (AB) 1469, required that employer contributions will increase from 8.25 percent to a total of 19.1 percent of applicable member earnings phased in over seven years starting in 2014. The legislation gave the CalSTRS board limited authority to adjust employer contribution rates from July 1, 2021 through June 2046 in order to eliminate the remaining unfunded actuarial obligation related to service credited to members prior to July 1, 2014. The CalSTRS board cannot adjust the rate by more than 1 percent in a fiscal year, and the total contribution rate in addition to the 8.25 percent cannot exceed 12 percent.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 8 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

The CalSTRS employer contribution rates effective for fiscal year 2020-2021 through fiscal year 2046-47 are summarized in the table below:

<u>Effective Date</u>	<u>Base Rate</u>	<u>Rate Per CalSTRS Funding Plan</u>	<u>Supplemental Adjustment Per Special Legislation</u>	<u>Rate Total</u>
July 1, 2020	8.250%	10.850%	(2.950%)	16.150%
July 1, 2021	8.250%	10.850%	(2.180%)	16.920%
July 1, 2022 to June 30, 2046	8.250%	(1)	N/A	(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 \$99,062,403 to the plan for the fiscal year ended June 30, 2021.

State – 10.328 percent of the members' calculated based on creditable compensation from two fiscal years prior.

The state's base contribution to the DB Program is calculated based on creditable compensation from two fiscal years prior. As a result of the CalSTRS Funding Plan, the state is required to make additional contributions to pay down the unfunded liabilities associated with the benefit structure that was in place in 1990 prior to certain enhancements in benefits and reductions in contributions. The additional state appropriation required to fully fund the benefits in effect as of 1990 by 2046 is specified in subdivision (b) of Education Code section 22955.1. The increased contributions end as of fiscal year 2045–46. Pursuant to AB 84, the state contribution rate remained at 5.811% for fiscal year 2020-21.

The CalSTRS state contribution rates effective for fiscal year 2020-21 and beyond are summarized in the table below.

<u>Effective Date</u>	<u>Base Rate</u>	<u>Rate Per CalSTRS Funding Plan</u>	<u>Supplemental SBMA Funding⁽¹⁾</u>	<u>Total</u>
July 01, 2020	2.017%	5.811%	2.50%	10.328%
July 01, 2021	2.017%	6.311%	2.50%	10.828%
July 01, 2022 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 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.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

NOTE 8 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, 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	\$ 992,491,000
State's proportionate share of the net pension liability associated with the District	<u>542,389,000</u>
Total	<u>\$ 1,534,880,000</u>

The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. 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, 2020, the District's proportion was 1.024 percent, which was a decrease of 0.027 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$188,584,395 and revenue of \$71,941,877 for support provided by the State. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,751,000	\$ 27,990,000
Changes of assumptions	96,782,000	-
Net differences between projected and actual earnings on investments	23,576,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	3,057,000	64,932,000
Contributions made subsequent to measurement date	<u>99,062,403</u>	<u>-</u>
Total	<u>\$ 224,228,403</u>	<u>\$ 92,922,000</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

NOTE 8 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

\$99,062,403 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, 2022. 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,	
2022	\$ (6,415,950)
2023	\$ 17,184,050
2024	\$ 30,720,550
2025	\$ (688,450)
2026	\$ (5,397,700)
2027	\$ (3,158,500)

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, 2020 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.

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, 2019, and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2019
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-2016) table, issued by the Society of Actuaries.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

NOTE 8 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

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.

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:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term* Expected Real Rate of Return</u>
Global Equity	47%	4.8%
Fixed Income	12	1.3
Real Estate Assets	13	3.6
Private Equity	13	6.3
Absolute Return / Risk Mitigating Strategies	9	1.8
Inflation Sensitive	4	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 7.1 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 (6.1 percent) or 1-percentage-point higher (8.1 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	\$ 1,499,515,000	\$ 992,491,000	\$ 573,871,000

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

(Continued)

NOTE 9 – 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.

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/cafr-2020.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, 2021 were as follows:

Members - The member contribution rate was 7.00 percent of applicable member earnings for fiscal year 2020-2021.

Employers - The employer contribution rate was 20.70 percent of applicable member earnings.

The District contributed \$50,989,723 to the plan for the fiscal year ended June 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the District reported a liability of \$553,644,000 or its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. 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, 2020 the District’s proportion was 1.80 percent, which was an increase of 0.09 percent from its proportion measured as of June 30, 2019.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

NOTE 9 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)

For the year ended June 30, 2021, the District recognized pension expense of \$85,950,492. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 27,459,000	\$ -
Changes of assumptions	2,030,000	-
Net differences between projected and actual earnings on investments	11,525,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	17,053,000	15,913,000
Contributions made subsequent to measurement date	<u>50,989,723</u>	<u>-</u>
Total	<u>\$ 109,056,723</u>	<u>\$ 15,913,000</u>

\$50,989,723 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, 2022. 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 <u>June 30,</u>	
2022	\$ 5,561,334
2023	\$ 16,862,333
2024	\$ 14,426,333
2025	\$ 5,304,000

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 4 years as of the June 30, 2020 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)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

NOTE 9 – 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, 2019, and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2019
Experience Study	June 30, 1997 through June 30, 2015
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.15%
Consumer Price Inflation	2.50%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.50% thereafter

The mortality table used was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90% of scale MP 2016. For more details on this table, please refer to the 2017 experience study report.

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS’ website.

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.

<u>Asset Class</u>	<u>Long-Term* Assumed Asset Allocation</u>	<u>Expected Real Rate of Return Years 1-10 (1)</u>	<u>Expected Real Rate of Return Years 11+(2)</u>
Global Equity	50%	4.80%	5.98%
Fixed Income	28	1.00	2.62
Inflation Assets	-	0.77	1.81
Private Equity	8	6.30	7.23
Real Estate Assets	13	3.75	4.93
Liquidity	1	-	(0.92)

* 10-year geometric average
 (1) An expected inflation rate of 2.00% used for this period
 (2) An expected inflation rate of 2.92% used for this period

Discount Rate: The discount rate used to measure the total pension liability was 7.15 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.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

NOTE 9 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)

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 both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for all the funds’ asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11+ years) using a building-block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses .

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 7.15 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 (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	1% Decrease <u>(6.15%)</u>	Current Discount Rate <u>(7.15%)</u>	1% Increase <u>(8.15%)</u>
District’s proportionate share of the net pension liability	<u>\$ 795,964,000</u>	<u>\$ 553,644,000</u>	<u>\$ 352,530,000</u>

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 10 - OTHER POSTEMPLOYMENT BENEFITS

General Information Other Postemployment Benefits Plan (OPEB)

Plan Description: In addition to the pension benefits described in Notes 8 and 9, 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)

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 10 - 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, 2021, 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, 2021:

	<u>Number of Participants</u>
Inactive Plan members, covered spouses, or beneficiaries currently receiving benefits	581
Active employees	<u>11,300</u>
Total	<u>11,881</u>

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, 2021.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Total OPEB Liability

Actuarial Assumptions: The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

<u>Valuation Date</u>	July 1, 2019
<u>Fiscal Year End</u>	June 30
<u>Pre-Retirement Mortality Rate</u>	PERS - Non-work related rates developed in 2014 California PERS experience study. STRS - Match rates developed in 2010 experience study. Male - RP 2000 Healthy Male White Collar, projected to 2025; 4 year setback to age 70 and smoothed to 1 year setback at age 90. Female - RP 2000 Healthy Female White Collar, projected to 2025; 6 year setback to age 70 and smoothed to 0 year setback at age 90.
<u>Post-Retirement Mortality Rate</u>	PERS - Healthy post retirement rates developed in 2014 California PERS experience study. STRS - Match rates developed in 2010 experience study. Male - RP 2000 Healthy Male White Collar, projected to 2025; 2 year setback to age 70 and smoothed to 1 year setback at age 90. Female - RP 2000 Healthy Female White Collar, projected to 2025; 4 year setback to age 70 and smoothed to 0 year setback at age 90.
<u>Discount Rate</u>	2.66%. Based on the June 30, 2020 S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices.
<u>Retirement Rate</u>	Retirement rates and match rates developed in the most recent experience studies for California PERS (2014) and California STRS (2010).
<u>Inflation Rate</u>	2.50% per year
<u>Salary Increases</u>	2.50% per year

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Dependent Coverage

Future retirees are assumed to elect dependent coverage at the following rates:

SDEA	45%
OSS	30%
OTBS	40%
POA	33%
Paraeducators	35%
Administrators	55%

Female spouses are assumed to be three years younger than male spouses. 100% of retirees are assumed to be married.

Current retirees are valued based on elected coverage.

Health Plan Participation

Future retirees are assumed to elect retiree medical coverage at the following rates:

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

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 2021, then 7.0% in fiscal 2021, 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 (2014) and California STRS (2010).

Disability Rate

None

Medical Aging Factors

4.0% per year prior to age 65.

Health Claims

Using the 2019 premium rates, an age-adjusted average per capita cost for each plan reflecting enrollments for the current active and per-65 retiree population.

Funding Method

Entry Age Cost Method (Level Percentage of Pay).

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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 2.66%. 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

	<u>Total OPEB Liability</u>
Balance at June 30, 2020	\$ 135,880,213
Changes for the year:	
Service cost	7,430,738
Interest	3,922,048
Difference between Expected and Actual Experience	-
Changes in assumptions	1,359,436
Benefit payments	<u>(5,509,419)</u>
Net change	<u>7,202,803</u>
Balance at June 30, 2021	<u>\$ 143,083,016</u>

The District's Total OPEB Liability (TOL) was measured as of June 30, 2020. The District's TOL was measured as of June 30, 2020 using a discount rate of 2.66%. The changes in assumptions includes a change in the discount rate from 2.79% at the June 30, 2019 measurement date to 2.66% at the June 30, 2020 measurement date.

There were no changes between the measurement date and the year ended June 30, 2021 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 <u>(1.66%)</u>	Current Discount Rate <u>(2.66%)</u>	1% Increase <u>(3.66%)</u>
Total OPEB liability	<u>\$ 153,724,741</u>	<u>\$ 143,083,016</u>	<u>\$ 132,804,749</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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 <u>(3.0 - 6.5%)</u>	Healthcare Cost Trend Rates <u>(4.0 - 7.5%)</u>	1% Increase <u>(5.0 - 8.5%)</u>
Total OPEB liability	\$ 125,606,692	\$ 143,083,016	\$ 163,757,967

OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the District recognized OPEB expense of \$11,030,183. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,270,460	\$ -
Changes of assumptions	1,986,504	6,938,596
Net differences between projected and actual earnings on investments	-	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
Benefits paid subsequent to measurement date	<u>5,933,625</u>	<u>-</u>
Total	<u>\$ 10,190,589</u>	<u>\$ 6,938,596</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

\$5,933,625 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, 2022. Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,		
2022	\$	(322,603)
2023	\$	(322,603)
2024	\$	(322,603)
2025	\$	(322,603)
2026	\$	(322,603)
Thereafter	\$	(1,068,617)

Changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 12 years as of the June 30, 2019 measurement date.

NOTE 11 - EARLY RETIREMENT INCENTIVE

Public Agency Retirement Services (PARS): During the fiscal years ended June 30, 2015 and 2017, the District provided the option of a one-time Supplemental Employee Retirement Plan (SERP) to the District employees. The benefits offered under the SERP includes non-elective employer contributions to the participant's 403(b) annuity contract or alternative monthly forms of payment equivalent to the present value to the basic benefit, which is paid in the form of a lifetime annuity, which shall include: a) joint-and- survivor payments, lifetime with ten year guarantee and fixed term monthly payments from five to fifteen years. A total of 1,128 employees elected to enroll in the early retirement incentive program.

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

The annual requirements to amortize the SERP liability outstanding as of June 30, 2021 are as follows:

Year Ending June 30,		
2022	\$	20,232,230
2023		4,045,000
2024		3,635,000
2025		<u>3,035,000</u>
Total	\$	<u>30,947,230</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 12 - JOINT POWERS AGREEMENT

CSAC Excess Insurance Authority (CSAC EIA) and School Excess Liability Fund (SELF): The District participates in two joint powers agreements with CSAC EIA 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.

CSAC EIA arranges for and provides excess property coverage up to \$5 million. CSAC EIA also arranges for and provides crime/employee dishonesty and medical malpractice coverage. 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 CSAC EIA for the year ended June 30, 2020 (the latest information available) is as follows:

Total assets	\$	869,564,195
Deferred outflows of resources	\$	1,995,729
Total liabilities	\$	696,590,968
Deferred inflows of resources	\$	705,974
Total net position	\$	174,262,982
Total revenues	\$	1,158,410,258
Total expenditures	\$	1,184,179,129
Change in net position	\$	(25,768,871)

Condensed audited financial information for SELF for the year ended June 30, 2020 (the latest information available) is as follows:

Total assets	\$	174,621,313
Total deferred outflows of resources	\$	312,483
Total liabilities	\$	141,193,559
Total deferred inflows of resources	\$	64,325
Total net position	\$	33,675,912
Total revenues	\$	77,945,029
Total expenditures	\$	64,133,389
Change in net position	\$	13,811,640

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 13 - 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, 2021, the District has \$478 million in outstanding commitments on construction contracts.

NOTE 14 - SUBSEQUENT EVENTS

On July 14, 2021, the District issued Tax and Revenue Anticipation Notes (TRANs) totaling \$240,000,000, with an interest rate of 4.00%. 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 2021-22 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 2021-22, 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 30, 2022.

On October 21, 2021, the 2021 General Obligation Bonds were issued in total of \$976,380,000. \$225,000,000 of the bonds were issued under Proposition Z, \$350,000,000 were issued under Measure YY and the remaining \$401,380,000 were the 2021 General Obligation Refunding Bonds to refund a portion of the Proposition Z - 2012, Series C bonds. The bonds range in maturity date with a final payoff on July 1, 2051 with interest rates ranging from 0.16% to 5.00%.

REQUIRED SUPPLEMENTARY INFORMATION

SAN DIEGO UNIFIED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2021

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues:				
Local Control Funding				
Formula (LCFF):				
State apportionment	\$ 333,081,548	\$ 333,081,548	\$ 277,059,545	\$ (56,022,003)
Local sources	<u>717,086,250</u>	<u>717,086,250</u>	<u>773,938,862</u>	<u>56,852,612</u>
Total LCFF	<u>1,050,167,798</u>	<u>1,050,167,798</u>	<u>1,050,998,407</u>	<u>830,609</u>
Federal sources	127,994,070	236,824,984	182,427,227	(54,397,757)
Other state sources	264,953,709	226,023,410	231,794,774	5,771,364
Other local sources	<u>32,785,105</u>	<u>40,652,367</u>	<u>38,520,593</u>	<u>(2,131,774)</u>
Total revenues	<u>1,475,900,682</u>	<u>1,553,668,559</u>	<u>1,503,741,001</u>	<u>(49,927,558)</u>
Expenditures:				
Current:				
Certificated salaries	630,937,014	640,617,536	620,420,824	20,196,712
Classified salaries	242,878,116	254,476,339	225,013,082	29,463,257
Employee benefits	491,891,470	496,489,676	470,126,588	26,363,088
Books and supplies	43,003,716	112,002,638	54,640,705	57,361,933
Contract services and operating expenditures	82,951,348	142,478,479	108,832,055	33,646,424
Other outgo	1,335,748	4,039,060	2,832,158	1,206,902
Capital outlay	<u>163,530</u>	<u>11,078,857</u>	<u>5,188,609</u>	<u>5,890,248</u>
Total expenditures	<u>1,493,160,942</u>	<u>1,661,182,585</u>	<u>1,487,054,021</u>	<u>174,128,564</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(17,260,260)</u>	<u>(107,514,026)</u>	<u>16,686,980</u>	<u>124,201,006</u>
Other financing sources (uses):				
Transfers in	34,527,822	26,960,040	20,147,656	(6,812,384)
Transfers out	<u>(12,928,890)</u>	<u>(1,018,223)</u>	<u>(12,670,000)</u>	<u>(11,651,777)</u>
Total other financing sources (uses)	<u>21,598,932</u>	<u>25,941,817</u>	<u>7,477,656</u>	<u>(18,464,161)</u>
Net change in fund balance	4,338,672	(81,572,209)	24,164,636	105,736,845
Fund balance, July 1, 2020	<u>132,354,420</u>	<u>132,354,420</u>	<u>132,357,420</u>	<u>3,000</u>
Fund balance, June 30, 2021	<u>\$ 136,693,092</u>	<u>\$ 50,782,211</u>	<u>\$ 156,522,056</u>	<u>\$ 105,739,845</u>

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, 2021

	Last 10 Fiscal Years			
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB liability				
Service cost	\$ 6,647,630	\$ 5,818,159	\$ 5,652,492	\$ 7,430,738
Interest	3,823,699	4,645,142	5,047,631	3,922,048
Differences between expected and actual experience	-	-	2,838,076	-
Change in assumptions	(7,211,912)	(2,840,873)	953,766	1,359,436
Benefit payments	<u>(6,848,335)</u>	<u>(6,848,335)</u>	<u>(6,714,308)</u>	<u>(5,509,419)</u>
Net change in total OPEB liability	(3,588,918)	774,093	7,777,657	7,202,803
Total OPEB liability, beginning of year	<u>130,917,381</u>	<u>127,328,463</u>	<u>128,102,556</u>	<u>135,880,213</u>
Total OPEB liability, end of year	<u>\$ 127,328,463</u>	<u>\$ 128,102,556</u>	<u>\$ 135,880,213</u>	<u>\$ 143,083,016</u>
Covered employee payroll	\$ 714,548,355	\$ 750,722,365	\$ 758,448,252	\$ 777,409,458
Total OPEB liability as a percentage of covered-employee payroll	17.82%	17.06%	17.92%	18.41%

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, 2021

	State Teachers' Retirement Plan Last 10 Fiscal Years						
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District's proportion of the net pension	1.168%	1.162%	1.132%	1.127%	1.047%	1.051%	1.024%
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
State's proportionate share of the net pension liability associated with the District	<u>412,166,000</u>	<u>413,656,000</u>	<u>527,920,000</u>	<u>616,731,000</u>	<u>550,992,000</u>	<u>517,890,000</u>	<u>542,389,000</u>
Total net pension liability	<u>\$ 1,094,732,000</u>	<u>\$ 1,195,779,000</u>	<u>\$ 1,455,176,000</u>	<u>\$ 1,659,221,000</u>	<u>\$ 1,513,342,000</u>	<u>\$ 1,467,155,000</u>	<u>\$ 1,534,880,000</u>
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
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%
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%

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 CONTRIBUTIONS
 For the Year Ended June 30, 2021

	Public Employer's Retirement Fund B Last 10 Fiscal Years						
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District's proportion of the net pension	2.049%	1.986%	2.060%	2.026%	1.737%	1.717%	1.804%
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
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
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%
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%

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 CONTRIBUTIONS
 For the Year Ended June 30, 2021

State Teachers' Retirement Plan
 Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contribution	\$ 47,882,108	\$ 61,306,467	\$ 75,157,977	\$ 80,930,171	\$ 93,059,038	\$ 101,039,518	\$ 99,062,403
Contributions in relation to the contractually required contribution	<u>(47,882,108)</u>	<u>(61,306,467)</u>	<u>(75,157,977)</u>	<u>(80,930,171)</u>	<u>(93,059,038)</u>	<u>(101,039,518)</u>	<u>(99,062,403)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 539,213,000	\$ 571,356,000	\$ 597,440,000	\$ 557,382,000	\$ 571,616,000	\$ 590,874,000	\$ 518,651,000
Contributions as a percentage of covered payroll	8.88%	10.73%	12.58%	14.43%	16.28%	17.10%*	16.15%**

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.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
 For the Year Ended June 30, 2021

Public Employer's Retirement Fund B
 Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contribution	\$ 27,757,643	\$ 28,817,068	\$ 35,871,548	\$ 36,433,853	\$ 41,281,899	\$ 51,388,492	\$ 50,989,723
Contributions in relation to the contractually required contribution	<u>(27,757,643)</u>	<u>(28,817,068)</u>	<u>(35,871,548)</u>	<u>(36,433,853)</u>	<u>(41,281,899)</u>	<u>(51,388,492)</u>	<u>(50,989,723)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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
Contributions as a percentage of covered payroll	11.77%	11.85%	13.89%	16.39%	18.42%	19.72%	20.70%

All years prior to 2015 are not available.

See accompanying note to required supplementary information.

SAN DIEGO UNIFIED SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2021

NOTE 1 - PURPOSE OF SCHEDULES

A - 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.

B - 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.

C - 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.

D - 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.

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

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

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

<u>Assumption</u>	<u>Measurement Period</u>					
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Consumer price inflation	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%
Investment rate of return	7.10%	7.10%	7.10%	7.10%	7.60%	7.60%
Wage growth	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, 2021

	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	Special Reserve for Capital Outlay Projects Fund	Non-Major Governmental Total
ASSETS									
Cash in County Treasury	\$ -	\$ 447,123	\$ 7,378,052	\$ 15,837,515	\$ 9,639	\$ 79,245,404	\$ 62,568,985	\$ 15,102,222	\$ 180,588,940
Cash on hand and in banks	6,449,030	-	-	(2,114,662)	-	-	-	-	4,334,368
Receivables	-	237,397	66,772	19,717,026	17	2,568,910	109,443	26,103	22,725,668
Due from other funds	-	104,598	45,734	448,429	-	-	60	-	598,821
Prepaid expenditures	-	-	-	734	-	-	-	-	734
Stores inventory	-	-	-	983,276	-	-	-	-	983,276
Total assets	\$ 6,449,030	\$ 789,118	\$ 7,490,558	\$ 34,872,318	\$ 9,656	\$ 81,814,314	\$ 62,678,488	\$ 15,128,325	\$ 209,231,807
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ 417,885	\$ 1,645,999	\$ -	\$ 673,297	\$ 4,205	\$ 48,901	\$ 2,790,287
Unearned revenue	-	-	-	-	-	-	-	3,494,381	3,494,381
Due to other funds	-	121,114	5,419,195	11,651,207	-	1,644,490	6,943,241	423,424	26,202,671
Total liabilities	-	121,114	5,837,080	13,297,206	-	2,317,787	6,947,446	3,966,706	32,487,339
Fund balances:									
Nonspendable	-	-	-	984,010	-	-	-	-	984,010
Restricted	6,449,030	668,004	1,653,478	20,591,102	9,656	79,496,527	55,731,042	11,161,619	175,760,458
Total fund balance	6,449,030	668,004	1,653,478	21,575,112	9,656	79,496,527	55,731,042	11,161,619	176,744,468
Total liabilities and fund balances	\$ 6,449,030	\$ 789,118	\$ 7,490,558	\$ 34,872,318	\$ 9,656	\$ 81,814,314	\$ 62,678,488	\$ 15,128,325	\$ 209,231,807

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, 2021

	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	Special Reserve for Capital Outlay Projects Fund	Non-Major Governmental Total
Revenues:									
Federal sources	\$ -	\$ 205,267	\$ 594,799	\$ 55,966,021	\$ -	\$ -	\$ -	\$ -	\$ 56,766,087
Other state sources	-	1,342,917	9,857,191	6,045,264	-	-	1,888,672	-	19,134,044
Other local sources	2,874,660	10,750	1,488,351	18,426,533	2,140	56,125,743	594,113	3,557,813	83,080,103
Total revenues	2,874,660	1,558,934	11,940,341	80,437,818	2,140	56,125,743	2,482,785	3,557,813	158,980,234
Expenditures:									
Current:									
Certificated salaries	-	787,873	5,289,414	-	-	-	-	-	6,077,287
Classified salaries	-	155,272	986,124	19,059,166	-	5,479,639	103,859	911,938	26,695,998
Employee benefits	-	470,274	3,683,903	11,624,188	-	3,646,820	50,499	429,081	19,904,765
Books and supplies	3,166,589	212,998	37,973	15,567,816	-	-	-	7,057	18,992,433
Contract services and operating expenditures	-	34,631	21,519	19,665,189	-	5,958,175	149,160	162,515	25,991,189
Capital outlay	-	-	-	254,398	232,536	16,843,649	8,311,121	-	25,641,704
Total expenditures	3,166,589	1,661,048	10,018,933	66,170,757	232,536	31,928,283	8,614,639	1,510,591	123,303,376
(Deficiency) excess of revenues (under) over expenditures	(291,929)	(102,114)	1,921,408	14,267,061	(230,396)	24,197,460	(6,131,854)	2,047,222	35,676,858
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	5,041,579	-	5,041,579
Transfers out	-	(39,436)	(272,030)	(1,235,118)	-	(17,300,000)	(388,562)	(1,301,072)	(20,536,218)
Total other financing sources (uses)	-	(39,436)	(272,030)	(1,235,118)	-	(17,300,000)	4,653,017	(1,301,072)	(15,494,639)
Net change in fund balances	(291,929)	(141,550)	1,649,378	13,031,943	(230,396)	6,897,460	(1,478,837)	746,150	20,182,219
Fund balance, July 1, 2020	-	809,554	4,100	8,543,169	240,052	72,599,067	57,209,879	10,415,469	149,821,290
Cumulative effect of GASB 84 implementation	6,740,959	-	-	-	-	-	-	-	6,740,959
Fund balance, July 1, 2020, as restated	6,740,959	809,554	4,100	8,543,169	240,052	72,599,067	57,209,879	10,415,469	156,562,249
Fund balance, June 30, 2021	\$ 6,449,030	\$ 668,004	\$ 1,653,478	\$ 21,575,112	\$ 9,656	\$ 79,496,527	\$ 55,731,042	\$ 11,161,619	\$ 176,744,468

SAN DIEGO UNIFIED SCHOOL DISTRICT
ORGANIZATION
For the Year Ended June 30, 2021

San Diego Unified School District ("District") began operations in 1854 under the laws of the State of California. The San Diego Unified School District serves more than 120,000 students in preschool through grade 12, including Charter Schools, and is the second largest district in California. The District's educational facilities include 108 elementary schools, 10 K-8 schools, 24 middle/junior schools, 23 senior high schools, 12 atypical/alternative schools, 54 State preschools sites, 2 child development centers, 4 special education centers and the District is the sponsoring agency for 43 charter schools. There were no changes in the District's boundaries in the current year audited.

GOVERNING BOARD

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Richard Barrera	President	December 2024
Sharon Whitehurst-Payne	Vice President	December 2024
Sabrina Bazzo	Member	December 2024
Kevin Beiser	Member	December 2022
Michael McQuary	Member	December 2022

DISTRICT ADMINISTRATORS

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

Sofia Roditti, Ed.D
Chief of Staff

W. Drew Rowlands
Chief Business Officer

Acacia Thede
Chief Human Resources Officer

Gary Petill
Interim Chief Operations Officer

Lee Dulgeroff
Chief Facilities Planning and Construction Officer

Andrew Sharp
Chief Public Information Officer

Andra M. Greene
General Counsel

Gamy Rayburn
Interim Executive Director, Financial Planning and Development

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

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
ORGANIZATION
For the Year Ended June 30, 2021

DISTRICT ADMINISTRATORS
(Continued)

Carmina Duran
Executive Director, Quality Assurance

Marty Stultz
Director, Board Services

Tavga Bustani
Chief, Leadership & Learning

Toren Allen
Executive Director, Integrated Technology

Sarah Ott
Executive Director, Special Education

Bruce Bivins
Area 1 Superintendent

Steve Elizondo
Area 2 Superintendent

Christina Casillas, Ed.D
Area 3 Superintendent

Monika Hazel
Area 4 Superintendent

Mitzi Merino
Area 5 Superintendent

Erin Richison, Ed.D
Area 6 Superintendent

SAN DIEGO UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
For the Year Ended June 30, 2021

<u>Grade Level</u>	<u>Number of Days</u>	<u>Status</u>
District:		
Kindergarten	180	In Compliance
Grade 1	180	In Compliance
Grade 2	180	In Compliance
Grade 3	180	In Compliance
Grade 4	180	In Compliance
Grade 5	180	In Compliance
Grade 6	180	In Compliance
Grade 7	180	In Compliance
Grade 8	180	In Compliance
Grade 9	180	In Compliance
Grade 10	180	In Compliance
Grade 11	180	In Compliance
Grade 12	180	In Compliance

SAN DIEGO UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass- Through Entity Identifying Number	Federal Expend- itures
<u>U.S. Department of Education - Passed through</u>			
<u>California Department of Education</u>			
Special Education Cluster:			
84.027	IDEA Basic Local Assistance Entitlement, Part B, Sec. 611 (Formerly 94-142)	13379	\$ 21,278,902
84.027	IDEA Local Assistance, Part B, Sec. 619 Private School ISPs	10115	428,129
84.173	PI 99-457 Preschool Grant Programs	13430	839,627
84.173A	Alternative Dispute Resolution Program, Part B	13007	22,786
84.173A	IDEA Preschool Staff Development, Part B, Sec. 619	13431	13,902
84.027A	IDEA Support Inclusive Practices	15321	7,007
84.027A	IDEA Mental Health ADA	15197	<u>1,140,028</u>
Subtotal Special Education Cluster			<u>23,730,381</u>
ESEA: Title III Program:			
84.365	ESEA: Title III, English Learner Student Program	14346	1,387,274
84.365	ESEA: Title III, Immigrant Education Program	15146	<u>308,327</u>
Subtotal ESEA: Title III Program			<u>1,695,601</u>
COVID-19: Education Stabilizaion Fund (ESF) Programs:			
COVID-19: Elementary and Secondary School Emergency			
84.425	Relief (ESSER) Fund I	15536	20,174,898
84.425C	COVID-19: Governor's Emergency Education Relief Fund (GEER): Learning Loss Mitigation	15517	<u>18,899</u>
Subtotal ESF Programs			<u>20,193,797</u>
Federal Impact Aid Program:			
84.041	Federal Impact Aid	10015	11,361,081
84.041	Federal Impact Aid - Special Ed	14792	<u>5,820,512</u>
Subtotal Federal Impact Aid Program			<u>17,181,593</u>
Magnet School Assistance Program:			
84.165A	Magnet School Assistance Program	*	764,214
84.165A	Magnet School Assistance Program - Positions	*	<u>174,453</u>
Subtotal Magnet School Assistance Program			<u>938,667</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass- Through Entity Identifying Number	Federal Expend- itures
<u>U.S. Department of Education - Passed through</u>			
<u>California Department of Education (Continued)</u>			
Adult Education Program:			
84.002A	Adult Education: Adult Basic Education & ELA (Section 231)	14508	\$ 4,193
84.002A	Adult Education: Adult Secondary Education (Section 231)	13978	<u>201,074</u>
Subtotal Adult Education Program			<u>205,267</u>
Title I Program:			
84.010	ESEA: Title I, Part A Basic Grants, Low Income and Neglected	14329	31,935,644
84.010	ESEA: ESSA School Improvement (CSI) Funding for LEAs	15438	<u>2,021,077</u>
Subtotal Title I Program			<u>33,956,721</u>
84.048	Carl D. Perkins Career and Technical Education: Secondary, Section 131 (Vocational Education)	14894	1,039,152
84.060	Indian Education	10011	69,463
84.181	Special Ed: IDEA Early Intervention Grants, Part C	23761	297,053
84.367	ESEA: Title II, Part A, Improving Teacher Quality Local Grants	14341	3,340,777
84.287	ESEA: Title IV, Part B, 21st Century Community Learning Centers Program	14349	1,832,925
84.424	ESEA: Title IV, Part A, SSAE	15396	3,448,783
84.U01	JROTC	*	1,288,361
84.126	Department of Rehab: Workability II, Transition Partnership	10006	618,269
84.411C	Education Innovation and Research (EIR) - Early-phase grant	*	<u>397,314</u>
Total U.S. Department of Education			<u>110,234,124</u>
<u>U.S. Department of Defense - Passed Through</u>			
<u>California Department of Education</u>			
Invitational Grants for Military-Connected Schools Program:			
12.557	Op Special Ed Achievement	*	337,416
12.557	OpCollege and Career Readiness	*	272,560
12.557	Operation Aim High	*	<u>70,600</u>
Subtotal Invitational Grants for Military-Connected Schools Program			<u>680,576</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass- Through Entity Identifying Number	Federal Expend- itures
<u>U.S. Department of Defense - Passed Through</u>			
<u>California Department of Education (Continued)</u>			
	Community Investment Program:		
12.600	Department of Defense Off Econ Adj Grant Hancock	*	\$ <u>1,323,687</u>
	Total U.S. Department of Defense		<u>2,004,263</u>
<u>U.S. Department of Health and Human Services - Passed through</u>			
<u>California Department of Education</u>			
93.036	FEMA Public Assistance	10014	2,176,475
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	*	470,037
93.576	Refugee School Impact Grant	*	48,067
93.778	Department of Health Care Services: Medi-Cal Billing Option - Medicaid Cluster	10013	<u>1,637,953</u>
	Total U.S. Department of Health and Human Services		<u>4,332,532</u>
<u>U.S. Department of Treasury - Passed through</u>			
<u>California Department of Education</u>			
21.019	COVID-19: Coronavirus Relief Fund: Learning Loss Mitigation (CRF)	25516	<u>67,122,834</u>
	Total U.S. Department of Treasury		<u>67,122,834</u>
<u>U.S. Department of Agriculture - Passed through</u>			
<u>California Department of Education</u>			
10.558	Child Nutrition: CACFP Claims Centers and Family Day Care Homes	13394	17,821,900
10.579	Child Nutrition: NSLP Equipment Assistance Grant	14906	18,661
10.553	Child Nutrition: School Programs - Child Nutrition Cluster	13526	<u>38,125,460</u>
	Total U.S. Department of Agriculture		<u>55,966,021</u>
	Total Federal Programs		<u>\$ 239,659,774</u>

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

SAN DIEGO UNIFIED SCHOOL DISTRICT
RECONCILIATION OF UNAUDITED ACTUAL FINANCIAL REPORT
WITH AUDITED FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

There were no adjustments to any funds of the District.

See accompanying notes to supplementary information.

SAN DIEGO UNIFIED SCHOOL DISTRICT
 SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
 For the Year Ended June 30, 2021
 (UNAUDITED)

<u>General Fund</u>	(Adopted Budget) <u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenues and other financing sources	\$ 1,596,481,921	\$ 1,523,888,657	\$ 1,427,510,411	\$ 1,447,705,895
Expenditures	1,653,015,916	1,487,054,021	1,423,021,352	1,395,012,116
Other uses and transfers out	<u>7,334,058</u>	<u>12,670,000</u>	<u>2,583,744</u>	<u>14,948,012</u>
Total outgo	<u>1,660,349,974</u>	<u>1,499,724,021</u>	<u>1,425,605,096</u>	<u>1,409,960,128</u>
Change in fund balance	\$ <u>(63,868,053)</u>	\$ <u>24,164,636</u>	\$ <u>1,905,315</u>	\$ <u>37,745,767</u>
Ending fund balance	\$ <u>92,654,003</u>	\$ <u>156,522,056</u>	\$ <u>132,357,420</u>	\$ <u>130,452,105</u>
Available reserves	\$ <u>42,223,887</u>	\$ <u>29,977,000</u>	\$ <u>28,483,000</u>	\$ <u>28,194,000</u>
Designated for economic uncertainties	\$ <u>33,173,000</u>	\$ <u>29,977,000</u>	\$ <u>28,483,000</u>	\$ <u>28,194,000</u>
Undesignated fund balance	\$ <u>9,050,887</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Available reserves as percentages of total outgo	<u>2.54%</u>	<u>2.00%</u>	<u>2.00%</u>	<u>2.00%</u>
<u>All Funds</u>				
Total long-term liabilities	\$ <u>326,666,544</u>	\$ <u>6,946,156,685</u>	\$ <u>6,066,412,548</u>	\$ <u>5,833,598,585</u>
Average daily attendance at P-2	<u>94,694</u>	<u>97,479</u>	<u>97,479</u>	<u>98,024</u>

The General Fund balance has increased by \$63,818,718 over the past three years. The fiscal year 2021-2022 budget projects a decrease of \$160,191,268. 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, 2021, 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 2021-2022.

Total long-term liabilities have increased by \$1,112,558,100 over the past two years, as shown in Note 6 to the basic financial statements.

Average daily attendance has decreased by 545 over the past two years. A decrease of 2,785 ADA is projected for the 2021-2022 fiscal year.

See accompanying notes to supplementary information.

SAN DIEGO UNIFIED SCHOOL DISTRICT
 SCHEDULE OF CHARTER SCHOOLS
 For the Year Ended June 30, 2021

<u>Charter School</u>	<u>Charter Number</u>	<u>Status</u>	<u>Included in District Report</u>
Albert Einstein Academy Charter Elementary	488	Closed	No
America's Finest Charter School	1301	Active	No
Audeo Charter	406	Active	No
Charter School of San Diego	28	Active	No
City Heights Preparatory Charter	1312	Active	No
Darnall Charter	33	Active	No
e3 Civic High	1302	Active	No
Albert Einstein Academies	773	Active	No
Elevate Elementary	1633	Active	No
Empower Language Academy	1634	Active	No
Gompers Preparatory Academy	1080	Active	No
HarrietTubman Village Charter	46	Active	No
Health Sciences High	876	Active	No
High Tech Elementary	1709	Active	No
High Tech Elementary Explorer	278	Active	No
High Tech High	269	Active	No
High Tech High International	623	Active	No
High Tech High Media Arts	622	Active	No
High Tech Middle	546	Active	No
High Tech Middle Media Arts	660	Active	No
Holly Drive Leadership Academy	264	Active	No
Ingenuity Charter	1719	Active	No
Innovations Academy	1024	Active	No
Kavod Charter	1447	Active	No
Keiller Leadership Academy	695	Active	No
King-Chavez Academy of Excellence	420	Active	No
King-Chavez Arts Academy	704	Active	No
King-Chavez Community High	1015	Active	No
King-Chavez Preparatory Academy	772	Active	No
King -Chavez Primary Academy	705	Active	No
Kipp Adelante Preparatory Academy	550	Active	No
Learning Choice Academy	659	Active	No
Magnolia Science Academy San Diego	698	Active	No
McGill School of Success	95	Active	No
Museum	81	Active	No
Old Town Academy K-8 Charter	1279	Active	No
Preuss School UCSD	169	Active	No
San Diego Cooperative Charter	396	Active	No
Global Vision Academy	1190	Active	No
School for Entrepreneurship and Technology	1253	Active	No
Suncoast STEAM Academy	1981	Closed	No
The O'Farrell Charter	48	Active	No
Urban Discovery Academy Charter	1008	Active	No

See accompanying notes to supplementary information.

NOTE 1 - PURPOSE OF SCHEDULES

A - 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.

B - 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.

C - 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.

D - 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 2021-2022 fiscal year, as required by the State Controller's Office. The information in this schedule has been derived from audited information.

E - 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, 2021, the District did not adopt such a program.

INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

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

Report on Compliance with State Laws and Regulations

We have audited San Diego Unified School District's compliance with the types of compliance requirements described in the State of California *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (the "Audit Guide") applicable to the state laws and regulations listed below for the year ended June 30, 2021.

<u>Description</u>	<u>Procedures Performed</u>
Attendance and Distance Learning	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No, see below
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	Yes
District of Choice	No, see below
California Clean Energy Jobs Act	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Independent Study – Course Based	No, see below
Attendance, for charter schools	No, see below
Mode of Instruction, for charter schools	No, see below
Nonclassroom-Based Instruction/Independent Study, for charter schools	No, see below
Determination of Funding for Nonclassroom-Based Instruction, for charter schools	No, see below
Charter School Facility Grant Program	No, see below

(Continued)

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 Apprenticeship: Related and Supplemental Instruction because the District did not operate this program in the current year.

We did not perform any procedures related to District of Choice because the District did not elect to participate in 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

We did not perform any procedures related to charter schools because the District does not include any charter schools in this report.

Management's Responsibility

Management is responsible for compliance with the requirements of state laws and regulations, as listed above.

Auditor's Responsibility

Our responsibility is to express an opinion on San Diego Unified School District's compliance with state laws and regulations as listed above based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (Audit Guide). Those standards and the Audit Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on San Diego Unified School District's compliance with the state laws and regulations listed above occurred. An audit includes examining, on a test basis, evidence about San Diego Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with state laws and regulations. However, our audit does not provide a legal determination of San Diego Unified School District's compliance.

Basis for Qualified Opinion on Compliance with State Laws and Regulations

As described in Finding 2021-002 in the accompanying Schedule of Audit Findings and Questioned Costs, San Diego Unified School District did not comply with requirements regarding Comprehensive School Safety Plan. Compliance with such requirements is necessary, in our opinion, for San Diego Unified School District to comply with the requirements applicable to the state laws and regulations applicable to the state laws and regulations referred to above.

Qualified Opinion on Compliance with State Laws and Regulations

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, San Diego Unified School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the state laws and regulations referred to above for the year ended June 30, 2021.

Other Matter

San Diego Unified School District's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Audit Findings and Questioned Costs. San Diego Unified School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing based on the requirements of the *2020-21 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

Sacramento, California
December 3, 2021

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, 2021, and the related notes to the basic financial statements, which collectively comprise San Diego Unified School District's basic financial statements, and have issued our report thereon dated December 3, 2021.

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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 may exist that have not been identified. We identified a deficiency in internal control that was communicated to management as identified in the accompanying Schedule of Audit Findings and Questioned Costs as Finding 2021-001.

(Continued)

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 Response to Finding

San Diego Unified School District's response to the finding identified in our audit is described in the accompanying schedule of Audit Findings and Questioned Costs. San Diego Unified School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

Sacramento, California
December 3, 2021

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

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

Report on Compliance for Each Major Federal Program

We have audited San Diego Unified School District's compliance with the types of compliance requirements described 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, 2021. San Diego Unified School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of audit findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of San Diego Unified School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about San Diego Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of San Diego Unified School District's compliance.

Opinion on Each Major Federal Program

In our opinion, San Diego Unified School District complied, in all material respects, with the types of 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, 2021.

(Continued)

Report on Internal Control Over Compliance

Management of San Diego Unified School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered San Diego Unified School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of San Diego Unified School District's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Sacramento, California
December 3, 2021

FINDINGS AND RECOMMENDATIONS

SAN DIEGO UNIFIED SCHOOL DISTRICT
 SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2021

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

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>	<u>Type of Opinion</u>
10.553	Child Nutrition: School Programs	Unmodified
21.019	COVID-19: Coronavirus Relief Fund (CRF)	Unmodified
84.425D, 84.425C	COVID-19: Emergency and Secondary School Emergency Relief Fund (ESSER) I and GEER Program	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:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553	Child Nutrition: School Programs
21.019	COVID-19: Coronavirus Relief Fund (CRF)
84.425, 84.425C	COVID-19: Emergency and Secondary School Emergency Relief Fund (ESSER) I and GEER Program

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)

SAN DIEGO UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS

2021-001 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: Lafayette Elementary – Pre-approval of expenditures was not formally documented by the proper individuals before a warrant was disbursed.

Context: The deficiencies listed above were identified through our testing of 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 that approval of expenditures be formally documented by the proper individuals prior to the warrant being issued.

Views of Responsible Officials and Planned Corrective Action: The District agrees with the auditor's recommendations. The District continues to provide support to the schools that administer ASB funds with SchoolCash accounting training sessions. In addition, Financial Clerks and Elementary School Assistants can work one-on-one with the accounting team and Operations Auditors by submitting inquiries to a centralized email box. In FY 2020/21, the District's Operations Auditors held an ASB Essentials training for both organized and unorganized ASB via Zoom. The intended audience for this training included Principals, Financial Clerks, Elementary School Assistants, Administrative Aides, ASB Advisors and other school staff with responsibilities over ASB activities. Beginning in FY 2021/22, the training sessions will be an on-demand video format, through the SafeSchools platform, which allows the District to customize training videos with assessment questions following each section.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

2021-002 DEFICIENCY – STATE COMPLIANCE – COMPREHENSIVE SCHOOL SAFETY PLAN (40000)

Criteria: Each school should adopt its comprehensive school safety plan as described in Education Code Section 32282 and reviewed and updated its plan by March 1 of the fiscal year.

Condition: 3 of the 18 comprehensive school safety plans inspected were reviewed and approved after March 1, 2021.

Context: We performed the audit procedures enumerated in the State of California 2019-20 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 completed review of the school safety plans after the March 1, 2021 deadline.

Fiscal Impact: Not applicable.

Recommendation: The District should ensure the school safety plans are prepared and reviewed by the March 1, 2021 reporting date.

Views of Responsible Officials and Planned Corrective Action: The District agrees with the auditor's recommendations. Site administrators and/or their designee(s) are required to annually develop and update their site's CSSP. To assist site administrators in creating a safe and secure learning environment for students and school staff, School Police – Safe Schools Unit conducted the following at the start of FY 2021-22 to promote compliance of Education Code § 32288 at all school sites:

- Administrative Circular 53: "Completing and Updating the Comprehensive School Safety Plan (CSSP) and Emergency Response Box (ERB)" was published on October 6, 2021.
- Provided "How to Guides" in eTeams for all site administrators. These guides provide step-by-step instructions for updating a site's CSSP.

To further ensure compliance, School Police – Safe Schools Unit, will provide additional support as follows:

- Schedule a meeting with site administrators to discuss CSSP requirements and expectations.
- Schedule Comprehensive School Safety Plan (CSSP) training for school administrators and/or their designee tasked with updating the CSSP.

**STATUS OF PRIOR YEAR
FINDINGS AND RECOMMENDATIONS**

SAN DIEGO UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year Ended June 30, 2021

2020-001

Condition

Dewey Elementary

- Supporting documentation is not turned in with cash to verify the amount of cash received.
- A dual count is not being documented when funds are turned into the office.
- Cash receipts are not being issued when funds are turned into the office.
- Total deposit amounts are not able to be agreed to individual supporting deposited receipts.
- Pre-approval of expenditures was not formally documented by the proper individuals before a warrant is disbursed. The school began performing this control after the District's internal inspection.

Emerson-Bandini Elementary

- Supporting documentation is not turned in with cash to verify the amount of cash received.

Fay Elementary

- Supporting documentation is not turned in with cash to verify the amount of cash received.

Hage Elementary

- Fundraising approval forms are not being utilized by the site prior to the fundraiser taking place.

Hickman Elementary

- Pre-approval of expenditures was not formally documented by the proper individuals before a warrant is disbursed.

Juarez Elementary

- There was no indication of review of the monthly reconciliation by the site principal.

Morse High

- A dual count is not being documented when funds are turned into the office for every submission.

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

- Supporting documentation should be turned in with cash to verify the amount of cash received.
- A dual count should be documented when funds are turned into the office.
- Cash receipts are to be issued when funds are turned into the office.
- Requests for disbursements should be properly supported by invoices or other identifying information as well as approval of expenditures should be formally documented by the proper individuals before a warrant is disbursed.
- Fundraising approval forms should be utilized by the site prior to the fundraiser taking place.
- Monthly reconciliations should be reviewed and approved by site principal as evidenced by signature and date.

Current Status: Partially implemented.

District Explanation if Not Implemented: See current year finding 2021-001.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year Ended June 30, 2021

2020-002

Condition: At Fay Elementary, one student was improperly claimed for apportionment, resulting in an overstatement of one day of attendance or 0.009 ADA.

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

Current Status: Implemented.

District Explanation if Not Implemented: Not applicable.

2020-003

Condition: The District was unable to provide completed agreements for three kindergarten pupils retained for a second year of Kindergarten.

Recommendation: This is a repeat finding. The District should ensure a completed and signed agreement is maintained for each kindergarten pupil prior to their retention for a second year of Kindergarten.

Current Status: Implemented.

District Explanation if Not Implemented: Not applicable.

2020-004

Condition: Mt Everest Independent Study:

One student was claimed for attendance starting on 8/26/19, one day prior to the completion of the written independent study agreement on 8/27/19.

One student was claimed for attendance starting on 8/26/19, prior to the student's signing of the written independent study agreement on 12/11/19.

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

Current Status: Implemented.

District Explanation if Not Implemented: Not applicable.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year Ended June 30, 2021

2020-005

Condition: Of the 12 sites selected for testing for the After School Program, 7 of the sites reported errors between the supporting documentation of pupil count attendance versus the reported counts. 4 of the sites selected reported an overstatement of days versus the supporting documentation. Additionally, 3 of the sites selected reported an understatement of attendance versus the supporting documentation. The net impact was an overstatement of 7 days of attendance for the After School portion of the program.

Of the 11 sites selected for testing for the Before School Program, 4 of the sites reported errors between the supporting documentation of pupil count attendance versus the reported counts. 3 of the sites selected reported an overstatement of days versus the supporting documentation. Additionally, 2 of the sites selected reported an understatement of attendance versus the supporting documentation. The net impact was an overstatement of 3 days of attendance for the Before School portion of the program.

The After School Education and Safety (ASES) Program improperly reported 10 days of attendance in their attendance system.

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

Current Status: Implemented.

District Explanation if Not Implemented: Not applicable.

2020-006

Condition: At iHigh Virtual Academy, one attribute on the school accountability report card was not consistent with the information on the Facility Inspection Tool (FIT) for the site.

Recommendation: The District should ensure the school accountability report cards are completed appropriately based on the information of the most recent Facility Inspection Tool.

Current Status: Implemented.

District Explanation if Not Implemented: Not applicable.