

SAN DIEGO UNIFIED SCHOOL DISTRICT

**PROPOSITION S AND Z GENERAL OBLIGATION BONDS
FINANCIAL STATEMENTS**

June 30, 2015

SAN DIEGO UNIFIED SCHOOL DISTRICT
San Diego, California

PROPOSITION S AND Z BOND BUILDING FUND
FINANCIAL STATEMENTS
June 30, 2015

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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 San Diego Unified School District (the "District") Proposition S General Obligation Bonds and Proposition Z General Obligation Bonds activity included in the Building Fund of the District, as of and for the year ended June 30, 2015, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial 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.

(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the San Diego Unified School District Proposition S General Obligation Bonds and Proposition Z General Obligation Bonds as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present financial activity and balances of the Proposition S & Z General Obligation Bonds only, and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2015, and the changes in its financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise San Diego Unified School District's Proposition S General Obligation Bonds and Proposition Z General Obligation Bonds financial statements. The accompanying Introduction and Independent Citizens' Oversight Committee Member Listing 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 financial statements.

The Introduction and Independent Citizens' Oversight Committee Member Listing 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Introduction and Independent Citizens' Oversight Committee Member Listing and other supplementary information as listed in the table of contents are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Report Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2015 on our consideration of the District's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the Proposition S & Z General Obligation Bonds. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Crowe Horwath LLP

Crowe Horwath LLP

Sacramento, California
November 30, 2015

SAN DIEGO UNIFIED SCHOOL DISTRICT
PROPOSITION S AND Z GENERAL OBLIGATION BONDS
INTRODUCTION AND INDEPENDENT CITIZENS' OVERSIGHT
COMMITTEE MEMBER LISTING
June 30, 2015

San Diego Unified School District (the "District") began operations in 1854 under the laws of the State of California. The San Diego Unified School District serves nearly 130,000 students in kindergarten through grade 12, which includes students in Charter School. District's educational facilities include 108 elementary schools, 9 K-8 schools, 25 middle/junior high schools, 24 senior high schools, 12 atypical/alternative schools, and 49 charter schools.

On November 4, 2008, San Diego voters approved by more than the required 55% favorable vote, Proposition S, authorizing the issuance and sale of general obligation bonds, not to exceed \$2.1 billion. The bond is a Proposition 39 bond, which required approval from at least 55 percent of voters to pass. The District issued Series A through H totaling \$585 million. As of June 30, 2015, the principal balance, including outstanding accreted interest, on the Proposition S Bonds was \$728,937,799.

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 C totaling \$530 million. As of June 30, 2015, the principal balance on the Proposition Z Bonds was \$407,000,000.

The passage of Proposition 39 in November 2000 amended the California Constitution to include certain accountability provisions. Specially, the District must conduct an annual independent performance audit to ensure that funds have been expended only on the specific projects listed as well as an annual, independent financial audit of the proceeds from the sale of the bonds until all of the proceed have been expended for facilities projects.

Upon passage of Proposition 39, an accompanying piece of legislation, AB 1908 (Chapter 44, Statues of 2000), was also enacted, which amended the Education Code to establish additional procedures which must be followed if a District seeks approval of a bond measure pursuant to the 55% majority authorized in Proposition S & Z including formation, composition and purpose of the Independent Citizens' Oversight Committee, and authorization of injunctive relief against the improper expenditure of bond revenues.

Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITION S AND Z BOND GENERAL OBLIGATION BONDS
 INTRODUCTION AND INDEPENDENT CITIZENS' OVERSIGHT
 COMMITTEE MEMBER LISTING
 June 30, 2015

The Independent Citizens' Oversight Committee had the following members as of June 30, 2015, all of whom were appointed by the District's Board of Education with two year terms:

<u>Name</u>	<u>Representation at June 30, 2015</u>	<u>Education Code Section</u>
Mr. Andrew Berg	Construction Industry Organization representative (National Electrical Contractors Association) and member who is active in a business organization representing the business community located within the District.	15282(2)(1)
Mr. William Ponder	At Large	15282(a)
Ms. Tashonda Taylor	At Large	15282(a)
Mr. Matt Kriz	San Diego Building Construction Trades Council representative	15282(a)
Mr. Miles Durfee	Proposition Z Charter School Facilities Committee	n/a*
Mr. David J. Akers	American Society of Civil Engineers representative	n/a*
Ms. Kim Schoettle	SDUSD Cluster Governance Committee representative who is a parent or guardian of a child enrolled in the District (Mission Bay Cluster)	15282(a)(4)
Mr. Jerry Butkiewicz	Board Appointee-Active in Senior Citizens' Organization	15282(a)(2)
Mr. Mike Magallanes	Middleclass Taxpayers Association representative who is active in Bona Fide Taxpayers' Organization	15282(a)(3)
Ms. Betsy Mueller	San Diego Unified Council of Parent Teacher Association representative who is a parent or guardian who has a child enrolled in the District	15282(a)(4)
Ms. Stefanie Benvenuto	San Diego Regional Chamber of Commerce representative	n/a*

* The representation is not required by Education Code.

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITION S AND Z GENERAL OBLIGATION BONDS
 BALANCE SHEET
 June 30, 2015

	<u>Proposition S</u>	<u>Proposition Z</u>	<u>Total</u>
ASSETS			
Cash in county treasury (Note 2)	\$ 69,262,863	\$ 162,792,226	\$ 232,055,089
Receivables (Note 3)	36,860	196,477	233,337
Prepaid Expenditures	-	899	899
Due from other funds (Note 5)	<u>2,689,233</u>	<u>5,660,275</u>	<u>8,349,508</u>
Total assets	<u>\$ 71,988,956</u>	<u>\$ 168,649,877</u>	<u>\$ 240,638,833</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 3,047,720	\$ 23,731,009	\$ 26,778,729
Due to other funds (Note 5)	<u>3,647,466</u>	<u>3,857,431</u>	<u>7,504,897</u>
Total liabilities	<u>6,695,186</u>	<u>27,588,440</u>	<u>34,283,626</u>
Fund balance:			
Nonspendable	-	899	899
Restricted	62,732,368	141,060,538	203,792,906
Assigned	<u>2,561,402</u>	<u>-</u>	<u>2,561,402</u>
Total fund balance	<u>65,293,770</u>	<u>141,061,437</u>	<u>206,355,207</u>
Total liabilities and fund balance	<u>\$ 71,988,956</u>	<u>\$ 168,649,877</u>	<u>\$ 240,638,833</u>

See accompanying notes to financial statements.

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITION S AND Z GENERAL OBLIGATION BONDS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 For the Year Ended June 30, 2015

	<u>Proposition S</u>	<u>Proposition Z</u>	<u>Total</u>
Revenues:			
Other local revenue	\$ 337,351	\$ 1,216,311	\$ 1,553,662
Expenditures:			
Facilities acquisition and construction (Notes 6, 7, 8 and 9)	<u>50,562,922</u>	<u>252,736,443</u>	<u>303,299,365</u>
Deficiency of revenues under expenditures	<u>(50,225,571)</u>	<u>(251,520,132)</u>	<u>(301,745,703)</u>
Other financing sources (uses):			
Transfers out (Note 5)	(1,100,058)	(133,650)	(1,233,708)
Proceeds from issuance of general obligation bonds	27,447,038	-	27,447,038
Premium on issuance of general obligation bonds	<u>4,603,360</u>	<u>-</u>	<u>4,603,360</u>
Total other financing sources (uses)	<u>30,950,340</u>	<u>(133,650)</u>	<u>30,816,690</u>
Net change in fund balance	(19,275,231)	(251,653,782)	270,929,013
Fund balance July 1, 2014	<u>84,569,001</u>	<u>392,715,219</u>	<u>477,284,220</u>
Fund balance, June 30, 2015	<u>\$ 65,293,770</u>	<u>\$ 141,061,437</u>	<u>\$ 206,355,207</u>

See accompanying notes to financial statements.

SAN DIEGO UNIFIED SCHOOL DISTRICT
PROPOSITION S AND Z GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: San Diego Unified School District (the "District") began operations in 1854 under the laws of the State of California. San Diego Unified School District serves nearly 130,000 students in kindergarten through grade 12, which includes students in Charter School. The District's educational facilities include 108 elementary schools, 9 K-8 schools, 25 middle/junior high schools, 24 senior high schools, 12 atypical/alternative schools, and 49 charter schools.

On November 4, 2008 San Diego voters authorized \$2.1 billion in general obligation bonds (Proposition S) to improve every neighborhood school by repairing 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. 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.

An oversight committee to the District's Governing Board and Superintendent, called the Independent Citizens Oversight Committee (ICOC), was established pursuant to the requirements of state law and the provisions of the Proposition S and Z bonds. The ICOC is required by state law to actively review and report on the proper expenditure of taxpayers' money for school construction. The ICOC provides oversight and advises the public whether the District is spending Proposition S and Z Bond funds for school capital improvements within the scope of projects outlined in the Proposition S and Z Bond project list. In fulfilling its duties, the ICOC reviews, among other things, the District's annual performance and financial audits of Proposition S and Z activity.

The statements presented are for the individual Proposition S and Z Bond General Obligation Bonds of the District, consisting of the net constructions proceeds of Election of 2008, Series A, B, C, D-1, D-2, E, F, G, H, R-2 Refunding and Election 2012, Series A, A-1, B and C general obligation bonds as issued by the District, through the County of San Diego, and are not intended to be a complete presentation of the District's financial position or results of operations. There are no related parties or component units included in this financial statement presentation.

Accounting Policies: The accounting policies of San Diego Unified School District (the "District") conform to accounting principles generally accepted in the United States of America as applicable to governments and to general practices within California school districts. The District accounts for its financial transactions in accordance with policies and procedures of the Department of Education's *California School Accounting Manual*. The activities of the Proposition S & Z General Obligation Bonds are recorded along with other activities in the District's Building Fund. 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).

Financial Reporting Entity: The financial statements include the activity and balances of the Proposition S & Z General Obligation Bonds, only. The activities of the Proposition S & Z General Obligation Bonds are recorded along with other activities in the District's Building Fund. These financial statements are not intended to present the financial position and results of operations of San Diego Unified School District as a whole.

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

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
PROPOSITION S AND Z GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 –SIGNIFICANT ACCOUNTING POLICIES (Continued)

The basic 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.

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 as of June 30.

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

Budgets and budgetary Accounting: Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds. By state law, the District's governing board must adopt a budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

These budgets are revised by the District's governing board during the year to give consideration to unanticipated income and expenditures. Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

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 prepaid expenditures.

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.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITION S AND Z GENERAL OBLIGATION BONDS
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2015

NOTE 1 –SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2015, 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.

E - Unassigned Fund Balance:

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.

NOTE 2 – CASH AND INVESTMENTS

Summary of Cash and Investments: Cash and investments as of June 30, 2015 are classified in the accompanying financial statements as cash in county treasury as follows:

	<u>Proposition S</u>	<u>Proposition Z</u>	<u>Total</u>
Cash in County Treasury	<u>\$ 69,262,863</u>	<u>\$ 162,792,226</u>	<u>\$ 232,055,089</u>

Pooled Funds: In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the San Diego County Treasury. The County pools and invests the cash. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited annually into participating funds. Any investment losses are proportionately shared by all funds in the pool.

Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required.

In accordance with applicable state laws, the San Diego County Treasurer may invest in derivative securities with the State of California. However, at June 30, 2015, the San Diego County Treasurer has represented that the Pooled Investment Fund contained no derivatives or other investments with similar risk profiles.

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

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITION S AND Z GENERAL OBLIGATION BONDS
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2015

NOTE 2 – CASH AND INVESTMENTS (Continued)

Interest Rate Risk: The District does not have a formal investment policy that limits the cash and investment maturities as a means of managing its exposure to fair value arising from increasing interest rates. At June 30, 2015, 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, 2015, the District had no concentration of credit risk.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable amounting to \$233,337 as of June 30, 2015 consists of interest earned on the District's investment in the County Treasury.

NOTE 4 – CONSTRUCTION COMMITMENTS

The Proposition S and Z Bond Building Fund had the following construction commitments as of June 30, 2015:

<u>Proposition S and Z Capital Projects</u>	<u>Remaining Construction Commitment</u>
La Jolla HS: Stadium Project	\$ 11,337,680
O'Farrell Charter New Buildings	10,381,094
University City HS: Athletic Facilities & Parking Lot	8,018,189
Henry HS: Site Modernization Project	5,837,932
Bell MS: WSM Project	5,632,249
Morse HS: HVAC Classrooms (IDIQ)	5,570,844
Encanto ES: Site Modernization	5,468,276
i21 Program	4,528,385
Henry HS: Theater	4,242,310
Hoover HS: HVAC Classrooms (IDIQ)	2,226,779
Pershing MS: WSM Project	2,068,627
Darnall E. Campus Charter: HVAC Classrooms	1,783,582
Misc. Closeout of Projects	1,329,185
Misc. Small Projects	1,221,541
Jackson Charter: HVAC Classrooms	880,681
San Diego HS: Interim Housing	784,657
O'Farrell Community School: Interim Housing	430,000
Kearny HS: Stadium Improvements Project	401,772
Grant ES: Develop Erosion Control Plan	388,646
Mission Bay HS: Stadium Improvement	<u>335,634</u>
Total	<u>\$ 72,868,063</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITION S AND Z GENERAL OBLIGATION BONDS
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2015

NOTE 5 – INTERFUND ACTIVITIES

Interfund activity is reported as 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. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as reimbursement. All other Interfund transactions are treated as transfers.

Interfund Receivables/Payables: Proposition S and Z interfund receivable and payable balances at June 30, 2015 were as follow:

<u>Due to Other Funds</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 2,013,083	\$ 1,556,426
Building Fund	4,714,763	4,714,763
County School Facilities Fund	<u>1,621,662</u>	<u>1,233,708</u>
	<u>\$ 8,349,508</u>	<u>\$ 7,504,897</u>

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

Interfund transfers for the 2014-2015 fiscal year were as follows:

Transfer from the Building Fund to the County School Facilities Fund for unused matching funds that were returned to the Office of Public School Construction.	<u>\$ 1,233,708</u>
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NOTE 6 – PROPOSITION S AND Z EXPENDITURES BY MAJOR OBJECT

The following table presents the expenditure amounts by major object for the fiscal year ended June 30, 2015:

<u>Proposition S Expenditures by Object</u>	<u>Amount</u>	<u>Percent</u>
Classified salaries	\$ 969,197	1.92%
Employee benefits	404,185	0.80%
Books and supplies	10,062,121	19.90%
Services and other operating expenditures	811,186	1.60%
Capital outlay	38,226,210	75.60%
Other outgo	<u>90,023</u>	<u>0.18%</u>
Total	<u>\$ 50,562,922</u>	<u>100.00%</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITION S AND Z GENERAL OBLIGATION BONDS
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2015

NOTE 6 – PROPOSITION S AND Z EXPENDITURES BY MAJOR OBJECT (Continued)

<u>Proposition Z Expenditures by Object</u>	<u>Amount</u>	<u>Percent</u>
Classified salaries	\$ 6,417,302	2.54%
Employee benefits	2,682,818	1.06%
Books and supplies	35,975,615	14.23%
Services and other operating expenditures	9,866,950	3.90%
Capital outlay	<u>197,793,758</u>	<u>78.27%</u>
 Total	 <u>\$ 252,736,443</u>	 <u>100.00%</u>

NOTE 7 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The District's Proposition S Bond Building Fund had no expenditures over appropriations for the fiscal year ended June 30, 2015. The District's Proposition Z Bond Building Fund had no expenditures over appropriations for the fiscal year ended June 30, 2015.

NOTE 8 – PROPOSITION S AND Z EXPENDITURES BY SITE LOCATION

The following table presents the expenditure amounts by project for Proposition S for the fiscal year ended June 30, 2015.

<u>Proposition S School Site</u>	<u>Amount</u>	<u>Percent</u>	<u>Type</u>
University City	\$ 8,158,329	16.16%	High School
Bell	7,113,948	14.09%	Middle School
Pershing	6,319,859	12.52%	Middle School
Hamilton	3,335,698	6.61%	Elementary School
Kroc	2,843,983	5.63%	Middle School
San Diego	2,147,271	4.25%	High School
La Jolla HS	1,372,149	2.72%	High School
Wilson	758,801	1.50%	Middle School
Adams	693,779	1.37%	Elementary School
Euclid	579,828	1.15%	Elementary School
Henry	548,120	1.09%	High School
Knox	484,422	0.96%	Elementary School
Gompers East	369,389	0.73%	High School
O'Farrell Community	367,872	0.73%	Middle School
Clairemont	353,705	0.70%	High School
Montgomery	298,061	0.59%	Middle School
Scripps Ranch	261,787	0.52%	High School
Point Loma	258,037	0.51%	High School
Kearny	252,753	0.50%	High School
Mann	242,279	0.48%	Middle School
Fulton	239,863	0.48%	Elementary School
Keiller	233,177	0.46%	Middle School
Farb	230,200	0.46%	Middle School

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
PROPOSITION S AND Z GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 – PROPOSITION S AND Z EXPENDITURES BY SITE LOCATION (Continued)

<u>Proposition S School Site</u>	<u>Amount</u>	<u>Percent</u>	<u>Type</u>
Encanto	\$ 208,451	0.41%	Elementary School
Serra	205,429	0.41%	High School
Morse	199,999	0.40%	High School
Language Acad	197,108	0.39%	Elementary School
Mira Mesa	189,531	0.38%	High School
Zamarano	183,852	0.36%	Elementary School
Freese	177,772	0.35%	Elementary School
Rowan	176,394	0.35%	Elementary School
Crawford	175,408	0.35%	High School
Grant	169,426	0.34%	Elementary School
SCPA	168,291	0.33%	Atypical
Horton	164,486	0.33%	Elementary School
Darnall E-Campus	159,942	0.32%	Atypical
Valencia Park	150,438	0.30%	Elementary School
Mission Bay	149,186	0.30%	High School
Central	148,286	0.29%	Elementary School
Hancock	142,351	0.28%	Elementary School
E.B. Scripps	141,132	0.28%	Elementary School
Doyle	137,770	0.27%	Elementary School
Twain Main Jr/Sr High	131,402	0.26%	High School
Holmes	131,035	0.26%	Elementary School
Linda Vista	128,956	0.26%	Elementary School
Hoover	117,201	0.23%	High School
Franklin	113,956	0.23%	Elementary School
Madison	110,893	0.22%	High School
North Park	109,975	0.22%	Elementary School
Balboa	109,319	0.22%	Elementary School
Emerson	108,890	0.22%	Elementary School
Crown Point	102,888	0.20%	Elementary School
Downtown Library School	102,702	0.20%	Atypical
Boone	101,878	0.20%	Elementary School
Chollas	100,527	0.20%	Elementary School
Rolando Park	99,881	0.20%	Elementary School
Lincoln	95,433	0.19%	High School
Sessions	90,518	0.18%	Elementary School
Jerabek	90,259	0.18%	Elementary School
Angier	87,680	0.17%	Elementary School
Chavez	86,322	0.17%	Elementary School
Ericson	86,222	0.17%	Elementary School
Baker	85,547	0.17%	Elementary School
Fay	84,545	0.17%	Elementary School
Johnson	80,560	0.16%	Elementary School
Field	79,919	0.16%	Elementary School
Sherman	77,211	0.15%	Elementary School
Hickman	75,838	0.15%	Elementary School
Edison	75,698	0.15%	Elementary School
Green	73,672	0.15%	Elementary School

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
PROPOSITION S AND Z GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 – PROPOSITION S AND Z EXPENDITURES BY SITE LOCATION (Continued)

<u>Proposition S School Site</u>	<u>Amount</u>	<u>Percent</u>	<u>Type</u>
Dingeman	\$ 71,502	0.14%	Elementary School
Joyner	69,698	0.14%	Elementary School
Curie	69,497	0.14%	Elementary School
Washington	69,456	0.14%	Elementary School
Bayview Terrace	69,175	0.14%	Elementary School
Marcy Ave Complex	68,360	0.14%	Atypical
Cherokee Point	67,406	0.13%	Elementary School
Miller	67,101	0.13%	Elementary School
Carson	66,875	0.13%	Elementary School
Garfield	65,926	0.13%	Elementary School
Walker	65,321	0.13%	Elementary School
Fremont	62,900	0.12%	Elementary School
Perry	62,612	0.12%	Elementary School
Juarez	62,575	0.12%	Elementary School
Lafayette	62,457	0.12%	Elementary School
Kumeyaay	62,417	0.12%	Elementary School
Bird Rock	62,362	0.12%	Elementary School
Chesterton	57,977	0.11%	Elementary School
Cadman	56,748	0.11%	Elementary School
La Jolla	55,989	0.11%	Elementary School
Birney	55,953	0.11%	Elementary School
Burbank	55,953	0.11%	Elementary School
Dailard	55,953	0.11%	Middle School
Ibarra	55,953	0.11%	Elementary School
Kimbrough	55,953	0.11%	Elementary School
Benchley/Weinberger	55,953	0.11%	Elementary School
Hage	55,481	0.11%	Elementary School
Bay Park	54,379	0.11%	Elementary School
Riley	52,850	0.10%	Atypical
Dewey	49,068	0.10%	Elementary School
Jackson	48,264	0.10%	Elementary School
Loma Portal	47,344	0.09%	Elementary School
Cabrillo	46,506	0.09%	Elementary School
Lewis	45,990	0.09%	Middle School
Audubon	45,637	0.09%	Elementary School
Rosa Parks	45,464	0.09%	Elementary School
Gage	44,629	0.09%	Elementary School
Bethune	44,508	0.09%	Elementary School
Fletcher	43,768	0.09%	Elementary School
Marshall	43,253	0.09%	Elementary School
Wangenheim	42,519	0.08%	Middle School
Clay	42,213	0.08%	Elementary School
Foster	41,965	0.08%	Elementary School
Hardy	41,965	0.08%	Elementary School
Lee	41,958	0.08%	Elementary School
Wiggins	41,933	0.08%	Elementary School
Correia	41,933	0.08%	Middle School

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
PROPOSITION S AND Z GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 – PROPOSITION S AND Z EXPENDITURES BY SITE LOCATION (Continued)

<u>Proposition S School Site</u>	<u>Amount</u>	<u>Percent</u>	<u>Type</u>
Hearst	\$ 41,847	0.08%	Elementary School
Golden Hill	40,565	0.08%	Elementary School
Hawthorne	39,509	0.08%	Elementary School
Longfellow	39,174	0.08%	Elementary School
Cubberly	36,704	0.07%	Elementary School
Jones	36,704	0.07%	Elementary School
Webster	35,781	0.07%	Elementary School
Mason	34,180	0.07%	Elementary School
Lindbergh/Schweitzer	34,180	0.07%	Elementary School
Jefferson	33,050	0.07%	Elementary School
Logan	32,950	0.07%	Elementary School
Ocean Beach	32,585	0.06%	Elementary School
Florence	32,435	0.06%	Elementary School
Taft	30,501	0.06%	Middle School
Gompers West	28,010	0.06%	High School
Tierransanta	27,292	0.05%	Elementary School
Spreckels	23,585	0.05%	Elementary School
Oak Park	23,416	0.05%	Elementary School
Porter	23,197	0.05%	Elementary School
Memorial	21,026	0.04%	Middle School
Carver	20,979	0.04%	Elementary School
De Portola	20,295	0.04%	Middle School
Roosevelt	17,045	0.03%	Middle School
McKinley	16,976	0.03%	Elementary School
Sequoia	14,139	0.03%	Elementary School
Vista Grande	12,079	0.02%	Elementary School
Anderson	11,929	0.02%	Elementary School
Paradise Hills	11,798	0.02%	Elementary School
Clark	11,758	0.02%	Middle School
Penn	11,740	0.02%	Elementary School
Ross	11,393	0.02%	Elementary School
Muirlands	11,393	0.02%	Middle School
Brooklyn	9,240	0.02%	Elementary School
Alcott	7,010	0.01%	Elementary School
Sunset View	6,162	0.01%	Elementary School
San Diego Metro Career & Tech	5,817	0.01%	Atypical
Barnard	3,081	0.01%	Elementary School
Perkins	2,897	0.01%	Elementary School
Pacific Beach MS	2,322	0.00%	Middle School
Garfield HS	1,889	0.00%	High School
Miramar Area New Twin Schools	1,832	0.00%	Elementary School
Nye	1,402	0.00%	Elementary School
Torrey Pines	1,015	0.00%	Elementary School
Pacific Beach	847	0.00%	Elementary School
Silver Gate	655	0.00%	Elementary School
Miramar Ranch	622	0.00%	Elementary School
Rodriguez	531	0.00%	Elementary School

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
PROPOSITION S AND Z GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 – PROPOSITION S AND Z EXPENDITURES BY SITE LOCATION (Continued)

<u>Proposition S School Site</u>	<u>Amount</u>	<u>Percent</u>	<u>Type</u>
Normal Heights	\$ 481	0.00%	Elementary School
Whitman	372	0.00%	Elementary School
Marvin	354	0.00%	Elementary School
King	340	0.00%	Elementary School
Toler	300	0.00%	Elementary School
Education Center	(127)	0.00%	Atypical
Marston	<u>(730)</u>	<u>0.00%</u>	Middle School
 Total school site expenditures	 <u>\$ 46,905,715</u>	 <u>92.77%</u>	
 <u>Proposition S Program Expenditures</u>	 <u>Amount</u>	 <u>Percent</u>	
Facilities planning and construction	\$ 3,365,563	6.66%	
Debt services	190,375	0.00%	
Communications	11,246	0.00%	
Other outgo	<u>90,023</u>	<u>0.00%</u>	
 Total program expenditures	 <u>3,657,207</u>	 <u>7.23%</u>	
 Total expenditures	 <u>\$ 50,562,922</u>	 <u>100.00%</u>	

The following table presents the expenditure amounts by project for Proposition Z for the fiscal year ended June 30, 2015.

<u>Proposition Z School Site</u>	<u>Amount</u>	<u>Percent</u>	<u>Type</u>
Henry	\$ 22,768,441	9.01%	High School
Mission Bay	9,959,723	3.94%	High School
O'Farrell Community	8,836,764	3.50%	Atypical
Kearny	8,307,102	3.29%	High School
Bell	6,940,212	2.75%	Middle School
Scripps Ranch	6,149,584	2.43%	Middle School
Pershing	6,115,107	2.42%	Middle School
Clairemont	5,583,025	2.21%	High School
Morse	5,278,803	2.09%	High School
SCPA	4,268,977	1.69%	Atypical
Encanto	3,834,628	1.52%	Elementary School
Lewis	3,456,298	1.37%	Middle School
Rosa Parks	3,257,545	1.29%	Elementary School
Jonas Salk Elementary	3,070,425	1.21%	Elementary School
Fulton	2,763,059	1.09%	Elementary School
Marshall	2,706,958	1.07%	Middle School
De Portola	2,653,518	1.05%	Middle School
Zamarano	2,346,439	0.93%	Elementary School
San Diego	2,245,904	0.89%	High School

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
PROPOSITION S AND Z GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 – PROPOSITION S AND Z EXPENDITURES BY SITE LOCATION (Continued)

<u>Proposition Z School Site</u>	<u>Amount</u>	<u>Percent</u>	<u>Type</u>
Hearst	\$ 2,207,695	0.87%	Elementary School
Rolando Park	2,200,973	0.87%	Elementary School
Foster	2,170,943	0.86%	Elementary School
Oak Park	2,127,164	0.84%	Elementary School
Marvin	2,104,733	0.83%	Elementary School
University City High	2,069,303	0.82%	High School
Lee	2,064,627	0.82%	Elementary School
Angier	2,062,478	0.82%	Elementary School
Gage	1,985,181	0.79%	Elementary School
Paradise Hills	1,963,321	0.78%	Elementary School
Gompers East	1,928,693	0.76%	Atypical
Freese	1,902,536	0.75%	Elementary School
Carver	1,868,311	0.74%	Elementary School
Keiller	1,852,640	0.73%	Elementary School
Dana	1,838,230	0.73%	Middle School
Mira Mesa	1,817,333	0.72%	High School
Holmes	1,811,212	0.72%	Elementary School
Nye	1,773,629	0.70%	Elementary School
Audubon	1,733,622	0.69%	Elementary School
Hage	1,699,602	0.67%	Elementary School
Franklin	1,617,169	0.64%	Elementary School
Dingeman	1,546,428	0.61%	Elementary School
Perry	1,500,799	0.59%	Elementary School
Longfellow	1,469,458	0.58%	Elementary School
Boone	1,458,628	0.58%	Middle School
High Tech High	1,455,122	0.58%	High School
Balboa	1,440,996	0.57%	Elementary School
Kroc	1,417,739	0.56%	Atypical
Standley	1,388,856	0.55%	Elementary School
Horton	1,383,151	0.55%	Middle School
Chollas	1,378,229	0.55%	Elementary School
Crawford	1,301,596	0.52%	High School
Curie	1,286,636	0.51%	Elementary School
Grant	1,254,237	0.50%	Atypical
Clay	1,225,590	0.48%	Elementary School
Hoover	1,223,836	0.48%	High School
Johnson	1,204,532	0.48%	Elementary School
Valencia Park	1,177,617	0.47%	Elementary School
Serra	1,134,466	0.45%	High School
Clark	1,073,514	0.42%	Middle School
Whittier	1,058,214	0.42%	Elementary School
Hardy	1,054,157	0.42%	Elementary School
Webster	1,044,423	0.41%	Elementary School
Kumeyaay	980,656	0.39%	Elementary School
Taft	954,481	0.38%	Middle School
Challenger	900,945	0.36%	Middle School
Mann	884,420	0.35%	Middle School

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SAN DIEGO UNIFIED SCHOOL DISTRICT
PROPOSITION S AND Z GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 – PROPOSITION S AND Z EXPENDITURES BY SITE LOCATION (Continued)

<u>Proposition Z School Site</u>	<u>Amount</u>	<u>Percent</u>	<u>Type</u>
Lincoln	\$ 719,973	0.28%	High School
Wangenheim	694,251	0.27%	Middle School
Point Loma	673,638	0.27%	High School
Adams	664,953	0.26%	Elementary School
Downtown Library School	660,139	0.26%	Atypical
Emerson	636,759	0.25%	Middle School
Wilson	625,640	0.25%	Middle School
Roosevelt	587,885	0.23%	Middle School
Miramar Ranch	583,714	0.23%	Elementary School
La Jolla HS	563,978	0.22%	Elementary School
Penn	560,491	0.22%	Middle School
Language Acad	556,242	0.22%	Elementary School
Pacific Beach MS	551,716	0.22%	Middle School
Loma Portal	548,354	0.22%	Elementary School
Harriet Tubman Village	540,798	0.21%	Elementary School
Hancock	507,329	0.20%	Middle School
Joyner	494,760	0.20%	Elementary School
Marshall MS	467,690	0.19%	Elementary School
Sandburg	464,175	0.18%	Elementary School
Mason	456,385	0.18%	Elementary School
Madison	446,793	0.18%	Elementary School
Green	435,421	0.17%	Middle School
Knox	431,340	0.17%	Elementary School
Muirlands	413,197	0.16%	Elementary School
Hamilton	403,473	0.16%	Middle School
Spreckels	380,405	0.15%	Elementary School
Riley	379,488	0.15%	Elementary School
Benchley/Weinberger	367,305	0.15%	Elementary School
Miller	361,260	0.14%	Elementary School
McKinley	360,962	0.14%	Elementary School
Lindbergh/Schweitzer	359,605	0.14%	Elementary School
Sunset View	359,471	0.14%	Middle School
Garfield HS	347,751	0.14%	High School
Sequoia	338,757	0.13%	Elementary School
Jones	335,696	0.13%	Middle School
Montgomery	324,305	0.13%	Elementary School
Doyle	323,717	0.13%	Elementary School
Ocean Beach	322,753	0.13%	Elementary School
Marston	317,566	0.13%	Middle School
Correia	315,467	0.12%	Middle School
Ericson	311,444	0.12%	Elementary School
Cherokee Point	310,066	0.12%	Elementary School
Farb	308,857	0.12%	Elementary School
Chesterton	300,551	0.12%	Elementary School
Bayview Terrace	300,134	0.12%	Elementary School
Memorial	289,088	0.11%	Middle School

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
PROPOSITION S AND Z GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 – PROPOSITION S AND Z EXPENDITURES BY SITE LOCATION (Continued)

<u>Proposition Z School Site</u>	<u>Amount</u>	<u>Percent</u>	<u>Type</u>
Chavez	\$ 288,805	0.11%	Elementary School
Perkins	285,126	0.11%	Elementary School
Edison	284,005	0.11%	Elementary School
Lafayette	282,579	0.11%	Elementary School
Walker	276,412	0.11%	Elementary School
Silver Gate	272,823	0.11%	Elementary School
Juarez	271,204	0.11%	Elementary School
Birney	262,374	0.10%	Elementary School
Baker	258,335	0.10%	Elementary School
Hickman	257,481	0.10%	Elementary School
Logan	254,533	0.10%	Elementary School
Audeo New Property	245,724	0.10%	Atypical
Dailard	244,667	0.10%	Atypical
Sessions	242,815	0.10%	Elementary School
Gompers West	242,573	0.10%	Atypical
MacDowell	241,720	0.10%	Middle School
Whitman	234,341	0.09%	Elementary School
Vista Grande	232,517	0.09%	Elementary School
Porter	229,985	0.09%	Elementary School
Crown Point	228,614	0.09%	Elementary School
Fletcher	227,998	0.09%	Elementary School
Bethune	221,167	0.09%	Elementary School
Carson	214,198	0.08%	Elementary School
Golden Hill	209,939	0.08%	Elementary School
Sherman	209,458	0.08%	Elementary School
Jefferson	206,912	0.08%	Elementary School
Rodriguez	199,636	0.08%	Elementary School
Brooklyn	196,425	0.08%	Elementary School
Central	183,869	0.07%	Elementary School
Tierrasanta	183,142	0.07%	Elementary School
Torrey Pines	181,730	0.07%	Elementary School
Bird Rock	178,048	0.07%	Elementary School
Ibarra	177,256	0.07%	Elementary School
Linda Vista	173,044	0.07%	Elementary School
Hawthorne	171,262	0.07%	Elementary School
Wegeforth	170,833	0.07%	Elementary School
Euclid	169,382	0.07%	Elementary School
La Jolla	164,678	0.07%	Elementary School
Learning Choice Academy	162,509	0.06%	Atypical
Jerabek	160,769	0.06%	Elementary School
E.B. Scripps	154,635	0.06%	Elementary School
Jackson	150,737	0.06%	Elementary School
Field	150,011	0.06%	Elementary School
Twain Main Jr/Sr High	141,030	0.06%	Atypical
San Diego Early / Mid College	138,041	0.05%	Atypical
Kimbrough	137,135	0.05%	Elementary School
Washington	135,863	0.05%	Elementary School

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SAN DIEGO UNIFIED SCHOOL DISTRICT
PROPOSITION S AND Z GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 – PROPOSITION S AND Z EXPENDITURES BY SITE LOCATION (Continued)

<u>Proposition Z School Site</u>	<u>Amount</u>	<u>Percent</u>	<u>Type</u>
Ross	\$ 135,174	0.05%	Elementary School
Dewey	133,475	0.05%	Elementary School
Bay Park	130,447	0.05%	Elementary School
Florence	129,612	0.05%	Elementary School
North Park	125,382	0.05%	Elementary School
Darnall E-Campus	123,091	0.05%	Atypical
Rowan	122,751	0.05%	Elementary School
Normal Heights	120,241	0.05%	Elementary School
Fay	116,235	0.05%	Elementary School
Fremont	113,043	0.04%	Elementary School
Wiggins	112,973	0.04%	Elementary School
Ocean Discovery	112,184	0.04%	Elementary School
Pacific Beach	109,826	0.04%	Elementary School
Anderson	103,297	0.04%	Elementary School
Toler	97,878	0.04%	Elementary School
Cubberly	97,790	0.04%	Elementary School
King-Chavez Community High	97,247	0.04%	Elementary School
Cadman	92,777	0.04%	Elementary School
King	86,122	0.03%	Elementary School
Alcott	83,400	0.03%	Elementary School
Cabrillo	81,112	0.03%	Elementary School
Maintenance Unit	76,657	0.03%	Other District Sites
Garfield	75,196	0.03%	Elementary School
Charter School of San Diego	73,745	0.03%	Atypical
Burbank	73,024	0.03%	Elementary School
Cleveland	53,385	0.02%	Elementary School
Twain at Morse HS	52,807	0.02%	Atypical
Preuss School UCSD	49,949	0.02%	Atypical
King-Chavez Preparatory	45,392	0.02%	High School
High Tech Middle Media Arts	38,600	0.02%	High School
Innovations Academy	38,106	0.02%	Atypical
Museum School	37,576	0.01%	Atypical
San Diego Cooperative	37,411	0.01%	Atypical
King-Chavez Primary Academy	37,084	0.01%	Atypical
Health Sciences High	35,051	0.01%	High School
Old Town Academy K-8 Charter	30,730	0.01%	Atypical
Explorer Elementary	29,544	0.01%	Elementary School
Marcy Ave Complex	26,215	0.01%	Atypical
Spring Canyon Site	23,817	0.01%	Atypical
America's Finest	21,350	0.01%	Atypical
KIPP Adelante	20,573	0.01%	Atypical
McGill School of Success	20,516	0.01%	Atypical
Laurel Preparatory Academy	18,165	0.01%	Other District Sites
Linda Vista Annex	15,444	0.01%	Atypical
High Tech Middle	14,081	0.01%	Middle School
Epiphany Prep Charter School	13,971	0.01%	Atypical
Coleman Tech Charter High	13,107	0.01%	Atypical

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITION S AND Z GENERAL OBLIGATION BONDS
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 June 30, 2015

NOTE 8 – PROPOSITION S AND Z EXPENDITURES BY SITE LOCATION (Continued)

<u>Proposition Z School Site</u>	<u>Amount</u>	<u>Percent</u>	<u>Type</u>
King-Chavez Arts Academy	\$ 6,587	0.00%	Atypical
San Diego Metro Career & Tech	6,070	0.00%	Atypical
Bandini	5,525	0.00%	Elementary School
SD Global Vision Middle Acad	4,500	0.00%	Atypical
High Tech High Media Arts	2,294	0.00%	High School
Education Center	1,900	0.00%	Other District Sites
Barnard	600	0.00%	Elementary School
San Diego High Ed Complex	242	0.00%	High School
Benchley	239	0.00%	Elementary School
Health Sciences High	<u>(14,425)</u>	<u>-0.01%</u>	Atypical
 Total school site expenditures	 <u>\$ 217,459,800</u>	 <u>86.04%</u>	

<u>Proposition Z Program Expenditures</u>	<u>Amount</u>	<u>Percent</u>
Facilities Construction	\$ 20,697,954	8.19%
Facilities Planning & Const.	12,482,383	4.94%
Strategic Sourcing Department	832,117	0.33%
Legal Services	331,880	0.13%
PPO Support Services	240,693	0.10%
Info & Technology Support Svcs	189,863	0.08%
Fin Plan Monitor & Account	165,421	0.07%
Educational Technology	134,757	0.05%
Communications	113,011	0.04%
Accounts Payable	83,566	0.03%
Special Projects	<u>4,998</u>	<u>0.00%</u>
 Total program expenditures	 <u>35,276,643</u>	 <u>13.96%</u>
 Total expenditures	 <u>\$ 252,736,443</u>	 <u>100.00%</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITION S AND Z GENERAL OBLIGATION BONDS
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2015

NOTE 9 – PROPOSITION S AND Z EXPENDITURES BY CATEGORY

Proposition S <u>Expenditures by Category</u>	<u>Amount</u>	<u>Percent</u>
Middle School	\$ 18,708,185	37.00%
High School	15,125,921	29.92%
Elementary School	12,513,774	24.75%
Program Expenditures	3,657,207	7.23%
Atypical	<u>557,835</u>	<u>1.10%</u>
Total Expenditures	<u>\$ 50,562,922</u>	<u>100.00%</u>

Proposition Z <u>Expenditures by Category</u>	<u>Amount</u>	<u>Percent</u>
Elementary School	\$ 88,785,066	35.13%
High School	65,007,595	25.72%
Middle School	43,391,100	17.17%
Program Expenditures	35,276,643	13.96%
Atypical	20,179,317	7.98%
Other District Sites	<u>96,722</u>	<u>0.04%</u>
Total Expenditures	<u>\$ 252,736,443</u>	<u>100.00%</u>

SUPPLEMENTARY INFORMATION

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITION S AND Z GENERAL OBLIGATION BONDS
 BUDGETARY COMPARISON SCHEDULE - PROPOSITION S
 June 30, 2015

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues:				
Other local sources	\$ 187,000	\$ 342,967	\$ 337,351	\$ (5,616)
Expenditures:				
Classified salaries	1,013,414	975,096	969,197	5,899
Employee benefits	386,803	434,041	404,185	29,856
Books and supplies	86,900	10,287,147	10,062,121	225,026
Services and other operating expenditures	166,570	3,116,826	811,186	2,396,640
Capital outlay	1,721,388	60,758,109	38,226,210	22,531,899
Other outgo	-	90,023	90,023	-
Total expenditures	<u>3,375,075</u>	<u>75,661,242</u>	<u>50,562,922</u>	<u>25,098,320</u>
Deficiency of revenues under expenditures	<u>(3,188,075)</u>	<u>(75,318,275)</u>	<u>(50,225,571)</u>	<u>25,092,704</u>
Other financing sources and uses:				
Transfers out	-	-	(1,100,058)	(1,100,058)
Proceeds from issuance of general obligation bonds	-	27,447,038	27,447,038	-
Premium on issuance of general obligation bonds	-	4,603,360	4,603,360	-
Total other financing sources and uses	<u>-</u>	<u>32,050,398</u>	<u>30,950,340</u>	<u>(1,100,058)</u>
Net change in fund balance	(3,188,075)	(43,267,877)	(19,275,231)	23,992,646
Fund balances, July 1, 2014	<u>84,569,001</u>	<u>84,569,001</u>	<u>84,569,001</u>	<u>-</u>
Fund balances, June 30, 2015	<u>\$ 81,380,926</u>	<u>\$ 41,301,124</u>	<u>\$ 65,293,770</u>	<u>\$ 23,992,646</u>

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITION S AND Z GENERAL OBLIGATION BONDS
 BUDGETARY COMPARISON SCHEDULE - PROPOSITION Z
 June 30, 2015

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues:				
Other local	\$ 596,000	\$ 1,240,809	\$ 1,216,311	\$ (24,498)
Expenditures:				
Classified salaries	8,218,880	8,678,248	6,417,302	2,260,946
Employee benefits	3,447,709	3,626,102	2,682,818	943,284
Books and supplies	881,300	40,242,028	35,975,615	4,266,413
Services and other operating expenditures	17,060,000	12,053,272	9,866,950	2,186,322
Capital outlay	<u>29,954,067</u>	<u>325,512,335</u>	<u>197,793,758</u>	<u>127,718,577</u>
Total expenditures	<u>59,561,956</u>	<u>390,111,985</u>	<u>252,736,443</u>	<u>137,375,542</u>
Deficiency of revenues under expenditures	<u>(58,965,956)</u>	<u>388,871,176</u>	<u>(251,520,132)</u>	<u>137,351,044</u>
Other financing uses:				
Transfers out	-	-	(133,650)	(133,650)
Net change in fund balance	(58,965,956)	(388,871,176)	(251,653,782)	137,217,394
Fund balances, July 1, 2014	<u>392,715,219</u>	<u>392,715,219</u>	<u>392,715,219</u>	-
Fund balances, June 30, 2015	<u>\$ 333,749,263</u>	<u>\$ 3,844,043</u>	<u>\$ 141,061,437</u>	<u>\$ 137,217,394</u>

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITION S AND Z BOND GENERAL OBLIGATION BONDS
 SCHEDULE OF PROPOSITION S AND PROPOSITION Z GENERAL OBLIGATION BONDS
 June 30, 2015

PROPOSITION S AND Z GENERAL OBLIGATION BONDS

As of June 30, 2015, the principal balance outstanding on the District's Proposition S and Z General Obligation Bonds, including accreted interest to date is:

The issued series consist of the various debt instruments as detailed below:

Election of 2008 - Proposition S

	Date of Issue	Interest Rate %	Maturity Date	Amount of Original Issue	Outstanding July 1, 2014	Current Year Additions	Redeemed Year	Outstanding June 30, 2015
Series A	5/7/2009	2.52-6.19	2033	\$ 131,157,581	\$ 128,670,511	\$ -	\$ 1,305,735	\$ 127,364,776
A- Accreted interest				-	17,233,848	33,207,654	234,265	50,207,237
Series B QSCB	4/21/2009	7.87	2023	38,840,000	38,840,000	-	-	38,840,000
Series C	8/18/2010	6.10-6.625	2050	163,869,783	112,548,275	-	-	112,548,275
C- Accreted interest				-	7,300,519	29,804,063	-	37,104,582
Series D QSCB	8/5/2010	5.26	2027	36,130,000	36,130,000	-	-	36,130,000
Series E	5/24/2012	4.89-5.48	2051	149,998,825	149,998,825	-	-	149,998,825
E- Accreted interest				-	-	22,052,253	-	22,052,253
Series F	4/16/2014	1.00-5.00	2016	15,095,000	15,095,000	-	3,170,000	11,925,000
Series G	4/16/2014	5.18-5.58	2038	50,000,726	50,000,726	-	-	50,000,726
G-Accreted interest				-	50,140	1,887,557	-	1,937,697
Series H	6/18/2015	0.50-5.00	2024	31,770,000	-	31,770,000	-	31,770,000
Subtotal of original issue before refunding				585,091,915	555,867,844	118,721,527	4,710,000	669,879,371
R-2 Refunding (various)	3/1/2012	6.625	2042	56,869,830	56,869,830	-	-	56,869,830
R-2 Refunding- accreted interest				-	-	11,360,849	-	11,360,849
Total Proposition S				\$ 641,961,745	\$ 612,737,674	\$ 130,082,376	\$ 4,710,000	\$ 738,110,050

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITION S AND Z BOND GENERAL OBLIGATION BONDS
 SCHEDULE OF PROPOSITION S AND PROPOSITION Z GENERAL OBLIGATION BONDS
 June 30, 2015

PROPOSITION S AND Z GENERAL OBLIGATION BONDS (Continued)

Election of 2012 - Proposition Z

	<u>Date of Issue</u>	<u>Interest Rate %</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Outstanding July 1, 2014</u>	<u>Current Year Additions</u>	<u>Redeemed Year</u>	<u>Outstanding June 30, 2015</u>
Series A	4/30/2013	0.342	2014	\$ 52,500,000	\$ 52,500,000	\$ -	\$ 52,500,000	\$ -
Series A-1	4/30/2013	0.426	2014	3,000,000	3,000,000	-	3,000,000	-
Series B	4/30/2013	1.215	2015	60,500,000	60,500,000	-	60,500,000	-
Series C	4/30/2013	4.00-5.00	2042	414,000,000	414,000,000	-	7,000,000	407,000,000
Total Proposition Z				<u>\$ 530,000,000</u>	<u>\$ 530,000,000</u>	<u>\$ -</u>	<u>\$ 123,000,000</u>	<u>\$ 407,000,000</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITION S AND Z BOND GENERAL OBLIGATION BONDS
 SCHEDULE OF PROPOSITION S AND PROPOSITION Z GENERAL OBLIGATION BONDS
 June 30, 2015

Election of 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 accruing through the applicable maturity date and payable only upon maturity or prior payment of the principal component. Future accreted interest accruals of \$118,467,987 have not been reflected in the long-term debt balance in the schedule above.

The annual requirements to amortize Series A, Proposition S general obligation bonds payable outstanding as of June 30, 2015, are as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Accreted</u> <u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2016	\$ 1,085,319	\$ -	\$ 264,681	\$ 1,350,000
2017	1,004,269	-	315,731	1,320,000
2018	848,543	-	336,457	1,185,000
2019	794,801	-	395,199	1,190,000
2020	4,952,880	3,999,900	3,047,120	11,999,900
2021-2025	4,144,236	39,999,000	5,480,764	49,624,000
2026-2030	31,125,240	39,999,000	59,024,760	130,149,000
2031-2034	<u>83,409,488</u>	<u>20,829,600</u>	<u>98,810,512</u>	<u>204,049,600</u>
Total	<u>\$ 127,364,776</u>	<u>\$ 104,827,500</u>	<u>\$ 168,675,224</u>	<u>\$ 400,867,500</u>

Election of 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.

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.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITION S AND Z BOND GENERAL OBLIGATION BONDS
 SCHEDULE OF PROPOSITION S AND PROPOSITION Z GENERAL OBLIGATION BONDS
 June 30, 2015

Election of 2008, Series B (Continued)

The annual requirements to amortize Series B, Proposition S general obligation bonds payable outstanding as of June 30, 2015, are as follows:

Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2016	\$ -	\$ -	\$ -
2017	-	-	-
2018	-	-	-
2019	3,840,000	-	3,840,000
2020	4,500,000	-	4,500,000
2021-2024	<u>30,500,000</u>	<u>-</u>	<u>30,500,000</u>
Total	<u>\$ 38,840,000</u>	<u>\$ -</u>	<u>\$ 38,840,000</u>

Election of 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 accruing through the applicable maturity date and payable only upon maturity or prior payment of the principal component. Future accreted interest accruals of \$567,197,143 have not been reflected in the long-term debt balance in the schedule above.

The annual requirements to amortize Series C, Proposition S general obligation bonds payable outstanding as of June 30, 2015, are as follows:

Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Accreted Interest</u>	<u>Total Debt Service</u>
2016	\$ -	\$ -	\$ -	\$ -
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021-2025	-	-	-	-
2026-2030	-	-	-	-
2031-2035	22,214,895	25,772,906	61,165,105	109,152,906
2036-2040	29,689,941	28,636,562	135,965,059	194,291,562
2041-2045	29,231,421	28,636,562	205,223,579	263,091,562
2046-2050	30,932,710	17,935,201	200,677,290	249,545,201
2051	<u>479,308</u>	<u>57,969</u>	<u>1,270,692</u>	<u>1,807,969</u>
Total	<u>\$ 112,548,275</u>	<u>\$ 101,039,200</u>	<u>\$ 604,301,725</u>	<u>\$ 817,899,200</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITION S AND Z BOND GENERAL OBLIGATION BONDS
 SCHEDULE OF PROPOSITION S AND PROPOSITION Z GENERAL OBLIGATION BONDS
 June 30, 2015

Election of 2008, Series D

Qualified School Construction Bonds

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

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

The annual requirements to amortize Series D, Proposition S general obligation bonds payable outstanding as of June 30, 2015, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2016	\$ -	\$ 136,832	\$ 136,832
2017	-	136,832	136,832
2018	-	136,832	136,832
2019	-	136,832	136,832
2020	-	136,832	136,832
2021-2025	7,000,000	410,495	7,410,495
2026-2028	<u>29,130,000</u>	<u>-</u>	<u>29,130,000</u>
Total	<u>\$ 36,130,000</u>	<u>\$ 1,094,655</u>	<u>\$ 37,224,655</u>

Election of 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 accruing through the applicable maturity date and payable only upon maturity or prior payment of the principal component. Future accreted interest accruals of \$430,175,614 have not been reflected in the long-term debt balance in the schedule above.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITION S AND Z BOND GENERAL OBLIGATION BONDS
 SCHEDULE OF PROPOSITION S AND PROPOSITION Z GENERAL OBLIGATION BONDS
 June 30, 2015

Election of 2008, Series E (Continued)

The annual requirements to amortize Series E, Proposition S general obligation bonds payable outstanding as of June 30, 2015, are as follows:

Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Accreted Interest</u>	<u>Total Debt Service</u>
2016	\$ -	\$ -	\$ -	\$ -
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021-2025	-	-	-	-
2026-2030	-	-	-	-
2031-2035	15,097,128	35,159,969	29,087,872	79,344,969
2036-2040	26,489,985	66,424,831	52,420,015	145,334,831
2041-2045	30,583,505	49,846,534	57,601,495	138,031,534
2046-2050	60,382,849	10,354,266	189,900,832	260,637,947
2051-2052	<u>17,445,358</u>	<u>-</u>	<u>123,217,653</u>	<u>140,663,011</u>
Total	<u>\$ 149,998,825</u>	<u>\$ 161,785,600</u>	<u>\$ 452,227,867</u>	<u>\$ 764,012,292</u>

Election of 2008, Series F

The annual requirements to amortize Series F, Proposition S general obligation bonds payable outstanding as of June 30, 2015, are as follows:

Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2016	\$ -	\$ 144,315	\$ 144,315
2017	<u>11,295,000</u>	<u>298,125</u>	<u>12,223,125</u>
Total	<u>\$ 11,925,000</u>	<u>\$ 442,440</u>	<u>\$ 12,367,440</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITION S AND Z BOND GENERAL OBLIGATION BONDS
 SCHEDULE OF PROPOSITION S AND PROPOSITION Z GENERAL OBLIGATION BONDS
 June 30, 2015

Election of 2008, Series G

Capital appreciation bonds were issued as part of Series G issuance. Prior to their applicable maturity dates, each capital appreciation bond will accrete interest on the principal component, with all interest accruing through the applicable maturity date and payable only upon maturity or prior payment of the principal component. Future accreted interest accruals of \$105,016,577 have not been reflected in the long-term debt balance in the schedule above.

The annual requirements to amortize Series G, Proposition S general obligation bonds payable outstanding as of June 30, 2015, are as follows:

Year Ended June 30,	<u>Principal</u>	<u>Accreted Interest</u>	<u>Total Debt Service</u>
2016	\$ -	\$ -	\$ -
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021-2025	-	-	-
2026-2030	-	-	-
2031-2035	21,245,220	36,389,780	57,635,000
2036-2039	<u>28,755,506</u>	<u>70,564,494</u>	<u>99,320,000</u>
Total	<u>\$ 50,000,726</u>	<u>\$ 106,954,274</u>	<u>\$ 156,955,000</u>

Election of 2008, Series H

The annual payments required to amortize Series H, Proposition S general obligation bonds outstanding as of June 30, 2015, are as follows:

Year Ended June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2016	\$ -	\$ 672,348	\$ 672,348
2017	910,000	1,327,645	2,237,645
2018	1,240,000	1,318,860	2,558,860
2019	1,240,000	1,294,290	2,534,290
2020	-	1,275,150	1,275,150
2021-2025	<u>28,380,000</u>	<u>3,889,685</u>	<u>32,269,685</u>
Total	<u>\$ 31,770,000</u>	<u>\$ 9,777,978</u>	<u>\$ 41,547,978</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITION S AND Z BOND GENERAL OBLIGATION BONDS
 SCHEDULE OF PROPOSITION S AND PROPOSITION Z GENERAL OBLIGATION BONDS
 June 30, 2015

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 totaling \$51,321,508. 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 \$128,321,572 have not been reflected in the long-term debt balance in the schedule above.

The annual payments required to amortize the Series R-2, Proposition S general obligation bonds outstanding as of June 30, 2015, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Accreted Interest</u>	<u>Total Debt Service</u>
2016	\$ -	\$ -	\$ -	\$ -
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021-2025	-	-	-	-
2026-2030	-	-	-	-
2031-2035	-	55,862,663	-	55,862,663
2036-2040	-	62,069,625	-	62,069,625
2041-2043	<u>56,869,830</u>	<u>12,003,175</u>	<u>130,510,170</u>	<u>199,383,175</u>
Total	<u>\$ 56,869,830</u>	<u>\$ 129,935,463</u>	<u>\$ 130,510,170</u>	<u>\$ 317,315,463</u>

Election of 2013, Series C

The annual payments required to amortize the Series C, Proposition Z general obligation bonds outstanding as of June 30, 2015, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2016	\$ -	\$ 8,596,950	\$ 8,596,950
2017	-	17,193,900	17,193,900
2018	-	17,193,900	17,193,900
2019	-	17,193,900	17,193,900
2020	905,000	17,184,850	18,089,850
2021-2025	12,765,000	85,130,175	97,895,175
2026-2030	31,150,000	80,290,550	111,440,550
2031-2035	59,430,000	69,464,750	128,894,750
2036-2040	135,210,000	49,179,725	184,389,725
2041-2043	<u>167,540,000</u>	<u>10,722,800</u>	<u>178,262,800</u>
Total	<u>\$ 407,000,000</u>	<u>\$ 372,151,500</u>	<u>\$ 779,151,500</u>

(Continued)

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 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 San Diego Unified School District (the "District") Proposition S General Obligation Bonds and Proposition Z General Obligation Bonds (the "Bonds") activity included in the Building Fund of the District, as of and for the year ended June 30, 2015, and related notes to the financial statements and have issued our report thereon dated November 30, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered San Diego Unified School District Proposition S General Obligation Bonds and Proposition Z General Obligation Bonds activity included in the Building Fund of the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of San Diego Unified School District Proposition S General Obligation Bonds and Proposition Z General Obligation Bonds activity included in the Building Fund of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of San Diego Unified School District Proposition S General Obligation Bonds and Proposition Z General Obligation Bonds activity included in the Building Fund of the District's internal control.

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

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

(Continued)

Compliance and Other Matters

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

Purpose of this Report

This purpose of this report is intended solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, 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 *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe Horwath LLP

Crowe Horwath LLP

Sacramento, California
November 30, 2015

SAN DIEGO UNIFIED SCHOOL DISTRICT
PROPOSITION S AND Z BOND BUILDING FUND
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
June 30, 2015

No matters were reported.

SAN DIEGO UNIFIED SCHOOL DISTRICT
PROPOSITION S AND Z BOND BUILDING FUND
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS
June 30, 2015

No matters were reported.