SAN DIEGO UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS

June 30, 2020

SAN DIEGO UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020

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SAN DIEGO UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020

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Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

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

Report on the 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, 2020, 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, 2020, 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)

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 14 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 78 to 83 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 2, 2020 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

Crowe LLP

Sacramento, California
December 2, 2020

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, 2020. 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, 2020 was ($172.47) million, compared to ($284.70) million for the year ending June 30, 2019. The change in total net position is due to an increase in net investment of long-term capital assets which provided a positive change to total net position of $112.2 million.

- Overall revenues were $1,987.91 million, which was greater than expenses of $1,875.67 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, such as Associated Student Bodies and pension 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 ($172.47) million at June 30, 2020, as reflected in the table below. Of this amount, ($1,765.97) 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		
	2020	**2019**	**Net Change**
Assets			
Current and other assets	$ 1,588,991,137	$ 1,757,259,834	$ (168,268,697)
Capital assets	4,395,689,434	3,828,752,093	566,937,341
Total Assets	5,984,680,571	5,586,011,927	398,668,644
DEFERRED OUTFLOWS OF RESOURCES	430,994,119	442,656,489	(11,662,370)
LIABILITIES			
Current liabilities	283,424,562	233,309,717	50,114,845
Long-term liabilities	6,138,063,548	5,903,131,585	234,931,963
Total Liabilities	6,421,488,110	6,136,441,302	285,046,808
DEFERRED INFLOWS OF RESOURCES	166,652,328	176,930,060	(10,277,732)
NET POSITION			
Net investment in capital assets	911,010,582	794,237,716	116,772,866
Restricted	682,494,262	639,840,618	42,653,644
Unrestricted	(1,765,970,592)	(1,718,781,280)	(47,189,312)
Total Net Position	$ (172,465,748)	$ (284,702,946)	$ 112,237,198

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	2020	2019	Net Change
Program revenues			
Charges for services	$ 23,754,584	$ 6,239,967	$ 17,514,617
Operating grants and contributions	395,178,069	434,213,992	(39,035,923)
Capital grants and contributions	5,520,180	8,452,979	(2,932,799)
General revenues			-
Property taxes	1,306,198,126	1,104,711,954	201,486,172
Unrestricted federal and state aid	212,859,849	269,894,877	(57,035,028)
Other	44,401,108	55,664,707	(11,263,599)
Total Revenues	1,987,911,916	1,879,178,476	108,733,440
EXPENSES			
Instruction	935,127,437	919,434,430	15,693,007
Instruction-related services	166,610,707	157,448,178	9,162,529
Pupil services	236,560,756	237,099,848	(539,092)
General administration	65,258,582	59,113,709	6,144,873
Plant services	126,781,983	127,044,897	(262,914)
Ancillary and community services	5,627,279	6,066,137	(438,858)
Debt service	196,514,915	131,819,329	64,695,586
Other outgo	16,791,824	11,390,501	5,401,323
Loss on defeassance	-	-	-
Depreciation	122,997,948	116,791,532	6,206,416
Enterprise activities	3,403,287	(146,661)	3,549,948
Total Expenses	1,875,674,718	1,766,061,900	109,612,818
Change in net position	112,237,198	113,116,576	(879,378)
Net Position - Beginning	(284,702,946)	(397,819,522)	113,116,576
Net Position - Ending	$ (172,465,748)	$ (284,702,946)	$ 112,237,198

As reported in the Statement of Activities on page (*16*), the net cost of all our governmental activities this year was $1,875.67 million. The amount ultimately that financed these activities through taxes and State Aid was $1,519.06 million, the cost paid by those who benefitted from the programs was $23.75 million, the costs from capital grants and contributions are $5.52 million, the costs paid by other governments and organizations who subsidized certain programs with grants and contributions were $395.18 million and other revenues contributed $44.40 million.

	Net Cost of Services	
	2020	**2019**
Instruction	$ 935,127,437	$ 919,434,430
Instruction-related services	166,610,707	157,448,178
Pupil services	236,560,756	237,099,848
General administration	65,258,582	59,113,709
Plant services	126,781,983	127,044,897
Ancillary and community services	5,627,279	6,066,137
Debt service	196,514,915	131,819,329
Other outgo	16,791,824	11,390,501
Depreciation	122,997,948	116,791,532
Enterprise activities	3,403,287	(146,661)
Total Expenses	$ 1,875,674,718	$ 1,766,061,900

FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed this year, its governmental funds reported a combined fund balance of $1,243.39 million, which is less than last year ending fund balance of $1,445.68 million. The District's General Fund had $17.26 million less in operating revenues than expenditures for the year ended June 30, 2020. The District's Building Fund had $606.53 million less in operating revenues than expenditures for the year ended June 30, 2020. The District's Bond Interest and Redemption Fund had $48.97 million more in operating revenues than expenditures for the year ended June 30, 2020. The District's Non-Major Governmental Funds, which includes County School Facilities Fund, had $11.76 million less in operating revenues than expenditures for the year ended June 30, 2020.

CURRENT YEAR BUDGET 2019-20

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 grants and special projects of $33.68 million and Local grants and special projects of $14.62 million and a slight increase to State revenue of $1.71 million.

- Expenditures that were appropriated during the year which were not included in the originally adopted budget – Salaries and Benefits of ($6.67) million, Books and Supplies of $34.01 million, Services and Other Operating Expenses of $15.96 million, and Capital Outlay of $14.99 million.

With these adjustments, actual revenues available were $13.98 million below the final budgeted amounts. The most significant variances resulted from:

- Federal revenues were $27.62 million below final budget amounts. NCLB/ESSA grants were $23.17 million below appropriations and the Magnet School Assistant Program was $1.0 million below appropriations. Three other Federal grants from the Department of Defense Office of Economic Adjustment had a combined total of $3.45 million below appropriations, which largely represents grant money awarded but not spent by June 30, 2020.

- State revenues were $9.28 million above final budget amounts. STRS on-Behalf Pension Contribution was the reason for being above the appropriation amount.

- Local revenues were $1.90 million above final budget amounts. Interest from the County Treasury was over by $2.09 million.

Actual expenditures were $44.24 million below the final budgeted amounts. The most significant variances resulted from:

- Salaries and benefits were $4.86 million above final budget amounts that includes the adjustment for STRS On-Behalf Pension Contribution. This was mostly due to additional compensation paid to staff that were required to report to a school site or department and/or employees who were required to meet with the public or other employees while the district remained closed due to the COVID-19 pandemic.

- Books and Supplies were $41.29 million below final budget amounts. This was due to the closure of the District from March 16, 2020 through the end of the fiscal year from COVID-19.

- Contract Services, Operating Expenditures and Other outgo were $4.41 million below final budget amounts. This was due to the closure of the District from March 16, 2020 through the end of the fiscal year from COVID-19.

- Capital Outlay was $3.40 million below final budget amounts. This was due to the closure of the District from March 16, 2020 through the end of the fiscal year from COVID-19.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2019-20, the District had invested $4,395.69 million in capital assets, net of depreciation.

	Governmental Activities		
	2020	**2019**	**Net Change**
CAPITAL ASSETS			
Land	$ 323,980,239	$ 290,471,459	$ 33,508,780
Construction in progress	2,148,056,052	1,842,939,994	305,116,058
Land Improvements	403,746,763	330,956,849	72,789,914
Buildings & Improvements	2,740,436,777	2,473,920,514	266,516,263
Furniture & Equipment	284,883,777	276,320,036	8,563,741
Accumulated depreciation	(1,505,414,174)	(1,385,856,759)	(119,557,415)
Total Capital Assets	$ 4,395,689,434	$ 3,828,752,093	$ 566,937,341

Long-Term Debt

At year-end, the District had $6,138.06 million in long-term debt, an increase from last year – as shown in the table below. (More detailed information about the District's long-term liabilities is presented in footnotes to the financial statements).

	Governmental Activities		
	2020	**2019**	**Net Change**
LONG-TERM LIABILITIES			
Total General Obligation Bonds	$ 4,411,004,171	$ 4,184,726,261	$ 226,277,910
Net Pension Liability	1,449,568,000	1,438,498,000	11,070,000
Compensated Absences	38,185,704	34,507,093	3,678,611
SERP Liability	31,774,460	47,764,675	(15,990,215)
Claims Liability	71,651,000	69,533,000	2,118,000
Net OPEB obligation	135,880,213	128,102,556	7,777,657
Total Long-Term Liabilities	$ 6,138,063,548	$ 5,903,131,585	$ 234,931,963

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 K totaling $862 million. As of June 30, 2020, the principal balance, including outstanding accreted interest and refunding bonds, on the Proposition S Bonds was $1.149 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 L totaling $2.1 billion. As of June 30, 2020, the principal balance on the Proposition Z Bonds was $1.651 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 C-2 totaling $350 million. As of June 30, 2020, the principal balance on the Measure YY Bonds was $342 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 2019-2020		
	Proposition S	**Proposition Z**	**Measure YY**
Elementary Schools	$ 3,424,407	$ 106,315,176	$ 63,732,307
Middle Schools	25,535,378	49,342,682	37,574,355
High Schools	7,033,141	136,196,027	36,167,108
Program Expenditures	707,133	29,603,459	31,606,004
Atypical	63,629	1,465,600	2,661,247
Charter	2,937,278	27,352,217	38,980,899
Other District Sites	-	407,686	22,418,884
Leased Site			18,100
Total Expenditures	$ 39,700,966	$ 350,682,847	$ 233,158,904

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES FOR 2020/21

On March 13, 2020, California Governor Gavin Newsom issued Executive Order N-26-20, proclaiming a State of Emergency to exist in California as a result of the threat of the COVID-19 virus, and providing that if any California school districts, county offices of education, and charter schools (each a "Local Educational Agency" or "LEA") closes its schools to address COVID-19, the LEA will continue to receive state funding during the period of closure.

On March 13, 2020, the District announced the temporary closing of all 220 schools, along with central offices, beginning March 16, 2020 through April 6, 2020. On March 17, 2020, the Governor signed Senate Bill 117 ("SB 117") as urgency legislation effective immediately. For purposes of school district funding for fiscal year 2019-20, SB 117 limits the average daily attendance reported to the California Department of Education to include the full school months from July 1, 2019, to February 29, 2020. This condensed ADA period applies to school districts that comply with Executive Order N-26-20. SB 117 further states the intent of the State Legislature that a school district's employees and contractors be paid during the period of a school closure due to COVID-19. SB 117 also waived instructional time penalties that would otherwise accrue, as long as the school district superintendent, county superintendent or charter school administrator certify that the closure due to COVID-19 caused the school district to fall below applicable instructional time requirements. While SB 117 provided some immediate relief to school districts, the short-term and long-term impacts of the COVID-19 outbreak are unknown as the situation continues to evolve.

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 has monitored guidelines and regulations from state and local agencies in regards to COVID-19 and will continue to do so.

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. Due to the situation from COVID-19, there were wide spread concerns due to economic downturn. As a general rule, the release of the 2020-21 May Revision builds on the conceptual basic framework of the proposed budget presented in January. For 2020-21, the economic outlook was very uncertain and the May Revision proposed to cut funding to districts by 10% or more. In June 2020, the Legislature and the Governor compromised and used the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act dollars and the Rainy Day fund to shore up the loss to State revenues for schools. The 2020-21 Budget suspends the statutory cost-of-living adjustment (COLA) and brings back revenue deferrals beginning in February 2021 and continuing through the remainder of the fiscal year. 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. The State's budget revision provides for $2.1 billion one-time non-Proposition 98 to reduce liabilities for employers reducing (CalSTRS and Cal PERS) in the 2020-2021 and 2021-2022 budget. 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 30, 2020, the District's Board approved an Adopted Budget for Fiscal Year 2020-21 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) – 97,479
- COLA – 0%
- Federal Impact Aid - $10.0M
- Mandated Block Grant - $3.97M
- Lottery (GFU - $153; GFR - $54) - $207 per ADA
- Elementary & Secondary School Emergency Relief (ESSER) - $30.5M
- Learning Loss Mitigation - $91.8M
- Transfers In - $31.8M

Expenditures
- Salaries Step and Column – Certificated 1.78%; Classified 1.05%
- Salary Increase – None
- STRS – 16.15%
- PERS – 20.70%
- Health and Welfare Premiums - 6.0%
- Transfers Out - $12.8M
- Contributions:
  - Special Education - $255.0M
  - Restricted Routine Maintenance (RRM) - $43.4M

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 2020-21 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 June 23, 2020, the Governor signed the Fiscal Year 2020-21 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 2019-20 Unaudited Actuals ending fund balance is higher than at Estimated Actuals, which will be used to offset the 2020-21 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, 2020

	Governmental Activities
ASSETS	
Cash and investments (Note 2)	$ 1,510,531,806
Receivables	73,645,238
Prepaid expenses	228,867
Stores inventory	4,585,226
Non-depreciable capital assets (Note 4)	2,472,036,291
Depreciable capital assets, net of accumulated depreciation (Note 4)	1,923,653,143
Total assets	5,984,680,571
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pensions (Notes 8 and 9)	339,300,010
Deferred outflows of resources - OPEB (Note 10)	8,922,076
Deferred loss from refunding of debt	82,772,033
Total deferred outflows	430,994,119
LIABILITIES	
Accounts payable and other current liabilities	269,017,607
Unearned revenue	14,406,955
Self-insurance claims liability - current portion (Note 5)	21,885,000
Long-term liabilities:	
Due within one year (Note 6)	274,537,437
Due after one year (Note 6)	5,791,875,111
Self-insurance claims liability - noncurrent portion (Note 5)	49,766,000
Total liabilities	6,421,488,110
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pensions (Notes 8 and 9)	158,876,000
Deferred inflows of resources - OPEB (Note 10)	7,776,328
Total deferred inflows of resources	166,652,328
NET POSITION	
Net investment in capital assets	911,010,582
Restricted:	
Legally restricted programs	32,673,834
Capital projects	140,224,415
Debt service	450,521,906
Self-insurance	59,074,107
Unrestricted	(1,765,970,592)
Total net position	$ (172,465,748)

See accompanying notes to financial statements.

SAN DIEGO UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Change in Net Position: Governmental Activities
Governmental activities:					
Instruction	$ 935,127,437	$ 4,489,307	$ 223,721,852	$ 5,520,180	$ (701,396,098)
Instruction-related services:					
Instructional supervision and administration	60,868,787	645,798	27,314,741	-	(32,908,248)
Instructional library, media and technology	8,797,054	35,716	662,983	-	(8,098,355)
School site administration	96,944,866	358,917	7,982,488	-	(88,603,461)
Pupil services:					
Home-to-school transportation	39,497,782	30,098	9,485,709	-	(29,981,975)
Food services	62,559,683	3,645,331	53,209,926	-	(5,704,426)
All other pupil services	134,503,291	2,531,075	38,446,613	-	(93,525,603)
General administration:					
Centralized data processing	21,786,309	229,648	463,271	-	(21,093,390)
All other general administration	43,472,273	331,476	7,189,503	-	(35,951,294)
Plant services	126,781,983	5,137,091	13,881,577	-	(107,763,315)
Ancillary services	4,548,356	181,635	445,981	-	(3,920,740)
Community services	1,078,923	-	8,077	-	(1,070,846)
Enterprise activities	3,403,287	22,528	292,424	-	(3,088,335)
Interest on long-term liabilities	196,514,915	-	-	-	(196,514,915)
Other outgo	16,791,824	6,115,964	12,072,924	-	1,397,064
Depreciation (unallocated) (Note 4)	122,997,948	-	-	-	(122,997,948)
Total governmental activities	$ 1,875,674,718	$ 23,754,584	$ 395,178,069	$ 5,520,180	(1,451,221,885)

General revenues:	
Taxes and subventions:	
Taxes levied for general purposes	878,372,230
Taxes levied for debt service	392,603,213
Taxes levied for other specific purposes	35,222,683
Federal and state aid not restricted to specific purposes	212,859,849
Interest and investment earnings	22,227,042
Interagency transfers	5,694,682
Miscellaneous	16,479,384
Total general revenues	1,563,459,083
Change in net position	112,237,198
Net position, July 1, 2019	(284,702,946)
Net position, June 30, 2020	$ (172,465,748)

See accompanying notes to financial statements.

SAN DIEGO UNIFIED SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	General Fund	Building Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
ASSETS					
Cash and investments:					
Cash in County Treasury	$ 191,880,999	$ 564,787,529	$ 441,825,392	$ 170,402,857	$ 1,368,896,777
Cash on hand and in banks	-	-	8,696,514	3,793,108	12,489,622
Cash in revolving fund	54,000	-	-	-	54,000
Receivables	57,138,317	3,160,990	-	12,816,360	73,115,667
Prepaid expenditures	228,133	-	-	734	228,867
Due from other funds	33,396,857	5,974,976	-	4,600,754	43,972,587
Stores inventory	3,576,662	-	-	1,008,564	4,585,226
Total assets	$ 286,274,968	$ 573,923,495	$ 450,521,906	$ 192,622,377	$ 1,503,342,746
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 138,102,408	$ 59,971,855	$ -	$ 2,395,281	$ 200,469,544
Unearned revenue	9,866,072	-	-	4,540,883	14,406,955
Due to other funds	5,949,068	3,266,885	-	35,864,923	45,080,876
Total liabilities	153,917,548	63,238,740	-	42,801,087	259,957,375
Fund balances:					
Nonspendable	3,858,795	-	-	1,009,298	4,868,093
Restricted	23,314,011	510,684,755	450,521,906	148,811,992	1,133,332,664
Assigned	76,701,614	-	-	-	76,701,614
Unassigned	28,483,000	-	-	-	28,483,000
Total fund balances	132,357,420	510,684,755	450,521,906	149,821,290	1,243,385,371
Total liabilities and fund balances	$ 286,274,968	$ 573,923,495	$ 450,521,906	$ 192,622,377	$ 1,503,342,746

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, 2020

Total fund balances - Governmental Funds		$ 1,243,385,371
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 $5,901,103,608 and the accumulated depreciation is $1,505,414,174 (Note 4).		4,395,689,434
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, 2020 consisted of (Note 6):		
General Obligation Bonds	(3,827,676,890)	
Unamortized premiums	(250,458,750)	
Accreted interest	(332,868,531)	
Net pension liability (Notes 8 and 9)	(1,449,568,000)	
Compensated absences	(38,185,704)	
SERP liability (Note 11)	(31,774,460)	
Total OPEB liability (Note 10)	(135,880,213)	
		(6,066,412,548)
Internal service funds are included in the government-wide financial statements.		59,074,107
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.		82,772,033
In government 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	339,300,010	
Deferred outflows of resources relating to OPEB	8,922,076	
Deferred inflows of resources relating to pensions	(158,876,000)	
Deferred inflows of resources relating to OPEB	(7,776,328)	
		181,569,758
Unmatured interest on long-term liabilities is recognized in the period incurred.		(68,543,903)
Total net position - governmental activities		$ (172,465,748)

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, 2020

	General Fund	Building Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
Revenues:					
Local Control Funding Formula (LCFF):					
State apportionment	$ 300,466,256	$ -	$ -	$ -	$ 300,466,256
Local sources	744,018,233	-	-	-	744,018,233
Total LCFF	1,044,484,489	-	-	-	1,044,484,489
Federal sources	107,503,425	-	-	49,056,338	156,559,763
Other state sources	205,537,204	13,068	1,926,825	23,908,501	231,385,598
Other local sources	48,239,394	16,999,495	398,238,222	77,042,962	540,520,073
Total revenues	1,405,764,512	17,012,563	400,165,047	150,007,801	1,972,949,923
Expenditures:					
Current:					
Certificated salaries	596,874,523	-	-	7,598,532	604,473,055
Classified salaries	216,118,057	13,783,340	-	37,801,242	267,702,639
Employee benefits	461,792,776	6,604,195	-	27,303,489	495,700,460
Books and supplies	35,435,425	27,898,598	-	20,977,168	84,311,191
Contract services and operating expenditures	96,689,071	20,512,062	-	16,302,495	133,503,628
Other outgo	3,829,446	-	-	-	3,829,446
Capital outlay	12,282,054	554,744,522	-	51,781,458	618,808,034
Debt service:					
Principal retirement	-	-	191,207,259	-	191,207,259
Interest	-	-	159,986,263	-	159,986,263
Total expenditures	1,423,021,352	623,542,717	351,193,522	161,764,384	2,559,521,975
(Deficiency) excess of revenues (under) over expenditures	(17,256,840)	(606,530,154)	48,971,525	(11,756,583)	(586,572,052)
Other financing sources (uses):					
Transfers in	21,745,899	-	-	2,583,744	24,329,643
Transfers out	(2,583,744)	-	-	(21,745,899)	(24,329,643)
Proceeds from issuance of bonds	-	442,475,000	-	-	442,475,000
Deposit to refunding escrow account	-	(91,879,992)	-	-	(91,879,992)
Premium on issuance of bonds	-	-	33,680,482	-	33,680,482
Total other financing sources (uses)	19,162,155	350,595,008	33,680,482	(19,162,155)	384,275,490
Net change in fund balances	1,905,315	(255,935,146)	82,652,007	(30,918,738)	(202,296,562)
Fund balances, July 1, 2019	130,452,105	766,619,901	367,869,899	180,740,028	1,445,681,933
Fund balances, June 30, 2020	$ 132,357,420	$ 510,684,755	$ 450,521,906	$ 149,821,290	$ 1,243,385,371

See accompanying notes to financial statements.

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, 2020

Net change in fund balances - Total Governmental Funds		$ (202,296,562)
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).	693,126,489	
In government 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).	(3,198,200)	
In government funds, donated capital asset are not reported because they do not affect current financial resources. In the statement of activities, donated assets are reported as revenue and as an increase to capital assets at their fair value on the date of donation (Note 4).	7,000	
Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4).	(122,997,948)	
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).	(442,475,000)	
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).	191,207,259	
Payments made to the refunding escrow is an other financing use in the governmental funds, but decreases the long-term liabilities in the statement of net position (Note 6).	50,000,726	
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).	(11,711,103)	
Accreted interest is an expense that is not recorded in the governmental funds (Note 6).	(13,299,792)	

(Continued)

Interest on long-term liabilities is recognized in the period it is incurred, in governmental funds it is only recognized when it is due.	$ (24,137,060)	
Activities of the internal service fund are reported with governmental activities.	5,932,080	
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.	18,748,789	
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).	(4,757,157)	
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).	15,990,215	
In government 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.	(34,223,927)	
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).	(3,678,611)	314,533,760
Change in net position of governmental activities		$ 112,237,198

SAN DIEGO UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION – PROPRIETARY FUND
SELF-INSURANCE FUND – GOVERNMENTAL ACTIVITIES
June 30, 2020

ASSETS	
Current assets:	
Cash and investments:	
Cash in County Treasury	$ 128,591,407
Cash with fiscal agent	500,000
Receivables	529,571
Due from other funds	2,773,145
Total current assets	132,394,123
LIABILITIES	
Current liabilities:	
Accounts payable	4,160
Due to other funds	1,664,856
Claims payable - current portion	21,885,000
Total current liabilities	23,554,016
Non-current liabilities:	
Claims payable	49,766,000
Total liabilities	73,320,016
NET POSITION	
Restricted for insurance activities	$ 59,074,107

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, 2020

OPERATING REVENUE	
Self insurance premiums	$ 46,982,506
OPERATING EXPENSES	
Salaries and benefits	2,812,278
Supplies and materials	1,118,468
Insurance and claims	39,597,630
Total operating expense	43,528,376
Operating loss	3,454,130
NON-OPERATING REVENUES	
Interest income	2,477,950
Change in net position	5,932,080
Net position restricted for insurance activities, July 1, 2019	53,142,027
Net position restricted for insurance activities, June 30, 2020	$ 59,074,107

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, 2020

Cash flows from operating activities:	
Cash received from self-insurance premiums	$ 44,720,145
Cash received from user charges	5,593,318
Cash paid for employee salaries and benefits	(2,812,278)
Cash paid for insurance claims and supplies	(38,966,141)
Net cash used in operating activities	8,535,044
Cash flows provided by investing activities:	
Interest income received	3,218,671
Increase in cash and investments	11,753,715
Cash and investments, July 1, 2019	117,337,692
Cash and investments, June 30, 2020	$ 129,091,407
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ 3,454,130
Adjustments to reconcile operating loss to net cash used in operating activities:	
Decrease in:	
Amount due from other funds	1,996,458
(Decrease) increase in:	
Accounts payable	(368,043)
Claims payable	2,118,000
Amount due to other funds	1,334,499
Total adjustments	5,080,914
Net cash used in operating activities	$ 8,535,044

See accompanying notes to financial statements.

SAN DIEGO UNIFIED SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
June 30, 2020

		Agency Fund Student Body
ASSETS		
Cash on hand and in bank (Note 2)	$	6,324,428
Receivables		134,304
Prepaid expenditures		13,310
Stores inventory		328,064
Total assets	$	6,800,106
LIABILITIES		
Accounts payable	$	30,449
Due to student groups		6,769,657
Total liabilities	$	6,800,106

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

San Diego Unified School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies.

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

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

Basis of Presentation - Government-Wide Financial Statements: The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the government-wide financial statements. Fiduciary funds are reported only in the Statement of Fiduciary Net Position at the fund financial statement level.

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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 maintains control over the District's Bond Interest and Redemption Fund. The principal and interest on the bonds must be paid by the San Diego County Treasurer from taxes levied by the San Diego County Treasurer-Tax Collector.

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 - 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]*)

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c - 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*).

d - 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]*).

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*).

<u>Proprietary Fund</u>:

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

<u>Fiduciary Funds</u>:

Student Body Fund: The Student Bond Fund is an agency fund and, therefore, consists only of accounts such as cash and balancing liability accounts, such as due to student groups. The student body itself maintains its own general fund, which accounts for the transactions of that entity in raising and expending money to promote the general welfare, morale, and educational experiences of the student body (*Education Code Sections 48930-48938*).

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2020.

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:

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

	STRP	PERF B	Total
Deferred outflows of resources	$ 227,753,518	$ 111,546,492	$ 339,300,010
Deferred inflows of resources	$ 122,093,000	$ 36,783,000	$ 158,876,000
Net pension liability	$ 949,265,000	$ 500,303,000	$ 1,449,568,000
Pension expense	$ 194,053,280	$ 79,793,899	$ 273,847,179

Compensated Absences: Compensated absences benefits are recorded as a liability of the District. The liability of $38,185,704 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Net Position: Net position is displayed in three components:

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

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

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

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

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

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

C - *Committed Fund Balance*: The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Board of Education. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. Formal action by the Board of Education is required to remove any commitment from any fund balance. At June 30, 2020, 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, 2020 no such designation has occurred.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2020, the District has not established a minimum fund balance policy nor has it established a stabilization arrangement.

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.

(Continued)

NOTE 2 - CASH AND INVESTMENTS

District cash and investments at June 30, 2020 consisted of the following:

	Governmental Funds	Internal Service Funds	Total Governmental Activities	Fiduciary Funds
Cash in County Treasury	$ 1,368,896,777	$ 128,591,407	$ 1,497,488,184	$ -
Cash on hand and in banks	12,489,622	-	12,489,622	6,324,428
Cash in revolving fund	54,000	-	54,000	-
Cash with fiscal agent	-	500,000	500,000	-
Total cash and cash equivalent	$ 1,381,440,399	$ 129,091,407	$ 1,510,531,806	$ 6,324,428

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, 2020, the carrying amount of the District's accounts was $19,368,050 and the bank balances were $19,540,714. The total uninsured bank balance at June 30, 2020 was $19,040,714.

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, 2020.

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, 2020, 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, 2020, the District had no concentration of credit risk.

(Continued)

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, 2020 were as follows:

	Interfund Receivables	Interfund Payables
Governmental Activities		
Major Funds:		
General	$ 33,396,857	$ 5,949,068
Building	5,974,976	3,266,885
Non-Major Funds:		
Adult Education	99,748	1,751,432
Child Development	4,178,754	10,006,568
Cafeteria	258,867	10,760,104
Capital Facilities	58,698	3,047,291
County School Facilities	4,018	9,797,690
Special Reserve for Capital Outlay Projects	669	501,838
Proprietary Fund:		
Self-Insurance	2,773,145	1,664,856
Totals	$ 46,745,732	$ 46,745,732

(Continued)

NOTE 3 - INTERFUND TRANSACTIONS (Continued)

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

Transfers for the 2019-2020 fiscal year were as follows:

Transfer from the Capital Facilities Fund to the General Fund for reduction in expenditures related to CCDC RDA.	$ 14,300,000
Transfer from the County School Facilities Fund to the General Fund for expenditures related to restricted maintenance at schools.	3,903,394
Transfer from the General Fund to the Child Development Fund to cover required expenditures including payroll.	2,437,352
Transfer from the Special Reserve for Capital Outlay Projects Fund to the General Fund for additional rent.	1,375,826
Transfer from the Child Development Fund to the General Fund for indirect costs.	583,010
Transfer from the General Fund to the Cafeteria Fund for bad debt expenses for FY 2019/20.	146,392
Transfer from the Cafeteria Fund to the General Fund for indirect costs.	1,520,964
Transfer from the Adult Education Fund to the General Fund for indirect costs.	45,653
Transfer from the Cafeteria Fund to the General Fund for donation received for bad debt.	17,000
Transfer from the Child Development Fund to the General Fund for expenditures related to the CDC.	52
	$ 24,329,643

(Continued)

NOTE 4 - CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2020 is shown below:

	Balance July 1, 2019	Transfers and Additions	Transfers and Deletions	Balance June 30, 2020
Governmental Activities				
Non-depreciable:				
Land	$ 290,471,459	$ 33,508,780	$ -	$ 323,980,239
Work-in-process	1,842,939,994	693,126,489	388,010,431	2,148,056,052
Depreciable:				
Land improvements	330,956,849	73,366,914	577,000	403,746,763
Buildings and improvements	2,473,920,514	270,279,381	3,763,118	2,740,436,777
Furniture and equipment	276,320,036	10,862,356	2,298,615	284,883,777
Totals, at cost	5,214,608,852	1,081,143,920	394,649,164	5,901,103,608
Less accumulated depreciation:				
Land improvements	(179,896,110)	(13,418,945)	(577,000)	(192,738,055)
Buildings and improvements	(993,348,506)	(98,785,171)	(778,617)	(1,091,355,060)
Furniture and equipment	(212,612,143)	(10,793,832)	(2,084,916)	(221,321,059)
Total accumulated depreciation	(1,385,856,759)	(122,997,948)	(3,440,533)	(1,505,414,174)
Governmental activities capital assets, net	$3,828,752,093	$ 958,145,972	$ 391,208,631	$4,395,689,434

Depreciation expense was charged to governmental activities for the year ended June 30, 2020 as follows:

Governmental activities:	
Unallocated	$ 122,997,948

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)

NOTE 5 - SELF-INSURANCE (Continued)

At June 30, 2020, 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 $71.7 million. Changes in the reported liability are shown below:

	General Liability	Workers' Compensation	Total
Liability balance, June 30, 2018	$ 2,792,000	$ 69,658,000	$ 72,450,000
Incurred claims	7,858,629	12,003,103	19,861,732
Claims payments	(7,757,629)	(15,021,103)	(22,778,732)
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	(7,540,846)	(19,117,898)	(26,658,744)
Liability balance, June 30, 2020	$ 3,746,000	$ 67,905,000	$ 71,651,000

NOTE 6 - LONG TERM DEBT

A schedule of changes in long-term debt, excluding, claims payable on self-insurance activities in Note 5, for the fiscal year ended June 30, 2020 is as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Governmental Activities					
General Obligation Bonds	$3,626,409,875	$ 442,475,000	$ 241,207,985	$3,827,676,890	$ 229,675,546
Unamortized premiums	238,747,647	33,680,482	21,969,379	250,458,750	17,760,207
Accreted interest	319,568,739	50,320,407	37,020,615	332,868,531	11,214,454
Total General Obligation bonds	4,184,726,261	526,475,889	300,197,979	4,411,004,171	258,650,207
Net pension liability (Notes 8 & 9)	1,438,498,000	11,070,000	-	1,449,568,000	-
Compensated absences	34,507,093	3,678,611	-	38,185,704	-
SERP liability (Note 11)	47,764,675	-	15,990,215	31,774,460	15,887,230
Total OPEB liability (Note 10)	128,102,556	7,777,657	-	135,880,213	-
Total	$5,833,598,585	$ 549,002,157	$ 316,188,194	$6,066,412,548	$ 274,537,437

(Continued)

NOTE 6 - LONG TERM DEBT (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 previously 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 K totaling $861.9 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 J totaling $2,125,000,000.

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, B, C-1, and C-2 totaling $350 million.

NOTE 6 - LONG TERM DEBT (Continued)

The outstanding general obligation bonded debt, not including premium or discount, of the District at June 30, 2020 is summarized in the following:

Proposition MM

Series	Date of Issue	Interest Rate %	Maturity Date	Amount of Original Issue	Outstanding July 1, 2019	Issued Current Year	Redeemed Current Year	Outstanding June 30, 2020	Amount due in One Year
1998, Series A	5/27/1999	4.20 - 5.34	2024	$ 139,995,085	$ 28,633,274	$ -	$ 4,849,729	$ 23,783,545	$ 5,515,546
A - Accreted interest		-	-	-	49,082,104	4,555,612	9,025,271	44,612,445	11,214,454
1998, Series C	11/21/2001	2.95 - 5.00	2027	199,995,712	123,995,000	-	9,100,000	114,895,000	10,240,000
1998, Series D	9/12/2002	2.10 - 5.25	2026	274,995,346	109,440,000	-	10,140,000	99,300,000	11,390,000
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	195,024,801	55,055,000	-	-	55,055,000	-
Subtotal of original issue before refunding				1,360,000,916	537,815,378	4,555,612	33,115,000	509,255,990	38,360,000
R-1 Refunding (various)	3/15/2012	2.00 - 5.00	2032	65,434,442	65,434,442	-	-	65,434,442	-
R-1 Refunding - Accreted interest		-	-	-	26,354,601	4,687,469	-	31,042,070	-
R-3 Refunding (various)	4/16/2014	2.00 - 5.00	2030	199,285,000	138,815,000	-	19,720,000	119,095,000	31,380,000
R-4 Refunding (various)	5/27/2015	2.00 - 5.00	2030	172,505,000	167,970,000	-	-	167,970,000	-
R-5 Refunding (various)	5/4/2016	4.00 - 5.00	2030	126,135,000	126,135,000	-	-	126,135,000	-
Total Proposition MM				$1,923,360,358	$1,062,524,421	$ 9,243,081	$ 52,835,000	$1,018,932,502	$ 69,740,000

(Continued)

NOTE 6 - LONG TERM DEBT (Continued)

The outstanding general obligation bonded debt, not including premium or discount, of the District June 30, 2020 is summarized in the following:

Series	Date of Issue	Interest Rate %	Maturity Date	Amount of Original Issue	Outstanding July 1, 2019	Issued Current Year	Redeemed Current Year	Outstanding June 30, 2020	Amount due in One Year
2008, Series A	5/7/2009	2.52 - 6.19	2033	$ 131,157,581	$ 50,463,007	$ -	$ 19,472,530	$ 30,990,477	$ -
A - Accreted interest		-	-	-	39,986,853	-	10,066,231	29,920,622	-
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	-	81,800,498	13,138,207	-	94,938,705	-
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		-	-	-	62,433,148	11,496,593	-	73,929,741	-
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	50,000,726	-	50,000,726	-	-
G - Accreted interest		-	-	-	14,378,378	3,550,735	17,929,113	-	-
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	-	-	-	10,796,410	3,912,543	-	14,708,953	-
2008, Series J	5/5/2016	0.52 - 5.00	2028	45,000,000	39,395,000	-	775,000	38,620,000	1,530,000
2008, Series K-1	12/12/2017	3.00 - 5.00	2020	23,460,000	10,015,000	-	10,015,000	-	-
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	-	-	-	3,054,537	3,014,943	-	6,069,480	-
Subtotal of original issue before refunding				861,860,041	889,157,153	35,113,021	108,258,600	816,011,574	1,530,000
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		-	-	-	31,682,210	5,964,305	-	37,646,515	-
2008, SR-1 Refunding	4/5/2016	3.00 - 5.00	2034	145,915,000	145,915,000	-	-	145,915,000	-
2008, Series SR-2	3/12/2020	2.40 - 2.84	2039	92,475,000	-	92,475,000	-	92,475,000	-
Total Proposition S				$1,157,119,871	$1,123,624,193	$ 133,552,326	$ 108,258,600	$1,148,917,919	$ 1,530,000

(Continued)

NOTE 6 - LONG TERM DEBT (Continued)

The outstanding general obligation bonded debt, not including premium or discount, of the District June 30, 2020 is summarized in the following:

Proposition Z

Series	Date of Issue	Interest Rate %	Maturity Date	Amount of Original Issue	Outstanding July 1, 2019	Issued Current Year	Redeemed Current Year	Outstanding June 30, 2020	Amount due in One Year
2012, Series A	4/30/2013	3.42	2014	$ 52,500,000	$ -	$ -	$ -	$ -	$ -
2012, Series A-1	4/30/2013	4.26	2014	3,000,000	-	-	-	-	-
2012, Series B	4/30/2013	1.212	2015	60,500,000	-	-	-	-	-
2012, Series C	4/30/2013	4.00 - 5.00	2043	414,000,000	406,095,000	-	1,945,000	404,150,000	1,415,000
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	133,090,000	-	87,895,000	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	-	123,365,000	19,465,000	103,900,000	35,455,000
2012, Series L	10/30/2019	4.00 - 5.00	2050	126,635,000	-	126,635,000	-	126,635,000	-
Total Proposition Z				$2,125,000,000	$1,509,830,000	$ 250,000,000	$ 109,305,000	$1,650,525,000	$ 82,065,000

Measure YY

Series	Date of Issue	Interest Rate %	Maturity Date	Amount of Original Issue	Outstanding July 1, 2019	Issued Current Year	Redeemed Current Year	Outstanding June 30, 2020	Amount Due in One Year
2018, Series A	5/6/2019	2.00 - 5.00	2021	$ 201,260,000	$ 201,260,000	$ -	$ -	$ 201,260,000	$ 87,555,000
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	-	100,000,000	7,830,000	92,170,000	-
Total Measure YY				$ 350,000,000	$ 250,000,000	$ 100,000,000	$ 7,830,000	$ 342,170,000	$ 87,555,000

(Continued)

NOTE 6 - LONG TERM DEBT (Continued)

The annual requirements to amortize the General Obligation Bonds payable and outstanding as of June 30, 2020 are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ 229,675,546	$ 131,756,925	$ 361,432,471
2022	247,555,731	115,786,519	363,342,250
2023	111,559,650	116,957,857	228,517,507
2024	78,402,619	113,409,579	191,812,198
2025	108,170,588	108,968,275	217,138,863
2026-2030	716,058,868	452,007,164	1,168,066,032
2031-2035	526,625,038	449,430,676	976,055,714
2036-2040	578,405,019	408,149,159	986,554,178
2041-2045	726,563,608	232,147,753	958,711,361
2046-2050	486,735,559	57,704,672	544,440,231
2051-2053	17,924,664	57,969	17,982,633
	$ 3,827,676,890	$ 2,186,376,548	$ 6,014,053,438

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 $10,014,012 have not been reflected in the long-term debt 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, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2021	$ 5,515,546	$ 11,214,454	$ 16,730,000
2022	6,180,731	13,579,269	19,760,000
2023	6,084,649	14,465,351	20,550,000
2024	6,002,619	15,367,381	21,370,000
	$ 23,783,545	$ 54,626,455	$ 78,410,000

NOTE 6 - LONG TERM DEBT (Continued)

1998 Series C

The annual payments required to amortize the Election of 1998, Series C, General Obligation Bonds outstanding as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2021	$ 10,240,000	$ 6,037,625	$ 16,277,625
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
2026-2028	47,170,000	2,738,725	49,908,725
	$ 114,895,000	$ 26,138,613	$ 141,033,613

1998 Series D

The annual payments required to amortize the Election of 1998, Series D, General Obligation Bonds outstanding as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2021	$ 11,390,000	$ 5,148,275	$ 16,538,275
2022	12,725,000	4,485,113	17,210,113
2023	14,160,000	3,745,775	17,905,775
2024	15,705,000	2,924,488	18,629,488
2025	21,575,000	1,899,287	23,474,287
2026	23,745,000	652,988	24,397,988
	$ 99,300,000	$ 18,855,926	$ 118,155,926

1998 Series E

The annual payments required to amortize the Election of 1998, Series E, General Obligation Bonds outstanding as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2021	$ -	$ 6,489,175	$ 6,489,175
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
2026-2029	106,365,000	10,040,938	116,405,938
	$ 117,985,000	$ 42,167,263	$ 160,152,263

NOTE 6 - LONG TERM DEBT (Continued)

1998 Series F

The annual payments required to amortize the Election of 1998, Series F, General Obligation Bonds outstanding as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2021	$ -	$ 2,815,313	$ 2,815,313
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
2026-2029	53,625,000	9,056,905	62,681,905
	$ 53,625,000	$ 23,133,470	$ 76,758,470

1998 Series G

The annual payments required to amortize the Election of 1998, Series G, General Obligation Bonds outstanding as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2021	$ -	$ 2,890,388	$ 2,890,388
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
2026-2029	55,055,000	9,339,618	64,394,618
	$ 55,055,000	$ 23,791,558	$ 78,846,558

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 $68,213,489 have not been reflected in the long-term debt balance in the schedule above.

(Continued)

NOTE 6 - LONG TERM DEBT (Continued)

The annual payments required to amortize the Election of 1998, Series R-1, General Obligation Bonds outstanding as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2026-2030	$ 9,217,884	$ 12,437,116	$ 21,655,000
2031-2032	56,216,558	86,818,442	143,035,000
	$ 65,434,442	$ 99,255,558	$ 164,690,000

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, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2021	$ 31,380,000	$ 5,139,000	$ 36,519,000
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
2026-2030	3,415,000	622,375	4,037,375
	$ 119,095,000	$ 13,280,125	$ 132,375,125

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, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2021	$ -	$ 8,093,625	$ 8,093,625
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
2026-2030	149,505,000	16,896,213	166,401,213
	$ 167,970,000	$ 56,907,813	$ 224,877,813

NOTE 6 - LONG TERM DEBT (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, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2021	$ -	$ 5,927,250	$ 5,927,250
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
2026-2030	126,135,000	23,638,625	149,773,625
	$ 126,135,000	$ 53,274,875	$ 179,409,875

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 $48,113,902 have not been reflected in the long-term debt 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, 2020, are as follows:

Year Ending June 30,	Principal	Accreted Interest	Total Debt Service
2025	$ 3,050,588	$ 5,480,764	$ 8,531,352
2026-2030	18,186,454	59,024,760	77,211,214
2031-2034	9,753,435	39,649,349	49,402,784
	$ 30,990,477	$ 104,154,873	$ 135,145,350

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.

NOTE 6 - LONG TERM DEBT (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, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
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 $509,363,020 have not been reflected in the long-term debt 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, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2031-2035	$ 22,214,895	$ 86,938,011	$ 109,152,906
2036-2040	29,689,941	164,601,622	194,291,563
2041-2045	29,231,421	233,860,142	263,091,563
2046-2050	30,932,710	218,612,490	249,545,200
2051-2052	479,308	1,328,661	1,807,969
	$ 112,548,275	$ 705,340,926	$ 817,889,201

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.

NOTE 6 - LONG TERM DEBT (Continued)

The annual payments required to amortize the Election of 2008, Series D, General Obligation Bonds outstanding as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2021	$ -	$ 136,832	$ 136,832
2022	-	136,832	136,832
2023	-	136,832	136,832
2024	-	68,416	68,416
2025	7,000,000	-	7,000,000
2026-2029	29,130,000	-	29,130,000
	$ 36,130,000	$ 478,912	$ 36,608,912

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 $385,516,435 have not been reflected in the long-term debt 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, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2031-2035	$ 15,097,128	$ 64,247,841	$ 79,344,969
2036-2040	26,489,986	118,844,846	145,334,832
2041-2045	30,583,506	107,448,029	138,031,535
2046-2050	60,382,849	200,255,098	260,637,947
2051-2053	17,445,356	123,217,653	140,663,009
	$ 149,998,825	$ 614,013,466	$ 764,012,291

NOTE 6 - LONG TERM DEBT (Continued)

2008 Series H

The annual payments required to amortize the Election of 2008, Series H, General Obligation Bonds outstanding as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2022	$ -	$ 1,275,150	$ 1,275,150
2023	-	1,275,150	1,275,150
2024	13,330,000	979,850	14,309,850
2025	14,605,000	351,175	14,956,175
2026	445,000	8,900	453,900
	$ 28,380,000	$ 3,890,225	$ 32,270,225

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 $93,498,436 have not been reflected in the long-term debt 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, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2031-2035	$ 27,972,437	$ 29,012,563	$ 56,985,000
2036-2040	56,425,174	79,194,826	135,620,000
	$ 84,397,611	$ 108,207,389	$ 192,605,000

(Continued)

NOTE 6 - LONG TERM DEBT (Continued)

2008 Series J

The annual payments required to amortize the Election of 2008, Series J, General Obligation Bonds outstanding as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2021	$ 1,530,000	$ 1,722,150	$ 3,252,150
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
2026-2029	14,530,000	588,475	15,118,475
	$ 38,620,000	$ 7,654,600	$ 46,274,600

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 $68,596,634 have not been reflected in the long-term debt balance in the schedule above.

Year Ending June 30,	Principal	Interest	Total Debt Service
2026-2030	$ 3,354,530	$ 1,530,470	$ 4,885,000
2031-2035	32,985,586	22,819,414	55,805,000
2036-2040	27,714,918	31,055,082	58,770,000
2041-2044	12,483,851	19,261,149	31,745,000
	$ 76,538,885	$ 74,666,115	$ 151,205,000

NOTE 6 - LONG TERM DEBT (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 $92,863,654 have not been reflected in the long-term debt 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, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2031-2035	$ -	$ 55,862,663	$ 55,862,663
2036-2040	-	62,069,625	62,069,625
2041-2042	56,869,830	142,513,345	199,383,175
	$ 56,869,830	$ 260,445,633	$ 317,315,463

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. On June 30, 2020, $73,168,837 of bonds outstanding are considered defeased.

The annual payments required to amortize the Election of 2008, Series SR-1, General Obligation Bonds outstanding as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2021	$ -	$ 5,692,600	$ 5,692,600
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
2026-2030	4,245,000	28,264,375	32,509,375
2030-2034	141,670,000	13,731,975	155,401,975
	$ 145,915,000	$ 70,459,350	$ 216,374,350

NOTE 6 - LONG TERM DEBT (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. On June 30, 2020, $50,000,726 of bonds outstanding are considered defeased.

Although the advance refunding resulted in the recognition of an accounting loss of $23,950,153 for the year ended June 30, 2020, the District in effect reduced its aggregate debt service payments by $34,728,567 over the next 19 years and obtained an economic gain of $19,919,191.

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

Old debt service cash flows	$	157,435,000
New debt service cash flows		122,706,433
Total cash flow difference	$	34,728,567
Present value of old debt service cash flows	$	102,885,452
Present value of new debt service cash flows		82,966,261
Economic gain	$	19,919,191

The annual payments required to amortize the Election of 2008, Series SR-1, General Obligation Bonds outstanding as of June 30, 2020, are as follows:

Year Ending June 30,		Principal		Interest		Total Debt Service
2021	$	-	$	1,917,260	$	1,917,260
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
2026-2030		-		12,549,345		12,549,345
2031-2035		29,905,000		11,492,629		41,397,629
2036-2040		62,570,000		3,679,590		66,249,590
	$	92,475,000	$	39,678,300	$	132,153,300

NOTE 6 - LONG TERM DEBT (Continued)

2012 Series C

The annual payments required to amortize the Election of 2012, Series C, General Obligation Bonds outstanding as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2021	$ 1,415,000	$ 14,306,101	$ 15,721,101
2022	-	8,554,300	8,554,300
2023	2,500,000	17,058,600	19,558,600
2024	3,135,000	16,961,575	20,096,575
2025	3,770,000	16,820,300	20,590,300
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	167,540,000	10,722,800	178,262,800
	$ 404,150,000	$ 283,358,701	$ 687,508,701

2012 Series F

The annual payments required to amortize the Election of 2012, Series F, General Obligation Bonds outstanding as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2021	$ -	$ 16,621,100	$ 16,621,100
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
2026-2030	10,370,000	82,343,000	92,713,000
2031-2035	43,300,000	76,306,150	119,606,150
2036-2040	86,965,000	61,941,200	148,906,200
2041-2045	177,385,000	33,290,000	210,675,000
2046-2047	52,625,000	1,127,500	53,752,500
	$ 370,645,000	$ 338,113,350	$ 708,758,350

(Continued)

NOTE 6 - LONG TERM DEBT (Continued)

2012 Series G

The annual payments required to amortize the Election of 2012, Series G, General Obligation Bonds outstanding as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2021	$ -	$ 4,176,981	$ 4,176,981
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
2026-2030	3,975,000	20,650,882	24,625,882
2031-2035	12,870,000	19,297,035	32,167,035
2036-2040	24,615,000	15,359,950	39,974,950
2041-2045	45,100,000	7,848,650	52,948,650
2046-2047	13,440,000	268,800	13,708,800
	$ 100,000,000	$ 84,310,222	$ 184,310,222

2012 Series H-2

The annual payments required to amortize the Election of 2012, Series H-2, General Obligation Bonds outstanding as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2021	$ 45,195,000	$ 1,396,000	$ 46,591,000

NOTE 6 - LONG TERM DEBT (Continued)

2012 Series I

The annual payments required to amortize the Election of 2012, Series I, General Obligation Bonds outstanding as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2021	$ -	$ 18,744,450	$ 18,744,450
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
2026-2030	-	93,722,250	93,722,250
2031-2035	51,965,000	89,036,225	141,001,225
2036-2040	80,410,000	73,222,625	153,632,625
2041-2045	136,925,000	53,135,575	190,060,575
2046-2048	171,700,000	11,968,600	183,668,600
	$ 441,000,000	$ 414,807,525	$ 855,807,525

2012 Series J

The annual payments required to amortize the Election of 2012, Series J, General Obligation Bonds outstanding as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2021	$ -	$ 2,304,200	$ 2,304,200
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
2026-2030	23,570,000	9,578,925	33,148,925
2031-2035	8,430,000	4,429,500	12,859,500
2036-2040	18,000,000	3,656,250	21,656,250
2041-2042	9,000,000	140,625	9,140,625
	$ 59,000,000	$ 29,326,300	$ 88,326,300

(Continued)

NOTE 6 - LONG TERM DEBT (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, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2021	$ 35,455,000	$ 8,407,375	$ 43,862,375
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
2026-2030	780,000	25,655,500	26,435,500
2031-2035	6,455,000	24,830,625	31,285,625
2036-2040	14,010,000	22,599,800	36,609,800
2041-2045	26,915,000	18,900,300	45,815,300
2046-2050	78,475,000	9,146,500	87,621,500
	$ 230,535,000	$ 131,460,000	$ 361,995,000

2018 Series A

The annual payments required to amortize the Election of 2018, Series A, General Obligation Bonds outstanding as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2021	$ 87,555,000	$ 7,401,825	$ 94,956,825
2022	113,705,000	2,830,025	116,535,025
	$ 201,260,000	$ 10,231,850	$ 211,491,850

NOTE 6 - LONG TERM DEBT (Continued)

2018 Series B

The annual payments required to amortize the Election of 2018, Series B, General Obligation Bonds outstanding as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2021	$ -	$ 1,584,050	$ 1,584,050
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
2026-2030	-	7,920,250	7,920,250
2031-2035	-	7,920,250	7,920,250
2036-2040	-	7,920,250	7,920,250
2041-2045	8,335,000	7,784,806	16,119,806
2046-2050	40,405,000	2,747,306	43,152,306
	$ 48,740,000	$ 42,213,112	$ 90,953,112

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, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2021	$ -	$ 3,530,200	$ 3,530,200
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
2026-2030	2,535,000	17,457,225	19,992,225
2031-2035	8,360,000	16,126,000	24,486,000
2036-2040	16,305,000	13,458,750	29,763,750
2041-2045	26,195,000	9,838,725	36,033,725
2046-2050	38,775,000	4,156,500	42,931,500
	$ 92,170,000	$ 78,688,200	$ 170,858,200

NOTE 7 - FUND BALANCES

Fund balances were composed of the following at June 30, 2020:

	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	228,133	-	-	734	228,867
Stores inventory	3,576,662	-	-	1,008,564	4,585,226
Total nonspendable	3,858,795	-	-	1,009,298	4,868,093
Restricted:					
Legally restricted programs	23,314,011	-	-	8,587,577	31,901,588
Capital projects	-	510,684,755	-	140,224,415	650,909,170
Debt service	-	-	450,521,906	-	450,521,906
Total restricted	23,314,011	510,684,755	450,521,906	148,811,992	1,133,332,664
Assigned:					
Reserve for FY 2020-21 deficit	70,232,711	-	-	-	70,232,711
School site ending balances	3,244,000	-	-	-	3,244,000
Retiree benefits	3,224,903	-	-	-	3,224,903
Total assigned	76,701,614	-	-	-	76,701,614
Unassigned:					
Reserve for economic uncertain	28,483,000	-	-	-	28,483,000
Unassigned	-	-	-	-	-
Total assigned	28,483,000	-	-	-	28,483,000
Total	$ 132,357,420	$ 510,684,755	$ 450,521,906	$ 149,821,290	$ 1,243,385,371

(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, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.

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.

In June 2019, California Senate Bill 90 (SB 90) was signed into law and appropriated approximately $2.2 billion in fiscal year 2018–19 from the state's General Fund as contributions to CalSTRS on behalf of employers. The bill requires portions of the contribution to supplant the amounts remitted by employers such that the amounts remitted will be 1.03 and 0.70 percentage points less than the statutorily required amounts due for fiscal years 2019–20 and 2020–21, respectively. The remaining portion of the contribution, approximately $1.6 billion, was allocated to reduce the employers' share of the unfunded actuarial obligation of the DB Program.

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% less than the statutory rate for fiscal year 2020–21 and 2.18% 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 CalSTRS 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. A summary of statutory contribution rates and other sources of contributions to the DB Program are as follows:

Members - Under CalSTRS 2% at 60, the member contribution rate was 10.25 percent of applicable member earnings for fiscal year 2019-2020. 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 2019-2020.

In general, member contributions cannot increase unless members are provided with some type of "comparable advantage" in exchange for such increases. Under previous law, the Legislature could reduce or eliminate the 2 percent annual increase to retirement benefits. As a result of AB 1469, effective July 1, 2014, the Legislature cannot reduce the 2 percent annual benefit adjustment for members who retire on or after January 1, 2014, and in exchange for this "comparable advantage," the member contribution rates have been increased by an amount that covers a portion of the cost of the 2 percent annual benefit adjustment.

Employers – 17.10 percent of applicable member earnings. 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.

Pursuant to AB 1469, employer contributions will increase from a prior rate of 8.25 percent to a total of 19.1 percent of applicable member earnings phased in over seven years starting in 2014. The legislation also gives 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)

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

The CalSTRS employer contribution rate increases effective for fiscal year 2019-2020 through fiscal year 2045-46 are summarized in the table below:

Effective Date	Prior Rate	Increase	Total
July 01, 2019	8.25%	9.88%	17.10%(1)
July 01, 2020	8.25%	10.85%	16.15%(1)
July 01, 2021	8.25%	(2)	(2)
July 01, 2022 to June 30, 2046	8.25%	(2)	(2)
July 01, 2046	8.25%	Increase from prior rate ceases in 2046-47	

(1) Pursuant to SB 90 and AB 84, the fiscal year 2018-19 state contribution of approximately $2.2 billion made in advance on behalf of employers will be used to pay the contributions required by employers for the 2019-20, 2020-21 and 2021-22 fiscal years, such that employers will remit 1.030%, 2.950% and 2.180% less, respectively, than is required by the CalSTRS Funding Plan.
(2) The CalSTRS Funding Plan authorizes the board to adjust the employer contribution rate up or down 1% each year, but no higher than 20.25% total and no lower than 8.25%.

The District contributed $101,039,518 to the plan for the fiscal year ended June 30, 2020.

State – 10.328 percent of the members' creditable earnings from the fiscal year ending in the prior calendar year.

Also, as a result of AB1469, the additional state appropriation required to fully fund the benefits in effect as of 1990 by 2046 is specific in subdivision (b) of Education Code Section 22955.1. The increased contributions end as of fiscal year 2045-2046.

The state's base contribution of the Defined Benefit Program is calculated based on creditable compensation from two fiscal years prior. The state rate increased to 5.811% on July 1, 2019, to continue paying down the unfunded liabilities associated with the benefits structure that was in place in 1990 prior to certain enhancements in benefits reductions in contributions. Additionally, the enactment SB 90 will result in future supplemental contributions to be made by the state to pay down its portion of the unfunded actuarial obligation of the Defined benefit Program in fiscal years 2019-20 through 2022-23.

(Continued)

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

The CalSTRS state contribution rates effective for fiscal year 2019-2020 and beyond are summarized in the table below.

Effective Date	Base Rate	AB 1469 Increase For 1990 Benefit Structure	SBMA Funding(1)	Total State Appropriation to DB Program
July 01, 2019	2.017%	5.811%	2.50%	10.328%(2)
July 01, 2020	2.017%	5.811%(3)	2.50%	10.328%(2)
July 01, 2021 to June 30, 2046	2.017%	(4)	2.50%	(4)
July 01, 2046 and thereafter	2.017%	(5)	2.50%	(5)

(1) This rate does not include the $72 million reduction in accordance with Education Code Section 22954.
(2) This rate does not include the $2.2 billion supplemental state contribution on behalf of employers pursuant to SB 90.
(3) In May 2020, the CalSTRS board exercised its limited authority to increase the state contribution rate by 0.5% of the creditable compensation effective July 1, 2020. However, pursuant to AB 84, the state suspended the board's rate-setting authority for state contributions for fiscal year 2020–21, thereby negating the board's rate increase of 0.5%.
(4) The CalSTRS board has limited authority to adjust state contribution rates annually through June 30, 2046 in order to eliminate the remaining unfunded actuarial obligation associated with the 1990 benefit structure. The board cannot increase the rate by more than 0.50 percent in a fiscal year, and if there is no unfunded actuarial obligation, the contribution rate imposed to pay for the 1990 benefit structure would be reduced to 0 percent.
(5) From July 1, 2046, and thereafter, the rates in effect prior to July 1, 2014, are reinstated, if necessary, to address any remaining 1990 unfunded actuarial obligation.

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

At June 30, 2020, 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	$ 949,265,000
State's proportionate share of the net pension liability associated with the District	517,890,000
Total	$ 1,467,155,000

The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 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, 2019, the District's proportion was 1.051 percent, which was an increase of 0.004 percent from its proportion measured as of June 30, 2018.

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

For the year ended June 30, 2020, the District recognized pension expense of $194,053,280 and revenue of $87,195,239 for support provided by the State. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 2,396,000	$ 26,749,000
Changes of assumptions	120,061,000	-
Net differences between projected and actual earnings on investments	-	36,566,000
Changes in proportion and differences between District contributions and proportionate share of contributions	4,257,000	58,778,000
Contributions made subsequent to measurement date	101,039,518	-
Total	$ 227,753,518	$ 122,093,000

$101,039,518 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2021	$ 8,053,500
2022	$ (17,296,500)
2023	$ 6,944,000
2024	$ 20,737,666
2025	$ (11,507,833)
2026	$ (2,309,833)

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, 2019 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.

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

Actuarial Methods and Assumptions: The total pension liability for the STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2018 and rolling forward the total pension liability to June 30, 2019. The financial reporting actuarial valuation as of June 30, 2018, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2018
Experience Study	July 1, 2010 through June 30, 2015
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 Not applicable for DBS/CBB

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.

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 general investment consultant as an input to the process. The actuarial investment rate of return assumption was adopted by the CalSTRS board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term* Expected Real Rate of Return
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

(Continued)

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

Discount Rate: The discount rate used to measure the total pension liability was 7.10 percent. 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.

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	$ 1,413,534,000	$ 949,265,000	$ 564,297,000

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

NOTE 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- 2019.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.

(Continued)

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

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, 2020 were as follows:

Members - The member contribution rate was 7.00 percent of applicable member earnings for fiscal year 2019-2020.

Employers - The employer contribution rate was 19.72 percent of applicable member earnings.

The District contributed $51,388,492 to the plan for the fiscal year ended June 30, 2020.

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

At June 30, 2020, the District reported a liability of $500,303,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. 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, 2019 the District's proportion was 1.717 percent, which was a decrease of 0.020 percent from its proportion measured as of June 30, 2018

(Continued)

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

For the year ended June 30, 2020, the District recognized pension expense of $79,793,899. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 36,342,000	$ -
Changes of assumptions	23,816,000	-
Net differences between projected and actual earnings on investments	-	4,640,000
Changes in proportion and differences between District contributions and proportionate share of contributions	-	32,143,000
Contributions made subsequent to measurement date	51,388,492	-
Total	$ 111,546,492	$ 36,783,000

$51,388,492 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2021	$ 26,548,084
2022	$ (8,020,917)
2023	$ 3,532,583
2024	$ 1,315,250

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 4 years as of the June 30, 2019 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.

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, 2018, and rolling forward the total pension liability to June 30, 2019. The financial reporting actuarial valuation as of June 30, 2018, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2018
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, 2018 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.

Asset Class	Long-Term* Assumed Asset Allocation	Expected Real Rate of Return Years 1-10 (1)	Expected Real Rate of Return Years 11+(2)
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.

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 cash flows of the Plan. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the Plan's 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. 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 equivalent 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 7.15percent, 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 (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
District's proportionate share of the net pension liability	$ 721,154,000	$ 500,303,000	$ 317,092,000

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

NOTE 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.

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, 2020, 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, 2020:

	Number of Participants
Inactive Plan members, covered spouses, or beneficiaries currently receiving benefits	724
Active employees	11,300
Total	12,024

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, 2020.

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:

Valuation Date	July 1, 2019
Fiscal Year End	June 30
Pre-Retirement Mortality Rate	PERS - Non-work related rated 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.
Post-Retirement Mortality Rate	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.
Discount Rate	2.79%. Based on the June 28, 2019 S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices.
Retirement Rate	Retirement rates march rates developed in the most recent experience studies for California PERS (2014) and California STRS (2010).
Inflation Rate	2.50% per year
Salary Increases	2.50% per year

(Continued)

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:

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

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 2020, 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)

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 2.79%. The municipal bond rate was based on the week closest but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices.

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2019	$ 128,102,556
Changes for the year:	
Service cost	5,652,492
Interest	5,047,631
Difference between Expected and Actual Experience	2,838,076
Changes in assumptions	953,766
Benefit payments	(6,714,308)
Net change	7,777,657
Balance at June 30, 2020	$ 135,880,213

The District's Total OPEB Liability (TOL) was measured as of June 30, 2019. The District's TOL was measured as of June 30, 2019 using a discount rate of 2.79%. The changes in assumptions includes a change in the discount rate from 3.87% at the June 30, 2018 measurement date to 2.79% at the June 30, 2019 measurement date.

There were no changes between the measurement date and the year ended June 30, 2020 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 (1.79%)	Current Discount Rate (2.79%)	1% Increase (3.79%)
Total OPEB liability	$ 146,226,238	$ 135,880,213	$ 125,920,860

(Continued)

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 (3.0 - 6.5%)	Healthcare Cost Trend Rates (4.0 - 7.5%)	1% Increase (5.0 - 8.5%)
Total OPEB liability	$ 120,168,434	$ 135,880,213	$ 154,404,248

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

For the year ended June 30, 2020, the District recognized OPEB expense of $10,266,576. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 2,554,268	$ -
Changes of assumptions	858,389	7,776,328
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	5,509,419	-
Total	$ 8,922,076	$ 7,776,328

(Continued)

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

$5,509,419 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, 2021. Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,		
2021	$	(458,547)
2022	$	(458,547)
2023	$	(458,547)
2024	$	(458,547)
2025	$	(458,547)
Thereafter	$	(2,070,936)

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, 2020 are as follows:

Year Ending June 30,		
2021	$	15,887,230
2022		15,887,230
Total	$	31,774,460

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, 2019 (the latest information available) is as follows:

Total assets	$	965,769,045
Deferred outflows of resources	$	1,227,362
Total liabilities	$	766,369,209
Deferred inflows of resources	$	595,345
Total net position	$	200,031,853
Total revenues	$	1,027,441,641
Total expenditures	$	949,980,382
Change in net position	$	77,461,259

Condensed audited financial information for SELF for the year ended June 30, 2019 (the latest information available) is as follows:

Total assets	$	121,323,694
Total deferred outflows of resources	$	423,181
Total liabilities	$	101,851,136
Total deferred inflows of resources	$	31,467
Total net position	$	19,864,272
Total revenues	$	25,735,366
Total expenditures	$	23,968,407
Change in net position	$	1,766,959

(Continued)

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, 2020, the District has $510 million in outstanding commitments on construction contracts.

NOTE 14 – COVID-19

In December 2019, a novel strain of coronavirus surfaced (COVID-19) and spread around the world, with resulting business and social disruption. In response to the pandemic and in compliance with various state and local ordinances, the District closed physical campuses and transitioned to a distance learning model. On March 13, 2020, the Governor of California issued Executive Order N-26 – 20, guaranteeing state funding to support the continued payment of salaries and benefits to all employees through June 30, 2020.

The operations and business results of the District could be materially adversely affected in the future including a reduction in the level of funding and impact to the timing of cash flows. In addition, significant estimates may be materially adversely impacted by national, state and local events designed to contain the coronavirus. Debt ratings for outstanding issuances may further be impacted. For the 2021 school year, the District is offering instruction in formats consistent with local health guidelines. Throughout the pandemic the District has put into practice a number of safety measures to protect students and employees and will continue to revise them as needed.

NOTE 15 - SUBSEQUENT EVENTS

On July 23, 2020, the District issued Tax and Revenue Anticipation Notes (TRANs) totaling $235,000,000, with an interest rate of 5.00%. The TRANs are payable only out of taxes, income, revenue, cash receipts and other monies which are received by the District for its General Fund and are attributable to the fiscal year 2020-21 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 2020-21, 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, 2021.

On August 13, 2020, the 2020 General Obligation Bonds were issued in total of $845,000,000. $300,000,000 of the bonds were issued under Proposition Z and the remaining $545,000,000 were issued under Measure YY. The bonds range in maturity date with a final payoff on July 1, 2050 with interest rates ranging from 0.23% to 5.00%.

REQUIRED SUPPLEMENTARY INFORMATION

SAN DIEGO UNIFIED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2020

	Budget Original	Budget Final	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local Control Funding Formula (LCFF):				
State apportionment	$ 398,304,259	$ 398,304,259	$ 300,466,256	$ (97,838,003)
Local sources	642,922,591	643,719,872	744,018,233	100,298,361
Total LCFF	1,041,226,850	1,042,024,131	1,044,484,489	2,460,358
Federal sources	101,440,924	135,123,999	107,503,425	(27,620,574)
Other state sources	194,543,729	196,256,098	205,537,204	9,281,106
Other local sources	31,724,201	46,341,225	48,239,394	1,898,169
Total revenues	1,368,935,704	1,419,745,453	1,405,764,512	(13,980,941)
Expenditures:				
Current:				
Certificated salaries	596,018,330	600,613,567	596,874,523	3,739,044
Classified salaries	217,578,401	216,097,265	216,118,057	(20,792)
Employee benefits	462,994,218	453,211,940	461,792,776	(8,580,836)
Books and supplies	42,714,981	76,727,875	35,435,425	41,292,450
Contract services and operating expenditures	87,630,008	103,594,844	96,689,071	6,905,773
Other outgo	1,335,698	1,335,698	3,829,446	(2,493,748)
Capital outlay	687,266	15,682,667	12,282,054	3,400,613
Total expenditures	1,408,958,902	1,467,263,856	1,423,021,352	44,242,504
Deficiency of revenues under expenditures	(40,023,198)	(47,518,403)	(17,256,840)	30,261,563
Other financing sources (uses):				
Transfers in	21,704,112	21,847,285	21,745,899	(101,386)
Transfers out	(14,574,946)	(13,245,616)	(2,583,744)	10,661,872
Total other financing sources (uses)	7,129,166	8,601,669	19,162,155	10,560,486
Net change in fund balance	(32,894,032)	(38,916,734)	1,905,315	40,822,049
Fund balance, July 1, 2019	130,452,105	130,452,105	130,452,105	-
Fund balance, June 30, 2020	$ 97,558,073	$ 91,535,371	$ 132,357,420	$ 40,822,049

See accompanying note to required supplementary information.

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY

For the Year Ended June 30, 2020

Last 10 Fiscal Years

	2018	2019	2020
Total OPEB liability			
Service cost	$ 6,647,630	$ 5,818,159	$ 5,652,492
Interest	3,823,699	4,645,142	5,047,631
Differences Between Expected and Actual Experienc	-	-	2,838,076
Change in assumptions	(7,211,912)	(2,840,873)	953,766
Benefit payments	(6,848,335)	(6,848,335)	(6,714,308)
Net change in total OPEB liability	(3,588,918)	774,093	7,777,657
Total OPEB liability, beginning of year	130,917,381	127,328,463	128,102,556
Total OPEB liability, end of year	$ 127,328,463	$ 128,102,556	$ 135,880,213
Covered employee payroll	$ 714,548,355	$ 750,722,365	$ 758,448,252
Total OPEB liability as a percentage of covered-employee payroll	17.82%	17.06%	17.92%

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.

State Teachers' Retirement Plan
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020
District's proportion of the net pension	1.168%	1.162%	1.132%	1.127%	1.047%	1.051%
District's proportionate share of the net net pension liability	$ 682,566,000	$ 782,123,000	$ 927,256,000	$ 1,042,490,000	$ 962,350,000	$ 949,265,000
State's proportionate share of the net pension liability associated with the District	412,166,000	413,656,000	527,920,000	616,731,000	550,992,000	517,890,000
Total net pension liability	$ 1,094,732,000	$ 1,195,779,000	$ 1,455,176,000	$ 1,659,221,000	$ 1,513,342,000	$ 1,467,155,000
District's covered payroll	$ 520,247,000	$ 539,213,000	$ 571,356,000	$ 597,440,000	$ 557,382,000	$ 571,616,000
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%
Plan fiduciary net position as a percentage of the total pension liability	76.52%	74.02%	70.04%	69.46%	70.99%	72.56%

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)

Public Employer's Retirement Fund B
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020
District's proportion of the net pension	2.049%	1.986%	2.060%	2.026%	1.737%	1.717%
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
District's covered payroll	$ 218,874,000	$ 235,814,000	$ 243,244,000	$ 258,254,000	$229,064,000	$ 224,089,000
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%
Plan fiduciary net position as a percentage of the total pension liability	83.38%	79.43%	73.89%	71.87%	70.85%	70.05%

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.

State Teachers' Retirement Plan
Last 10 Fiscal Years

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

All years prior to 2015 are not available.

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

(Continued)

Public Employer's Retirement Fund B
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020
Contractually required contribution	$ 27,757,643	$ 28,817,068	$ 35,871,548	$ 36,433,853	$ 41,281,899	$ 51,388,492
Contributions in relation to the contractually required contribution	(27,757,643)	(28,817,068)	(35,871,548)	(36,433,853)	(41,281,899)	(51,388,492)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 235,814,000	$ 243,244,000	$ 258,254,000	$ 229,064,000	$ 224,089,000	$ 260,578,000
Contributions as a percentage of covered payroll	11.77%	11.85%	13.89%	16.39%	18.42%	19.72%

All years prior to 2015 are not available.

See accompanying note to required supplementary information.

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

(Continued)

NOTE 1 - PURPOSE OF SCHEDULES (Continued)

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

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

	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	$ 2,348,013	$ 4,524,246	$ 6,520,645	$ 240,052	$ 73,934,539	$ 67,285,188	$ 15,550,174	$ 170,402,857
Cash on hand and in banks	-	-	3,793,108	-	-	-	-	3,793,108
Receivables	113,793	1,475,969	8,969,422	-	1,892,953	299,491	64,732	12,816,360
Due from other funds	99,748	4,178,754	258,867	-	58,698	4,018	669	4,600,754
Prepaid expenditures	-	-	734	-	-	-	-	734
Stores inventory	-	-	1,008,564	-	-	-	-	1,008,564
Total assets	2,561,554	10,178,969	20,551,340	240,052	75,886,190	67,588,697	15,615,575	192,622,377
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	568	168,301	1,239,406	-	239,832	581,128	166,046	2,395,281
Unearned revenue	-	-	8,661	-	-	-	4,532,222	4,540,883
Due to other funds	1,751,432	10,006,568	10,760,104	-	3,047,291	9,797,690	501,838	35,864,923
Total liabilities	1,752,000	10,174,869	12,008,171	-	3,287,123	10,378,818	5,200,106	42,801,087
Fund balances:								
Nonspendable	-	-	1,009,298	-	-	-	-	1,009,298
Restricted	809,554	4,100	7,533,871	240,052	72,599,067	57,209,879	10,415,469	148,811,992
Total fund balance	809,554	4,100	8,543,169	240,052	72,599,067	57,209,879	10,415,469	149,821,290
Total liabilities and fund balances	$ 2,561,554	$ 10,178,969	$ 20,551,340	$ 240,052	$ 75,886,190	$ 67,588,697	$ 15,615,575	$ 192,622,377

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, 2020

	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	$ -	$ -	$ 49,056,338	$ -	$ -	$ -	$ -	$ 49,056,338
Other state sources	1,337,145	15,076,475	3,381,158	-	-	4,113,689	34	23,908,501
Other local sources	28,464	5,229,511	10,335,523	3,820	55,520,893	1,406,626	4,518,125	77,042,962
Total revenues	1,365,609	20,305,986	62,773,019	3,820	55,520,893	5,520,315	4,518,159	150,007,801
Expenditures:								
Current:								
Certificated salaries	865,667	6,732,865	-	-	-	-	-	7,598,532
Classified salaries	231,041	6,419,205	24,296,353	-	5,851,538	106,485	896,620	37,801,242
Employee benefits	538,416	8,843,892	13,717,985	-	3,753,322	51,363	398,511	27,303,489
Books and supplies	133,015	475,395	20,241,007	-	-	122,454	5,297	20,977,168
Contract services and operating expenditures	29,421	70,588	7,284,927	13,203	5,897,582	504,612	2,502,162	16,302,495
Capital outlay	-	-	818,037	-	43,769,961	7,146,413	47,047	51,781,458
Total expenditures	1,797,560	22,541,945	66,358,309	13,203	59,272,403	7,931,327	3,849,637	161,764,384
(Deficiency) excess of revenues (under) over expenditures	(431,951)	(2,235,959)	(3,585,290)	(9,383)	(3,751,510)	(2,411,012)	668,522	(11,756,583)
Other financing sources (uses):								
Transfers in	-	2,437,352	146,392	-	-	-	-	2,583,744
Transfers out	(45,653)	(583,062)	(1,537,964)	-	(14,300,000)	(3,903,394)	(1,375,826)	(21,745,899)
Total other financing sources (uses)	(45,653)	1,854,290	(1,391,572)	-	(14,300,000)	(3,903,394)	(1,375,826)	(19,162,155)
Net change in fund balances	(477,604)	(381,669)	(4,976,862)	(9,383)	(18,051,510)	(6,314,406)	(707,304)	(30,918,738)
Fund balance, July 1, 2019	1,287,158	385,769	13,520,031	249,435	90,650,577	63,524,285	11,122,773	180,740,028
Fund balance, June 30, 2020	$ 809,554	$ 4,100	$ 8,543,169	$ 240,052	$ 72,599,067	$ 57,209,879	$ 10,415,469	$ 149,821,290

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, 9 K-8 schools, 25 middle/junior schools, 23 senior high schools, 12 atypical/alternative schools, 47 State preschools sites, 4 child development centers, 4 special education centers and the District is the sponsoring agency for 46 charter schools.

GOVERNING BOARD

Name	Office	Term Expires
Dr. John Lee Evans	President	December 2020
Richard Barrera	Vice President	December 2020
Dr. Sharon Whitehurst-Payne	Member	December 2020
Kevin Beiser	Member	December 2022
Dr. Michael McQuary	Member	December 2022

DISTRICT ADMINISTRATORS

Cindy Marten
Superintendent of Public Education

Staci Monreal
Chief of Staff

Gregory K. Ottinger, Ed.D.
Chief Business Officer

Acacia Thede
Chief Human Resources Officer

W. Drew Rowlands
Chief Operations Officer

Lee Dulgeroff
Chief Facilities Planning and Construction Officer

Andrew Sharp
Chief Public Information Officer

Andra M. Greene
General Counsel

Debbie Foster
Executive Director, Financial Planning and Development

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

(Continued)

DISTRICT ADMINISTRATORS
(Continued)

Carmina Duran
Executive Director, Quality Assurance

Marty Stultz
Director, Board Services

Jim Solo
Executive Director, Leadership & Learning

Toren Allen
Executive Director, Integrated Technology

Sarah Ott
Executive Director, Special Education

Bruce Bivins
Area 1 Superintendent

Lamont Jackson
Area 2 Superintendent

Kimie Lochtefeld
Area 3 Superintendent

Monika Hazel
Area 4 Superintendent

Mitzi Merino
Area 5 Superintendent

Sofia Freire
Chief, Leadership & Learning
High Schools Area Superintendent

SAN DIEGO UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
For the Year Ended June 30, 2020

Certificate #:	C2DEE2E2 Second Period Report	80FC83BF Annual Report
Transitional Kindergarten through Third		
Regular ADA	33,902	33,902
Special Education	76	76
Total Transitional Kindergarten through Third	33,978	33,978
Fourth through Sixth		
Regular ADA	21,762	21,762
Special Education	78	78
Total Fourth through Sixth	21,840	21,840
Seventh through Eighth		
Regular ADA	13,550	13,550
Special Education	69	69
Community Day School	9	9
Total Seventh through Eighth	13,628	13,628
Ninth through Twelfth		
Regular ADA	27,795	27,795
Special Education	225	225
Community Day School	13	13
Total Ninth through Twelfth	28,033	28,033
District Total	97,479	97,479

See accompanying notes to supplementary information.

SAN DIEGO UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
For the Year Ended June 30, 2020

Grade Level	Minutes Require-ment	2019-2020 Actual Minutes	Number of Days	Status
District:				
Kindergarten	36,000	54,300	180	In Compliance
Grade 1	50,400	54,035	180	In Compliance
Grade 2	50,400	54,035	180	In Compliance
Grade 3	50,400	54,035	180	In Compliance
Grade 4	54,000	54,035	180	In Compliance
Grade 5	54,000	54,035	180	In Compliance
Grade 6	54,000	63,225	180	In Compliance
Grade 7	54,000	63,225	180	In Compliance
Grade 8	54,000	63,225	180	In Compliance
Grade 9	64,800	64,854	180	In Compliance
Grade 10	64,800	64,854	180	In Compliance
Grade 11	64,800	64,854	180	In Compliance
Grade 12	64,800	64,854	180	In Compliance

See accompanying notes to supplementary information.

Federal Catalog Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expend-itures
	U.S. Department of Education - Passed through California Department of Education		
	Special Education Cluster:		
84.027	IDEA Basic Local Assistance Entitlement, Part B, Sec. 611 (Formerly 94-142)	13379	$ 21,481,311
84.027	IDEA Local Assistance, Part B, Sec. 619 Private School ISPs	10115	465,502
84.027A	Special Ed: IDEA Mental Health Services, Part B, Sec 611	15321	4,228
84.173	PI 99-457 Preschool Grant Programs	13430	841,889
84.173A	Alternative Dispute Resolution Program, Part B	13007	30,466
84.173A	IDEA Preschool Staff Development, Part B, Sec. 619	13431	8,173
84.027A	IDEA Mental Health ADA	15197	1,142,035
	Subtotal Special Education Cluster		23,973,604
	ESEA: Title III Program:		
84.365	ESEA: Title III, Limited English Proficient (LEP) Student Programs	14346	5,904,520
84.365	ESEA: Title III, Immigrant Education Program	15146	129,665
	Subtotal ESEA: Title III Program		6,034,185
	Federal Impact Aid Program:		
84.041	Federal Impact Aid	10015	13,824,446
84.041	Federal Impact Aid - Special Ed	*	4,146,693
	Subtotal Federal Impact Aid Program		17,971,139
	Magnet School Assistance Program:		
84.165A	Magnet School Assistance Program	*	2,486,907
84.165A	Magnet School Assistance Program - Positions	*	902,997
	Subtotal Magnet School Assistance Program		3,389,904

(Continued)

Federal Catalog Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expend-itures
	U.S. Department of Education - Passed through California Department of Education (Continued)		
84.010	ESEA: Title I, Part A Basic Grants, Low Income and Neglected	14329	$ 34,231,159
84.010	ESEA: ESSA School Improvement (CSI) Funding for LEAs	15438	1,620,818
	Subtotal Title I Program		35,851,977
84.048	Carl D. Perkins Career and Technical Education: Secondary, Section 131 (Vocational Education)	14894	1,019,070
84.060	Indian Education	10011	77,131
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	4,290,511
84.287	ESEA: Title IV, Part B, 21st Century Community Learning Centers Program	14349	1,793,935
84.424	ESEA: Title IV, Part A, SSAE	15396	4,331,086
84.U01	JROTC	*	1,281,600
84.126	Department of Rehab: Workability II, Transition Partnership	10006	768,875
	Total U.S. Department of Education		101,080,070
	U.S. Department of Defense		
	Invitational Grants for Military-Connected Schools Program:		
12.557	Op Special Ed Achievement	*	167,166
12.557	OpCollege and Career Readiness	*	34,134
12.557	Operation Aim High	*	187,086
	Subtotal Invitational Grants for Military-Connected Schools Program		388,386
	Community Investment Program:		
12.600	Department of Defense Off Econ Adj Grant Hancok	*	1,837,857
12.600	Department of Defense Off Econ Adj Grant Miller	*	384,492
	Subtotal Community Investment Program		2,222,349
	Total U.S. Department of Defense		2,610,735

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For the Year Ended June 30, 2020

Federal Catalog Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Through Entity Identifying Number	Federal Expend-itures
	U.S. Department of Health and Human Services - Passed through California Department of Education		
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	*	$ 383,790
93.558	Sandapp Cal-Learn - TANF	*	1,017,794
93.576	Refugee and Entrant Assistance Discretionary Grant	*	56,240
93.778	Department of Health Care Services: Medi-Cal Billing Option - Medicaid Cluster	10013	2,202,167
	Total U.S. Department of Health and Human Services		3,659,991
	U.S. Department of Agriculture - Passed through California Department of Education		
10.558	Child Nutrition: CACFP Claims Centers and Family Day Care Homes	13394	6,230,401
10.579	Child Nutrition: NSLP Equipment Assistance Grant	14906	88,762
10.553	Child Nutrition: School Programs - Child Nutrition Cluster	13526	42,737,175
	Total U.S. Department of Agriculture		49,056,338
	Total Federal Programs		$ 156,407,134

* PCS or CFDA Number not available or not applicable.

See accompanying notes to supplementary information.

There were no audit adjustments proposed to any other funds of the District.

SAN DIEGO UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
For the Year Ended June 30, 2020
(UNAUDITED)

	(Adopted Budget) 2021	2020	2019	2018
General Fund				
Revenues and other financing sources	$1,509,304,046	$1,427,510,411	$1,447,705,895	$1,339,555,371
Expenditures	1,493,160,942	1,423,021,352	1,395,012,116	1,313,828,199
Other uses and transfers out	11,804,432	2,583,744	14,948,012	18,045,589
Total outgo	1,504,965,374	1,425,605,096	1,409,960,128	1,331,873,788
Change in fund balance	$ 4,338,672	$ 1,905,315	$ 37,745,767	$ 7,681,583
Ending fund balance	$ 136,696,092	$ 132,357,420	$ 130,452,105	$ 92,706,338
Available reserves	$ 57,413,995	$ 28,483,000	$ 28,194,000	$ 26,651,000
Designated for economic uncertainties	$ 30,071,000	$ 28,483,000	$ 28,194,000	$ 26,651,000
Undesignated fund balance	$ 27,342,995	$ -	$ -	$ -
Available reserves as percentages of total outgo	3.80%	2.00%	2.00%	2.00%
All Funds				
Total long-term liabilities	$6,636,875,111	$6,066,412,548	$5,833,598,585	$5,779,405,834
Average daily attendance at P-2	97,189	97,479	98,024	99,506

The General Fund balance has increased by $47,332,665 over the past three years. The fiscal year 2020-2021 budget projects an increase of $4,338,672. 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, 2020, the District met this requirement.

The District has incurred operating surpluses in each of the past three years, and anticipates an operating surplus in fiscal year 2020-2021.

Total long-term liabilities have increased by $287,006,714 over the past two years, as shown in Note 6 to the basic financial statements.

Average daily attendance has decreased by 2,027 over the past two years. A decrease of 290 ADA is projected for the 2020-2021 fiscal year.

Charter School	Charter Number	Status	Included in District Report
Albert Einstein Academy Charter Elementary	488	Active	No
America's Finest Charter School	1301	Active	No
Audeo Charteran - an Altus School	406	Active	No
Charter School of San Diego - an Altus School	28	Active	No
City Heights Preparatory Charter	1312	Active	No
Darnall Charter	33	Active	No
e3 Civic High	1302	Active	No
Albert Einstein Academy Charter Middle	773	Active	No
Elevate Elementary	1633	Active	No
Empower Charter	1634	Active	No
Gompers Preparatory Academy	1080	Active	No
Harriet Tubman Village Charter	46	Active	No
Health Sciences High	876	Active	No
Health Sciences Middle	1517	Active	No
High Tech Elementary	1709	Active	No
High Tech Elementary Explorer	278	Active	No
High Tech High	269	Active	No
High Tech 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
Iftin Charter School	680	Active	No
Ingenuity Charter - an O'Farrell School	1719	Active	No
Innovations Academy	1024	Active	No
Kavod Elementary 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 Athletics Academy	706	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
National University Academy	1981	Active	No
Old Town Academy K-8 Charter	1279	Active	No
Preuss School UCSD	169	Active	No
San Diego Cooperative Charter	396	Active	No
San Diego Global Vision Academy	1190	Active	No
School for Entrepreneurship and Technology	1253	Active	No
The O'Farrell Charter	48	Active	No
Urban Discovery Academy	1008	Active	No

NOTE 1 - PURPOSE OF SCHEDULES

A - Schedule of Average Daily Attendance

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

B - Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. The District neither met nor exceeded its target funding. 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. The District submitted a COVID-19 School Closure Certification with the State Superintendent of Public Instruction (SSPI) in connection with the effected school days impacted by COVID-19. The Certification was submitted to the SSPI on November 6, 2020.

C - 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.

The following schedule provides a reconciliation between revenues reported on the Statement of Revenues, Expenditures and Change in Fund Balances and the related expenditures reported on the Schedule of Expenditure of Federal Awards. The reconciling amounts represent Federal funds that have been recorded as revenues that have not been expended by June 30, 2020.

Description	CFDA Number	Amount
Total Federal revenues, Statement of Revenues, Expenditures and Change in Fund Balances		$ 156,559,763
Less: Funds received in excess of expenditures		
Medi-Cal Billing Option	93.778	(152,629)
Total Schedule of Expenditure of Federal Awards		$ 156,407,134

(Continued)

NOTE 1 - PURPOSE OF SCHEDULES (Continued)

D - 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.

E - 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 2020-2021 fiscal year, as required by the State Controller's Office. The information in this schedule has been derived from audited information.

F - 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, 2020, 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 *2019-20 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, 2020.

Description	Procedures Performed
Attendance Reporting	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	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
Juvenile Court Schools	No, see below
Middle or Early College High Schools	Yes
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	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
After/Before School Education and Safety Program:	
General requirements	Yes
After school	Yes
Before school	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study – Course Based	No, see below
Charter schools - Attendance	No, see below
Charter Schools - Mode of Instruction	No, see below

(Continued)

Description	Procedures Performed
Charter Schools - Nonclassroom Based Instruction/ Independent Study	No, see below
Charter Schools - Determination of Funding for Nonclassroom Based Instruction	No, see below
Charter Schools Annual Instructional Minutes - Classroom Based	No, see below
Charter Schools - Charter School Facility Grant Program	No, see below

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

We did not perform any procedures related to Juvenile Court Schools because the District did not operate 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 *2019-20 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.

(Continued)

Basis for Qualified Opinion on Compliance with State Laws and Regulations

As described in Findings 2020-002, 2020-003, 2020-004, 2020-005, and 2020-006 in the accompanying Schedule of Audit Findings and Questioned Costs, San Diego Unified School District did not comply with requirements regarding Attendance Reporting, Kindergarten Continuation, Independent Study, After School Education and Safety Program, and School Accountability Report Card, respectively. 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, 2020.

Other Matter

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

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 *2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Sacramento, California
December 2, 2020

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, 2020, 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 2, 2020.

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 2020-001.

(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

Crowe LLP

Sacramento, California
December 2, 2020

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND REPORT
ON INTERNAL CONTROL OVER COMPLIANCE

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, 2020. 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 statues, 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, 2020.

(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

Crowe LLP

Sacramento, California
December 2, 2020

FINDINGS AND RECOMMENDATIONS

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

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

CFDA Number(s)	Name of Federal Program or Cluster	Type of Opinion
84.027, 84.173	Special Education Cluster	Unmodified
84.165A	Magnet School Assistance Program	Unmodified
84.367	ESEA: Title II, Part A, Improving Teacher Quality Local Grants	Unmodified
84.365	ESEA: Title III Program	Unmodified
84.424	ESEA: Title IV, Part A, SSAE	Unmodified
10.558	Child Nutrition: Child Care Food Program (CCFP)	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:

CFDA Number(s)	Name of Federal Program or Cluster
84.027, 84.173	Special Education Cluster
84.165A	Magnet School Assistance Program
84.367	ESEA: Title II, Part A, Improving Teacher Quality Local Grants
84.365	ESEA: Title III Program
84.424	ESEA: Title IV, Part A, SSAE
10.558	Child Nutrition: Child Care Food Program (CCFP)

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

STATE AWARDS

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

(Continued)

SECTION II - FINANCIAL STATEMENT FINDINGS

2020-001 DEFICIENCY - INTERNAL CONTROL - ASSOCIATED STUDENT BODY (30000)

Criteria or Specific Requirement: 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

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.

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.

(Continued)

SECTION II - FINANCIAL STATEMENT FINDINGS

2020-001 DEFICIENCY - INTERNAL CONTROL - ASSOCIATED STUDENT BODY (30000) (Continued)

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.

Views of Responsible Officials and Planned Corrective Actions: The District agrees with the auditor's recommendations. The District continues to provide support to the schools that administer ASB funds with QuickBooks training sessions along with an open lab available to the Financial Clerks and Elementary School Assistants to work one-on-one with the accounting team. In addition, the District's Operations Auditors provide an ASB Essentials training for both organized and unorganized ASB. The intended audience for these trainings includes Principals, Financial Clerks, Elementary School Assistants, Administrative Aides, ASB Advisors and other school staff with responsibilities over ASB activities. Beginning in FY 20/21, the training sessions will be conducted via Zoom and will be recorded for those not able to attend. The Operations Auditors are also working with our IT department to provide training through the SafeSchools platform which allows the District to customize training videos with assessment questions following each section.

(Continued)

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were noted.

(Continued)

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

2020-002 STATE COMPLIANCE - ATTENDANCE REPORTING (10000)

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

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

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 effect of this finding is an overstatement of 0.009 ADA.

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

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

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

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

2020-003 STATE COMPLIANCE – KINDERGARTEN CONTINUANCE (40000)

Criteria or Specific Requirement: Education Code Section 46300 "...(g) (1) In computing the average daily attendance of a school district, there shall be included the attendance of pupils in kindergarten after they have completed one school year in kindergarten or pupils in a transitional kindergarten program after they have completed one year in that program if one of the following conditions is met:

(A) The school district has on file for each of those pupils an agreement made pursuant to Section 48011, approved in form and content by the department and signed by the pupil's parent or guardian, that the pupil may continue in kindergarten for not more than one additional school year."

(B) The pupils participated in a transitional kindergarten program pursuant to subdivision (c) of Section 48000.

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

(Continued)

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

2020-003 STATE COMPLIANCE – KINDERGARTEN CONTINUANCE (40000) (Continued)

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 effect of this finding is an overstatement of 3.00 ADA in the Kindergarten through third grade span.

Cause: The District did not maintain agreements for the kindergarten pupils retained for a second year of Kindergarten.

Fiscal Impact: The effect of this finding is an overstatement of 3.00 ADA. Based on the LCFF Base Grant Funding per ADA of $9,765.70, the estimated fiscal impact is $29,298.

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.

Views of Responsible Officials and Planned Corrective Actions: The District agrees with the auditor's recommendations and will continue to provide training for staff who are responsible for attendance reporting at the school sites. The District has reports available that identify students that are attending Kindergarten for more than one year and will also provide training to staff on how to run the reports. The District will revise the P-2 and Annual Reports of Attendance to properly reflect the disallowed Average Daily Attendance (ADA) in the Kindergarten through third grade span.

2020-004 STATE COMPLIANCE – INDEPENDENT STUDY (40000)

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

Condition: 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.

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 effect of the finding is an overstatement of ADA generated from independent study attendance.

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

Fiscal Impact: The effect of this finding is an overstatement of 0.65 ADA. Based on the LCFF Base Grant Funding per ADA of $9,766, the estimated fiscal impact is $6,303.

(Continued)

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

2020-004 STATE COMPLIANCE – INDEPENDENT STUDY (40000) (Continued)

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

Views of Responsible Officials and Planned Corrective Actions: The District agrees with the auditor's recommendations and will continue to provide training for staff who are responsible for administering the independent study contracts. The District will revise the P-2 and Annual Reports of Attendance to properly reflect the disallowed Average Daily Attendance (ADA).

2020-005 STATE COMPLIANCE – AFTER SCHOOL EDUCATION AND SAFETY PROGRAM (40000)

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

Condition: 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.

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 effect of this finding is an overstatement of 10 days of attendance for the District's ASES program.

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

Fiscal Impact: Not determinable.

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

(Continued)

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

2020-005 STATE COMPLIANCE – AFTER SCHOOL EDUCATION AND SAFETY PROGRAM (40000) (Continued)

Views of Responsible Officials and Planned Corrective Actions: As a result of the 2019-20 audit findings for the After School Education and Safety (ASES) program, the extended Learning Opportunities Department has revised the existing PrimeTime ASES Attendance Procedures, Early Release and Late Arrival Procedures, and PrimeTime Sign In/Out Sheet Audit Guidelines streamlining the manual process for reporting early release and late arrival requirements as stipulated by the California Education Code. Over 300 new and returning staff will continue to be required to attend the mandatory PrimeTime Cayen (CAS21) Attendance Accountability professional development prior to the beginning the new school year and monthly providing training for over 100 new staff throughout the school year. The Extended Learning Opportunities Department will continue to provide the mandatory staff professional development and perform unannounced visits at all 115 school sites throughout the year auditing attendance records. Additionally, the organizations employing the program staff will be required to perform additional unannounced visits auditing attendance records as stipulated by the Extended Learning Opportunities Department.

All school site program leaders, as well as supervisory and administrative personnel, are required to attend the PrimeTime CAS21 Attendance Accountability training annually. The mandatory PrimeTime CAS21 Attendance Accountability trainings are provided prior to the start of the school year as well as monthly including one-on-one training for new staff and existing staff needing additional support. The training is designed to serve no more than 30 staff per training focusing on all program attendance requirements, a step by step process of how this information is to be entered in the attendance system database using live data and how to ensure all information is reported accurately. The Extended Learning Opportunities Department developed audit guidelines and incorporated these guidelines during the training teaching staff how to reconcile attendance sign-in and sign-out sheets with PrimeTime CAS21 attendance system. Additionally, Cayen a worldwide corporation created a new CAS21 Attendance Accountability Database Application providing staff access to a step by step attendance procedure overview. The CAS21 Attendance Accountability Database Application is tailored for San Diego Unified School District's PrimeTime attendance requirements providing staff with additional support.

The Extended Learning Opportunities Department also performs unannounced school site observations to provide the support needed to operate a high quality, engaging learning environment, including the implementation of all attendance requirements as stipulated by the California Department of Education. The Early Release and Late Arrival procedures have been revised requiring this information to be recorded directly on the PrimeTime Sign In/Out Sheets and reviewed by staff daily making every effort to ensure only those students meeting all of the ASES criteria are reported to the California Department of Education. As well as ensuring staff are implementing the required PrimeTime Sign In/Out Sheet Audit Guidelines as an additional measure for ensuring attendance is reported accurately.

The San Diego Unified School District's ASES program history resulted in zero to minimal attendance audit findings over the years, reflecting the Extended Learning Opportunities Department's ongoing commitment to ensure attendance is properly documented and reported to the California Department of Education. Our goal is to continue to make every effort to report attendance with 100% accuracy.

(Continued)

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

2020-006 STATE COMPLIANCE – SCHOOL ACCOUNTABILITY REPORT CARD (72000)

Criteria or Specific Requirement: Education Code Section 33126(b)(8) states that the school accountability report card shall include, but is not limited to, assessment of the following school conditions: (8) Safety, cleanliness, and adequacy of school facilities, including any needed maintenance to ensure good repair as specified in Section 17014, Section 17032.5, subdivision (a) of Section 17070.75, and subdivision (b) of Section 17089.

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.

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 not in compliance with Education Code 33126(b)(8) due to the inconsistency noted.

Cause: The cause of the finding is the District improperly updated the school accountability report card for the site indicating the attribute as “poor” instead of the appropriate value of “fair” condition.

Fiscal Impact: Not determinable.

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

Views of Responsible Officials and Planned Corrective Actions: The District agrees with the auditor’s recommendation and will ensure that the school accountability report cards are completed appropriately. The Facility Inspection Tool (FIT) data are obtained in early January each year from Physical Plant Operations staff. These are point-in-time data that may have been updated after receipt and entry into the SARC system. The SARC for iHigh has been corrected and now matches the FIT.

STATUS OF PRIOR YEAR

FINDINGS AND RECOMMENDATIONS

2019-001 DEFICIENCY - INTERNAL CONTROL - ASSOCIATED STUDENT BODY (30000)

Condition

Alice Birney Elementary School

- 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.
- Requests for disbursements are not properly supported by invoices or other identifying information as well as approval of expenditures was not formally documented by the proper individuals before a warrant is disbursed.

Hancock Elementary School

- Cash receipts are not being issued when funds are turned into the office.

Mason Elementary School

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

Benchley-Weinberger Elementary School

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

Porter North Elementary School

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

Recommendation: Based on the deficiencies identified above, we recommend the following:

- 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.

Current Status: Not implemented. See current year finding 2020-001.

District Explanation if Not Implemented: The District continues to offer support to the Elementary School Assistants and Finance Clerks by providing trainings as well as an open-lab for QuickBooks. The District's Operations Auditors provide ASB Essentials training for Principals, ASB Advisors, Elementary School Assistants, Financial Clerks, and other school staff that may have responsibilities over ASBs.

(Continued)

2019-002 STATE COMPLIANCE - ATTENDANCE REPORTING (10000)

Condition: At Benchley-Weinberger Elementary, one student was improperly claimed for apportionment, resulting in an overstatement of one day of attendance or 0.007 ADA.

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

Current Status: Not implemented. See current year finding 2020-002.

District Explanation if Not Implemented: The District continues to provide training for staff who are responsible for attendance reporting at the school sites.

2019-003 STATE COMPLIANCE – KINDERGARTEN CONTINUATION (40000)

Condition: The District was unable to provide completed agreements for one kindergarten pupil that completed one year in kindergarten.

Recommendation: The District should ensure a completed and signed agreement is maintained for each kindergarten pupil continuing in kindergarten for more than one year.

Current Status: Not implemented. See current year finding 2020-003.

District Explanation if Not Implemented: The District provides training to staff on how to complete the agreements for kindergarten continuance as well as how to run reports related to Kindergarten Continuance. The District will continue to provide this training to staff at the school sites responsible for maintaining the documentation.