

SAN DIEGO UNIFIED SCHOOL DISTRICT
PROPOSITIONS S AND Z GENERAL OBLIGATION BONDS
FINANCIAL STATEMENTS
June 30, 2016

SAN DIEGO UNIFIED SCHOOL DISTRICT
San Diego, California

PROPOSITIONS S AND Z BOND BUILDING FUND
FINANCIAL STATEMENTS
June 30, 2016

CONTENTS

INDEPENDENT AUDITOR'S REPORT

BACKGROUND INFORMATION

INTRODUCTION AND INDEPENDENT CITIZENS' OVERSIGHT
COMMITTEE MEMBER LISTING REPORT.....

FINANCIAL STATEMENTS:

 BALANCE SHEET

 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE.....

 NOTES TO FINANCIAL STATEMENTS

SUPPLEMENTARY INFORMATION:

 BUDGETARY COMPARISON SCHEDULE – PROPOSITION S BOND BUILDING FUND.....

 BUDGETARY COMPARISON SCHEDULE – PROPOSITION Z BOND BUILDING FUND.....

 SCHEDULE OF PROPOSITION S AND PROPOSITION Z GENERAL OBLIGATION BONDS

OTHER INDEPENDENT AUDITOR'S REPORTS:

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

FINDINGS AND RECOMENDATIONS:

 SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS.....

 SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS.....

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of San Diego Unified School District (the "District") Proposition S General Obligation Bonds and Proposition Z General Obligation Bonds activity included in the Building Fund of the District, as of and for the year ended June 30, 2016, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the San Diego Unified School District Proposition S General Obligation Bonds and Proposition Z General Obligation Bonds activity as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present financial activity and balances of the Propositions S and Z General Obligation Bonds activity only, and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2016, and the changes in its financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise San Diego Unified School District's Proposition S General Obligation Bonds and Proposition Z General Obligation Bonds activity financial statements. The accompanying Introduction and Independent Citizens' Oversight Committee Member Listing and the other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

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

Other Report Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2016 on our consideration of the District's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the Propositions S and Z General Obligation Bonds activity. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance for the Propositions S and Z General Obligation Bonds activity.

Sacramento, California
_____, 2016

Continued)

PROPOSITIONS S AND Z GENERAL OBLIGATION BONDS
BACKGROUND INFORMATION
June 30, 2016

San Diego Unified School District (the "District") began operations in 1854 under the laws of the State of California. The San Diego Unified School District serves nearly 130,000 students in kindergarten through grade 12, which includes students in Charter School. District's educational facilities include 108 elementary schools, 9 K-8 schools, 25 middle/junior high schools, 24 senior high schools, 11 atypical/alternative schools, and 51 charter schools.

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

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

On November 4, 2008, San Diego voters approved by more than the required 55% favorable vote, Proposition S, authorizing the issuance and sale of general obligation bonds, not to exceed \$2.1 billion. The bond is a Proposition 39 bond, which required approval from at least 55 percent of voters to pass. The District issued Series A through J totaling \$762 million. As of June 30, 2016, the principal balance, including outstanding accreted interest and refunding bonds, on the Proposition S Bonds was \$957,183,415.

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 G totaling \$1.16 billion. As of June 30, 2016, the principal balance on the Proposition Z Bonds was \$1,032,000,000.

Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITIONS S AND Z BOND GENERAL OBLIGATION BONDS
 INTRODUCTION AND INDEPENDENT CITIZENS' OVERSIGHT
 COMMITTEE MEMBER LISTING
 June 30, 2016

The Independent Citizens' Oversight Committee had the following members as of June 30, 2016, all of whom were appointed by the District's Board of Education with two year terms:

<u>Name</u>	<u>Representation at June 30, 2016</u>	<u>Education Code Section</u>
Mr. Andrew Berg	Construction Industry Organization representative (National Electrical Contractors Association) and member who is active in a business organization representing the business community located within the District.	15282(2)(1)
Mr. William Ponder	At Large	15282(a)
Ms. Betsy Mueller	At Large	15282(a)
Mr. Matt Kriz	San Diego Building Construction Trades Council representative	15282(a)
Mr. Miles Durfee	Proposition Z Charter School Facilities Committee	n/a*
Mr. David J. Akers	American Society of Civil Engineers representative	n/a*
Mr. Derick Boerner	SDUSD Cluster Governance Committee representative who is a parent or guardian of a child enrolled in the District (Doyle Elementary)	15282(a)(4)
Mr. Jerry Butkiewicz	Board Appointee-Active in Senior Citizens' Organization	15282(a)(2)
Mr. Mike Magallanes	Middleclass Taxpayers Association representative who is active in Bona Fide Taxpayers' Organization	15282(a)(3)
Ms. Mahogany Taylor	San Diego Unified Council of Parent Teacher Association representative who is a parent or guardian who has a child enrolled in the District	15282(a)(4)
Vacant	San Diego Regional Chamber of Commerce representative	n/a*

* The representation is not required by Education Code.

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITIONS S AND Z GENERAL OBLIGATION BONDS
 BALANCE SHEET
 June 30, 2016

	<u>Proposition S</u>	<u>Proposition Z</u>	<u>Total</u>
ASSETS			
Cash in county treasury (Note 2)	\$ 167,094,580	\$ 624,139,844	\$ 791,234,424
Receivables (Note 3)	214,068	936,413	1,150,481
Prepaid expenditures	106	3,615	3,721
Due from other funds (Note 5)	<u>14,511,310</u>	<u>178,326</u>	<u>14,689,636</u>
Total assets	<u>\$ 181,820,064</u>	<u>\$ 625,258,198</u>	<u>\$ 807,078,262</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 6,188,764	\$ 22,774,665	\$ 28,963,429
Due to other funds (Note 5)	<u>351,478</u>	<u>16,932,052</u>	<u>17,283,530</u>
Total liabilities	<u>6,540,242</u>	<u>39,706,717</u>	<u>46,246,959</u>
Fund balance:			
Nonspendable	106	3,615	3,721
Restricted	<u>175,279,716</u>	<u>585,547,866</u>	<u>760,827,582</u>
Total fund balance	<u>175,279,822</u>	<u>585,551,481</u>	<u>760,831,303</u>
Total liabilities and fund balance	<u>\$ 181,820,064</u>	<u>\$ 625,258,198</u>	<u>\$ 807,078,262</u>

See accompanying notes to financial statements.

SAN DIEGO UNIFIED SCHOOL DISTRICT
PROPOSITIONS S AND Z GENERAL OBLIGATION BONDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2016

	<u>Proposition S</u>	<u>Proposition Z</u>	<u>Total</u>
Revenues:			
Other state revenue	\$ -	\$ 6,207	\$ 6,207
Other local revenue	<u>626,602</u>	<u>2,496,673</u>	<u>3,123,275</u>
Total revenue	<u>626,602</u>	<u>2,502,880</u>	<u>3,129,483</u>
Expenditures:			
Facilities acquisition and construction (Notes 6, 7, 8 and 9)	<u>36,633,197</u>	<u>185,607,955</u>	<u>222,241,152</u>
Deficiency of revenues under expenditures	<u>(36,006,595)</u>	<u>(183,105,075)</u>	<u>(219,111,670)</u>
Other financing sources:			
Proceeds from issuance of general obligation bonds	144,999,241	625,000,000	769,999,241
Premium on issuance of general obligation bonds	<u>993,406</u>	<u>2,595,119</u>	<u>3,588,525</u>
Total other financing sources	<u>145,992,647</u>	<u>627,595,119</u>	<u>773,587,766</u>
Net change in fund balance	109,986,052	444,490,044	554,476,096
Fund balance July 1, 2015	<u>65,293,770</u>	<u>141,061,437</u>	<u>206,355,207</u>
Fund balance, June 30, 2016	<u>\$ 175,279,822</u>	<u>\$ 585,551,481</u>	<u>\$ 760,831,303</u>

See accompanying notes to financial statements.

SAN DIEGO UNIFIED SCHOOL DISTRICT
PROPOSITIONS S AND Z GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: San Diego Unified School District (the "District") began operations in 1854 under the laws of the State of California. San Diego Unified School District serves nearly 130,000 students in kindergarten through grade 12, which includes students in Charter School. The District's educational facilities include 108 elementary schools, 9 K-8 schools, 25 middle/junior high schools, 24 senior high schools, 11 atypical/alternative schools, and 51 charter schools.

On November 4, 2008 San Diego voters authorized \$2.1 billion in general obligation bonds (Proposition S) to improve every neighborhood school by repairing outdated student restrooms, deteriorated plumbing and roofs, upgrading career/vocational classrooms and labs, providing up-to-date classroom technology, improving school safety/security, replacing dilapidated portable classrooms, upgrading fire alarms, and removing hazardous substances. On November 6, 2012 San Diego voters approved Proposition Z, a \$2.8 billion bond proposition that the District will use to maintain safe and productive learning environments for students.

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

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

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

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

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

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
PROPOSITIONS S AND Z GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 –SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

A - Nonspendable Fund Balance:

The nonspendable fund balance classification reflects amounts that are not in spendable form, such as prepaid expenditures.

B - Restricted Fund Balance:

The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
PROPOSITIONS S AND Z GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1 –SIGNIFICANT ACCOUNTING POLICIES (Continued)

C - Committed Fund Balance:

The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Board of Education. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. Formal action by the Board of Education is required to remove any commitment from any fund balance. At June 30, 2016, 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, 2016, no such designation has occurred.

E - Unassigned Fund Balance:

The unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes.

NOTE 2 – CASH AND INVESTMENTS

Summary of Cash and Investments: Cash and investments as of June 30, 2016 are classified in the accompanying financial statements as cash in county treasury as follows:

	<u>Proposition S</u>	<u>Proposition Z</u>	<u>Total</u>
Cash in County Treasury	\$ 167,094,580	\$ 624,139,844	\$ 791,234,424

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.

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, 2016, 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, 2016, the District had no concentration of credit risk.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITIONS S AND Z GENERAL OBLIGATION BONDS
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2016

NOTE 3 – RECEIVABLES

Receivables amounting to \$1,150,481 as of June 30, 2016 consists of interest earned on the District's investment in the County Treasury.

NOTE 4 – CONSTRUCTION COMMITMENTS

The Propositions S and Z Bond Building Fund had the following construction commitments as of June 30, 2016:

<u>Propositions S and Z Capital Projects</u>	<u>Remaining Construction Commitment</u>
Henry HS: Site Modernization	\$ 21,853,830
Hancock ES: Site Modernization	20,598,000
Longfellow K8: Site Modernization	19,385,000
Miller ES: Site Modernization	18,862,458
Crawford HS: Stadium	12,074,411
Clark MS: Site Modernization	10,672,293
Grant ES: Site Modernization	9,969,688
Ocean Discovery	7,681,953
Henry HS: Theater & Production Studio	5,125,070
Misc. Small Projects	3,141,700
University City HS: Athletic, Asphalt, Turf Fields	3,103,728
Pacific Beach MS: Joint Use & Site Improvements	2,817,115
Kearny HS: CTA-Design & Construction Lab	2,679,500
Audubon ES: Site Modernization	2,538,920
DePortola MS: Roof & HVAC Replacement	2,315,423
McKinley ES: Joint Use Field	2,108,722
Correia MS: Retaining Wall	2,015,796
Miramar Ranch ES: Roof & HVAC	2,013,776
I-Middle @ MacDowell: Electrical Upgrade & Interim Housing	1,645,375
Henry HS: Academy of Engineering & Design	1,639,120
University City HS: Fabrication & Design CTE	1,604,000
Pershing MS: Synthetic Turf Field Project	1,443,542
La Jolla HS: Track and Field Project	1,299,232
Bell MS: Prop S Project	1,228,810
Mira Mesa HS: Culinary Arts	1,156,217
Gage ES: HVAC	1,154,364
Bell MS: New Fields	1,046,416
Valencia Park ES: HVAC	1,020,041
Language Academy: HVAC	1,001,887
Pacific Beach MS: Turf Field	811,543
Pershing MS: Site Modernization	626,731
Misc. Closeout of Projects	543,093
Nye ES: HVAC	384,816
Point Loma HS: Athletic Infrastructure Relocation	302,172
Crawford HS: Exterior Paint	300,000
Dana MS: New ST Baseball Field	290,000
I-Middle: Portable Demo & Relocation	285,653
Salk ES: New School Project	165,137
Valencia Park ES: Irrigation and Landscape Project	94,375
Serra HS: Science Bldg HVAC	87,645
Freese ES: Portable Demo	72,550
	<hr/>
Total	\$ <u>167,160,102</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITIONS S AND Z GENERAL OBLIGATION BONDS
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2016

NOTE 5 – INTERFUND ACTIVITIES

Interfund activity is reported as loans, services provided reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as reimbursement. All other Interfund transactions are treated as transfers.

Interfund Receivables/Payables: Propositions S and Z interfund receivable and payable balances at June 30, 2016 were as follow:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Proposition S		
General Fund	\$ -	\$ 196,575
Proposition Z	<u>14,511,310</u>	<u>154,903</u>
Total Proposition S	14,511,310	351,478
Proposition Z		
General Fund	\$ 24,423	\$ 2,420,742
Proposition S	<u>154,903</u>	<u>14,511,310</u>
Total Proposition Z	<u>178,326</u>	<u>16,932,052</u>
Total Propositions S and Z	<u>\$ 14,689,636</u>	<u>\$ 17,283,530</u>

NOTE 6 – PROPOSITIONS S AND Z EXPENDITURES BY MAJOR OBJECT

The following table presents the expenditure amounts by major object for the fiscal year ended June 30, 2016:

<u>Proposition S Expenditures by Object</u>	<u>Amount</u>	<u>Percent</u>
Classified salaries	\$ 1,299,442	4%
Employee benefits	527,021	1%
Books and supplies	273,947	1%
Services and other operating expenditures	1,041,790	3%
Capital outlay	33,043,167	90%
Other outgo	<u>447,830</u>	<u>1%</u>
Total	<u>\$ 36,633,197</u>	<u>100%</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITIONS S AND Z GENERAL OBLIGATION BONDS
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2016

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

<u>Proposition Z Expenditures by Object</u>	<u>Amount</u>	<u>Percent</u>
Classified salaries	\$ 8,026,545	4%
Employee benefits	3,305,245	2%
Books and supplies	13,693,427	7%
Services and other operating expenditures	12,294,940	7%
Capital outlay	146,848,086	79%
Other outgo	<u>1,439,712</u>	<u>1%</u>
Total	<u>\$ 185,607,955</u>	<u>100%</u>

NOTE 7 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The District's Proposition S Bond Building Fund had no expenditures over appropriations for the fiscal year ended June 30, 2016. The District's Proposition Z Bond Building Fund had no expenditures over appropriations for the fiscal year ended June 30, 2016.

NOTE 8 – PROPOSITIONS S AND Z EXPENDITURES BY SITE LOCATION

The following table presents the expenditure amounts by project for Proposition S for the fiscal year ended June 30, 2016.

<u>Proposition S School Site</u>	<u>Amount</u>	<u>Percent</u>	<u>Type</u>
O'Farrell Community	\$ 4,461,116	12.18%	Atypical
Crawford	\$ 2,437,712	6.66%	High School
Wilson	\$ 2,121,675	5.79%	Middle School
University City	\$ 1,953,900	5.33%	High School
La Jolla HS	\$ 1,886,108	5.14%	High School
Taft	\$ 1,503,571	4.10%	Middle School
Mann	\$ 1,474,626	4.02%	Middle School
Bell	\$ 1,203,024	3.28%	Middle School
Scripps Ranch	\$ 1,091,954	2.98%	High School
Hoover	\$ 885,554	2.42%	High School
Audubon	\$ 775,356	2.11%	Elementary School
Pershing	\$ 609,514	1.66%	Middle School
San Diego	\$ 601,112	1.64%	High School
Serra	\$ 539,544	1.47%	High School
Henry	\$ 441,510	1.20%	High School
Montgomery	\$ 376,301	1.03%	Elementary School
Valencia Park	\$ 268,131	0.73%	Elementary School
Grant	\$ 265,174	0.72%	Elementary School
Morse	\$ 264,660	0.72%	High School
McKinley	\$ 255,792	0.70%	Elementary School
Adams	\$ 254,223	0.69%	Elementary School
Central	\$ 235,530	0.64%	Elementary School
Rolando Park	\$ 234,198	0.64%	Elementary School

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
PROPOSITIONS S AND Z GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

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

<u>Proposition S School Site</u>	<u>Amount</u>	<u>Percent</u>	<u>Type</u>
Gage	\$ 232,959	0.64%	Elementary School
Benchley/Weinberger	\$ 232,203	0.63%	Elementary School
Marshall MS	\$ 222,909	0.61%	Middle School
Lewis	\$ 190,833	0.52%	Middle School
Zamarano	\$ 158,217	0.43%	Elementary School
Millennial Tech @ Gompers East	\$ 149,144	0.41%	Atypical
Oak Park	\$ 140,330	0.38%	Elementary School
Marvin	\$ 137,233	0.37%	Middle School
Fulton	\$ 136,170	0.37%	Elementary School
Bethune	\$ 135,753	0.37%	Elementary School
Kumeyaay	\$ 129,612	0.35%	Elementary School
Clark	\$ 129,201	0.35%	Middle School
Encanto	\$ 120,987	0.33%	Elementary School
Freese	\$ 120,174	0.33%	Elementary School
Longfellow	\$ 120,029	0.33%	Elementary School
Hamilton	\$ 118,690	0.32%	Elementary School
Nye	\$ 117,682	0.32%	Elementary School
Lee	\$ 116,175	0.32%	Elementary School
Dingeman	\$ 114,921	0.31%	Middle School
Boone	\$ 114,257	0.31%	Elementary School
Pacific Beach MS	\$ 106,075	0.29%	Middle School
SCPA	\$ 106,033	0.29%	Atypical
Language Acad	\$ 95,528	0.26%	Atypical
Foster	\$ 91,683	0.25%	Elementary School
Kearny	\$ 91,200	0.25%	High School
Johnson	\$ 89,548	0.24%	Elementary School
Hearst	\$ 80,291	0.22%	Elementary School
Perry	\$ 80,101	0.22%	Elementary School
Paradise Hills	\$ 75,676	0.21%	Elementary School
Clay	\$ 68,249	0.19%	Elementary School
Franklin	\$ 66,501	0.18%	Elementary School
Horton	\$ 65,157	0.18%	Elementary School
Carver	\$ 49,762	0.14%	Elementary School
Hardy	\$ 47,154	0.13%	Elementary School
Mira Mesa	\$ 42,790	0.12%	High School
Riley/ New Dawn	\$ 39,001	0.11%	Atypical
Mission Bay	\$ 38,419	0.10%	High School
Webster	\$ 35,353	0.10%	Elementary School
Knox	\$ 32,855	0.09%	Middle School
De Portola	\$ 28,347	0.08%	Middle School
Jackson	\$ 27,750	0.08%	Elementary School
Rosa Parks	\$ 26,309	0.07%	Elementary School
Darnall E-Campus	\$ 19,643	0.05%	Atypical
Clairemont	\$ 18,545	0.05%	High School
Jefferson	\$ 14,903	0.04%	Elementary School
Emerson	\$ 14,548	0.04%	Elementary School
Gompers West	\$ 13,580	0.04%	Atypical

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITIONS S AND Z GENERAL OBLIGATION BONDS
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2016

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

<u>Proposition S School Site</u>	<u>Amount</u>	<u>Percent</u>	<u>Type</u>
Point Loma	\$ 11,912	0.03%	High School
Euclid	\$ 9,799	0.03%	Elementary School
Hancock	\$ 9,608	0.03%	Elementary School
Golden Hill	\$ 8,149	0.02%	Elementary School
Dewey	\$ 7,829	0.02%	Elementary School
Pacific Beach ES	\$ 6,502	0.02%	Elementary School
Balboa	\$ 5,263	0.01%	Elementary School
Hawthorne	\$ 4,912	0.01%	Elementary School
Cubberley	\$ 4,369	0.01%	Elementary School
Twain Main Jr/Sr High	\$ 4,101	0.01%	Atypical
Baker	\$ 4,011	0.01%	Elementary School
King	\$ 3,420	0.01%	Atypical
Angier	\$ 3,374	0.01%	Elementary School
Jerabek	\$ 2,800	0.01%	Elementary School
Edison	\$ 2,453	0.01%	Elementary School
Challenger	\$ 2,052	0.01%	Middle School
Chollas	\$ 2,013	0.01%	Elementary School
Crawford	\$ 1,648	0.00%	High School
La Jolla HS	\$ 1,310	0.00%	High School
Holmes	\$ 636	0.00%	Elementary School
Green	\$ 600	0.00%	Elementary School
Normal Heights	\$ 555	0.00%	Elementary School
Madison	\$ 413	0.00%	High School
Einstein @ Brooklyn	\$ 412	0.00%	Atypical
Ocean Beach	\$ 411	0.00%	Elementary School
High Tech Middle Media Arts	\$ 392	0.00%	Atypical
Logan	\$ 333	0.00%	Elementary School
Correia	\$ 271	0.00%	Middle School
Washington	\$ 120	0.00%	Elementary School
Walker	\$ 119	0.00%	Elementary School
Cabrillo	\$ 116	0.00%	Elementary School
Carson	\$ 116	0.00%	Elementary School
Florence	\$ 114	0.00%	Elementary School
Fletcher	\$ (176)	0.00%	Elementary School
Loma Portal	\$ (576)	0.00%	Elementary School
Bay Park	\$ (583)	0.00%	Elementary School
Curie	\$ (594)	0.00%	Elementary School
Hoover	\$ (5,705)	-0.02%	High School
Sessions	\$ (17,086)	-0.05%	Middle School
Doyle	\$ (35,217)	-0.10%	Elementary School
CPMA @ Kroc	\$ (65,593)	-0.18%	Atypical
Downtown Library School	\$ (128,700)	-0.35%	Atypical
Total school site expenditures	<u>\$ 28,388,668</u>	<u>77.43%</u>	

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITIONS S AND Z GENERAL OBLIGATION BONDS
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2016

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

<u>Proposition S Program Expenditures</u>	<u>Amount</u>	<u>Percent</u>
Facilities planning and construction	\$ 3,830,735	10.45%
Facilities construction	3,407,918	9.30%
Debt Services	545,576	1.49%
Communications	12,470	0.03%
Other outgo	<u>447,830</u>	<u>1.30%</u>
 Total program expenditures	 <u>8,244,529</u>	 <u>22.57%</u>
 Total expenditures	 <u>\$ 36,633,197</u>	 <u>100.00%</u>

The following table presents the expenditure amounts by project for Proposition Z for the fiscal year ended June 30, 2016.

<u>Proposition Z School Site</u>	<u>Amount</u>	<u>Percent</u>	<u>Type</u>
Henry	\$ 12,879,144	6.94%	High School
Crawford	\$ 12,876,665	6.94%	High School
O'Farrell Community	\$ 12,613,324	6.79%	Atypical
Bell	\$ 8,522,854	4.58%	Elementary School
La Jolla HS	\$ 7,457,988	4.01%	High School
CPMA @ Kroc	\$ 6,655,071	3.59%	Middle School
University City	\$ 5,805,560	3.13%	High School
Correia	\$ 4,991,597	2.69%	Middle School
Mann	\$ 4,861,709	2.62%	Middle School
Morse	\$ 4,222,631	2.28%	High School
Encanto	\$ 4,210,141	2.27%	Elementary School
Hoover	\$ 3,945,311	2.13%	High School
Wilson	\$ 3,024,093	1.63%	Middle School
Ocean Discovery	\$ 2,798,779	1.51%	Atypical
Pershing	\$ 2,687,286	1.45%	Middle School
Grant	\$ 2,181,974	1.18%	Elementary School
Darnall E-Campus	\$ 2,103,464	1.13%	Atypical
Audubon	\$ 2,085,101	1.12%	Elementary School
Taft	\$ 1,957,371	1.05%	Middle School
Clairemont	\$ 1,745,616	0.94%	High School
De Portola	\$ 1,680,086	0.91%	Middle School
Mira Mesa	\$ 1,603,525	0.86%	High School
Pacific Beach MS	\$ 1,088,878	0.59%	Middle School
Iftin K-8 Charter @ Jackson	\$ 1,069,851	0.58%	Elementary School
Hamilton	\$ 1,034,626	0.56%	High School
Muir @ Anderson	\$ 968,979	0.58%	Elementary School
Kearny	\$ 946,185	0.52%	High School
High Tech High	\$ 875,641	0.47%	Atypical
Serra	\$ 854,931	0.46%	High School
Marshall MS	\$ 821,061	0.44%	Middle School
Miramar Ranch	\$ 777,551	0.42%	Elementary School
Clark	\$ 777,074	0.42%	Middle School

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
PROPOSITIONS S AND Z GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 8 – PROPOSITIONS S AND Z EXPENDITURES BY SITE LOCATION (2ontinued)

<u>Proposition Z School Site</u>	<u>Amount</u>	<u>Percent</u>	<u>Type</u>
Oak Park	\$ 753,190	0.41%	Elementary School
Dana	\$ 701,862	0.38%	Middle School
Salk ES	\$ 661,201	0.36%	Elementary School
Point Loma	\$ 644,954	0.35%	High School
Lewis	\$ 587,956	0.32%	Middle School
Gompers Preparatory Academy	\$ 585,663	0.32%	Atypical
Roosevelt	\$ 570,738	0.31%	Middle School
Marshall Middle	\$ 540,304	0.29%	Middle School
Education Center	\$ 515,487	0.28%	Other District Sites
McKinley	\$ 514,584	0.28%	Elementary School
Curie	\$ 504,023	0.27%	Elementary School
Perkins	\$ 497,737	0.27%	Elementary School
Euclid	\$ 465,345	0.25%	Elementary School
Wangenheim	\$ 457,110	0.25%	Elementary School
SCPA	\$ 451,960	0.24%	Atypical
Baker	\$ 451,217	0.24%	Elementary School
Rowan	\$ 438,765	0.24%	Elementary School
Mt. Everest Academy @ Wiggin	\$ 430,588	0.23%	Elementary School
Adams	\$ 425,175	0.23%	Elementary School
Challenger	\$ 425,025	0.23%	Middle School
Valencia Park	\$ 416,032	0.22%	Elementary School
Longfellow	\$ 395,322	0.21%	Elementary School
Muirlands	\$ 391,263	0.21%	Elementary School
Gage	\$ 387,800	0.21%	Elementary School
Marston	\$ 382,493	0.21%	Middle School
Chavez	\$ 376,950	0.20%	Elementary School
Penn	\$ 371,924	0.20%	Elementary School
I-Middle @ MacDowell	\$ 363,187	0.20%	Middle School
Memorial	\$ 362,528	0.20%	Elementary School
Washington	\$ 335,313	0.18%	Elementary School
Montgomery	\$ 333,750	0.18%	Middle School
Lee	\$ 333,685	0.18%	Elementary School
Nye	\$ 324,467	0.17%	Elementary School
Scripps Ranch	\$ 314,825	0.17%	High School
Standley	\$ 309,206	0.17%	Middle School
Language Acad	\$ 303,361	0.16%	Middle School
Cubberley	\$ 299,372	0.16%	Elementary School
San Diego	\$ 290,901	0.16%	High School
Logan	\$ 288,418	0.16%	Elementary School
Crown Point	\$ 284,831	0.15%	Elementary School
Tierrasanta	\$ 282,552	0.15%	Elementary School
Angier	\$ 271,548	0.15%	Elementary School
Doyle	\$ 266,001	0.14%	Elementary School
Downtown Library School	\$ 253,087	0.14%	Atypical
Bethune	\$ 247,287	0.13%	Elementary School
Lindbergh/ Schweitzer	\$ 244,509	0.13%	Elementary School

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
PROPOSITIONS S AND Z GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

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

<u>Proposition Z School Site</u>	<u>Amount</u>	<u>Percent</u>	<u>Type</u>
Pacific Beach MS	\$ 238,654	0.13%	Middle School
Golden Hill	\$ 237,222	0.13%	Elementary School
Emerson	\$ 234,471	0.13%	Elementary School
Hancock	\$ 228,392	0.12%	Elementary School
Johnson	\$ 221,051	0.12%	Elementary School
Spring Canyon Site	\$ 219,586	0.12%	Atypical
Clay	\$ 202,608	0.11%	Elementary School
Keiller	\$ 200,412	0.11%	Atypical
Farb	\$ 198,958	0.11%	Elementary School
Lafayette	\$ 198,879	0.11%	Elementary School
Rosa Parks	\$ 194,011	0.10%	Elementary School
Marvin	\$ 184,884	0.10%	Middle School
Audeo New Property	\$ 182,003	0.10%	Atypical
Boone	\$ 180,766	0.10%	Elementary School
Ross	\$ 179,221	0.10%	Elementary School
Dewey	\$ 173,447	0.09%	Elementary School
Miller	\$ 169,727	0.09%	Elementary School
Kimbrough	\$ 167,982	0.09%	Elementary School
Mission Bay	\$ 167,824	0.09%	High School
Joyner	\$ 163,513	0.09%	Elementary School
Cabrillo	\$ 160,007	0.09%	Elementary School
Linda Vista	\$ 158,424	0.09%	Elementary School
Dailard	\$ 156,237	0.08%	Atypical
E.B. Scripps	\$ 149,880	0.08%	Elementary School
Balboa	\$ 146,817	0.08%	Elementary School
Hearst	\$ 144,201	0.08%	Elementary School
Madison	\$ 139,842	0.08%	High School
Zamorano	\$ 138,857	0.07%	Elementary School
Horton	\$ 138,615	0.07%	Elementary School
Edison	\$ 132,761	0.07%	Elementary School
Fremont	\$ 131,318	0.07%	Atypical
Webster	\$ 129,435	0.07%	Elementary School
Fulton	\$ 124,591	0.07%	Elementary School
Sequoia	\$ 118,618	0.06%	Elementary School
Whitman	\$ 117,559	0.06%	Elementary School
Holmes	\$ 114,634	0.06%	Elementary School
Riley	\$ 113,714	0.06%	Elementary School
Perry	\$ 113,255	0.06%	Elementary School
Sessions	\$ 111,696	0.06%	Elementary School
Garfield ES	\$ 111,308	0.06%	Elementary School
Ocean Beach	\$ 110,160	0.06%	Elementary School
Silver Gate	\$ 106,214	0.06%	Elementary School
Dingeman	\$ 105,156	0.06%	Elementary School
Hage	\$ 104,437	0.06%	Elementary School
Sunset View	\$ 103,354	0.06%	Elementary School
La Jolla HS	\$ 96,357	0.05%	High School

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
PROPOSITIONS S AND Z GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 8 – PROPOSITIONS S AND Z EXPENDITURES BY SITE LOCATION (continued)

<u>Proposition Z School Site</u>	<u>Amount</u>	<u>Percent</u>	<u>Type</u>
Mason	\$ 94,982	0.05%	Elementary School
Juarez	\$ 92,667	0.05%	Elementary School
Field	\$ 91,974	0.05%	Elementary School
Normal Heights	\$ 91,545	0.05%	Elementary School
Millennial Tech @ Gompers East	\$ 91,236	0.05%	Atypical
Chesterton	\$ 90,737	0.05%	Elementary School
Urban Discovery Academy	\$ 89,656	0.05%	Atypical
Hickman	\$ 80,278	0.04%	Elementary School
Central	\$ 78,065	0.04%	Elementary School
Vista Grande	\$ 77,896	0.04%	Elementary School
Jefferson	\$ 77,614	0.04%	Elementary School
Spreckels	\$ 75,218	0.04%	Elementary School
Birney	\$ 73,809	0.04%	Elementary School
Franklin	\$ 73,346	0.04%	Elementary School
Linda Vista Annex S.D. Cooperative	\$ 72,974	0.04%	Atypical
Sandburg	\$ 70,816	0.04%	Elementary School
Twain Main Jr/Sr High	\$ 70,095	0.04%	Atypical
Loma Portal	\$ 69,694	0.04%	Elementary School
Knox	\$ 67,136	0.04%	Middle School
Harriet Tubman Village	\$ 65,949	0.04%	Atypical
King	\$ 64,740	0.03%	Elementary School
Health Science High	\$ 64,548	0.03%	Atypical
KIPP Adelante	\$ 63,596	0.03%	Atypical
Sherman	\$ 63,452	0.03%	Elementary School
Walker	\$ 62,685	0.03%	Elementary School
Garfield HS	\$ 61,773	0.03%	High School
Rolando Park	\$ 59,539	0.03%	Elementary School
Fay	\$ 58,264	0.03%	Elementary School
Paradise Hills	\$ 57,259	0.03%	Elementary School
Alcott	\$ 56,398	0.03%	Elementary School
Carver	\$ 53,237	0.03%	Elementary School
High Tech High International	\$ 52,654	0.03%	Atypical
Jones	\$ 51,666	0.03%	Elementary School
Porter	\$ 48,933	0.03%	Elementary School
Hawthorne	\$ 48,588	0.03%	Elementary School
Freese	\$ 47,393	0.03%	Elementary School
Bay Park	\$ 44,850	0.02%	Elementary School
Einstein @ Brooklyn	\$ 44,398	0.02%	Atypical
Foster	\$ 43,354	0.02%	Elementary School
Chollas	\$ 42,998	0.02%	Elementary School
Hardy	\$ 38,984	0.02%	Elementary School
Carson	\$ 36,625	0.02%	Elementary School
Florence	\$ 35,476	0.02%	Elementary School
Learning Choice Academy	\$ 31,046	0.02%	Atypical
Green	\$ 30,209	0.02%	Elementary School
Jerabek	\$ 30,025	0.02%	Elementary School
Alba @ North Park	\$ 28,768	0.02%	Elementary School

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITIONS S AND Z GENERAL OBLIGATION BONDS
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2016

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

<u>Proposition Z School Site</u>	<u>Amount</u>	<u>Percent</u>	<u>Type</u>
San Diego Metro Career & Tech	\$ 27,379	0.01%	Atypical
Fletcher	\$ 26,842	0.01%	Elementary School
Wegeforth	\$ 26,195	0.01%	Elementary School
Bayview Terrace	\$ 25,980	0.01%	Elementary School
Innovations Academy	\$ 25,295	0.01%	Atypical
Lincoln	\$ 25,193	0.01%	Elementary School
Museum School	\$ 25,145	0.01%	Atypical
Torrey Pines	\$ 24,365	0.01%	Elementary School
Bell	\$ 23,837	0.01%	Middle School
Preuss School UCSD	\$ 22,378	0.01%	Atypical
East Village High	\$ 20,970	0.01%	Atypical
Charter School of San Diego	\$ 20,106	0.01%	Atypical
King-Chavez Preparatory	\$ 19,890	0.01%	Atypical
Distribution Svcs Section	\$ 19,453	0.01%	Other District Sites
Rodriguez	\$ 18,427	0.01%	Elementary School
Cadman	\$ 14,389	0.01%	Elementary School
Bandini	\$ 14,386	0.01%	Elementary School
Toler	\$ 14,091	0.01%	Middle School
Barnard	\$ 13,744	0.01%	Elementary School
Benchley/ Weinberger	\$ 13,553	0.01%	Elementary School
Whittier	\$ 11,082	0.01%	Elementary School
High Tech Middle	\$ 10,869	0.01%	Atypical
Clairemont High	\$ 10,346	0.01%	High School
Burbank	\$ 8,508	0.00%	Elementary School
Audeo	\$ 8,488	0.00%	Atypical
Cherokee Point	\$ 7,317	0.00%	Elementary School
Ibarra	\$ 7,203	0.00%	Elementary School
High Tech Middle Media Arts	\$ 6,121	0.00%	Atypical
Henry High	\$ 5,080	0.00%	High School
Creative Performing & Media Arts	\$ 1,408	0.00%	Atypical
Crawford High	\$ 1,407	0.00%	High School
Ericson	\$ 683	0.00%	Elementary School
Kumeyaay	\$ 652	0.00%	Elementary School
I-Middle	\$ 485	0.00%	Atypical
La Jolla HS	\$ 466	0.00%	High School
Hamilton Elementary	\$ 338	0.00%	Elementary School
Mira Mesa	<u>\$ 105</u>	<u>0.00%</u>	High School
Total school site expenditures	<u>\$ 149,817,942</u>	<u>80.72%</u>	

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITIONS S AND Z GENERAL OBLIGATION BONDS
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2016

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

<u>Proposition Z Program Expenditures</u>	<u>Amount</u>	<u>Percent</u>
Facilities Construction	\$ 16,027,064	8.64%
Facilities Planning & Const.	14,724,959	7.93%
Debt Services.	1,155,407	0.62%
Strategic Sourcing Department	1,020,165	0.55%
Legal Services	359,273	0.19%
PPO Support Services	287,465	0.15%
Fin Plan Monitor & Account	202,923	0.11%
Info & Technology Support Svcs	180,413	0.10%
Communications	122,123	0.07%
Educational Technology	97,137	0.05%
Accounts Payable	87,371	0.05%
Physical Plant Operations	74,261	0.04%
Budget Dev Office Only	6,207	0.00%
Special Projects	5,533	0.00%
Other outgo	<u>1,439,712</u>	<u>0.78%</u>
Total program expenditures	<u>35,790,013</u>	<u>19.28%</u>
Total expenditures	<u>\$ 185,607,955</u>	<u>100.00%</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITIONS S AND Z GENERAL OBLIGATION BONDS
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2016

NOTE 9 – PROPOSITIONS S AND Z EXPENDITURES BY CATEGORY

Proposition S <u>Expenditures by Category</u>	<u>Amount</u>	<u>Percent</u>
High School	\$ 10,302,586	28.10%
Program Expenditures	8,244,529	22.57%
Middle School	7,860,021	21.44%
Elementary School	5,527,984	15.08%
Atypical	<u>4,698,077</u>	<u>12.81%</u>
 Total Expenditures	 <u>\$ 36,633,197</u>	 <u>100.00%</u>

Proposition Z <u>Expenditures by Category</u>	<u>Amount</u>	<u>Percent</u>
High School	\$ 55,106,062	29.69%
Elementary School	39,180,070	21.11%
Program Expenditures	35,790,013	19.28%
Middle Schools	33,590,710	18.10%
Atypical	21,406,160	11.53%
Other District Sites	<u>534,940</u>	<u>0.29%</u>
 Total Expenditures	 <u>\$ 185,607,955</u>	 <u>100.00%</u>

SUPPLEMENTARY INFORMATION

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITIONS S AND Z GENERAL OBLIGATION BONDS
 BUDGETARY COMPARISON SCHEDULE - PROPOSITION S
 June 30, 2016

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues:				
Other local sources	\$ 231,000	\$ 641,019	\$ 626,602	\$ (14,417)
Expenditures:				
Current:				
Classified salaries	1,482,558	1,482,558	1,299,442	183,116
Employee benefits	554,924	554,924	527,021	27,903
Books and supplies	43,450	913,413	273,947	639,466
Services and other operating expenditures	199,805	3,377,150	1,041,790	2,335,360
Other outgo	-	447,831	447,830	1
Capital outlay	<u>1,249,896</u>	<u>93,468,069</u>	<u>33,043,167</u>	<u>60,424,902</u>
Total expenditures	<u>3,530,633</u>	<u>100,243,945</u>	<u>36,633,197</u>	<u>63,610,748</u>
Deficiency of revenues under expenditures	<u>(3,299,633)</u>	<u>(99,602,926)</u>	<u>(36,006,595)</u>	<u>63,596,331</u>
Other financing sources:				
Proceeds from issuance of general obligation bonds	-	144,999,241	144,999,241	-
Premium on issuance of general obligation bonds	<u>-</u>	<u>993,407</u>	<u>993,406</u>	<u>(1)</u>
Total other financing sources	<u>-</u>	<u>145,992,648</u>	<u>145,992,647</u>	<u>(1)</u>
Net change in fund balance	(3,299,633)	46,389,722	109,986,052	63,596,330
Fund balances, July 1, 2015	<u>65,293,770</u>	<u>65,293,770</u>	<u>65,293,770</u>	<u>-</u>
Fund balances, June 30, 2016	<u>\$ 61,994,137</u>	<u>\$ 111,683,492</u>	<u>\$ 175,279,822</u>	<u>\$ 63,596,330</u>

SAN DIEGO UNIFIED SCHOOL DISTRICT
PROPOSITIONS S AND Z GENERAL OBLIGATION BONDS
BUDGETARY COMPARISON SCHEDULE - PROPOSITION Z
June 30, 2016

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues:				
Other state revenue	\$ -	\$ -	\$ 6,207	\$ 6,207
Other local	<u>1,800,000</u>	<u>2,527,203</u>	<u>2,496,673</u>	<u>(30,529)</u>
Total revenue	<u>1,800,000</u>	<u>2,527,203</u>	<u>2,502,880</u>	<u>(24,322)</u>
Expenditures:				
Current				
Classified salaries	9,157,902	9,268,536	8,026,545	1,241,991
Employee benefits	4,030,369	4,062,311	3,305,245	757,066
Books and supplies	346,714	31,751,413	13,693,427	18,057,986
Services and other operating expenditures	585,750	15,022,118	12,294,940	2,727,178
Other outgo	-	1,439,715	1,439,712	3
Capital outlay	<u>13,911,840</u>	<u>283,161,052</u>	<u>146,848,086</u>	<u>136,312,966</u>
Total expenditures	<u>28,032,575</u>	<u>344,705,145</u>	<u>185,607,955</u>	<u>159,097,190</u>
Deficiency of revenues under expenditures	<u>(26,232,575)</u>	<u>(342,177,942)</u>	<u>(183,105,075)</u>	<u>159,072,868</u>
Other financing sources:				
Transfers out	-			
Proceeds from issuance of general obligation bonds	450,000,000	625,000,000	625,000,000	-
Premium on issuance of general obligation bonds	<u>-</u>	<u>2,595,122</u>	<u>2,595,119</u>	<u>(3)</u>
Total other financing sources	<u>450,000,000</u>	<u>627,595,122</u>	<u>627,595,119</u>	<u>(3)</u>
Net change in fund balance	423,767,425	285,417,180	444,490,044	159,072,865
Fund balances, July 1, 2015	<u>141,061,437</u>	<u>141,061,437</u>	<u>141,061,437</u>	<u>-</u>
Fund balances, June 30, 2016	<u>\$ 564,828,862</u>	<u>\$ 426,478,617</u>	<u>\$ 585,551,481</u>	<u>\$ 159,072,865</u>

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITIONS S AND Z GENERAL OBLIGATION BONDS
 SCHEDULE OF PROPOSITION S AND PROPOSITION Z GENERAL OBLIGATION BONDS
 June 30, 2016

PROPOSITIONS S AND Z GENERAL OBLIGATION BONDS

As of June 30, 2016, the principal balance outstanding on the District's Propositions S and Z General Obligation Bonds, including accreted interest to date is:

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

Election of 2008 - Proposition S

	<u>Date of Issue</u>	<u>Interest Rate %</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Outstanding July 1, 2015</u>	<u>Current Year Additions</u>	<u>Redeemed Year</u>	<u>Outstanding June 30, 2016</u>
Series A	5/7/2009	2.52-6.19	2033	\$ 131,157,581	\$ 127,364,776	\$ -	\$ 74,254,156	\$ 53,110,620
A- Accreted interest				-	50,207,237	4,827,714	29,281,555	25,753,396
Series B QSCB	4/21/2009	7.87	2023	38,840,000	38,840,000	-	-	38,840,000
Series C	8/18/2010	6.10-6.625	2051	163,869,783	112,548,275	-	-	112,548,275
C- Accreted interest				-	37,104,582	10,095,754	-	47,200,336
Series D QSCB	8/5/2010	5.26	2028	36,130,000	36,130,000	-	-	36,130,000
Series E	5/24/2012	4.89-5.48	2052	149,998,825	149,998,825	-	-	149,998,825
E- Accreted interest				-	22,052,253	9,312,718	-	31,364,971
Series F	4/16/2014	1.00-5.00	2017	15,095,000	11,925,000	-	-	11,925,000
Series G	4/16/2014	5.18-5.58	2039	50,000,726	50,000,726	-	-	50,000,726
G-Accreted interest				-	1,937,697	2,864,091	-	4,801,788
Series H	6/18/2015	0.50-5.00	2025	31,770,000	31,770,000	-	-	31,770,000
Series I	6/18/2015	3.85-5.00	2040	99,999,241	-	99,999,241	-	99,999,241
Series J	5/5/2016	0.52-5.00	2028	45,000,000	-	45,000,000	-	45,000,000
Subtotal of original issue before refunding				<u>761,861,156</u>	<u>669,879,371</u>	<u>172,099,518</u>	<u>103,535,711</u>	<u>738,443,178</u>
R-2 Refunding (various)	3/1/2012	6.625	2042	56,869,830	56,869,830	-	-	56,869,830
R-2 Refunding- accreted interest				-	11,360,849	4,594,558	-	15,955,407
2008, SR-1 Refunding	4/5/2016	3.00-5.00	2034	<u>145,915,000</u>	<u>-</u>	<u>145,915,000</u>	<u>-</u>	<u>145,915,000</u>
Total Proposition S				<u>\$ 964,645,986</u>	<u>\$ 738,110,050</u>	<u>\$ 322,609,076</u>	<u>\$ 103,535,711</u>	<u>\$ 957,183,415</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITIONS S AND Z GENERAL OBLIGATION BONDS
 SCHEDULE OF PROPOSITION S AND PROPOSITION Z GENERAL OBLIGATION BONDS
 June 30, 2016

PROPOSITIONS S AND Z GENERAL OBLIGATION BONDS (Continued)

Election of 2012 - Proposition Z

	<u>Date of Issue</u>	<u>Interest Rate %</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Outstanding July 1, 2015</u>	<u>Current Year Additions</u>	<u>Redeemed Year</u>	<u>Outstanding June 30, 2016</u>
Series C	4/30/2013	4.00-5.00	2043	\$ 414,000,000	\$ 407,000,000	\$ -	\$ -	\$ 407,000,000
Series D	10/14/2015	0.45	2017	75,400,000	-	75,400,000	-	75,400,000
Series E	10/14/2015	3.00-4.00	2018	78,955,000	-	78,955,000	-	78,955,000
Series F	1/5/2016	4.29-5.00	2046	370,645,000	-	370,645,000	-	370,645,000
Series G	1/5/2016	3.58-5.00	2046	100,000,000		100,000,000		100,000,000
Total Proposition Z				<u>\$1,039,000,000</u>	<u>\$ 407,000,000</u>	<u>\$ 625,000,000</u>	<u>\$ -</u>	<u>\$1,032,000,000</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITIONS S AND Z BOND GENERAL OBLIGATION BONDS
 SCHEDULE OF PROPOSITION S AND PROPOSITION Z GENERAL OBLIGATION BONDS
 June 30, 2016

Election of 2008, Series A

Capital appreciation bonds were issued as part of Series A issuance. Prior to their applicable maturity dates, each capital appreciation bond will accrete interest on the principal component, with all interest accruing through the applicable maturity date and payable only upon maturity or prior payment of the principal component. Future accreted interest accruals of \$82,495,984 have not been reflected in the long-term debt balance in the schedule above.

The annual requirements to amortize Series A, Proposition S general obligation bonds payable outstanding as of June 30, 2016, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Accreted Interest</u>	<u>Total Debt Service</u>
2017	\$ 1,004,269	\$ 315,731	\$ 1,320,000
2018	848,543	336,457	1,185,000
2019	794,801	395,199	1,190,000
2020	4,952,880	3,047,120	8,000,000
2021	-	-	-
2022-2026	10,908,134	15,666,866	26,575,000
2027-2031	32,384,879	82,150,121	114,535,000
2032	<u>2,217,114</u>	<u>6,337,886</u>	<u>8,555,000</u>
Total	<u>\$ 53,110,620</u>	<u>\$ 108,249,380</u>	<u>\$ 161,360,000</u>

Election of 2008, Series B

Qualified School Construction Bonds

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

The District issued \$38,840,000 of Qualified School Construction Bonds (QSCBs) on April 21, 2009, pursuant to an authorization granted by voters of the District on November 4, 2008. The QSCBs were issued simultaneously with the District's 2010 General Obligation Bonds in order to fund projects authorized under Proposition S. The QSCBs are payable from ad valorem taxes upon all property subject to taxation by the District.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITIONS S AND Z BOND GENERAL OBLIGATION BONDS
 SCHEDULE OF PROPOSITION S AND PROPOSITION Z GENERAL OBLIGATION BONDS
 June 30, 2016

Election of 2008, Series B (Continued)

The annual requirements to amortize Series B, Proposition S general obligation bonds payable outstanding as of June 30, 2016, are as follows:

Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2017	\$ -	\$ -	\$ -
2018	-	-	-
2019	3,840,000	-	3,840,000
2020	4,500,000	-	4,500,000
2021	6,000,000	-	6,000,000
2022-2025	<u>24,500,000</u>	<u>-</u>	<u>24,500,000</u>
Total	<u>\$ 38,840,000</u>	<u>\$ -</u>	<u>\$ 38,840,000</u>

Election of 2008, Series C

Capital appreciation bonds were issued as part of Series C issuance. Prior to their applicable maturity dates, each capital appreciation bond will accrete interest on the principal component, with all interest accruing through the applicable maturity date and payable only upon maturity or prior payment of the principal component. Future accreted interest accruals of \$557,101,389 have not been reflected in the long-term debt balance in the schedule above.

The annual requirements to amortize Series C, Proposition S general obligation bonds payable outstanding as of June 30, 2016, are as follows:

Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Accreted Interest</u>	<u>Total Debt Service</u>
2017	\$ -	\$ -	\$ -	\$ -
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022-2026	-	-	-	-
2027-2031	9,422,718	2,863,656	21,672,282	33,958,656
2032-2036	18,633,881	28,636,563	62,046,119	109,316,563
2037-2041	29,874,917	28,636,563	148,230,083	206,741,563
2042-2046	27,211,797	28,636,563	223,238,203	278,986,563
2047-2051	<u>27,404,962</u>	<u>12,265,856</u>	<u>149,215,038</u>	<u>188,885,856</u>
Total	<u>\$ 112,548,275</u>	<u>\$ 101,039,201</u>	<u>\$ 604,301,725</u>	<u>\$ 817,889,201</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITIONS S AND Z BOND GENERAL OBLIGATION BONDS
 SCHEDULE OF PROPOSITION S AND PROPOSITION Z GENERAL OBLIGATION BONDS
 June 30, 2016

Election of 2008, Series D

Qualified School Construction Bonds

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

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

The annual requirements to amortize Series D, Proposition S general obligation bonds payable outstanding as of June 30, 2016, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2017	\$ -	\$ 136,831	\$ 136,831
2018	-	136,831	136,831
2019	-	136,831	136,831
2020	-	136,831	136,831
2021	-	136,831	136,831
2022-2026	15,000,000	342,079	15,342,079
2027-2029	<u>21,130,000</u>	<u>-</u>	<u>21,130,000</u>
Total	<u>\$ 36,130,000</u>	<u>\$ 1,026,234</u>	<u>\$ 37,156,234</u>

Election of 2008, Series E

Capital appreciation bonds were issued as part of Series E issuance. Prior to their applicable maturity dates, each capital appreciation bond will accrete interest on the principal component, with all interest accruing through the applicable maturity date and payable only upon maturity or prior payment of the principal component. Future accreted interest accruals of \$420,862,895 have not been reflected in the long-term debt balance in the schedule above.

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITIONS S AND Z BOND GENERAL OBLIGATION BONDS
 SCHEDULE OF PROPOSITION S AND PROPOSITION Z GENERAL OBLIGATION BONDS
 June 30, 2016

Election of 2008, Series E (Continued)

The annual requirements to amortize Series E, Proposition S general obligation bonds payable outstanding as of June 30, 2016, are as follows:

Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Accreted Interest</u>	<u>Total Debt Service</u>
2017	\$ -	\$ -	\$ -	\$ -
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022-2026	-	-	-	-
2027-2031	-	-	-	-
2032-2036	18,990,136	49,223,956	37,684,864	105,898,956
2037-2041	22,596,977	63,663,069	43,823,023	130,083,069
2042-2046	43,203,456	44,154,063	81,636,545	168,994,064
2047-2051	56,508,822	4,744,512	225,737,868	286,991,202
2052	<u>8,699,434</u>	<u>-</u>	<u>63,345,566</u>	<u>72,045,000</u>
Total	<u>\$ 149,998,825</u>	<u>\$ 161,785,600</u>	<u>\$ 452,227,866</u>	<u>\$ 764,012,291</u>

Election of 2008, Series F

The annual requirements to amortize Series F, Proposition S general obligation bonds payable outstanding as of June 30, 2016, are as follows:

Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2017	<u>\$ 11,925,000</u>	<u>\$ 298,125</u>	<u>\$ 12,223,125</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITIONS S AND Z BOND GENERAL OBLIGATION BONDS
 SCHEDULE OF PROPOSITION S AND PROPOSITION Z GENERAL OBLIGATION BONDS
 June 30, 2016

Election of 2008, Series G

Capital appreciation bonds were issued as part of Series G issuance. Prior to their applicable maturity dates, each capital appreciation bond will accrete interest on the principal component, with all interest accruing through the applicable maturity date and payable only upon maturity or prior payment of the principal component. Future accreted interest accruals of \$102,632,486 have not been reflected in the long-term debt balance in the schedule above.

The annual requirements to amortize Series G, Proposition S general obligation bonds payable outstanding as of June 30, 2016, are as follows:

Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Accreted Interest</u>	<u>Total Debt Service</u>
2017	\$ -	\$ -	\$ -
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022-2026	-	-	-
2027-2031	-	-	-
2032-2036	28,590,885	52,549,115	81,140,000
2037-2039	<u>21,409,841</u>	<u>54,885,159</u>	<u>76,295,000</u>
Total	<u>\$ 50,000,726</u>	<u>\$ 107,434,274</u>	<u>\$ 157,435,000</u>

Election of 2008, Series H

The annual payments required to amortize Series H, Proposition S general obligation bonds outstanding as of June 30, 2016, are as follows:

Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2017	\$ 910,000	\$ 1,327,645	\$ 2,237,645
2018	1,240,000	1,318,860	2,558,860
2019	1,240,000	1,293,750	2,533,750
2020	-	1,275,150	1,275,150
2021	-	1,275,150	1,275,150
2022-2025	<u>28,380,000</u>	<u>2,615,075</u>	<u>30,995,075</u>
Total	<u>\$ 31,770,000</u>	<u>\$ 9,105,630</u>	<u>\$ 40,875,630</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITIONS S AND Z BOND GENERAL OBLIGATION BONDS
 SCHEDULE OF PROPOSITION S AND PROPOSITION Z GENERAL OBLIGATION BONDS
 June 30, 2016

Election of 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 accruing through the applicable maturity date and payable only upon maturity or prior payment of the principal component. Future accreted interest accruals of \$108,950,760 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, 2016, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2017	\$ 11,047,893	\$ 432,107	\$ 11,480,000
2018	4,553,737	311,263	4,865,000
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022-2026	-	-	-
2027-2031	-	-	-
2032-2036	42,414,695	46,060,305	88,475,000
2027-2040	<u>41,982,916</u>	<u>32,147,085</u>	<u>104,130,001</u>
Total	<u>\$ 99,999,241</u>	<u>\$ 108,950,759</u>	<u>\$ 208,950,001</u>

Election of 2008, Series J

The annual payments required to amortize Series J, Proposition S general obligation bonds outstanding as of June 30, 2016, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2017	\$ 5,605,000	\$ 1,108,097	\$ 6,713,097
2018	-	1,791,400	1,791,400
2019	-	1,791,400	1,791,400
2020	775,000	1,775,900	2,550,900
2021	1,530,000	1,722,150	3,252,150
2022-2026	33,200,000	5,758,125	38,958,125
2027-2028	<u>3,890,000</u>	<u>174,325</u>	<u>4,064,325</u>
Total	<u>\$ 45,000,000</u>	<u>\$ 14,121,397</u>	<u>\$ 59,121,397</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITIONS S AND Z BOND GENERAL OBLIGATION BONDS
 SCHEDULE OF PROPOSITION S AND PROPOSITION Z GENERAL OBLIGATION BONDS
 June 30, 2016

2008 R-2 Refunding

The District issued the 2008 Refunding, Series R-2 bonds to refund certain portions of 2008, Series C general obligation bonds totaling \$51,321,508. Capital appreciation bonds were issued as part of R-2 Refunding issuance. Prior to their applicable maturity dates, each capital appreciation bond will accrete interest on the principal component, with all interest accreting through the applicable maturity date and payable only upon maturity or prior payment of the principal component. Future accreted interest accruals of \$114,554,763 have not been reflected in the long-term debt balance in the schedule above.

The annual payments required to amortize the Series R-2, Proposition S general obligation bonds outstanding as of June 30, 2016, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Accreted Interest</u>	<u>Total Debt Service</u>
2017	\$ -	\$ -	\$ -	\$ -
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022-2026	-	-	-	-
2027-2031	-	6,206,963	-	6,206,963
2032-2036	-	62,069,625	-	62,069,625
2037-2041	30,316,615	58,760,769	69,573,385	158,650,769
2042	<u>26,553,215</u>	<u>2,898,106</u>	<u>60,936,785</u>	<u>90,388,106</u>
Total	<u>\$ 56,869,830</u>	<u>\$ 129,935,463</u>	<u>\$ 130,510,170</u>	<u>\$ 317,315,463</u>

2008 SR-1 Refunding

The annual payments required to amortize the Election of 2008, Series SR-1 general obligation bonds outstanding as of June 30, 2016, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2017	\$ -	\$ 3,747,628	\$ 3,747,628
2018	-	5,692,600	5,692,600
2019	-	5,692,600	5,692,600
2020	-	5,692,600	5,692,600
2021	-	5,692,600	5,692,600
2022-2026	-	28,463,000	28,463,000
2027-2031	6,760,000	27,989,250	34,749,250
2032-2034	<u>139,155,000</u>	<u>8,314,500</u>	<u>147,469,500</u>
Total	<u>\$ 145,915,000</u>	<u>\$ 91,284,778</u>	<u>\$ 237,199,778</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITIONS S AND Z BOND GENERAL OBLIGATION BONDS
 SCHEDULE OF PROPOSITION S AND PROPOSITION Z GENERAL OBLIGATION BONDS
 June 30, 2016

Election of 2013, Series C

The annual payments required to amortize the Series C, Proposition Z general obligation bonds outstanding as of June 30, 2016, are as follows:

Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2017	\$ -	\$ 17,193,900	\$ 17,193,900
2018	-	17,193,900	17,193,900
2019	-	17,193,900	17,193,900
2020	905,000	17,184,850	18,089,850
2021	1,415,000	17,161,650	18,576,650
2022-2026	15,870,000	84,851,575	100,451,575
2027-2031	34,725,000	78,706,875	113,431,875
2032-2036	66,360,000	66,320,000	132,680,000
2037-2041	167,480,000	43,050,800	210,530,800
2042-2043	<u>120,245,000</u>	<u>4,967,100</u>	<u>125,212,100</u>
Total	<u>\$ 407,000,000</u>	<u>\$ 363,554,550</u>	<u>\$ 770,554,550</u>

Election of 2012, Series D

The annual payments required to amortize the Series C, Proposition Z general obligation bonds outstanding as of June 30, 2016, are as follows:

Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2017	<u>\$ 75,400,000</u>	<u>\$ 242,223</u>	<u>\$ 75,642,223</u>

Election of 2012, Series E

The annual payments required to amortize the Series E, Proposition Z general obligation bonds outstanding as of June 30, 2016, are as follows:

Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2017	\$ -	\$ 3,205,638	\$ 3,205,638
2018	<u>78,955,000</u>	<u>1,320,400</u>	<u>80,275,400</u>
Total	<u>\$ 78,955,000</u>	<u>\$ 4,526,038</u>	<u>\$ 83,481,038</u>

(Continued)

SAN DIEGO UNIFIED SCHOOL DISTRICT
 PROPOSITIONS S AND Z BOND GENERAL OBLIGATION BONDS
 SCHEDULE OF PROPOSITION S AND PROPOSITION Z GENERAL OBLIGATION BONDS
 June 30, 2016

Election of 2012, Series F

The annual payments required to amortize the Series F, Proposition Z general obligation bonds outstanding as of June 30, 2016, are as follows:

Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2017	\$ -	\$ 16,436,421	\$ 16,436,421
2018	-	16,621,100	16,621,100
2019	-	16,621,100	16,621,100
2020	-	16,621,100	16,621,100
2021	-	16,621,100	16,621,100
2022-2026	-	83,105,500	83,105,500
2027-2031	16,115,000	81,680,875	97,795,875
2032-2036	51,540,000	74,310,075	125,850,075
2037-2041	96,360,000	57,428,000	153,788,000
2042-2046	<u>206,630,000</u>	<u>24,967,800</u>	<u>231,597,800</u>
Total	<u>\$ 370,645,000</u>	<u>\$ 404,413,071</u>	<u>\$ 775,058,071</u>

Election of 2012, Series G

The annual payments required to amortize the Series G, Proposition Z general obligation bonds outstanding as of June 30, 2016, are as follows:

Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2017	\$ -	\$ 4,130,570	\$ 4,130,570
2018	-	4,176,981	4,176,981
2019	-	4,176,981	4,176,981
2020	-	4,176,981	4,176,981
2021	-	4,176,981	4,176,981
2022-2026	-	20,884,906	20,884,906
2027-2031	5,805,000	20,489,138	26,294,138
2032-2036	15,025,000	18,800,297	33,825,297
2037-2041	27,200,000	14,084,500	41,284,500
2042-2046	<u>51,970,000</u>	<u>5,874,400</u>	<u>57,844,400</u>
Total	<u>\$ 100,000,000</u>	<u>\$ 100,971,735</u>	<u>\$ 200,971,735</u>

(Continued)

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of San Diego Unified School District (the "District") Proposition S General Obligation Bonds and Proposition Z General Obligation Bonds (the "Bonds") activity included in the Building Fund of the District, as of and for the year ended June 30, 2016, and related notes to the financial statements and have issued our report thereon dated _____.

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 Proposition S General Obligation Bonds and Proposition Z General Obligation Bonds activity financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of San Diego Unified School District's internal control.

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

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

(Continued)

Compliance and Other Matters

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

Purpose of this Report

This purpose of this report is intended solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Sacramento, California
_____, 2016

SAN DIEGO UNIFIED SCHOOL DISTRICT
PROPOSITIONS S AND Z BOND BUILDING FUND
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
June 30, 2016

No matters were reported.

SAN DIEGO UNIFIED SCHOOL DISTRICT
PROPOSITIONS S AND Z BOND BUILDING FUND
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS
June 30, 2016

No matters were reported.