

Financial Statements
June 30, 2025

Coronado Unified School District

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Independent Auditor's Report

To the Governing Board
Coronado Unified School District
Coronado, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Coronado Unified School District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Coronado Unified School District, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Coronado Schools Foundation, the District's discretely presented component unit and 100% of the assets, net position, and revenues of the District's discretely presented component unit. Those statements were audited by other auditors, whose report has been furnished to us, and in our opinions, insofar as they relate to the amounts included for Coronado Unified School District, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Note 18 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* for the year ended June 30, 2025. Accordingly, a restatement has been made to the governmental activities net position as of July 1, 2024 to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the District's total OPEB liability and related ratios, schedule of the District's proportionate share of the net OPEB liability – MPP program, schedule of the District's proportionate share of the net pension liability - CalSTRS, schedule of the District's proportionate share of the net pension liability - CalPERS, schedule of the District's contributions - CalSTRS, and schedule of the District's contributions - CalPERS be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 the District's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, combining non-major governmental fund financial statements, and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards, combining non-major governmental fund financial statements, and other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the Local Education Agency Organization Structure but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
December 15, 2025

This section of Coronado Unified School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2025, with comparative information for the year ending June 30, 2024. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein include all of the activities of the Coronado Unified School District and its component units using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

The Government-Wide Financial Statements present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the District (including capital assets), deferred outflows of resources, as well as all liabilities (including long-term liabilities), and deferred inflows of resources. Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables, and receivables.

The Governmental-Type Activities are prepared using the economic resources measurement focus and the accrual basis of accounting.

The Fund Financial Statements include statements for governmental activities.

- The *Governmental Funds* are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach.

The Primary unit of the government is the Coronado Unified School District.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. Net position is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position will serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

The relationship between revenues and expenses is the District's operating results. Since the Board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the District. The quality of the education and the safety of our schools will likely be an important component in this evaluation.

In the Statement of Net Position and the Statement of Activities, we present the District activities as follows:

Governmental Activities – All of the District's services are reported in governmental activities. This includes the education of kindergarten through grade twelve students, adult education students, the operation of child development activities, and the on-going effort to improve and maintain buildings and sites. Property taxes, State income taxes, user fees, interest income, Federal, State, and local grants, as well as general obligation bonds, finance these activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money that it receives from the U.S. Department of Education and the California Department of Education.

Governmental Funds - Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed short-term view of the District's general government operations and the basic services it provides.

Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following the governmental fund financial statements.

FINANCIAL HIGHLIGHTS OF THE PAST YEAR

- The District's governmental activities net position was \$46,717,702 at June 30, 2025. This was a decrease of \$4,301,349 from the prior year's net position.
- Overall governmental activities revenues were \$59,150,214 which was less than overall expenses of \$60,249,400 by \$1,099,186.

THE DISTRICT AS A WHOLE

Net Position

The District's net position of governmental activities was \$46,717,702 for the fiscal year ended June 30, 2025. Of this amount, \$(30,045,432) was unrestricted deficit. Restricted net position is reported separately to show legal constraints from debt covenants grantors, constitutional provisions, and enabling legislation that limit the School Board's ability to use that net position for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1 – Net Position) and change in net position (Table 2 – Changes in Net Position) of the District's governmental activities.

Table 1

	Governmental Activities	
	2025	2024* as restated
Assets		
Current and other assets	\$ 27,866,337	\$ 33,478,239
Capital assets	78,604,814	80,810,835
Total assets	106,471,151	114,289,074
Deferred Outflows of Resources	14,592,407	14,626,426
Liabilities		
Current liabilities	3,781,307	6,036,621
Long-term liabilities	62,247,746	63,897,854
Total liabilities	66,029,053	69,934,475
Deferred Inflows of Resources	8,316,803	7,961,974
Net Position		
Net investment in capital assets	62,214,470	63,019,122
Restricted	14,548,664	17,971,531
Unrestricted (deficit)	(30,045,432)	(29,971,602)
Total net position	\$ 46,717,702	\$ 51,019,051

* Amounts have not been restated for the effects of the implementation of GASB Statement No. 101 for comparative purposes. See Note 18 for further information.

The \$(30,045,432) in unrestricted net position (deficit) of governmental activities represents the accumulated results of all past years' operations.

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the *Statement of Activities* on pages 15 and 16. Table 2 takes the information from the statement and rearranges them slightly so you can see our total revenues for the year.

Table 2

	Governmental Activities	
	2025	2024* as restated
Revenues		
Program revenues		
Charges for services and sales	\$ 289,123	\$ 310,865
Operating grants and contributions	14,110,659	13,611,155
General revenues		
Federal and State aid not restricted	17,913,722	21,199,449
Property taxes	21,707,965	20,349,806
Other general revenues	5,128,745	4,418,639
Total revenues	<u>59,150,214</u>	<u>59,889,914</u>
Expenses		
Instruction-related	38,398,791	40,036,780
Pupil services	6,076,051	6,853,453
Administration	3,252,593	3,397,579
Plant services	6,434,774	6,862,708
All other services	6,087,191	6,772,363
Total expenses	<u>60,249,400</u>	<u>63,922,883</u>
Change in net position	<u>\$ (1,099,186)</u>	<u>\$ (4,032,969)</u>

* The expenses were not restated for the effects of the implementation of GASB Statement No. 101 for comparative purposes. See Note 18 for further information.

Governmental Activities

As reported in the *Statement of Activities* on pages 15 and 16, the cost of all of our governmental activities this year was \$60,249,400. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only \$21,707,965 because the cost was paid by those who benefited from the programs (\$289,123) or by other governments and organizations who subsidized certain programs with grants and contributions (\$14,110,659). We paid for the remaining "public benefit" portion of our governmental activities with \$23,042,467 in Federal and State funds and other revenues, like interest and general entitlements.

In Table 3, we have presented the cost and net cost of each of the District's largest functions governmental activities: instruction-related, pupil services, administration, plant services, and all other services. As discussed above, net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3

	Total Cost of Services		Net Cost of Services	
	2025	2024* as restated	2025	2024* as restated
Instruction-related	\$ 38,398,791	\$ 40,036,780	\$ (30,578,022)	\$ (32,271,098)
Pupil services	6,076,051	6,853,453	(3,642,437)	(3,384,764)
Administration	3,252,593	3,397,579	(3,186,125)	(3,313,727)
Plant services	6,434,774	6,862,708	(5,698,518)	(6,705,214)
All other services	6,087,191	6,772,363	(2,744,516)	(4,326,060)
Total	<u>\$ 60,249,400</u>	<u>\$ 63,922,883</u>	<u>\$ (45,849,618)</u>	<u>\$ (50,000,863)</u>

* The expenses were not restated for the effects of the implementation of GASB Statement No. 101 for comparative purposes. See Note 18 for further information.

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of \$22,136,651, a decrease of \$2,652,521 over prior year.

Table 4

Governmental Fund	Balances and Activity			June 30, 2025
	July 1, 2024 as restated	Revenues and other financing sources	Expenditures and other financing uses	
General Fund	\$ 9,758,182	\$ 53,599,012	\$ 53,327,999	\$ 10,029,195
Special Reserve Fund for Capital Outlay Projects	7,192,127	4,429,523	7,212,018	4,409,632
Student Activity Fund	131,155	608,456	619,293	120,318
Adult Education Fund	97,122	301,736	275,857	123,001
Child Development Fund	532,521	1,052,567	857,810	727,278
Cafeteria Fund	1,635,227	2,042,878	2,060,991	1,617,114
Deferred Maintenance Fund	264,786	13,770	-	278,556
Foundation Special Reserve Fund	206,236	1,177,782	1,075,272	308,746
Capital Facilities Fund	251,320	643,665	558,195	336,790
Capital Project Fund for Blended Component Units	2,378,127	1,815,376	2,192,926	2,000,577
Bond Interest and Redemption Fund	1,735,775	926,812	1,121,323	1,541,264
Foundation Permanent Fund	606,594	116,196	78,610	644,180
Total	<u>\$ 24,789,172</u>	<u>\$ 66,727,773</u>	<u>\$ 69,380,294</u>	<u>\$ 22,136,651</u>

The primary reasons for these increases/decreases are:

1. Our General Fund is our principal operating fund. The fund balance in the General Fund increased \$0.2 million to \$10.0 million. This increase is attributed to the receipt of one-time revenues despite the district's planned spend-down of reserves as it transitions to a community funded school district in fiscal year 2027-2028.
2. The fund balance in the Special Reserve Fund for Capital Outlay Projects decreased by \$2.8 million to \$4.4 million. The decrease is attributed to the district's planned spend-down of reserves as it transitions to a community funded school district in fiscal year 2027-2028.

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was adopted on June 18, 2025. (A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 63).

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

At June 30, 2025, the District had \$78,604,814 in a broad range of capital assets (net of depreciation and amortization), including land and construction in process, buildings and improvements, equipment, and right-to-use leased assets. This amount represents a net decrease (including additions, deductions, depreciation, and amortization) of \$2,206,021.

Table 5

	Governmental Activities	
	2025	2024
Land and construction in progress	\$ 532,869	\$ 532,869
Buildings and improvements	76,188,986	78,265,056
Equipment	1,878,230	1,957,869
Right-to-use leased assets	4,729	7,093
Right-to-use subscription IT assets	-	47,948
Total	<u>\$ 78,604,814</u>	<u>\$ 80,810,835</u>

This year's additions included \$2.2 million in additions to site and building improvements, and classroom equipment. The District issued non-voter approved debt in June 2020 to fund these additions.

We present more detailed information about our capital assets in the Notes to the Financial Statements.

Long-Term Liabilities

At the end of this year, the District had \$62,247,746 in long-term liabilities outstanding versus \$63,897,854 last year. Those obligations consisted of:

Table 6

	Governmental Activities	
	2025	2024* as restated
Long-Term Liabilities		
General obligation bonds	\$ 2,545,521	\$ 3,619,333
Certificates of participation	5,075,000	5,465,000
Premium on issuance	129,963	143,407
Lease purchase agreement	9,559,441	10,072,918
Leases	4,904	7,248
Compensated absences	2,725,424	162,636
Other postemployment benefits liability	5,403,943	5,366,694
Aggregate net pension liability	36,803,550	39,060,618
 Total	 \$ 62,247,746	 \$ 63,897,854

* Amounts have not been restated for the effects of the implementation of GASB Statement No. 101 for comparative purposes. See Note 18 for further information.

The District's general obligation bond rating continues to be "AA." The State limits the amount of general obligation debt that districts can issue to five percent of the assessed value of all taxable property within the District's boundaries. The District's outstanding general obligation bond debt is significantly below this statutorily-imposed limit. Other obligations include certificates of participation, a lease purchase agreement, leases, and compensated absences.

We present more detailed information regarding our long-term liabilities in the Notes to the Financial Statements.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Deputy Superintendent, at Coronado Unified School District, 201 Sixth Street, Coronado, California.

Coronado Unified School District
Statement of Net Position
June 30, 2025

	Governmental Activities	Coronado Schools Foundation
Assets		
Deposits and investments	\$ 18,032,987	\$ 11,871,289
Restricted assets - pension trust	3,288,241	-
Receivables	4,548,080	77,691
Prepaid expense	-	50,831
Lease receivables	1,997,029	-
Capital assets not depreciated or amortized	532,869	-
Capital assets, net of accumulated depreciation and amortization	78,071,945	3,672
Total assets	106,471,151	12,003,483
Deferred Outflows of Resources		
Deferred outflows of resources related to OPEB	539,492	-
Deferred outflows of resources related to pensions	14,052,915	-
Total deferred outflows of resources	14,592,407	-
Liabilities		
Accounts payable	2,946,960	17,546
Interest payable	48,650	-
Unearned revenue	785,697	-
Scholarships and grants due	-	296,908
Long-term liabilities		
Long-term liabilities other than OPEB and pensions due within one year	3,415,547	-
OPEB liability due within one year	279,390	-
Long-term liabilities other than OPEB and pensions due in more than one year	16,624,706	-
Other postemployment benefits (OPEB) liability due in more than one year	5,124,553	-
Aggregate net pension liability	36,803,550	-
Total liabilities	66,029,053	314,454
Deferred Inflows of Resources		
Deferred charge on refunding	100,317	-
Deferred inflows of resources related to OPEB	2,244,262	-
Deferred inflows of resources related to pensions	3,975,195	-
Deferred inflows of resources related to leases	1,997,029	-
Total deferred inflows of resources	8,316,803	-
Net Position		
Net investment in capital assets	62,214,470	-
Restricted for		
Debt service	1,492,614	3,672
Capital projects	4,720,485	-
Educational programs	2,526,913	-
Pension trust	3,288,241	-
Other activities	2,520,411	4,956,611
Unrestricted (deficit)	(30,045,432)	6,728,746
Total net position	\$ 46,717,702	\$ 11,689,029

Coronado Unified School District

Statement of Activities

Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position			Coronado Schools Foundation
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental Activities							
Instruction	\$ 32,125,412	\$ 64,515	\$ 6,959,515	\$ (25,101,382)		\$ (25,101,382)	\$ -
Instruction-related activities							
Supervision of instruction	654,926	-	181,120	(473,806)		(473,806)	-
Instructional library, media, and technology	1,447,032	-	(163,579)	(1,610,611)		(1,610,611)	-
School site administration	4,171,421	9,601	769,597	(3,392,223)		(3,392,223)	-
Pupil services							
Home-to-school transportation	673,946	-	-	(673,946)		(673,946)	-
Food services	1,984,622	53,578	1,936,586	5,542		5,542	-
All other pupil services	3,417,483	432	443,018	(2,974,033)		(2,974,033)	-
Administration							
All other administration	3,262,543	413	66,055	(3,196,075)		(3,196,075)	-
Plant services	6,434,774	15,068	721,188	(5,698,518)		(5,698,518)	-
Ancillary services	1,216,850	-	608,456	(608,394)		(608,394)	-
Community services	782,273	14,513	258,182	(509,578)		(509,578)	-
Enterprise services	1,010	-	-	(1,010)		(1,010)	-
Interest on long-term liabilities	374,454	-	-	(374,454)		(374,454)	-
Other outgo	1,149	131,003	2,330,521	2,460,375		2,460,375	-
Depreciation (unallocated)	3,711,455	-	-	(3,711,455)		(3,711,455)	-
Total governmental activities	60,249,400	289,123	14,110,659	(45,849,618)		(45,849,618)	-
Business-Type Activities							
Enterprise services							
Total School District	\$ 60,249,400	\$ 289,123	\$ 14,110,659	(45,849,618)		(45,849,618)	-
Discretely Presented Component Unit							
Program services	\$ 1,172,577	\$ -	\$ -	-		-	(1,172,577)
Management and general	91,062	-	-	-		-	(91,062)
Fundraising	223,718	-	-	-		-	(223,718)
Total	\$ 1,487,357	\$ -	\$ -	-		-	(1,487,357)

Coronado Unified School District
Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position			Coronado School Foundation
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Business- Type Activities	Total	
General Revenues and Subventions							
Property taxes, levied for general purposes				\$ 17,819,464		\$ 17,819,464	\$ -
Property taxes, levied for debt service				856,585		856,585	-
Taxes levied for other specific purposes				3,031,916		3,031,916	-
Federal and State aid not restricted to specific purposes				17,913,722		17,913,722	-
Interest and investment earnings				1,172,970		1,172,970	1,200,314
Miscellaneous				3,955,775		3,955,775	911,047
Subtotal, general revenues and subventions				44,750,432		44,750,432	2,111,361
Change in Net Position				(1,099,186)		(1,099,186)	624,004
Net Position - Beginning, as previously reported				51,066,889	(47,838)	51,019,051	-
Adjustments (Note 18)				(3,250,001)	47,838	(3,202,163)	-
Net Position - Beginning, as restated				47,816,888	-	47,816,888	11,065,025
Net Position - Ending				\$ 46,717,702		\$ 46,717,702	\$ 11,689,029

Coronado Unified School District
Balance Sheet – Governmental Funds
June 30, 2025

	General Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Assets				
Deposits and investments	\$ 3,947,029	\$ 6,768,792	\$ 7,317,166	\$ 18,032,987
Restricted assets - pension trust	3,288,241	-	-	3,288,241
Receivables	3,588,284	73,738	886,058	4,548,080
Due from other funds	6,809,856	3,675,550	1,531,558	12,016,964
Lease receivables	1,997,029	-	-	1,997,029
Total assets	\$ 19,630,439	\$ 10,518,080	\$ 9,734,782	\$ 39,883,301
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 2,344,549	\$ 7,865	\$ 594,546	\$ 2,946,960
Due to other funds	4,518,969	6,100,583	1,397,412	12,016,964
Unearned revenue	740,697	-	45,000	785,697
Total liabilities	7,604,215	6,108,448	2,036,958	15,749,621
Deferred Inflows of Resources				
Deferred inflows of resources related to leases	1,997,029	-	-	1,997,029
Fund Balances				
Nonspendable	10,000	-	600	10,600
Restricted	5,815,154	4,383,695	5,423,267	15,622,116
Assigned	2,604,201	25,937	2,273,957	4,904,095
Unassigned	1,599,840	-	-	1,599,840
Total fund balances	10,029,195	4,409,632	7,697,824	22,136,651
Total liabilities, deferred inflows of resources, and fund balances	\$ 19,630,439	\$ 10,518,080	\$ 9,734,782	\$ 39,883,301

Coronado Unified School District
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2025

Total Fund Balance - Governmental Funds		\$ 22,136,651
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	\$ 158,489,722	
Accumulated depreciation and amortization is	<u>(79,884,908)</u>	
Net capital assets		78,604,814
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term liabilities is recognized when it is incurred.		
		(48,650)
Deferred outflows of resources represent a consumption of net position in a future period and are not reported in the governmental funds. Deferred outflows of resources amounted to and related to		
Other postemployment benefits (OPEB) liability	539,492	
Aggregate net pension liability	<u>14,052,915</u>	
Total deferred outflows of resources		14,592,407
Deferred inflows of resources represent an acquisition of net position that applies to a future period and are not reported in the governmental funds. Deferred inflows of resources amount to and related to		
Deferred charge on refunding	(100,317)	
OPEB liability	(2,244,262)	
Aggregate net pension liability	<u>(3,975,195)</u>	
Total deferred inflows of resources		(6,319,774)
Aggregate net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		
		(36,803,550)
The District's OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		
		(5,403,943)
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 year-end consist of		
General obligation bonds	(2,545,521)	
Certificates of participation	(5,075,000)	
Unamortized premium on certificates of participation	(129,963)	
Finance purchase agreement	(9,559,441)	
Leases	(4,904)	
Compensated absences	<u>(2,725,424)</u>	
Total long-term liabilities		<u>(20,040,253)</u>
Total net position - governmental activities		<u>\$ 46,717,702</u>

Coronado Unified School District
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2025

	General Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Revenues				
Local Control Funding Formula (LCFF)	\$ 31,605,033	\$ -	\$ -	\$ 31,605,033
Federal sources	5,731,808	375,050	455,807	6,562,665
Other State sources	5,705,975	-	2,952,675	8,658,650
Other local sources	4,455,613	4,054,473	4,896,406	13,406,492
Total revenues	47,498,429	4,429,523	8,304,888	60,232,840
Expenditures				
Current				
Instruction	33,384,208	-	736,852	34,121,060
Instruction-related activities				
Supervision of instruction	568,195	-	133,503	701,698
Instructional library, media, and technology	1,628,448	-	-	1,628,448
School site administration	4,011,269	-	232,991	4,244,260
Pupil services				
Home-to-school transportation	695,861	-	-	695,861
Food services	37,075	-	1,980,191	2,017,266
All other pupil services	3,620,223	-	-	3,620,223
Administration				
All other administration	3,334,722	-	58,315	3,393,037
Plant services	5,232,878	140,540	1,141,336	6,514,754
Ancillary services	621,162	-	619,293	1,240,455
Community services	52,612	-	735,973	788,585
Other outgo	1,149	-	-	1,149
Enterprise services	1,010	-	-	1,010
Facility acquisition and construction	136,652	576,545	756,793	1,469,990
Debt service				
Principal	2,344	-	1,977,289	1,979,633
Interest and other	191	-	467,741	467,932
Total expenditures	53,327,999	717,085	8,840,277	62,885,361
Excess (Deficiency) of Revenues Over Expenditures	(5,829,570)	3,712,438	(535,389)	(2,652,521)
Other Financing Sources (Uses)				
Transfers in	6,100,583	-	394,350	6,494,933
Transfers out	-	(6,494,933)	-	(6,494,933)
Net Financing Sources (Uses)	6,100,583	(6,494,933)	394,350	-
Net Change in Fund Balances	271,013	(2,782,495)	(141,039)	(2,652,521)
Fund Balance - Beginning, as previously reported	9,758,182	7,192,127	7,778,819	24,729,128
Adjustments (Note 18)	-	-	60,044	60,044
Fund Balance, as restated	9,758,182	7,192,127	7,838,863	24,789,172
Fund Balance - Ending	\$ 10,029,195	\$ 4,409,632	\$ 7,697,824	\$ 22,136,651

Coronado Unified School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2025

Total Net Change in Fund Balances - Governmental Funds	\$ (2,652,521)
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Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Capital outlay to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which depreciation and amortization expense exceeds capital outlay in the period.

Depreciation and amortization expense	\$ (3,761,767)
Capital outlay	<u>1,555,746</u>

Net expense adjustment	(2,206,021)
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In the Statement of Activities, certain operating expenses, such as compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount is the difference between compensated absences earned and used.

639,375

In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows/inflows of resources and aggregate net pension liability during the year.

1,110,581

In the governmental funds, OPEB costs are based on benefit payments made for OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows/inflows of resources and net OPEB liability during the year.

(63,711)

Governmental funds report the effect of premiums, discounts, and the deferred amount on a refunding when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Premium amortization	13,444
Deferred amount on refunding amortization	70,813

Coronado Unified School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
Funds to the Statement of Activities
Year Ended June 30, 2025

Payments of principal on long-term liabilities is an expenditure in the governmental funds, but reduce long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

General obligation bonds	\$ 1,073,812
Certificates of participation	390,000
Finance purchase agreement	513,477
Leases	2,344

Interest on long-term liabilities is recorded as an expenditure in the funds when it is due; however, in the Statement of Activities, interest expense is recognized as the interest accretes or accrues, regardless of when it is due.

9,221

Change in net position of governmental activities

\$ (1,099,186)

Coronado Unified School District
Statement of Revenues, Expenses, and Change in Net Position – Proprietary Funds
Year Ended June 30, 2025

	Business-Type Activities - <u>Enterprise Fund</u> Preschool <u>Enterprise Fund</u>
Total Net Position (Deficit) - Beginning, as previously reported	\$ (47,838)
Adjustments (Note 18)	47,838
Total Net Position - Beginning, as restated	<u>-</u>
Total Net Position - Ending	<u><u></u></u>

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The Coronado Unified School District (the District) was organized on June 20, 1913, under the laws of the State of California. The District operates under a locally elected five-member Board form of government and provides educational services to grades K-12 as mandated by the State and/or Federal agencies. The District operates two elementary schools, one middle school, one high school, one preschool program, and an adult education program.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Coronado Unified School District, this includes general operations, food service, and student related activities of the District.

Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. For financial reporting purposes, the component unit described below has a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 80, *Blending Requirements For Certain Component Units* and thus are included in the financial statements of the District. The component unit, although a legally separate tax-exempt entity, is reported in the financial statements using the discrete presentation method as the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the District; the District is entitled to, or has the ability to otherwise access a majority of the economic resources received or held by the separate organization; and the economic resources received from or held by an individual organization are significant to the District.

The District has one component unit based on the criteria above: the Coronado School Foundation (the Foundation). The Foundation, a California non-profit public benefit corporation that raises funds for the benefit of the District is reported as a discretely presented component unit in the District's audited financial statements.

Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's funds are grouped into the governmental fund category.

Governmental Funds Governmental Funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the governmental funds:

Major Governmental Funds

General Fund The General Fund is the chief operating fund for all districts. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund.

One fund currently defined as special revenue fund in the *California State Accounting Manual* (CSAM) does not meet the GASB Statement No. 54 special revenue fund definition. Specifically, Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects, is not substantially composed of restricted or committed revenue sources. While this fund is authorized by statute and will remain open for internal reporting purposes, this fund function effectively as an extension of the General Fund, and accordingly has been combined with the General Fund for presentation in these audited financial statements.

As a result, the General Fund reflects an increase in fund balance, of \$4,738,453.

Special Reserve Fund for Capital Outlay Projects The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (*Education Code* Section 42840).

Non-Major Governmental Funds

Special Revenue Funds The Special Revenue Funds are established to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to the financing of particular activities that compose a substantial portion of the inflows of the fund, and that are reasonably expected to continue. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund.

- **Student Activity Fund** The Student Activity Fund is used to account separately for the operating activities of the associated student body accounts that are not fiduciary in nature, including student clubs, general operations, athletics, and other student body activities.
- **Adult Education Fund** The Adult Education Fund is used to account separately for Federal, State, and local revenues that are restricted or committed for adult education programs and is to be expended for adult education purposes only.
- **Child Development Fund** The Child Development Fund is used to account separately for Federal, State, and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.

- **Cafeteria Fund** The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is 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).
- **Deferred Maintenance Fund** The Deferred Maintenance Fund is used to account separately for revenues that are restricted or committed for deferred maintenance purposes (*Education Code* Section 17582).
- **Foundation Special Reserve Fund** The Foundation Special Reserve Fund is used to account for resources received from gifts or bequests pursuant to *Education Code* Section 41031 under which both earnings and principal may be used for purposes that support the District's own programs and where there is a formal trust agreement with the donor.

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

- **Capital Facilities Fund** The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* Sections 17620-17626 and *Government Code* Section 65995 et seq.). Expenditures are restricted to the purposes specified in *Government Code* Sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).
- **Capital Projects Fund for Blended Component Units** The Capital Projects Fund for Blended Component Units is used to account for capital projects financed by Mello-Roos Community Facilities Districts and similar entities that are considered blended component units of the District under generally accepted accounting principles (GAAP).

Debt Service Funds The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, principal and interest on general long-term liabilities.

- **Bond Interest and Redemption Fund** The Bond Interest and Redemption Fund is used for the repayment of bonds issued by the District (*Education Code* Sections 15125-15262).

Permanent Funds The Permanent Funds were introduced as part of the governmental financial reporting model established by GASB Statement No. 34 to account for permanent foundations that benefit the District.

- **Foundation Permanent Fund** The Foundation Permanent Fund is used to account for resources received from gifts or bequests pursuant to *Education Code* Section 41031 that are restricted to the extent that earnings, but not principal, may be used for purposes that support the District's own programs and where there is a formal trust agreement with the donor.

Basis of Accounting - Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the manner in which governmental fund financial statements are prepared.

The government-wide financial statement of activities presents a comparison between direct expenses, both direct and indirect, and program revenues of the District and for each governmental program. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the Statement of Activities, except for amortization of capital assets. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District. Eliminations have been made to minimize the double counting of internal activities.

Net position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Net position restricted for other activities result from special revenue funds and permanent funds, and the restrictions on their use.

Fund Financial Statements Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major governmental funds are aggregated and presented in a single column.

- **Governmental Funds** All Governmental Funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the statements for the governmental funds on a modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Revenues – Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned Revenue Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the financial statements and the revenue is recognized.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred. Principal and interest on long-term liabilities, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the government-wide financial statements.

Investments

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investment in the county investment pool are determined by the program sponsor.

The District's investment in the county treasury is measured at fair value on a recurring basis, which is determined by the fair value per share of the underlying portfolio determined by the program sponsor. Positions in this investment pool are not required to be categorized within the fair value hierarchy.

Restricted Assets - Pension Trust

The District has established an irrevocable trust with Public Agency Retirement Services (PARS) for the express purpose of accumulating resources to pay future CalPERS and CalSTRS employer contributions. As of June 30, 2025, the balance of the trust was \$3,288,241.

Prepaid Expenditures (Expenses)

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets, Depreciation, and Amortization

Capital assets are long-lived assets of the District. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. 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 but are expensed as incurred.

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide Statement of Net Position. The valuation basis for capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at acquisition value on the date donated.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings and improvements, 20 to 50 years; equipment, 5 to 20 years. Land is not depreciated.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2025.

Right-to-use leased assets are recognized at the lease commencement date and represent the District's right-to-use an underlying asset for the lease term. Right-to-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the leased asset into service. Right-to-use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period is five years.

Lease Receivable

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

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activities columns of the statement of net position.

Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned for leave balances that are more likely than not to be used for compensated leave or settled through cash or noncash means. The entire compensated absence liability is reported on the government-wide Statement of Net Position. For governmental funds, a liability for compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are reported in the fund from which the employees who have accumulated leave are paid.

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, only the portion of accumulated sick leave that is more likely than not to be used by the employee for paid leave is recognized as a liability in the District's financial statements. Credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive 0.004 year of service credit for each day of unused sick leave. Credit for unused sick leave is applicable to all certificated employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full-time. The portion of sick leave that is more likely than not to be settled through conversion to service credit for employee retirement plans is not included in the District's liability for compensated absences.

Accrued Liabilities and Long-Term Liabilities

All payables, accrued liabilities, and long-term liabilities are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as liabilities of the funds.

However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, certificates of participation, and leases, and other long-term liabilities are recognized as liabilities in the governmental fund financial statements when due.

Debt Issuance Costs, Premiums, and Discounts

Debt premiums, discounts, and debt issuance costs related to prepaid insurance are reported as liabilities in the Statement of Net Position. Debt premiums and discounts, as well as issuance costs related to prepaid insurance costs, are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

In governmental fund financial statements, bond premiums, discounts, and debt issuance costs are recognized in the period the bonds are issued. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures in the period the bonds are issued.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The District reports deferred outflows of resources for pension related items and for OPEB related items.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for deferred amounts on refunding of debt, for pension related items, for OPEB related items, and for leases.

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California State Teachers Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid by the fund in which the employee worked.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Plan and the CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from the District Plan and the MPP's fiduciary net position have been determined on the same basis as they are reported by the District Plan and the MPP. For this purpose, the District Plan and the MPP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

Lease Liabilities

Lease liabilities represent the District's obligation to make lease payments arising from the lease. The District recognizes a lease liability in the government-wide financial statements. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on a borrowing rate determined by the District.

Fund Balances - Governmental Funds

As of June 30, 2025, fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board. The District currently does not have any committed funds.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the governing board or chief business officer/assistant superintendent of business services may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

Spending Order Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

Minimum Fund Balance Policy

The governing board adopted a minimum fund balance policy for the General Fund in order to protect the District against revenue shortfalls or unpredicted one-time expenditures. The policy requires a reserve for economic uncertainties consisting of unassigned amounts equal to no less than three percent of General Fund expenditures and other financing uses.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position related to net of investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$14,548,664 of net position restricted by enabling legislation.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

Estimates

The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Property Tax

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of San Diego bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

Adoption of New Accounting Standard**Implementation of GASB Statement No. 101**

As of June 30, 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of the implementation of this standard on beginning net position is disclosed in Note 18.

Note 2 - Deposits and Investments

Summary of Deposits and Investments

Deposits and investments as of June 30, 2025, are classified in the accompanying financial statements as follows:

Governmental funds	\$ 18,032,987
Component unit - Coronado Schools Foundation	<u>11,871,289</u>
Total deposits and investments	<u><u>\$ 29,904,276</u></u>

Deposits and investments as of June 30, 2025, consist of the following:

Cash on hand and in banks	\$ 4,218,293
Cash in revolving	10,600
Investments	<u>25,675,383</u>
Total deposits and investments	<u><u>\$ 29,904,276</u></u>

Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

The Coronado Schools Foundation may invest pursuant to Corporations Code Section 5240 and in accordance with their bylaws.

Investment in County Treasury - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their county treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided 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.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by primarily investing in the San Diego County Treasury Investment Pool. The District maintains an investment of \$16,840,398 with San Diego County Treasury Investment Pool that has an average weighted maturity of 562 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the San Diego County Treasury Investment Pool is not required to be rated, nor has it been rated as of June 30, 2025.

Coronado Schools Foundation Investments

Investments are reported at fair value and consist of the following at June 30, 2025:

	Cost	Fair Value
Equities Mutual Funds	\$ 4,636,434	\$ 8,477,435
U.S. Treasury Bills	356,205	357,550
Total	<u>\$ 4,992,639</u>	<u>\$ 8,834,985</u>

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2025, the District's bank balance of \$3,511,480 that was exposed to custodial credit risk because it was uninsured and uncollateralized.

Note 3 - Fair Value Measurements

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

- Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.
- Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

- Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

The District's fair value measurements are as follows at June 30, 2025:

Investment Type	Reported Amount	Fair Value Measurements Using	
		Level 1 Inputs	Level 2 Inputs
Equities Mutual Funds*	\$ 8,477,435	\$ 8,477,435	\$ -
U.S. Treasury Bills*	357,550	-	357,550
Total	<u>\$ 8,834,985</u>	<u>\$ 8,477,435</u>	<u>\$ 357,550</u>

* Investments held by the component unit – Coronado Schools Foundation

All assets have been valued using a market approach, with quoted market prices.

Note 4 - Receivables

Receivables at June 30, 2025, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	General Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Activities
Federal Government				
Categorical aid	\$ 1,458,863	\$ -	\$ -	\$ 1,458,863
State Government				
LCFF apportionment	1,008,042	-	-	1,008,042
Categorical aid	595,797	-	639,133	1,234,930
Lottery	202,578	-	-	202,578
Local Government				
Interest	170,377	73,738	52,416	296,531
Other local sources	152,627	-	194,509	347,136
Total	<u>\$ 3,588,284</u>	<u>\$ 73,738</u>	<u>\$ 886,058</u>	<u>\$ 4,548,080</u>

Note 5 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025
Governmental Activities				
Capital assets not being depreciated or amortized				
Land	\$ 532,869	\$ -	\$ -	\$ 532,869
Capital assets being depreciated and amortized				
Land improvements	20,591,676	37,478	-	20,629,154
Buildings and improvements	129,341,295	1,323,049	-	130,664,344
Furniture and equipment	6,456,315	195,219	-	6,651,534
Right-to-use leased furniture and equipment	11,821	-	-	11,821
Right-to-use subscription IT assets	143,844	-	(143,844)	-
Total capital assets being depreciated and amortized	156,544,951	1,555,746	(143,844)	157,956,853
Total capital assets	157,077,820	1,555,746	(143,844)	158,489,722
Accumulated depreciation and amortization				
Land improvements	(17,035,255)	(404,375)	-	(17,439,630)
Buildings and improvements	(54,632,660)	(3,032,222)	-	(57,664,882)
Furniture and equipment	(4,498,446)	(274,858)	-	(4,773,304)
Right-to-use leased furniture and equipment	(4,728)	(2,364)	-	(7,092)
Right-to-use subscription IT assets	(95,896)	(47,948)	143,844	-
Total accumulated depreciation and amortization	(76,266,985)	(3,761,767)	143,844	(79,884,908)
Net depreciable and amortizable capital assets	80,277,966	(2,206,021)	-	78,071,945
Governmental activities capital assets, net	\$ 80,810,835	\$ (2,206,021)	\$ -	\$ 78,604,814

Depreciation expense was charged as unallocated on the Statement of Activities.

Amortization expense was charged as a direct expense to governmental functions as follows:

Governmental Activities	
Instruction	\$ 49,422
All other administration	890
Total amortization expense governmental activities	\$ 50,312

Note 6 - Lease Receivables

The District has entered into lease agreements with various lessees, ranging from leasing space for communications towers to leasing the Early Childhood Development Center. The agreements allow for increases to lease payments tied to CPI. The final payment for leases in place as of June 30, 2025, is expected in July 2051. During the year ended June 30, 2025, the District recognized \$713,288 in lease revenues and \$71,018 in interest revenues related to these arrangements. At June 30, 2025, the District recorded \$1,997,029 in lease receivables and deferred inflows of resources for the arrangements. The District used an interest rate of 3.00% based on the rates available to finance real estate over the same time periods.

Note 7 - Interfund Transactions

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2025, between major and non-major governmental funds, and the non-major enterprise fund are as follows:

Due To	Due From			Total
	General Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	
General Fund	\$ -	\$ 6,100,583	\$ 709,273	\$ 6,809,856
Special Reserve Fund for Capital Outlay Projects	3,033,915	-	641,635	3,675,550
Non-Major Governmental Funds	1,485,054	-	46,504	1,531,558
Total	<u>\$ 4,518,969</u>	<u>\$ 6,100,583</u>	<u>\$ 1,397,412</u>	<u>\$ 12,016,964</u>

The balance of \$3,033,915 due to the Special Reserve Fund for Capital Outlay Projects from the General Fund is due to redevelopment agency funds owed.

A balance of \$737,648 due to the Capital Project Non-Major Governmental Fund for Blended Component Units from the General Fund resulted from reimbursement of flood damage related expenditures.

The balance of \$6,100,583 due to the General Fund from the Special Reserve Fund for Capital Outlay Projects resulted from operational support of maintenance project cost

The balance of \$451,558 due to the Foundation Special Revenue Non-Major Governmental Fund from the General Fund resulted from a temporary loan.

The balance of \$368,879 due to the General Fund from the Foundation Special Revenue Non-Major Governmental Fund is a repayment of a temporary loan for operational cash flows.

The balance of \$641,635 due to the Special Reserve Fund for Capital Outlay Projects from the Capital Project Non-Major Governmental Fund for Blended Component Units is for reimbursement of flood related expenditures.

All other balances resulted from the time lag between the date that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Operating Transfers

Interfund transfers for the year ended June 30, 2025, consisted of the following:

The Special Reserve Fund for Capital Outlay Projects transferred to the General Fund for reimbursement of project and maintenance costs.	\$ 6,100,583
The Special Reserve Fund for Capital Outlay Projects transferred to the Capital Facilities Non-Major Governmental Fund for reimbursement of project and maintenance costs.	<u>394,350</u>
Total	<u><u>\$ 6,494,933</u></u>

Note 8 - Accounts Payable

Accounts payable at June 30, 2025, consisted of the following:

	General Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Activities
Salaries and benefits	\$ 176,126	\$ -	\$ 33,267	\$ 209,393
LCFF apportionment	21,337	-	-	21,337
Due to CDE	341,607	-	-	341,607
Capital outlay	-	7,865	480,012	487,877
Other vendor payables	<u>1,805,479</u>	<u>-</u>	<u>81,267</u>	<u>1,886,746</u>
Total	<u><u>\$ 2,344,549</u></u>	<u><u>\$ 7,865</u></u>	<u><u>\$ 594,546</u></u>	<u><u>\$ 2,946,960</u></u>

Note 9 - Unearned Revenue

Unearned revenue at June 30, 2025, consisted of the following:

	General Fund	Non-Major Governmental Funds	Total Governmental Activities
Federal financial assistance	\$ 55,784	\$ 45,000	\$ 100,784
State categorical aid	684,913	-	684,913
Total	<u>\$ 740,697</u>	<u>\$ 45,000</u>	<u>\$ 785,697</u>

Note 10 - Long-Term Liabilities Other than OPEB and Pension

Summary

The changes in the District's long-term liabilities other than OPEB and Pension during the year consisted of the following:

	Balance July 1, 2024, as Restated	Additions	Deductions	Balance June 30, 2025	Due in One Year
Long-Term Liabilities					
General obligation bonds	\$ 3,619,333	\$ -	\$ (1,073,812)	\$ 2,545,521	\$ 1,263,523
Certificates of participation	5,465,000	-	(390,000)	5,075,000	405,000
Premium on issuance	143,407	-	(13,444)	129,963	-
Finance purchase agreement	10,072,918	-	(513,477)	9,559,441	527,110
Leases	7,248	-	(2,344)	4,904	2,415
Compensated absences	3,364,799	-	(639,375)	2,725,424	1,217,499
Total	<u>\$ 22,672,705</u>	<u>\$ -</u>	<u>\$ (2,632,452)</u>	<u>\$ 20,040,253</u>	<u>\$ 3,415,547</u>

The change in compensated absences is presented as a net change.

Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund with local revenues. The Capital Facilities Fund makes payments for the Certificates of Participation. The finance purchase agreement will be paid by the Capital Project Fund for Blended Component Units with lease revenues as disclosed in Note 6. Leases are paid by the General Fund.

General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2024	Issued	Interest Accreted	Redeemed	Bonds Outstanding June 30, 2025
5/4/22	8/1/2026	1.53%	\$ 4,737,625	<u>\$ 3,619,333</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,073,812)</u>	<u>\$ 2,545,521</u>

The bonds mature through 2027 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2026	\$ 1,263,523	\$ 29,281	\$ 1,292,804
2027	<u>1,281,998</u>	<u>9,807</u>	<u>1,291,805</u>
Total	<u>\$ 2,545,521</u>	<u>\$ 39,088</u>	<u>\$ 2,584,609</u>

Certificates of Participation

On March 5, 2015, the District issued \$8,420,000 Certificates of Participation pursuant to a lease agreement with the Public Property Financing Corporation of California. The proceeds of the certificates were used to refund the District Certificates of Participation (2005 Financing Project) and pay certain costs of issuance of the Certificates. Interest rates on the certificates range from 2.125 to 5.000%. The certificates have a final maturity to occur on November 1, 2035. As of June 30, 2025, the principal balance outstanding was \$5,075,000.

The certificates mature through 2036, as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 405,000	\$ 142,641	\$ 547,641
2027	410,000	133,725	543,725
2028	420,000	122,813	542,813
2029	430,000	110,063	540,063
2030	445,000	96,938	541,938
2031-2035	2,430,000	272,941	2,702,941
2036	<u>535,000</u>	<u>8,359</u>	<u>543,359</u>
Total	<u>\$ 5,075,000</u>	<u>\$ 887,480</u>	<u>\$ 5,962,480</u>

Finance Purchase Agreement

On June 1, 2020, the District entered into a finance purchase agreement with the Public Property Financing Corporation of California to finance the costs of facility construction, equipment, furnishings, repairs and improvements, and technology acquisitions and upgrades for District property. The agreement bears interest of 2.655% with a final maturity to occur on June 1, 2040. As of June 30, 2025, the principal balance remaining was \$9,559,441.

The lease purchase agreement has future lease payments as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 527,110	\$ 253,803	\$ 780,913
2027	541,104	239,808	780,912
2028	555,471	225,442	780,913
2029	570,218	210,694	780,912
2030	585,358	195,555	780,913
2031-2035	3,168,325	736,238	3,904,563
2036-2040	3,611,855	292,708	3,904,563
Total	<u>\$ 9,559,441</u>	<u>\$ 2,154,248</u>	<u>\$ 11,713,689</u>

Leases

The District has entered into agreements to lease postage machines. As of June 30, 2025, the District recognized right-to-use leased assets totaling \$4,729 and lease liabilities totaling \$4,904 related to these agreements. The District is required to make principal and interest payments through April 2027, and the lease agreements have a discount rate of 3.0%.

The remaining principal and interest payment requirements for the lease obligation debt as of June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 2,415	\$ 120	\$ 2,535
2027	2,489	48	2,537
Total	<u>\$ 4,904</u>	<u>\$ 168</u>	<u>\$ 5,072</u>

Note 11 - Other Postemployment Benefit (OPEB) Liability

For the fiscal year ended June 30, 2025, the District reported OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	\$ 5,280,735	\$ 539,492	\$ 2,244,262	\$ 374,493
Medicare Premium Payment (MPP) Program	123,208	-	-	(9,744)
Total	<u>\$ 5,403,943</u>	<u>\$ 539,492</u>	<u>\$ 2,244,262</u>	<u>\$ 364,749</u>

The details of each plan are as follows:

District Plan

Plan Administration

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Plan Membership

At July 1, 2024, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	64
Active employees	<u>371</u>
Total	<u>435</u>

Benefits Provided

The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District's governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

Benefit Payments

The benefit payment requirements of the Plan members and the District are established and may be amended by the District, the Association of Coronado Teachers (ACT), the local California Service Employees Association (CSEA), and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, ACT, CSEA, and unrepresented groups. For the measurement period of June 30, 2025 the District paid \$301,038 in benefits.

Actuarial Assumptions

The total OPEB liability as of June 30, 2025 was determined by applying updated procedures to the financial reporting actuarial valuation as of July 1, 2024 and rolling forward the total OPEB liability to June 30, 2025. The following assumptions were applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Payroll growth	2.80% average, including inflation
Discount rate	5.20% for 2025
Healthcare cost trend rates	8.00% for 2025

The discount rate used is the Bond Buyer GO 20- Bond Municipal Bond Index.

Mortality rates were based on the most recent rates used by CalPERS and STRS for the pension valuations.

The actuarial assumptions used in the July 1, 2024, valuation was based on the Plan's historical experience.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, June 30, 2024	\$ 5,233,742
Service cost	355,605
Interest	229,040
Differences between expected and actual experience	19,710
Changes of assumptions	(256,324)
Benefit payments	(301,038)
Net change in total OPEB liability	46,993
Balance, June 30, 2025	\$ 5,280,735

Changes of assumptions and other inputs reflect a change in the discount rate from 4.21% in 2024 to 5.20% in 2025 and a change in the healthcare cost trend rate from 4.50% in 2024 to 8.00% in 2025.

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 percent lower or higher than the current rate:

Discount Rate	Total OPEB Liability
1% decrease (4.20%)	\$ 5,661,079
Current discount rate (5.20%)	5,280,735
1% increase (6.20%)	4,919,334

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 percent lower or higher than the current healthcare costs trend rates:

Healthcare Cost Trend Rate	Total OPEB Liability
1% decrease (7.00%)	\$ 4,710,323
Current healthcare cost trend rate (8.00%)	5,280,735
1% increase (9.00%)	5,551,944

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$374,493. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 91,926	\$ 1,334,395
Changes of assumptions	447,566	909,867
Total	<u>\$ 539,492</u>	<u>\$ 2,244,262</u>

The deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2026	\$ (203,544)
2027	(203,544)
2028	(203,539)
2029	(277,262)
2030	(225,237)
Thereafter	<u>(591,644)</u>
Total	<u><u>\$ (1,704,770)</u></u>

Medicare Premium Payment (MPP) Program

Plan Description

The Medicare Premium Payment (MPP) Program is administered by the California State Teachers' Retirement System (CalSTRS). The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (OPEB) established pursuant to Chapter 1032, Statutes 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <https://www.calstrs.com/forms-publications>.

Benefits Provided

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (STRP) Defined Benefit (DB) Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis.

The MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program.

The MPP Program is funded on a pay-as-you go basis from a portion of monthly District benefit payments. In accordance with California *Education Code* Section 25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

Net OPEB Liability and OPEB Expense

At June 30, 2025, the District reported a liability of \$123,208 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2024 and June 30, 2023, respectively, was 0.0462%, and 0.0438%, resulting in a net increase in the proportionate share of 0.0024%.

For the year ended June 30, 2025, the District recognized OPEB expense of \$(9,744).

Actuarial Methods and Assumptions

The June 30, 2024 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023, and rolling forward the total OPEB liability to June 30, 2024, using the assumptions listed in the following table:

Measurement Date	June 30, 2024	June 30, 2023
Valuation Date	June 30, 2023	June 30, 2022
Experience Study	July 1, 2007 through June 30, 2022	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.93%	3.65%
Medicare Part A Premium Cost Trend Rate	5.00%	4.50%
Medicare Part B Premium Cost Trend Rate	6.50%	5.40%

For the valuation as of June 30, 2023, CalSTRS uses a generational mortality assumption, which is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP-2021 Ultimate Projection Scale.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 154 or an average of 0.12% of the potentially eligible population (132,333).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2024, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

As the MPP Program is funded on a pay-as-you-go basis, the OPEB plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, the MPP Program used the Bond Buyer's 20-Bond GO Index from Bondbuyer.com as of June 30, 2024, as the discount rate, which was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate as of June 30, 2024, was 3.93%, which is an increase of 0.28% from 3.65% as of June 30, 2023.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability calculated using the current discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net OPEB Liability
1% decrease (2.93%)	\$ 132,938
Current discount rate (3.93%)	123,208
1% increase (4.93%)	114,652

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates

The following presents the District's proportionate share of the net OPEB liability calculated using the Medicare costs trend rates, as well as what the net OPEB liability would be if it were calculated using Medicare costs trend rates that are one percent lower or higher than the current rates:

Medicare Costs Trend Rates	Net OPEB Liability
1% decrease (4.00% Part A and 5.50% Part B)	\$ 114,139
Current Medicare costs trend rates (5.00% Part A and 6.50% Part B)	123,208
1% increase (6.00% Part A and 7.50% Part B)	133,333

Note 12 - Fund Balances

Fund balances composed of the following elements:

	General Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
Nonspendable				
Revolving cash	\$ 10,000	\$ -	\$ 600	\$ 10,600
Restricted				
Legally restricted programs	2,526,913	-	2,520,411	5,047,324
Pension trust	3,288,241	-	-	3,288,241
Capital projects	-	4,383,695	1,361,592	5,745,287
Debt service	-	-	1,541,264	1,541,264
Total restricted	5,815,154	4,383,695	5,423,267	15,622,116
Assigned				
Adult education program	-	-	80,984	80,984
Child development program	-	-	421,732	421,732
Deferred maintenance program	-	-	136,868	136,868
Capital projects	-	25,937	975,775	1,001,712
Other program balances	2,604,201	-	658,598	3,262,799
Total assigned	2,604,201	25,937	2,273,957	4,904,095
Unassigned				
Reserve for economic uncertainties	1,599,840	-	-	1,599,840
Total	\$ 10,029,195	\$ 4,409,632	\$ 7,697,824	\$ 22,136,651

Note 13 - Risk Management**Property and Liability**

The District is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2025, the District contracted with the San Diego County Schools Risk Management (SDCSRM) for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2025, the District participated in the San Diego County Schools Risk Management (SDCSRM), an insurance purchasing pool. The intent of the SDCSRM is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the SDCSRM. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in the SDCSRM. Each participant pays its workers' compensation premium based on its individual rate. A participant will then either receive money from or be required to contribute to the "equity-pooling fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the SDCSRM. Participation in the SDCSRM is limited to districts that can meet the SDCSRM selection criteria.

Employee Medical Benefits

The District has contracted with the California Schools Voluntary Employee Benefits Association (VEBA) to provide employee medical benefits. VEBA is a joint labor-management trust comprised of more than 65 participating employers. The District contracts with VEBA to administer the employee benefits through Kaiser and United Health Care plans. Additional dental and vision benefits are provided by the San Diego County Schools Risk Management Joint Powers Authority.

Note 14 - Employee Retirement Systems

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

For the fiscal year ended June 30, 2025, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

<u>Pension Plan</u>	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
CalSTRS	\$ 21,281,183	\$ 8,505,656	\$ 3,381,658	\$ 2,256,355
CalPERS	15,522,367	5,547,259	593,537	2,981,435
Total	<u>\$ 36,803,550</u>	<u>\$ 14,052,915</u>	<u>\$ 3,975,195</u>	<u>\$ 5,237,790</u>

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at:

<https://www.calstrs.com/forms-publications>

Benefits Provided

The STRP provides retirement, disability, and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0% of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and nonemployer contributing entity to the STRP.

The District contributes exclusively to the STRP Defined Benefit Program; thus, disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2025, are summarized as follows:

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire date	2% at 60	2% at 62
Benefit formula	5 years of service	5 years of service
Benefit vesting schedule	Monthly for life	Monthly for life
Benefit payments	60	62
Retirement age	2.0% - 2.4%	2.0% - 2.4%
Monthly benefits as a percentage of eligible compensation	10.25%	10.205%
Required employee contribution rate	19.10%	19.10%
Required employer contribution rate	10.828%	10.828%
Required state contribution rate		

Contributions

Required member, District, and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2025, are presented above and the District's total contributions were \$4,002,051.

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

At June 30, 2025, 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:

Total net pension liability, including State share	
Proportionate share of net pension liability	\$ 21,281,183
State's proportionate share of the net pension liability	9,763,880
	<u> </u>
Total	<u>\$ 31,045,063</u>

The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating member districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2024 and June 30, 2023, respectively, was 0.0317% and 0.0296%, resulting in a net increase in the proportionate share of 0.0021%.

Coronado Unified School District

Notes to Financial Statements

June 30, 2025

For the year ended June 30, 2025, the District recognized pension expense of \$2,256,355. In addition, the District recognized pension expense and revenue of \$888,887 for support provided by the State. At June 30, 2025, 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
Pension contributions subsequent to measurement date	\$ 4,002,051	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	2,003,273	911,744
Differences between projected and actual earnings on pension plan investments	-	85,869
Differences between expected and actual experience in the measurement of the total pension liability	2,407,176	930,614
Changes of assumptions	93,156	1,453,431
Total	<u>\$ 8,505,656</u>	<u>\$ 3,381,658</u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (1,426,630)
2027	1,718,192
2028	(140,183)
2029	(237,248)
Total	<u>\$ (85,869)</u>

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is seven years and will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2026	\$ 213,123
2027	190,704
2028	23,283
2029	329,850
2030	338,456
Thereafter	<u>112,400</u>
Total	<u><u>\$ 1,207,816</u></u>

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023 and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 2007 through June 30, 2022
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which is based off generational mortality tables that reflect expected future improvements in mortality and includes a base table and a projection table. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection table reflects the expected annual reduction in mortality rates at each age. The current mortality assumption uses a base year of 2023, and projected improvement is based on the MP-2021 Ultimate Projection Scale.

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 board in January 2024 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. The assumed asset allocation and best estimates of the expected rates of return for each major asset class for the year ended June 30, 2024, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	38%	5.25%
Real estate	15%	4.05%
Private equity	14%	6.75%
Fixed income	14%	2.45%
Risk mitigating strategies	10%	2.25%
Inflation sensitive	7%	3.65%
Cash/liquidity	2%	0.1%

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10%) and assuming that contributions, benefit payments and administrative expense occurred midyear. Based on these 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 total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (6.10%)	\$ 37,852,261
Current discount rate (7.10%)	21,281,183
1% increase (8.10%)	7,443,645

California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2023 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at:
<https://www.calpers.ca.gov/page/forms-publications>.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor, and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2025, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	8.00%
Required employer contribution rate	27.050%	27.050%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2025, are presented above and the total District contributions were \$2,346,320.

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

As of June 30, 2025, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$15,522,367. The net pension liability was measured as of June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2024 and June 30, 2023, respectively, was 0.0434% and 0.0456%, resulting in a net decrease in the proportionate share of 0.0022%.

For the year ended June 30, 2025, the District recognized pension expense of \$2,981,435. At June 30, 2025, 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
Pension contributions subsequent to measurement date	\$ 2,346,320	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	953,565	482,444
Differences between projected and actual earnings on pension plan investments	602,954	-
Differences between expected and actual experience in the measurement of the total pension liability	1,301,323	111,093
Changes of assumptions	343,097	-
Total	<u>\$ 5,547,259</u>	<u>\$ 593,537</u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2026	\$ (5,198)
2027	937,457
2028	(138,521)
2028	<u>(190,784)</u>
Total	<u>\$ 602,954</u>

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARS�) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARS� for the measurement period is 3.9 years and will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2026	\$ 1,158,251
2027	701,563
2028	<u>144,634</u>
Total	<u>\$ 2,004,448</u>

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2023 and rolling forward the total pension liability to June 30, 2024. The financial reporting actuarial valuation as of June 30, 2023, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity - cap-weighted	30%	4.54%
Global equity non-cap-weighted	12%	3.84%
Private equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed securities	5%	0.50%
Investment grade corporates	10%	1.56%
High yield	5%	2.27%
Emerging market debt	5%	2.48%
Private debt	5%	3.57%
Real assets	15%	3.21%
Leverage	(5%)	(0.59%)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the SEP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on the School Employer Pool investments was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (5.90%)	\$ 23,058,606
Current discount rate (6.90%)	15,522,367
1% increase (7.90%)	9,296,834

Tax Deferred Annuity/Social Security

As established by Federal law, all public-sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use Social Security.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$1,971,513 (10.828% of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Note 15 - Commitments and Contingencies

Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2025.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2025.

Note 16 - Participation in Public Entity Risk Pools and Joint Power Authorities

The District is a member of the San Diego County Schools Risk Management (SDCSRM) Joint Powers Authority public entity risk pool. The District pays an annual premium to the entity for its workers' compensation, and property and liability coverage. The relationship between the District and the pool is such that it is not a component unit of the District for financial reporting purposes.

This entity has budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entity and the District are included in these statements. Audited financial statements are generally available from the respective entity.

During the year ended June 30, 2025, the District made payments totaling \$1,016,220 to SDCSRM for annual premiums related to workers' compensation and property and liability coverages.

Note 17 - Subsequent Events

On September 11, 2025, the District entered into a Lease-Purchase financing agreement in the amount of \$3,137,295. The District plans to apply the proceeds of the lease to finance the costs of facility construction, equipment, furnishings and improvements. A portion of the proceeds will be used to pay a debt service payments for the District's 2015 Certificates of Participation. Effective interest rates for the agreement are 4.03% and 5.73%. Repayment requirements are semi-annual principal and interest payments beginning September 2026 and continuing through September 2040.

Note 18 - Restatement

Change within the Reporting Entity

During year ended June 30, 2025, there was a change within the financial reporting entity which resulted in the Preschool Enterprise Fund being reported as a non-major governmental fund instead of as an enterprise fund which resulted in adjustments to and restatements of beginning fund balance/net position in the table below.

Change in Accounting Principle

As of June 30, 2025, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. Therefore, compensated absences current portion and compensated absences noncurrent portion were increased by \$1,332,632 and \$1,869,531, respectively, as of July 1, 2024. The effect of this change in accounting principle is described in the table below:

	Proprietary Funds Preschool Enterprise Fund	Governmental Funds Non-Major Governmental Funds	Governmental Funds Total Governmental Funds
Beginning Fund Balance/Net Position, as previously reported on June 30, 2024	\$ (47,838)	\$ 7,778,819	\$ 24,729,128
Change within the financial reporting entity	47,838	60,044	60,044
Beginning Fund Balance/Net Position, as restated as of July 1, 2024	<u>\$ -</u>	<u>\$ 7,838,863</u>	<u>\$ 24,789,172</u>
		Governmental Activities	Business-Type Activities
Beginning Net Position, as previously reported on June 30, 2024		\$ 51,066,889	\$ (47,838)
Change within the financial reporting entity		(47,838)	47,838
Change in accounting principle		<u>(3,202,163)</u>	<u>-</u>
Beginning Net Position, as restated on July 1, 2024		<u>\$ 47,816,888</u>	<u>\$ -</u>

Required Supplementary Information
June 30, 2025

Coronado Unified School District

Coronado Unified School District
Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variances - Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Local Control Funding Formula	\$ 31,962,441	\$ 31,602,890	\$ 31,605,033	\$ 2,143
Federal sources	4,641,494	5,395,748	5,731,808	336,060
Other State sources	3,848,440	5,141,659	5,705,975	564,316
Other local sources	4,158,456	4,204,364	4,455,613	251,249
Total revenues ¹	44,610,831	46,344,661	47,498,429	1,153,768
Expenditures				
Current				
Certificated salaries	19,747,907	20,818,735	20,991,182	(172,447)
Classified salaries	8,390,889	8,439,859	8,367,469	72,390
Employee benefits	14,496,464	14,378,847	14,066,670	312,177
Books and supplies	1,742,114	1,935,699	2,067,127	(131,428)
Services and operating expenditures	7,859,216	8,230,977	7,665,408	565,569
Other outgo	(41,240)	(39,930)	(44,151)	4,221
Capital outlay	8,155	200,570	211,759	(11,189)
Debt service				
Debt service - principal	-	-	2,344	(2,344)
Debt service - interest and other	-	-	191	(191)
Total expenditures ¹	52,203,505	53,964,757	53,327,999	636,758
Deficiency of Revenues Over Expenditures	(7,592,674)	(7,620,096)	(5,829,570)	1,790,526
Other Financing Sources				
Transfers in	7,592,674	7,567,565	6,100,583	(1,466,982)
Net Change in Fund Balances	-	(52,531)	271,013	323,544
Fund Balance - Beginning	9,758,182	9,758,182	9,758,182	-
Fund Balance - Ending	\$ 9,758,182	\$ 9,705,651	\$ 10,029,195	\$ 323,544

¹ Due to the consolidation of Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects for reporting purposes into the General Fund, additional revenues and expenditures pertaining to these other funds are included in the actual (GAAP) revenues and expenditures, however, are not included in the original and final General Fund budgets.

Coronado Unified School District
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Year Ended June 30, 2025

	2025	2024	2023	2022
Total OPEB Liability				
Service cost	\$ 355,605	\$ 341,660	\$ 334,078	\$ 479,262
Interest	229,040	230,948	218,084	153,051
Difference between expected and actual experience	19,710	(634,675)	40,116	(785,763)
Changes of assumptions	(256,324)	200,757	(15,309)	(1,046,120)
Benefit payments	(301,038)	(307,387)	(341,733)	(283,652)
Net change in total OPEB liability	46,993	(168,697)	235,236	(1,483,222)
Total OPEB Liability - Beginning	5,233,742	5,402,439	5,167,203	6,650,425
Total OPEB Liability - Ending	<u>\$ 5,280,735</u>	<u>\$ 5,233,742</u>	<u>\$ 5,402,439</u>	<u>\$ 5,167,203</u>
Covered Payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Total OPEB Liability as a Percentage of Covered Payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Measurement Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022
	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 466,521	\$ 340,563	\$ 336,724	\$ 361,764
Interest	187,711	211,971	202,826	173,351
Difference between expected and actual experience	(708,940)	134,497	-	-
Changes of assumptions	240,691	528,997	(46,262)	(250,848)
Benefit payments	(250,068)	(430,839)	(385,415)	(367,083)
Net change in total OPEB liability	(64,085)	785,189	107,873	(82,816)
Total OPEB Liability - Beginning	6,714,510	5,929,321	5,821,448	5,904,264
Total OPEB Liability - Ending	<u>\$ 6,650,425</u>	<u>\$ 6,714,510</u>	<u>\$ 5,929,321</u>	<u>\$ 5,821,448</u>
Covered Payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Total OPEB Liability as a Percentage of Covered Payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018

¹ The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

Note: In the future, as data becomes available, ten years of information will be presented.

Coronado Unified School District
Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program
Year Ended June 30, 2025

Year ended June 30,	2025	2024	2023	2022
Proportion of the net OPEB liability	0.0462%	0.0438%	0.0461%	0.0447%
Proportionate share of the net OPEB liability	\$ 123,208	\$ 132,952	\$ 151,988	\$ 178,320
Covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Plan fiduciary net position as a percentage of the total OPEB liability	(1.02%)	(0.96%)	(0.94%)	(0.80%)
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Year ended June 30,	2021	2020	2019	2018
Proportion of the net OPEB liability	0.0462%	0.0513%	0.0504%	0.0507%
Proportionate share of the net OPEB liability	\$ 225,261	\$ 190,954	\$ 192,823	\$ 213,479
Covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Plan fiduciary net position as a percentage of the total OPEB liability	(0.71%)	(0.81%)	(0.40%)	0.01%
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

¹ As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

Note : In the future, as data becomes available, ten years of information will be presented.

Coronado Unified School District
Schedule of the District's Proportionate Share of the Net Pension Liability - CalSTRS
Year Ended June 30, 2025

CalSTRS	2025	2024	2023	2022	2021
Proportion of the net pension liability	0.0317%	0.0296%	0.0307%	0.0297%	0.0305%
Proportionate share of the net pension liability	\$ 21,281,183	\$ 22,560,643	\$ 21,362,284	\$ 13,534,988	\$ 29,562,609
State's proportionate share of the net pension liability	9,763,880	10,809,439	10,698,148	6,810,281	15,239,528
Total	\$ 31,045,063	\$ 33,370,082	\$ 32,060,432	\$ 20,345,269	\$ 44,802,137
Covered payroll	\$ 20,820,571	\$ 18,890,225	\$ 18,182,364	\$ 16,366,805	\$ 16,656,409
Proportionate share of the net pension liability as a percentage of its covered payroll	102.21%	119.43%	117.49%	82.70%	177.48%
Plan fiduciary net position as a percentage of the total pension liability	84%	81%	81%	87%	72%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
	2020	2019	2018	2017	2016
Proportion of the net pension liability	0.0290%	0.0281%	0.0280%	0.0281%	0.0300%
Proportionate share of the net pension liability	\$ 26,179,216	\$ 25,794,803	\$ 25,920,377	\$ 22,740,043	\$ 20,162,554
State's proportionate share of the net pension liability	14,282,510	14,768,731	15,334,276	12,947,406	10,663,739
Total	\$ 40,461,726	\$ 40,563,534	\$ 41,254,653	\$ 35,687,449	\$ 30,826,293
Covered payroll	\$ 15,480,928	\$ 14,741,996	\$ 14,795,374	\$ 14,292,917	13,403,559
Proportionate share of the net pension liability as a percentage of its covered payroll	169.11%	174.97%	175.19%	159.10%	150.43%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015

Coronado Unified School District
Schedule of the District's Proportionate Share of the Net Pension Liability - CalPERS
Year Ended June 30, 2025

CalPERS	2025	2024	2023	2022	2021
Proportion of the net pension liability	0.0434%	0.0456%	0.0393%	0.0378%	0.0396%
Proportionate share of the net pension liability	\$ 15,522,367	\$ 16,499,975	\$ 13,527,996	\$ 7,678,054	\$ 12,157,292
Covered payroll	\$ 8,607,811	\$ 7,933,938	\$ 6,056,748	\$ 5,416,087	\$ 5,662,370
Proportionate share of the net pension liability as a percentage of its covered payroll	180.33%	207.97%	223.35%	141.76%	214.70%
Plan fiduciary net position as a percentage of the total pension liability	72%	70%	70%	81%	70%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
	2020	2019	2018	2017	2016
Proportion of the net pension liability	0.0381%	0.0367%	0.0403%	0.0423%	0.0380%
Proportionate share of the net pension liability	\$ 11,113,158	\$ 9,788,903	\$ 9,617,863	\$ 8,355,567	\$ 5,582,365
Covered payroll	\$ 5,034,819	\$ 4,659,775	\$ 4,944,032	\$ 4,974,669	4,188,727
Proportionate share of the net pension liability as a percentage of its covered payroll	220.73%	210.07%	194.53%	167.96%	133.27%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015

Coronado Unified School District
Schedule of the District's Contributions - CalSTRS
Year Ended June 30, 2025

CalSTRS	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 4,002,051	\$ 3,976,729	\$ 3,608,033	\$ 3,076,456	\$ 2,643,239
Less contributions in relation to the contractually required contribution	<u>4,002,051</u>	<u>3,976,729</u>	<u>3,608,033</u>	<u>3,076,456</u>	<u>2,643,239</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 20,953,147</u>	<u>\$ 20,820,571</u>	<u>\$ 18,890,225</u>	<u>\$ 18,182,364</u>	<u>\$ 16,366,805</u>
Contributions as a percentage of covered payroll	<u>19.10%</u>	<u>19.10%</u>	<u>19.10%</u>	<u>16.92%</u>	<u>16.15%</u>
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 2,848,246	\$ 2,520,295	\$ 2,127,270	\$ 1,861,258	\$ 1,533,630
Less contributions in relation to the contractually required contribution	<u>2,848,246</u>	<u>2,520,295</u>	<u>2,127,270</u>	<u>1,861,258</u>	<u>1,533,630</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 16,656,409</u>	<u>\$ 15,480,928</u>	<u>\$ 14,741,996</u>	<u>\$ 14,795,374</u>	<u>\$ 14,292,917</u>
Contributions as a percentage of covered payroll	<u>17.10%</u>	<u>16.28%</u>	<u>14.43%</u>	<u>12.58%</u>	<u>10.73%</u>

Note : In the future, as data becomes available, ten years of information will be presented.

Coronado Unified School District
Schedule of the District's Contributions - CalPERS
Year Ended June 30, 2025

CalPERS	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 2,346,320	\$ 2,296,564	\$ 2,012,840	\$ 1,387,601	\$ 1,121,130
Less contributions in relation to the contractually required contribution	<u>2,346,320</u>	<u>2,296,564</u>	<u>2,012,840</u>	<u>1,387,601</u>	<u>1,121,130</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 8,674,011	\$ 8,607,811	\$ 7,933,938	\$ 6,056,748	\$ 5,416,087
Contributions as a percentage of covered payroll	<u>27.050%</u>	<u>26.680%</u>	<u>25.370%</u>	<u>22.910%</u>	<u>20.700%</u>
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 1,116,676	\$ 909,389	\$ 723,663	\$ 686,726	\$ 589,349
Less contributions in relation to the contractually required contribution	<u>1,116,676</u>	<u>909,389</u>	<u>723,663</u>	<u>686,726</u>	<u>589,349</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,662,370	\$ 5,034,819	\$ 4,659,475	\$ 4,944,744	\$ 4,974,669
Contributions as a percentage of covered payroll	<u>19.721%</u>	<u>18.062%</u>	<u>15.531%</u>	<u>13.888%</u>	<u>11.847%</u>

Note : In the future, as data becomes available, ten years of information will be presented.

Note 1 - Purpose of Schedules

Budgetary Comparison Schedules

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 and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

This schedule presents information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations.

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

This schedule presents information on the District's changes in the total OPEB liability, including beginning and ending balances. In the future, as data becomes available, ten years of information will be presented.

- *Change in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Change of Assumptions* – The discount rate changed from 4.21% in 2024 to 5.20% in 2025, and the healthcare cost trend rate changed from 4.50% in 2024 to 8.00% in 2025.

Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program

This schedule presents information on the District's proportionate share of the net OPEB Liability – MPP Program and the plan fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 3.65% to 3.93% since the previous valuation. The Medicare Part A premium cost trend rate assumption was changed from 4.50% to 5.00%, while the Medicare Part B premium cost trend rate assumption was changed from 5.40% to 6.50% since the previous valuation.

Schedule of the District Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District.

- *Changes in Benefit Terms* – There were no changes in benefit terms for the CalSTRS or CalPERS plans since the previous valuations.
- *Changes of Assumptions* – There were no changes in economic assumptions for the CalSTRS or CalPERS plans since the previous valuations.

Schedule of the District's Contributions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution.

Supplementary Information
June 30, 2025

Coronado Unified School District

Coronado Unified School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Impact Aid	84.041	[1]	\$ 2,126,828
Passed Through South County SELPA			
Special Education (IDEA) Cluster			
Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	600,989
Mental Health Allocation Plan, Part B, Sec 611	84.027A	15197	<u>43,240</u>
Subtotal			<u>644,229</u>
Preschool Grants, Part B, Sec 619	84.173	13430	7,198
Preschool Staff Development, Part B, Sec 619	84.173A	13431	<u>75</u>
Subtotal			<u>7,273</u>
Total Special Education (IDEA) Cluster			<u>651,502</u>
Title I, Part A, Basic Grants Low Income and Neglected	84.010	14329	216,142
Title II, Part A, Supporting Effective Instruction	84.367	14341	15,116
Strengthening Career and Technical for the 21st Century (Perkins V): Adult, Section 132	84.048	14894	<u>15,000</u>
Total U.S. Department of Education			<u>3,024,588</u>
U.S. Department of Defense			
Impact Aid - Supplement	12.558	[1]	<u>925,185</u>
Support for Student Achievement at Military Connected Schools			
Support for Student Achievement at Military Connected Schools/SPED: Project World Language Plus (WL+)	12.556	[1]	865,085
Support for Student Achievement at Military Connected Schools/Project E3: Engage, Explore and Excel	12.556	[1]	303,008
Support for Student Achievement at Military Connected Schools/Project SAIL	12.556	[1]	320,147
Support for Student Achievement at Military Connected Schools/Computer Science +	12.556	[1]	<u>207,023</u>
Subtotal Support for Student Achievement at Military Connected Schools			<u>1,695,263</u>
Navy Junior ROTC	12.000	[1]	<u>86,772</u>
Total U.S. Department of Defense			<u>2,707,220</u>
U.S. Department of Justice			
School Violence Prevention Program	16.071	15641	<u>7,865</u>
Total U.S. Department of Justice			<u>7,865</u>

[1] Direct award, no pass-through entity identifying number.

Coronado Unified School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Passed Through California Department of Education			
Child Nutrition Cluster			
National School Lunch Program - Section 4	10.555	13523	\$ 130,142
National School Lunch Program - Section 11	10.555	13524	104,422
Supply Chain Assistance (SCA) Funds	10.555	15655	77,962
Local Food for Schools	10.555	15708	23,759
Commodities	10.555	13396	<u>52,714</u>
Subtotal			<u>388,999</u>
School Breakfast Program (SBP)	10.553	13525	<u>63,970</u>
Total Child Nutrition Cluster			<u>452,969</u>
NSLP Equipment Assistance Grants	10.579	14906	<u>80,800</u>
Total U.S. Department of Agriculture			<u>533,769</u>
Total Federal Financial Assistance			<u><u>\$ 6,273,442</u></u>

Coronado Unified School District
Schedule of Average Daily Attendance
Year Ended June 30, 2025

	Final Report	
	Second Period Report B853B31E	Annual Report 18031072
Regular ADA		
Transitional kindergarten through third	709.64	709.42
Fourth through sixth	554.80	551.82
Seventh and eighth	414.01	413.23
Ninth through twelfth	943.41	936.77
Total Regular ADA	2,621.86	2,611.24
Extended Year Special Education		
Transitional kindergarten through third	-	29.50
Fourth through sixth	-	17.83
Seventh and eighth	-	11.94
Ninth through twelfth	-	17.05
Total Extended Year Special Education	-	76.32
Special Education, Nonpublic, Nonsectarian Schools		
Fourth through sixth	2.88	2.89
Seventh and eighth	1.48	1.74
Ninth through twelfth	1.89	1.91
Total Special Education, Nonpublic, Nonsectarian Schools	6.25	6.54
Extended Year Special Education, Nonpublic, Nonsectarian Schools		
Fourth through sixth	0.31	0.31
Seventh and eighth	0.12	0.12
Ninth through twelfth	0.39	0.39
Total Extended Year Special Education, Nonpublic, Nonsectarian Schools	0.82	0.82
Total ADA	2,628.93	2,694.92

Coronado Unified School District

Schedule of Instructional Time

Year Ended June 30, 2025

Grade Level	1986-1987 Minutes Requirement	2024-2025 Actual Minutes	Number of Minutes Credited Form J-13A	Total Minutes Offered	Traditional Calendar			Multitrack Calendar			Status
					Number of Actual Days	Number of Days Credited Form J-13A	Total Days Offered	Number of Actual Days	Number of Days Credited Form J-13A	Total Days Offered	
Kindergarten	36,000	55,985	-	55,985	180	-	180	N/A	N/A	N/A	Complied
Grades 1 - 3	50,400										
Grade 1		57,995	-	57,995	180	-	180	N/A	N/A	N/A	Complied
Grade 2		57,995	-	57,995	180	-	180	N/A	N/A	N/A	Complied
Grade 3		57,995	-	57,995	180	-	180	N/A	N/A	N/A	Complied
Grades 4 - 8	54,000										
Grade 4		57,995	-	57,995	180	-	180	N/A	N/A	N/A	Complied
Grade 5		57,995	-	57,995	180	-	180	N/A	N/A	N/A	Complied
Grade 6		60,112	-	60,112	180	-	180	N/A	N/A	N/A	Complied
Grade 7		60,112	-	60,112	180	-	180	N/A	N/A	N/A	Complied
Grade 8		60,112	-	60,112	180	-	180	N/A	N/A	N/A	Complied
Grades 9 - 12	64,800										
Grade 9		65,424	-	65,424	180	-	180	N/A	N/A	N/A	Complied
Grade 10		65,424	-	65,424	180	-	180	N/A	N/A	N/A	Complied
Grade 11		65,424	-	65,424	180	-	180	N/A	N/A	N/A	Complied
Grade 12		65,424	-	65,424	180	-	180	N/A	N/A	N/A	Complied

Coronado Unified School District
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
Year Ended June 30, 2025

There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2025.

Coronado Unified School District
Schedule of Financial Trends and Analysis
Year Ended June 30, 2025

	(Budget) 2026 ¹	2025	2024 ¹	2023 ¹
General Fund ³				
Revenues	\$ 46,553,361	\$ 47,227,922	\$ 48,109,673	\$ 48,371,029
Other sources	7,455,588	6,100,583	6,120,430	2,675,391
Total revenues and other sources	54,008,949	53,328,505	54,230,103	51,046,420
Expenditures	54,008,949	53,327,999	54,671,689	50,036,153
Increase (Decrease) in Fund Balance	-	506	(441,586)	1,010,267
Ending Fund Balance	\$ 5,290,742	\$ 5,290,742	\$ 5,290,236	\$ 5,731,822
Available Reserves ²	\$ 1,620,268	\$ 1,599,840	\$ 3,015,671	\$ 2,846,477
Available Reserves as a Percentage of Total Outgo	3.00%	3.00%	5.52%	5.69%
Long-Term Liabilities ⁴	N/A	\$ 62,247,746	\$ 63,897,854	\$ 61,916,484
K-12 Average Daily Attendance at P-2	2,629	2,629	2,601	2,644

The General Fund balance has decreased by \$441,080 over the past two years. The fiscal year 2025-2026 budget projects no change in fund balance. For a district this size, the State recommends available reserves of at least three percent of total General Fund expenditures, and other uses (total outgo).

The District has incurred an operating surplus in two of the past three years and anticipates no change in fund balance during the 2025-2026 fiscal year. Total long-term liabilities have increased by \$331,262 over the past two years.

Average daily attendance has decreased by 15 over the past two years. No change in ADA is anticipated to during fiscal year 2025-2026.

¹ Financial information for 2026, 2024, and 2023 are included for analytical purposes only and has not been subjected to audit.

² Available reserves consist of all unassigned fund balances including all amounts reserved for economic uncertainties contained with the General Fund and the Special Reserve Fund for Other Than Capital Outlay Projects.

³ General Fund amounts do not include activity related to the consolidation of the Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects as required by GASB Statement No. 54.

⁴ Amounts have not been restated for the effects of the implementation of GASB Statement No. 101 for comparative purposes. See Note 18 for further information.

Coronado Unified School District
Combining Balance Sheet – Non-Major Governmental Funds
June 30, 2025

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Foundation Special Reserve Fund
Assets						
Deposits and investments	\$ 120,318	\$ 154,404	\$ 731,239	\$ 1,469,042	\$ 228,696	\$ 102,525
Receivables	-	25,045	11,548	304,314	3,356	156,450
Due from other funds	-	-	181,693	29,556	46,504	451,558
Total assets	\$ 120,318	\$ 179,449	\$ 924,480	\$ 1,802,912	\$ 278,556	\$ 710,533
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ -	\$ 6,558	\$ 16,477	\$ 44,385	\$ -	\$ 32,908
Due to other funds	-	49,890	180,725	96,413	-	368,879
Unearned revenue	-	-	-	45,000	-	-
Total liabilities	-	56,448	197,202	185,798	-	401,787
Fund Balances						
Nonspendable	-	-	-	600	-	-
Restricted	120,318	42,017	305,546	1,616,514	141,688	294,328
Assigned	-	80,984	421,732	-	136,868	14,418
Total fund balances	120,318	123,001	727,278	1,617,114	278,556	308,746
Total liabilities and fund balances	\$ 120,318	\$ 179,449	\$ 924,480	\$ 1,802,912	\$ 278,556	\$ 710,533

Coronado Unified School District
Combining Balance Sheet – Non-Major Governmental Funds
June 30, 2025

	Capital Facilities Fund	Capital Projects Fund for Blended Component Units	Bond Interest and Redemption Fund	Foundation Permanent Fund	Total Non-Major Governmental Funds
Assets					
Deposits and investments	\$ 333,729	\$ 2,064,218	\$ 1,541,264	\$ 571,731	\$ 7,317,166
Receivables	10,327	366,662	-	8,356	886,058
Due from other funds	-	737,648	-	84,599	1,531,558
Total assets	\$ 344,056	\$ 3,168,528	\$ 1,541,264	\$ 664,686	\$ 9,734,782
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 200	\$ 479,812	\$ -	\$ 14,206	\$ 594,546
Due to other funds	7,066	688,139	-	6,300	1,397,412
Unearned revenue	-	-	-	-	45,000
Total liabilities	7,266	1,167,951	-	20,506	2,036,958
Fund Balances					
Nonspendable	-	-	-	-	600
Restricted	336,790	1,024,802	1,541,264	-	5,423,267
Assigned	-	975,775	-	644,180	2,273,957
Total fund balances	336,790	2,000,577	1,541,264	644,180	7,697,824
Total liabilities and fund balances	\$ 344,056	\$ 3,168,528	\$ 1,541,264	\$ 664,686	\$ 9,734,782

Coronado Unified School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds
Year Ended June 30, 2025

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Foundation Special Reserve Fund
Revenues						
Federal sources	\$ -	\$ -	\$ -	\$ 455,807	\$ -	\$ -
Other State sources	-	289,893	869,422	1,460,790	-	-
Other local sources	608,456	11,843	183,145	126,281	13,770	1,177,782
Total revenues	608,456	301,736	1,052,567	2,042,878	13,770	1,177,782
Expenditures						
Current						
Instruction	-	21,764	638,737	-	-	-
Instruction-related activities						
Supervision of instruction	-	131,244	-	-	-	-
School site administration	-	117,849	115,142	-	-	-
Pupil services						
Food services	-	-	-	1,980,191	-	-
Administration						
All other administration	-	5,000	40,299	-	-	-
Plant services	-	-	63,632	-	-	339,299
Ancillary services	619,293	-	-	-	-	-
Community services	-	-	-	-	-	735,973
Facility acquisition and construction	-	-	-	80,800	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest and other	-	-	-	-	-	-
Total expenditures	619,293	275,857	857,810	2,060,991	-	1,075,272
Excess (Deficiency) of Revenues Over Expenditures	(10,837)	25,879	194,757	(18,113)	13,770	102,510
Other Financing Sources						
Transfers in	-	-	-	-	-	-
Net Change in Fund Balances	(10,837)	25,879	194,757	(18,113)	13,770	102,510
Fund Balance - Beginning, as previously reported	131,155	97,122	472,477	1,635,227	264,786	206,236
Adjustments (Note 18)	-	-	60,044	-	-	-
Fund Balance - Beginning, as restated	131,155	97,122	532,521	1,635,227	264,786	206,236
Fund Balance - Ending	\$ 120,318	\$ 123,001	\$ 727,278	\$ 1,617,114	\$ 278,556	\$ 308,746

Coronado Unified School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds
Year Ended June 30, 2025

	Capital Facilities Fund	Capital Projects Fund for Blended Component Units	Bond Interest and Redemption Fund	Foundation Permanent Fund	Total Non-Major Governmental Funds
Revenues					
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ 455,807
Other State sources	-	331,635	935	-	2,952,675
Other local sources	249,315	1,483,741	925,877	116,196	4,896,406
Total revenues	249,315	1,815,376	926,812	116,196	8,304,888
Expenditures					
Current					
Instruction	-	-	-	76,351	736,852
Instruction-related activities					
Supervision of instruction	-	-	-	2,259	133,503
School site administration	-	-	-	-	232,991
Pupil services					
Food services	-	-	-	-	1,980,191
Administration					
All other administration	13,016	-	-	-	58,315
Plant services	2,385	736,020	-	-	1,141,336
Ancillary services	-	-	-	-	619,293
Community services	-	-	-	-	735,973
Facility acquisition and construction	-	675,993	-	-	756,793
Debt service					
Principal	390,000	513,477	1,073,812	-	1,977,289
Interest and other	152,794	267,436	47,511	-	467,741
Total expenditures	558,195	2,192,926	1,121,323	78,610	8,840,277
Excess (Deficiency) of Revenues Over Expenditures	(308,880)	(377,550)	(194,511)	37,586	(535,389)
Other Financing Sources					
Transfers in	394,350	-	-	-	394,350
Net Change in Fund Balances	85,470	(377,550)	(194,511)	37,586	(141,039)
Fund Balance - Beginning, as previously reported	251,320	2,378,127	1,735,775	606,594	7,778,819
Adjustments (Note 18)	-	-	-	-	60,044
Fund Balance - Beginning, as restated	251,320	2,378,127	1,735,775	606,594	7,838,863
Fund Balance - Ending	\$ 336,790	\$ 2,000,577	\$ 1,541,264	\$ 644,180	\$ 7,697,824

Note 1 - Purpose of Schedules

Schedule of Expenditures of Federal Awards (SEFA)

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the federal award activity of the Coronado Unified School District (the District) under programs of the federal government for the year ended June 30, 2025. The information 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). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or fund balance of the District.

Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. When applicable, such 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. No federal financial assistance has been provided to a subrecipient.

Indirect Cost Rate

The District has not elected to use the ten percent de minimis cost rate.

Food Donation

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. At June 30, 2025, the District did not have commodities reported as inventory.

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code* Sections 46200 through 46207.

Districts must maintain their instructional minutes at the 1986-87 requirements, as required by *Education Code* Section 46201.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual Financial Report to the audited financial statements.

Schedule of Financial Trends and Analysis

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

Non-Major Governmental Funds - Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances

These schedules are included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

Other Information
June 30, 2025

Coronado Unified School District

ORGANIZATION

The Coronado Unified School District was established June 20, 1913 and consists of an area comprising approximately 32.7 square miles. The District operates two elementary schools, one middle school, one high school, one preschool program, and one adult education program. There were no boundary changes during the year.

GOVERNING BOARD

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Alexia Palacios-Peters	President	2026
Malachy Sandie	Vice President	2026
Dr. Scot Youngblood	Clerk	2026
Renee Cavanaugh	Member	2028
Fitzhugh Lee	Member	2028

ADMINISTRATION

<u>NAME</u>	<u>TITLE</u>
Karl Mueller	Superintendent
Donnie Salamanca, CPA	Deputy Superintendent

Independent Auditor's Reports
June 30, 2025

Coronado Unified School District



**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***

To the Governing Board
Coronado Unified School District
Coronado, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Coronado Unified School District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 15, 2025.

Adoption of New Accounting Standard

As discussed in Note 18 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences for the year ended June 30, 2025. Accordingly, a restatement has been made to the governmental activities net position as of July 1, 2024 to restate beginning net position. Our opinions are not modified with respect to this matter.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

We noted certain matters that we reported to management of the District in a separate letter dated December 15, 2025.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eric Sully LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
December 15, 2025



Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Governing Board
Coronado Unified School District
Coronado, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Coronado Unified School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
December 15, 2025



Independent Auditor's Report on State Compliance and on Internal Control Over Compliance

To the Governing Board
Coronado Unified School District
Coronado, California

Report on Compliance

Opinion on State Compliance

We have audited Coronado Unified School District's (the District) compliance with the requirements specified in the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to the District's state program requirements identified below for the year ended June 30, 2025.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

2024-2025 K-12 Audit Guide Procedures	Procedures Performed
Local Education Agencies Other Than Charter Schools	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Independent Study	Not Applicable
Continuation Education	Not Applicable
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
GANN Limit Calculation	Yes

2024-2025 K-12 Audit Guide Procedures	Procedures Performed
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Yes
School Districts, County Offices of Education, and Charter Schools	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Not Applicable
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	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Kindergarten Continuance	Yes
Charter Schools	
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes - Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

The term “Not Applicable” is used above to mean either the District did not offer the program during the current fiscal year, the District did not participate in the program during the current fiscal year, or the program applies to a different type of local education agency.

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001. Our opinion on state compliance is not modified with respect to this matter.

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

Report on Internal Control over Compliance

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

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 state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state 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 state 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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001 to be a significant deficiency.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.



Rancho Cucamonga, California
December 15, 2025

Schedule of Findings and Questioned Costs
June 30, 2025

Coronado Unified School District

Coronado Unified School District

Summary of Auditor's Results

Year Ended June 30, 2025

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None noted
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)	No

Identification of major programs

<u>Name of Federal Program or Cluster</u>	<u>Federal Financial Assistance Listing</u>
Impact Aid Supplement	12.558
Impact Aid	84.041
Dollar threshold used to distinguish between type A and type B programs	\$750,000
Auditee qualified as low-risk auditee?	No

State Compliance

Internal control over state compliance programs	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Other matters to be reported	Yes
Type of auditor's report issued on compliance for programs	Unmodified

None reported.

None reported.

The following finding represents a significant deficiency and an instance of noncompliance, including questioned costs, that is required to be reported by the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. The finding has been coded as follows:

Five Digit Code	AB 3627 Finding Type
40000	State Compliance

2025-001 40000 – Unduplicated Pupil Count

Criteria

California *Education Code* Section 42238.02(b)(4) states that the school districts should revise their submitted data on English learner, foster youth, and free or reduced-price meal eligible pupil counts to ensure the accuracy of data reflected in the California Longitudinal Pupil Achievement Data System (CALPADS).

Condition

The District was unable to provide documentation supporting the inclusion of two pupils in the sample selected for the testing of the Free and Reduced-Price Meal (FRPM) category on the “1.18 – FRPM/English Learner/Foster Youth – Student List” CALPADS report. An additional sample of 25 pupils from the FRPM category were selected for testing. No errors were noted in the subsequent testing of pupils in the FRPM category.

No errors were noted in the testing of pupils included in the English learner category or those who were included in both categories.

Cause

It appears that the condition identified has materialized as a result of the District not updating the status for students whose eligibility changed based on nutrition services records from free/reduced to paid or paid to free/reduced.

Effect

The District does not appear to be in compliance with Education Code Section 42238.02(b)(4). In addition, the District appears to be over claiming the total FRPM eligible pupil by two for a decrease in funding of approximately \$1,189. The schedule below shows the District-wide exceptions:

Certified Total Enrollment Count	Certified Total Unduplicated Count	Adjustment to Total Enrollment Count	Adjustment Based on English Learner Status	Adjustment Based on Eligibility for FRPM	Adjusted Total Enrollment	Adjusted Total Unduplicated Pupil Count
2,763	502	-	-	(2)	2,763	500

Questioned Costs

Using the California Department of Education's Audit Penalty Calculator, the estimated penalty was determined to be \$1,189 by taking the misclassified figure of 2 students. The calculation was performed as follows:

Item Number	Calculating the Cost of LCFF Unduplicated Pupil Count Audit Finding	Instructions
1	Total Adjusted Enrollment from the UPP exhibit as of P-2	Enter Adjusted Enrollment, Line A-5 for School Districts, or Line A-4 for Charter Schools from the P-2 UPP exhibit.
2	Total Adjusted Unduplicated Pupil Count from the UPP exhibit as of P-2	Enter Adjusted Unduplicated Pupil Count, Line B-5 for School Districts, or Line B-4 for Charter Schools from the P-2 UPP exhibit.
3	Audit Adjustment - Number of Enrollment	Enter total number of enrollment adjusted per audit, either (negative) or positive.
4	Audit Adjustment - Number of Unduplicated Pupil Count	Enter total number of unduplicated pupil counts adjusted per audit, either (negative) or positive.
5	Revised Adjusted Enrollment	Calculated field.
6	Revised Adjusted Unduplicated Pupil Count	Calculated field.
7	UPP calculated as of P-2	Calculated field.
8	Revised UPP for audit finding	Calculated field.
9	Charter Schools Only: Determinative School District Concentration Cap	Charter Schools Only: Enter School District Unduplicated Pupil Percentage, Line D-3 from the P-2 UPP exhibit.
10	Revised UPP adjusted for Concentration Cap	Calculated field.
11	Supplemental and Concentration Grant TK/K-3 ADA	School Districts: Enter Supplemental and Concentration Grant ADA (includes NSS ADA) by grade level, Line B-6 from the P-2 School District LCFF Calculation exhibit. Charter Schools: Enter Base, Supplemental, and Concentration Grant Funded ADA by grade level, Line B-1 from the P-2 Charter School LCFF Calculation exhibit.
12	Supplemental and Concentration Grant 4-6 ADA	School Districts: Enter Supplemental and Concentration Grant ADA (includes NSS ADA) by grade level, Line B-7 from the P-2 School District LCFF Calculation exhibit. Charter Schools: Enter Base, Supplemental, and Concentration Grant Funded ADA by grade level, Line B-2 from the P-2 Charter School LCFF Calculation exhibit.
13	Supplemental and Concentration Grant 7-8 ADA	School Districts: Enter Supplemental and Concentration Grant ADA (includes NSS ADA) by grade level, Line B-8 from the P-2 School District LCFF Calculation exhibit. Charter Schools: Enter Base, Supplemental, and Concentration Grant Funded ADA by grade level, Line B-3 from the P-2 Charter School LCFF Calculation exhibit.

Item Number	Calculating the Cost of LCFF Unduplicated Pupil Count Audit Finding	Instructions
14	Supplemental and Concentration Grant 9–12 ADA	School Districts: Enter Supplemental and Concentration Grant ADA (includes NSS ADA) by grade level, Line B-9 from the P-2 School District LCFF Calculation exhibit. Charter Schools: Enter Base, Supplemental, and Concentration Grant Funded ADA by grade level, Line B-4 from the P-2 Charter School LCFF Calculation exhibit.
15	Adjusted Base Grant per TK/K–3 ADA	Enter Adjusted Base Grant per ADA by grade level, Line A-12 from the P-2 LCFF Calculation exhibit.
16	Adjusted Base Grant per 4–6 ADA	Enter Adjusted Base Grant per ADA by grade level, Line A-7 from the P-2 LCFF Calculation exhibit.
17	Adjusted Base Grant per 7–8 ADA	Enter Adjusted Base Grant per ADA by grade level, Line A-8 from the P-2 LCFF Calculation exhibit.
18	Adjusted Base Grant per 9–12 ADA	Enter Adjusted Base Grant per ADA by grade level, Line A-13 from the P-2 LCFF Calculation exhibit.
19	Supplemental Grant Funding calculated as of P-2	Calculated field.
20	Revised Supplemental Grant Funding for audit finding	Calculated field.
21	Supplemental Grant Funding audit adjustment	Calculated field.
22	Concentration Grant Funding calculated as of P-2	Calculated field.
23	Revised Concentration Grant Funding for audit finding	Calculated field.
24	Concentration Grant Funding audit adjustment	Calculated field.
25	Total Supplemental and Concentration audit adjustment	Calculated field.

Repeat Finding

No.

Recommendation

District staff should maintain income verification forms on file in a centralized location to support data that is reported on the CALPADS Form 1.18

Corrective Action Plan and Views of Responsible Officials

District management have reviewed compliance requirements with staff members responsible for reporting and record-keeping relative to all State compliance matters. Based on our review, this exception represents an anomaly that is not representative of our systems as a whole.

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

State Compliance Findings

2024-001 40000 – Expanded Learning Opportunities Program (Material Weakness)

Criteria

Per California *Education Code* Section 46120(b)(1)(A), pupils enrolled in kindergarten through sixth grade must be provided with access to expanded learning opportunity programs (ELOP) each instructional day. In addition, per California *Education Code* Section 46120(b)(1)(B), the District must provide for at least 30 non-school days, no less than nine hours of in-person expanded learning opportunities.

Per California *Education Code* Section 46120(d)(6)(A), for the 2021-2022 fiscal year, a school district or charter school may expend or encumber the funds received pursuant to this subdivision from the 2021-2022 fiscal year to the 2023-2024 fiscal year, inclusive. For the 2022-2023 fiscal year, a school district or charter school may expend or encumber the funds received pursuant to this subdivision from the 2022-2023 and 2023-2024 fiscal years. Any encumbered funds pursuant to this paragraph that are not expended by the school district or charter school by September 30, 2024, shall be returned to the state.

Condition

Through inquiry with District's management, it was noted that the District did not operate the ELOP program during the 2023-2024 school year.

In addition, the District has not spent or encumbered any of the 2021-2022 or 2022-2023 ELOP entitlements.

Cause

Through inquiry with District personnel, the cause of this deficiency was primarily due to difficulties with planning and staffing for the timely operation of ELOP.

Effect

The District was not compliant with the program offering requirements outlined in California *Education Code* Sections 46120(b)(1)(A) and 46120(b)(1)(B). As a result, the District's current year ELOP apportionment will be due back to the State. This amount represents the entire amount received in the current year since the District did not operate the program.

The District was not compliant with the requirements for the expenditure of the 2021-2022 and 2022-2023 entitlements as outlined in California *Education Code* Section 46120(d)(6)(A). As a result, the District's ELOP apportionments for those years must be returned to the state. The sum of these, \$435,514, was accrued as a payable as of June 30, 2024.

Questioned Costs

There were no questioned costs associated with the finding.

Recommendation

In order to retain future entitlements, we recommend that the District adhere to the requirements of California *Education Code* Sections 46120(b)(1)(A) and 46120(b)(1)(B). The District should ensure that the program is offered to enrolled pupils in all required grade levels for the required number of days, with each day being at least the required number of hours.

Current Status

Implemented.



Management
Coronado Unified School District
Coronado, California

In planning and performing our audit of the financial statements of Coronado Unified School District (the District) for the year ended June 30, 2025, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we note matters that are opportunities for strengthening inter controls and operating efficiency. The following items represent conditions noted by our audit that we consider important enough to bring to your attention. This letter does not affect our report dated December 15, 2025, on the government-wide financial statements of the District.

Associated Student Body (ASB)

Coronado High School

Observations

1. Based on the review of the disbursement procedures, it was noted that five of 13 disbursements tested did not contain explicit receiving documentation to indicate that goods had been received. As a result, the vendor invoice was paid without direct confirmation that the goods being ordered had been received by the ASB.
2. Based on the review of the disbursement procedures, it was noted that one of 13 disbursements tested were not approved prior to transactions taking place. This could potentially lead to spending in excess of available funds. Additionally, expenditures of a questionable nature could arise if disbursements are not pre-approved.

Recommendations

1. ASB staff should maintain receiving documentation to demonstrate that items purchased were received as expected.
2. The site should ensure that all disbursement transactions are approved in advance of the purchase by authorized administrative staff member, the activity advisor, and the student council representative. The student council's approval should be documented in the minutes of their meetings. This would allow the reviewing staff members and/or the student council to determine if the proposed activities are appropriate and to determine if sufficient funding is available to finance the activities or the purchases.

We will review the status of the current year comments during our next audit engagement.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Rancho Cucamonga, California
December 15, 2025