



# San Dieguito Union High School District

County of San Diego  
San Diego, California

Audit Report  
June 30, 2025



# San Dieguito Union High School District

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June 30, 2025

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## Independent Auditor’s Report

To the Board of Education  
San Dieguito Union High School District

### Report on the Audit of the Financial Statements

#### Disclaimer of Opinion and Unmodified Opinions

We have been engaged to audit the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the San Dieguito Union High 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.

#### *Summary of Opinions*

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Aggregate Discretely Presented Component Units	Disclaimer
General Fund	Unmodified
Building Fund	Unmodified
Bond Interest and Redemption Fund	Unmodified
Capital Projects Fund for Blended Component Units	Unmodified
Self-Insurance Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

#### *Disclaimer of Opinion on the Aggregate Discretely Presented Component Units*

We do not express an opinion on the financial statements of the aggregate discretely presented component units of the District. Because of the significance of the matter described in the Basis for Disclaimer of Opinion and Unmodified Opinions section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the aggregate discretely presented component units of the District.

## *Unmodified Opinion on Governmental Activities, Each Major Fund, and the Aggregate Remaining Fund Information*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Disclaimer and Unmodified Opinions**

We conducted our audit in accordance with auditing standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States and auditing standards accepted in the United States of America. 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 unmodified audit opinions.

### *Matter Giving Rise to Disclaimer of Opinion on the Aggregate Discretely Presented Component Units*

The financial statements of the La Costa Canyon High School Foundation, Canyon Crest Academy Foundation, Torrey Pines High School Foundation, and San Dieguito Academy Foundation have not been audited, and we were not engaged to audit the financial statements as part of our audit of the District's basic financial statements. The component unit's financial activities are included in the District's basic financial statements as a part of the aggregate discretely presented component units and represent 100 percent of the District's aggregate discretely presented component units.

### **Emphasis of Matter – Change in Accounting Principle**

As described in Note A to the financial statements, in the fiscal year ended June 30, 2025 the District adopted new accounting guidance, GASB Statement No. 101 *Compensated Absences* which had a material effect on the financial statements. Our opinion is 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**

### *Auditor's Responsibilities for the Audit of the Aggregate Discretely Presented Component Units*

Our responsibility is to conduct an audit of the District's financial statements in accordance with GAAS and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion on the Aggregate Discretely Presented Component Units Section of our report, we were not able to obtain sufficient audit evidence to provide a basis for an audit opinion on the financial statements of the aggregate discretely presented component units.

We are required to be independent of the District and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

### *Auditor's Responsibilities for the Audit of the Governmental Activities, Each Major Fund, and the Aggregate Remaining Fund Information*

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 generally accepted auditing standards 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 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 generally accepted auditing standards 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 and other required supplementary information as identified in the table of contents, 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 (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management'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 accompanying combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying 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*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying additional supplementary information, identified in the table of contents, as required by the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations, Section 19810* are presented for purposes of additional analysis and are not a required part of the 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 auditing standards generally accepted in the United States of America.

In our opinion, the accompanying combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the additional supplementary information as identified in the table of contents, are fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Other Information**

Management is responsible for the other information included in the audit report. The other information comprises the Other Information section of the audit report as identified on the table of contents, 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 January 28, 2026, 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, and 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.



El Cajon, California  
January 28, 2026

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
JUNE 30, 2025  
(Unaudited)

The discussion and analysis of San Dieguito Union High School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the District's financial performance as a whole. To provide a complete understanding of the District's financial performance, please read it in conjunction with the Independent Auditor's Report, the District's financial statements and notes to the basic financial statements.

The Management's Discussion and Analysis (MD & A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information is required to be presented in the MD & A.

**FINANCIAL HIGHLIGHTS**

- The increase in Local Control Funding Formula (LCFF) sources from 2023-24 to 2024-25 was \$4.9 million (3.22%).
- The general fund expenditures increased by \$8.23 million (4.29%) over the previous year amount.
- General Fund expenses and other uses exceeded revenues and other sources by \$3.3 million.
- The General Fund ended the fiscal year with 10.53% reserves in unrestricted fund balance.

**Overview of the Financial Statements**

This annual report consists of the following parts – management's discussion and analysis (this section), the basic financial statements, required supplementary information, other supplementary information, and findings and recommendations. These statements are organized so the reader can understand the San Dieguito Union High School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

**The Basic Financial Statements**

The first two statements are district-wide financial statements, the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the whole School District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the district's more significant funds with all other non-major funds presented in total in one column.

The financial statements also include notes that explain some of the supplementary information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements. A comparison of the District's general fund budget is included.

## **Reporting the district as a Whole**

### *Statement of Net Position and the Statement of Activities*

These two statements provide information about the District as a whole using methods similar to those used by private-sector companies. The Statement of Net Position includes all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting. This basis of accounting takes in account all the current year's revenues and expenses regardless of when cash is received or paid. These statements report information on the district as a whole and its activities in a way that helps answer the question, "How did we do financially during 2024-25?"

The change in net position is important because it tells the reader that, for the district as a whole, the financial position of the district has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Over time, the increases or decreases in the District's net position, as reported in the Statement of Activities, are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses indicates the District's operating results. However, the District's goal is to provide services to our students, not to generate profits as commercial entities. One must consider many non-financial factors, such as the quality of education provided to assess the overall health of the District.

- Increases or decreases in the net position of the District over time are indications of whether its financial position is improving or deteriorating, respectively.
- Additional non-financial factors such as condition of school buildings and other facilities, and changes to the property tax base of the District need to be considered in assessing the overall health of the District.

## **Reporting the district's Most Significant Funds**

### *Fund Financial Statements*

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by State law. However, the District establishes other funds to control and manage money for specific purposes.

### *Governmental Funds*

Most of the district's activities are reported in governmental funds. The District's major funds are the General Fund, the Building Fund, the Special Reserve Fund for Capital Outlay, and the Capital Projects Fund for Blended Component Units. All other governmental funds are aggregated into one nonmajor governmental funds column. Governmental funds focus on how money flows into and out of the funds and the balances that remain at the end of the year. They 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 statements provide a detailed short-term view of the District's operations and services that help determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

## FINANCIAL ANALYSIS OF THE GOVERNMENT WIDE STATEMENTS

### *The district as a Whole*

The District's net position was \$(28.8) million at June 30, 2025. Of this amount, unrestricted net position was \$(103) million, net investment in capital assets was \$(31.5) million, and restricted net position was \$106 million. A Comparative analysis of government-wide statement of net position is presented in Table 1.

The District's net position increased \$19.3 million this fiscal year (See Table 2). The District's expenses for instruction, instruction related, and pupil services represented 75% of total expenses. The administrative activities of the District accounted for just 7% of total costs. The remaining 18% was spent on plant services and other expenses like interest payments on debt. (See Figure 2).

**(Table 1)**  
**Comparative Statement of Net Position**

	<b>Governmental Activities</b>			
	<u>6/30/2025</u>	<u>6/30/2024</u>	<u>Change</u>	<u>% Change</u>
<b>Assets</b>				
Cash and Investments	\$ 155,955,188	\$ 193,865,241	\$ (37,910,053)	-19.55%
Accounts receivable	9,386,492	8,795,729	590,763	6.72%
Inventory	59,396	77,401	(18,005)	-23.26%
Prepaid expenses	16,606	10,187	6,419	63.01%
Lease receivable	-	2,064	(2,064)	100.00%
Capital assets, net	478,004,793	455,088,137	22,916,656	5.04%
Lease assets, net	371,073	591,163	(220,090)	-37.23%
Subscription assets, net	441,222	127,574	313,648	245.86%
<b>Total Assets</b>	<u>\$ 644,234,770</u>	<u>\$ 658,557,496</u>	<u>\$ (14,322,726)</u>	<u>-2.17%</u>
<b>Deferred Outflows of Resources</b>				
Deferred outflows of resources - pensions	\$ 68,240,221	\$ 71,063,537	\$ (2,823,316)	-3.97%
<b>Total Deferred Outflows of Resources</b>	<u>\$ 68,240,221</u>	<u>\$ 71,063,537</u>	<u>\$ (2,823,316)</u>	<u>-3.97%</u>
<b>Liabilities</b>				
Accounts payable and other current liabilities	\$ 16,818,732	\$ 13,111,236	\$ 3,707,496	28.28%
Unearned revenue	2,792,663	1,854,027	938,636	50.63%
Long-term liabilities	664,716,910	697,061,092	(32,344,182)	-4.64%
<b>Total Liabilities</b>	<u>\$ 684,328,305</u>	<u>\$ 712,026,355</u>	<u>\$ (27,698,050)</u>	<u>-3.89%</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflows of resources - pensions	\$ 56,988,397	\$ 62,879,714	\$ (5,891,317)	-9.37%
<b>Total Deferred Inflows of Resources</b>	<u>\$ 56,988,397</u>	<u>\$ 62,879,714</u>	<u>\$ (5,891,317)</u>	<u>-9.37%</u>
<b>Net Position</b>				
Net investment in capital assets	\$ (31,530,965)	\$ 21,612,953	\$ (53,143,918)	-245.89%
Restricted	106,241,290	129,997,534	(23,756,244)	-18.27%
Unrestricted	(103,552,036)	(196,713,523)	93,161,487	-47.36%
<b>Total Net Position</b>	<u>\$ (28,841,711)</u>	<u>\$ (45,103,036)</u>	<u>\$ 16,261,325</u>	<u>-36.05%</u>

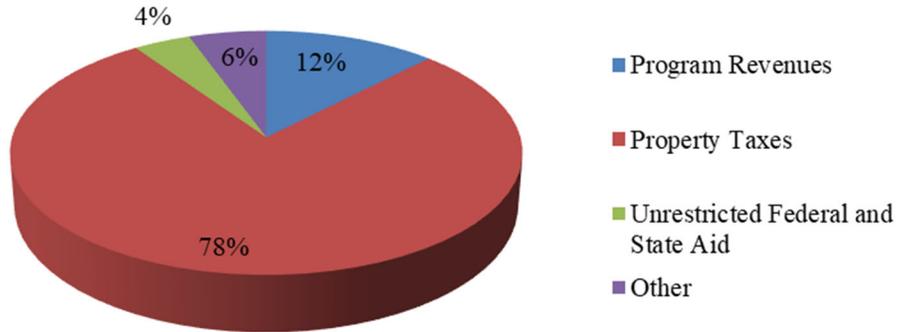
**(Table 2)**  
**Comparative Statement of Change in Net Position**

	<b>Governmental Activities</b>			
	<b>Year Ended 6/30/2025</b>	<b>Year Ended 6/30/2024</b>	<b>Change</b>	<b>% Change</b>
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 5,311,318	\$ 3,407,550	\$ 1,903,768	100.00%
Operating grants and contributions	23,671,105	27,512,743	(3,841,638)	-13.96%
Capital grants and contributions	129,823	1,532,303	(1,402,480)	-91.53%
General revenues				
Taxes levied for general purposes	155,060,351	146,949,765	8,110,586	5.52%
Taxes levied for debt service	20,880,122	19,840,008	1,040,114	5.24%
Taxes levied for other specific purposes	9,004,818	8,970,242	34,576	0.39%
Federal and state aid not restricted	9,656,990	12,026,927	(2,369,937)	-19.71%
Interest and investment earnings	8,048,294	9,289,892	(1,241,598)	-13.37%
Miscellaneous	5,035,894	6,103,111	(1,067,217)	-17.49%
Total Revenues	<u>236,798,715</u>	<u>235,632,541</u>	<u>1,166,174</u>	<u>0.49%</u>
<b>Expenses</b>				
Instruction	120,047,231	120,333,215	(285,984)	-0.24%
Instruction Related Services	18,498,591	19,689,323	(1,190,732)	-6.05%
Pupil Support Services	24,119,996	26,197,098	(2,077,102)	-7.93%
General Administration	14,681,030	13,699,149	981,881	7.17%
Plant Services	22,340,669	23,176,237	(835,568)	-3.61%
Other Expenses	17,791,444	25,341,291	(7,549,847)	-29.79%
Total Expenses	<u>217,478,961</u>	<u>228,436,313</u>	<u>(10,957,352)</u>	<u>-4.80%</u>
Increase (Decrease) in Net Position	19,319,754	7,196,228	12,123,526	168.47%
Net Position - Beginning Balance	(45,103,036)	(52,299,264)	7,196,228	-13.76%
Adjustment to Beginning Balance	(2,058,429)	-	(2,058,429)	100.00%
Net Position - Ending Balance	<u>\$ (27,841,711)</u>	<u>\$ (45,103,036)</u>	<u>\$ 17,261,325</u>	<u>-38.27%</u>

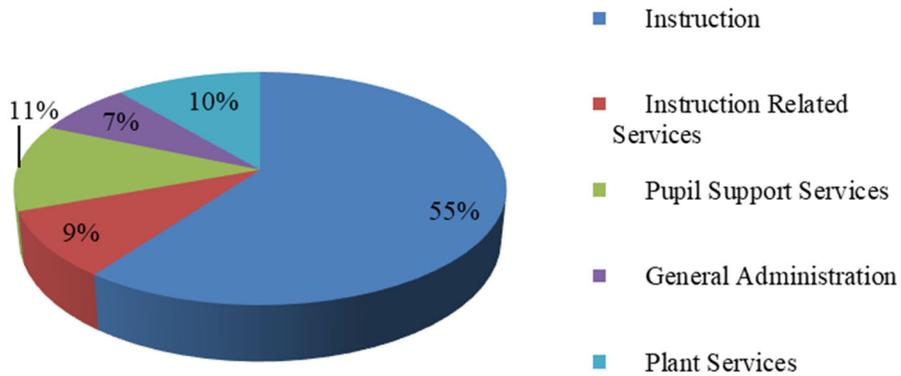
**GOVERNMENTAL ACTIVITIES**

As reported in the Statement of Activities, the cost of all of the District's governmental activities this year was \$217.5 million. The amount that our local taxpayers financed for these activities through property taxes was \$185 million. Federal and State aid not restricted to specific purposes totaled \$9.6 million. Operating grants, capital grants, and contributions revenue was \$23.8 million. Operating grants, capital grants and unrestricted federal and state aid and covered 15.38% of the expenses of the entire District (See Figure 1).

**Sources of Revenue for the 2024-25 Fiscal Year  
Figure 1**



**Expenses for the 2024-25 Fiscal Year  
Figure 2**



**FINANCIAL ANALYSIS OF THE FUND STATEMENTS**

The fund financial statements focus on individual parts of the District’s operations in more detail than the government-wide statements. The District’s individual fund statements provide information on inflows and outflows and balances of spendable resources. The District’s governmental funds reported a combined fund balance of \$151.3 million, an decrease of \$42.8 million from the previous fiscal year’s combined ending balance of \$194 million.

## General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget regularly. The significant budget adjustments fell into the following categories:

- Budget revisions to the adopted budget required after approval of the State budget.
- Budget revisions to update revenues to actual enrollment information and to update expenditures for staffing adjustments related to actual enrollments.
- Other budget revisions are routine in nature, including adjustments to categorical revenues and expenditures based on final awards, and adjustments between expenditure categories for school and department budgets.

The final revised budget for the General Fund reflected a net decrease to the ending balance of \$14.1 million.

The District ended the year with an decrease of \$3.3 million to the general fund ending balance. The State recommends available reserves of 3% of total general fund expenditures and other financing uses of the general fund. In anticipation of becoming a “Community Funded” district, the District has set a goal to build an additional reserve of 15%.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

The District has a broad range of capital assets, including school buildings, administrative buildings, site improvements, vehicles, and equipment. Table 3 demonstrates a comparative Schedule of Capital Assets.

	<u>2025</u>	<u>2024</u>	<u>Net \$ Change</u>	<u>Net % Change</u>
Land	\$ 66,592,151	\$ 66,592,151	\$ -	0.0%
Work in Progress	65,308,589	41,703,812	23,604,777	56.6%
Land Improvements	88,971,605	83,492,210	5,479,395	6.6%
Buildings & Improvements	551,656,350	528,845,784	22,810,566	4.3%
Equipment	45,880,750	42,539,328	3,341,422	7.9%
Less Accumulated Depreciation for				
Land Improvements	(68,610,789)	(63,054,032)	(5,556,757)	8.8%
Buildings & Improvements	(236,790,139)	(213,751,005)	(23,039,134)	10.8%
Equipment	(35,003,724)	(31,280,111)	(3,723,613)	11.9%
Lease Assets	1,470,935	1,237,546	233,389	18.9%
Less Accumulated Amortization	(1,099,862)	(464,383)	(635,479)	136.8%
Subscription Assets	888,234	380,370	507,864	100.0%
Less Accumulated Amortization	(447,012)	(252,796)	(194,216)	100.0%
<b>Total</b>	<u>\$ 478,817,088</u>	<u>\$ 455,988,874</u>	<u>\$ 22,828,214</u>	<u>5.0%</u>

## Long-Term Debt

The following represents a comparative schedule of the District’s long-term debt outstanding.

	<u>2025</u>	<u>2024</u>	<u>Net \$ Change</u>	<u>Net % Change</u>
General Obligation Bonds	\$ 409,869,181	\$ 421,063,728	\$ (11,194,547)	-2.66%
Lease Revenue Bonds	12,730,000	12,730,000	-	0.00%
Special tax Bonds	86,899,328	90,910,702	(4,011,374)	-4.41%
Leases Payable	342,051	545,189	(203,138)	-37.26%
Subscriptions Payable	<u>342,467</u>	<u>37,002</u>	<u>305,465</u>	<u>100.00%</u>
Total Long-Term Debt	<u>\$ 510,183,027</u>	<u>\$ 525,286,621</u>	<u>\$ (15,103,594)</u>	<u>-2.88%</u>

### FACTORS BEARING ON THE DISTRICT’S FUTURE

The 2025-26 California enacted budget, and requisite trailer bills approved new and or augmented funding streams for transitional kindergarten add-on in the Local Control Funding Formula, the Student Support and Professional Development Discretionary Block Grant, the Learning Recovery Emergency Block Grant and additional appropriations for local education agencies (LEA) participating in the Expanded Learning Opportunities Program Tier 2.

Funded average daily attendance (ADA) has changed drastically in recent years as the Governor and Legislature provided additional relief to combat the significant declining enrollment. Those policies provided an off-ramp rather than a fiscal cliff, which ended last year. The 2024-25 fiscal year was the final year for LEAs to benefit from the positive impact of the 2021-22 hold harmless policies; however, moving forward, LEAs will continue to be able to claim ADA based on current-year, prior-year, or a three-year average, whichever is greater.

Beginning in 2025-26, LEAs are allowed to recover up to ten absences per year through the inaugural Attendance Recovery program. This program is available to LEAs serving classroom-based student populations and can be offered before and after school, as well as during weekends and intersessions.

Cash deferrals are back for a second consecutive year with \$1.9 billion scheduled to be deferred from June 2026 to July 2026. Although state revenues are trending ahead of projections, it is still prudent to plan as if the deferrals will occur as planned.

Despite positive outlooks for school funding, costs of salaries, pensions, and other employee benefits continue to rise. The District is monitoring the budget closely to ensure all financial obligations are met and the District remains fiscally strong.

### CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, 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 additional financial information, please contact the Business Office, at San Dieguito Union High School District at 710 Encinitas Blvd., Encinitas, CA 92024.

## Basic Financial Statements

# San Dieguito Union High School District

## Statement of Net Position

June 30, 2025

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	Governmental Activities	Component Units (Unaudited)
<b>Assets</b>		
Cash & Investments	\$ 155,955,188	\$ 6,693,135
Accounts Receivable	9,386,492	-
Inventory	59,396	-
Prepaid Expenses	16,606	26,530
Capital Assets:		
Land	66,592,151	-
Land Improvements	88,971,605	-
Buildings & Improvements	551,656,350	-
Equipment	45,880,750	5,463
Work in Progress	65,308,589	-
Less Accumulated Depreciation	(340,404,652)	(5,463)
Lease Assets:		
Equipment	1,470,935	-
Less Accumulated Amortization	(1,099,862)	-
Subscription Assets:		
SBITA Agreements	888,234	-
Less Accumulated Amortization	(447,012)	-
Total Assets	<u>644,234,770</u>	<u>6,719,665</u>
<b>Deferred Outflows of Resources</b>	<u>68,240,221</u>	<u>-</u>
<b>Liabilities</b>		
Accounts Payable and Other Current Liabilities	16,818,732	888,728
Unearned Revenue	2,792,663	-
Long-Term Liabilities:		
Due Within One Year	16,546,966	-
Due In More Than One Year	<u>648,169,944</u>	<u>-</u>
Total Liabilities	<u>684,328,305</u>	<u>888,728</u>
<b>Deferred Inflows of Resources</b>	<u>56,988,397</u>	<u>-</u>
<b>Net Position</b>		
Net Investment in Capital Assets	(31,530,965)	-
Restricted For:		
Capital Projects	68,703,144	-
Debt Service	18,673,069	-
Educational Programs	10,351,716	-
Other Purposes (Expendable)	8,261,851	887,382
Other Purposes (Nonexpendable)	251,510	-
Unrestricted	<u>(103,552,036)</u>	<u>4,943,555</u>
Total Net Position	<u>\$ (28,841,711)</u>	<u>\$ 5,830,937</u>

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The accompanying notes to the financial statements are an integral part of this statement.

# San Dieguito Union High School District

## Statement of Activities

For the Year Ended June 30, 2025

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Component Units (Unaudited)
<b>Governmental Activities</b>						
Instruction	\$ 120,047,231	\$ 2,303,614	\$ 13,653,478	\$ 129,823	\$ (103,960,316)	
Instruction-Related Services:						
Instructional Supervision and Administration	6,575,248	97	1,167,719	-	(5,407,432)	
Instructional Library, Media and Technology	1,217,201	-	(52,822)	-	(1,270,023)	
School Site Administration	10,706,142	5	(25,576)	-	(10,731,713)	
Pupil Services:						
Home-to-School Transportation	4,511,508	-	9,000	-	(4,502,508)	
Food Services	4,564,780	151,829	5,401,929	-	988,978	
All Other Pupil Services	15,043,708	218	2,369,079	-	(12,674,411)	
General Administration:						
Centralized Data Processing	3,721,423	-	-	-	(3,721,423)	
All Other General Administration	10,959,607	103,757	431,869	-	(10,423,981)	
Plant Services	22,340,669	154,374	822	-	(22,185,473)	
Ancillary Services	7,129,512	2,597,388	374,651	-	(4,157,473)	
Self-Insured Activities	(29,700)	-	-	-	29,700	
Interest on Long-Term Debt	9,401,842	-	-	-	(9,401,842)	
Transfers Between Agencies	1,289,790	36	340,956	-	(948,798)	
Total Governmental Activities	<u>\$ 217,478,961</u>	<u>\$ 5,311,318</u>	<u>\$ 23,671,105</u>	<u>\$ 129,823</u>	<u>(188,366,715)</u>	
<b>Component Units</b>						
Pupil Services	\$ 5,464,726	\$ 788,196	\$ 4,530,766	\$ -	\$ (145,764)	
General Administration	1,163,189	-	-	-	(1,163,189)	
Fundraising	441,463	-	-	-	(441,463)	
Other Expenses	355,245	-	-	-	(355,245)	
Total Component Units	<u>\$ 7,424,623</u>	<u>\$ 788,196</u>	<u>\$ 4,530,766</u>	<u>\$ -</u>	<u>\$ (2,105,661)</u>	
<b>General Revenues</b>						
Taxes and Subventions:						
Property Taxes, Levied for General Purposes				\$ 155,060,351	\$ -	
Property Taxes, Levied for Debt Service				20,880,122	-	
Property Taxes, Levied for Other Specific Purposes				9,004,818	-	
Federal and State Aid Not Restricted for Specific Purposes				8,656,990	-	
Interest and Investment Earnings				8,048,294	157,911	
Interagency Revenues				188,240	-	
Miscellaneous				4,847,654	2,093,129	
Total General Revenues				<u>206,686,469</u>	<u>2,251,040</u>	
Change in Net Position				18,319,754	145,379	
Net Position - 7/1/2024, as Previously Stated				(45,103,036)	5,685,558	
Adjustment to beginning balance (Note A)				<u>(2,058,429)</u>	<u>                    </u>	
Net Position - 7/1/2024, as Restated				<u>(47,161,465)</u>	<u>                    </u>	
Net Position - Ending				<u>\$ (28,841,711)</u>	<u>\$ 5,830,937</u>	

The accompanying notes to the financial statements are an integral part of this statement.

# San Dieguito Union High School District

## Balance Sheet – Governmental Funds

June 30, 2025

	General Fund	Building Fund	Capital Projects Fund For Blended Component Units	Bond Interest & Redemption Fund	Nonmajor Governmental Funds	Total
<b>Assets</b>						
Cash and Investments	\$ 44,377,261	\$ 41,804,459	\$ 22,243,693	\$ 18,673,069	\$ 28,769,043	\$ 155,867,525
Accounts Receivable	7,486,982	631,550	101,382	-	1,150,525	9,370,439
Due from Other Funds	224,067	-	-	-	-	224,067
Stores Inventories	-	-	-	-	59,396	59,396
Prepaid Expenditures	16,606	-	-	-	-	16,606
<b>Total Assets</b>	<b>\$ 52,104,916</b>	<b>\$ 42,436,009</b>	<b>\$ 22,345,075</b>	<b>\$ 18,673,069</b>	<b>\$ 29,978,964</b>	<b>\$ 165,538,033</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance:</b>						
Liabilities:						
Accounts Payable	\$ 5,985,110	\$ 2,566,863	\$ 44,067	\$ -	\$ 2,608,397	\$ 11,204,437
Due to Other Funds	-	1,481	-	-	222,587	224,068
Unearned Revenue	2,759,997	-	-	-	32,666	2,792,663
Total Liabilities	8,745,107	2,568,344	44,067	-	2,863,650	14,221,168
Fund Balance:						
Nonspendable	192,114	-	-	-	59,396	251,510
Restricted	11,298,835	39,867,665	22,301,008	18,673,069	10,489,715	102,630,292
Committed	15,396,904	-	-	-	2,369,379	17,766,283
Assigned	10,645,945	-	-	-	14,196,824	24,842,769
Unassigned	5,826,011	-	-	-	-	5,826,011
Total Fund Balance	43,359,809	39,867,665	22,301,008	18,673,069	27,115,314	151,316,865
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 52,104,916</b>	<b>\$ 42,436,009</b>	<b>\$ 22,345,075</b>	<b>\$ 18,673,069</b>	<b>\$ 29,978,964</b>	<b>\$ 165,538,033</b>

The accompanying notes to the financial statements are an integral part of this statement.

# San Dieguito Union High School District

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
June 30, 2025

**Total fund balances governmental funds:** \$ 151,316,865

Amounts reported for assets, deferred outflows of resources, liabilities, and deferred inflows of resources for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets, lease assets, and subscription assets: In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets, lease assets, subscription assets, accumulated depreciation, and accumulated amortization.

Capital assets relating to governmental activities, at historical cost	818,409,445	
Accumulated depreciation	<u>(340,404,652)</u>	
	Net	478,004,793
Lease assets relating to governmental activities, at historical cost	1,470,935	
Accumulated amortization	<u>(1,099,862)</u>	
	Net	371,073
Subscription assets relating to governmental activities, at historical cost	888,234	
Accumulated amortization	<u>(447,012)</u>	
	Net	441,222

Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatrued interest owing at the end of the period was: (5,614,295)

Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

General obligation bonds payable	400,429,981	
Lease revenue bonds payable	12,730,000	
Special tax bonds payable	96,338,528	
Leases payable	342,051	
Subscriptions payable	342,467	
Net pension liability	127,950,810	
Net OPEB liability	23,530,171	
Compensated absences	<u>3,052,902</u>	
	Total	(664,716,910)

The accompanying notes to the financial statements are an integral part of this statement.

# San Dieguito Union High School District

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position, Continued

June 30, 2025

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Deferred gain or loss on debt refunding: In the government wide financial statements deferred gain or loss on debt refunding is recognized as a deferred outflow of resources (for a loss) or a deferred inflow of resources (for a gain) and subsequently amortized over the life of the debt. Deferred gain or loss on debt refunding recognized as a deferred outflow of resources or deferred inflow of resources on the statement of net position was:

18,550,022

Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

Deferred outflows of resources relating to pensions	45,267,540	
Deferred inflows of resources relating to pensions	<u>(40,297,432)</u>	
Net		4,970,108

Deferred outflows and inflows of resources relating to other postemployment benefits (OPEB): In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported.

Deferred outflows of resources relating to OPEB	4,422,659	
Deferred inflows of resources relating to OPEB	<u>(16,690,965)</u>	
Net		(12,268,306)

Internal service funds: Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to operate for the benefit of governmental activities, assets, deferred outflows of resources, liabilities, and deferred inflows of resources, internal service funds are reported with governmental activities in the statement of net position. Net position for internal service funds is:

103,717

**Total net position governmental activities:**

\$ (28,841,711)

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The accompanying notes to the financial statements are an integral part of this statement.

# San Dieguito Union High School District

## Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds For the Year Ended June 30, 2025

	General Fund	Building Fund	Special Reserve Fund For Capital Outlay	Capital Projects Fund For Blended Component Units	Bond Interest & Redemption Fund	Nonmajor Governmental Funds	Total
<b>Revenues</b>							
State Apportionment	\$ 372,996	\$ -		\$ -	\$ -	\$ -	\$ 372,996
Education Protection Account Funds	2,407,982	-		-	-	-	2,407,982
Property Taxes	155,060,351	-		9,004,818	20,880,122	-	184,945,291
Federal Revenue	4,058,094	-		-	-	1,216,980	5,275,074
Other State Revenue	18,364,270	-		-	-	4,333,660	22,697,930
Interest	1,884,955	1,826,221		68,679	408,373	1,304,192	5,492,420
Fair Market Value Adjustment	751,389	925,130		-	263,295	612,377	2,552,191
Other Local Revenue	14,563,624	-		-	-	5,801,257	20,364,881
Total Revenues	<u>\$ 197,463,661</u>	<u>\$ 2,751,351</u>		<u>\$ 9,073,497</u>	<u>\$ 21,551,790</u>	<u>\$ 13,268,466</u>	<u>\$ 244,108,765</u>
<b>Expenditures</b>							
Current Expenditures:							
Instruction	109,215,780	-		-	-	-	109,215,780
Instruction - Related Services	22,051,764	-		-	-	-	22,051,764
Pupil Services	22,917,545	-		-	-	4,408,985	27,326,530
Ancillary Services	4,585,445	-		-	-	2,749,471	7,334,916
General Administration	15,582,843	-		-	-	230,504	15,813,347
Plant Services	19,027,630	798,578		902,154	-	258,446	20,986,808
Transfers Between Agencies	678,429	446,361		-	-	-	1,124,790
Capital Outlay	4,803,300	21,993,436		7,384,439	-	21,796,238	55,977,413
Debt Service:							
Principal	631,579	76,570,000		-	7,650,000	3,647,351	88,498,930
Interest	543,801	717,838		-	11,849,931	3,754,645	16,866,215
Total Expenditures	<u>200,038,116</u>	<u>100,526,213</u>		<u>8,286,593</u>	<u>19,499,931</u>	<u>36,845,640</u>	<u>365,196,493</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,574,455)</u>	<u>(97,774,862)</u>		<u>786,904</u>	<u>2,051,859</u>	<u>(23,577,174)</u>	<u>(121,087,728)</u>
<b>Other Financing Sources (Uses):</b>							
Transfers In	-	-		-	-	13,190,644	13,190,644
Transfers Out	(1,493,290)	-		(7,393,556)	-	(4,468,798)	(13,355,644)
Proceeds from Sale of Bonds	-	68,295,000		-	-	-	68,295,000
Other Financing Uses	741,253	9,439,199		-	-	-	10,180,452
Total Other Financing Sources (Uses)	<u>(752,037)</u>	<u>77,734,199</u>		<u>(7,393,556)</u>	<u>-</u>	<u>8,721,846</u>	<u>78,310,452</u>
Net Change in Fund Balance	(3,326,492)	(20,040,663)		(6,606,652)	2,051,859	(14,855,328)	(42,777,276)
Fund Balance - 7/1/2024, as previously stated	46,686,301	59,908,328	30,108,483	28,907,660	-	28,483,369	194,094,141
Change with financial reporting entity (major to nonmajor)	-	-	(30,108,483)	-	16,621,210	13,487,273	-
Fund Balance - 7/1/2024, as restated	46,686,301	59,908,328	-	28,907,660	16,621,210	41,970,642	194,094,141
Fund Balance, 6/30/2025	<u>\$ 43,359,809</u>	<u>\$ 39,867,665</u>	<u>\$ -</u>	<u>\$ 22,301,008</u>	<u>\$ 18,673,069</u>	<u>\$ 27,115,314</u>	<u>\$ 151,316,865</u>

The accompanying notes to the financial statements are an integral part of this statement.

# San Dieguito Union High School District

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

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**Total change in fund balances, governmental funds:** \$ (42,777,276)

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

Capital outlay: In governmental funds, the costs of capital assets, lease assets, and subscription assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets, lease assets, and subscription assets are allocated over their estimated useful lives as depreciation expense or amortization expense. The difference between capital outlay expenditures, depreciation expense, and amortization expense for the period is:

Expenditures for capital outlay	55,977,413	
Depreciation expense	(32,319,504)	
Amortization expense	<u>(829,695)</u>	
	Net	22,828,214

Debt service: In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were: 88,498,930

Debt proceeds: In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt were: (78,475,452)

Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period was: 770,903

Compensated absences: In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and compensated absences earned was: 777,572

## San Dieguito Union High School District

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

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Pensions: In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:	18,848,990
Other postemployment benefits (OPEB): In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year the difference between OPEB expenses and actual employer OPEB contributions was:	815,531
Amortization of debt issue premium or discount or deferred gain or loss from debt refunding: In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount, plus any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Amortization of debt issue premium or discount, or deferred gain or loss from debt refunding for the period is:	7,002,642
Internal Service Funds: Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to benefit governmental activities, internal service activities are reported as governmental in the statement of activities. The net increase or decrease in internal service funds was:	<u>29,700</u>
<b>Change in net position of governmental activities:</b>	<u><u>\$ 18,319,754</u></u>

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The accompanying notes to the financial statements are an integral part of this statement.

**San Dieguito Union High School District**

Statement of Net Position – Proprietary Fund

June 30, 2025

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	<u>Internal Service Fund</u>
	<u>Self-Insurance Fund</u>
<b>Assets</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 87,663
Accounts Receivable	<u>39,007</u>
Total Assets	<u>126,670</u>
<b>Liabilities</b>	
Current Liabilities:	
Accounts Payable	<u>22,954</u>
Total Liabilities	<u>22,954</u>
<b>Net Position</b>	
Unrestricted	<u>103,716</u>
Total Net Position	<u>\$ 103,716</u>

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The accompanying notes to the financial statements are an integral part of this statement.

# San Dieguito Union High School District

Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund  
For the Year Ended June 30, 2025

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	Internal Service Fund
	<u>Self-Insurance Fund</u>
<b>Operating Revenues</b>	
In-District Premiums/Contributions	\$ 12,062
Total Operating Revenues	<u>12,062</u>
<b>Operating Expenses</b>	
Services and Other Operating Expenses	<u>151,046</u>
Total Operating Expenses	<u>151,046</u>
Operating Income (Loss)	<u>(138,984)</u>
<b>Non-Operating Revenues/(Expenses)</b>	
Interest Income	2,349
Fair Market Value Adjustment	1,334
Interfund Transfers In	<u>165,000</u>
Total Nonoperating Revenues/(Expenses)	<u>168,683</u>
<b>Change in Net Position</b>	29,699
<b>Total Net Position - Beginning</b>	<u>74,017</u>
<b>Total Net Position - Ending</b>	<u>\$ 103,716</u>

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The accompanying notes to the financial statements are an integral part of this statement.

# San Dieguito Union High School District

## Statement of Cash Flows – Proprietary Fund

For the Year Ended June 30, 2025

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	Internal Service Fund
	Self-Insurance Fund
<b>Cash Flows from Operating Activities:</b>	
Cash Received from Interfund Services Provided	\$ 12,062
Cash Payments to Other Funds for Goods and Services	(5,977)
Cash Payments to Other Suppliers for Goods and Services	(171,534)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(165,449)</u>
<b>Cash Flows from Investing Activities</b>	
Fair Market Value Adjustment	1,334
Cash Received from Interest Earned	2,349
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>3,683</u>
<b>Cash Flows from Non-Capital Financing Activities</b>	
Cash Received From Interfund Transfer	165,000
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<u>165,000</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	3,234
<b>Cash and Cash Equivalents - Beginning of Year</b>	84,429
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 87,663</u>
<b>Reconciliation of Operating Income to Net Cash     Provided by Operating Activities</b>	
Operating Income (Loss)	\$ (138,984)
Change in Assets and Liabilities:	
Decrease (Increase) in Operating Receivables	(38,544)
Increase (Decrease) in Accounts Payable	18,056
Increase (Decrease) in Due To Other Funds	(5,977)
Total Adjustments	<u>(26,465)</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ (165,449)</u>

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The accompanying notes to the financial statements are an integral part of this statement.

# San Dieguito Union High School District

## Statement of Net Position – Discretely Presented Component Units

For the Year Ended June 30, 2025

(Unaudited)

	La Costa Canyon High School Foundation	Canyon Crest Academy Foundation	Torrey Pines High School Foundation	San Dieguito Academy Foundation	Total Component Units
<b>Assets</b>					
Current Assets:					
Cash and Investments	\$ 1,215,664	\$ 2,659,190	\$ 1,847,118	\$ 971,163	\$ 6,693,135
Prepaid Expense and Other Assets	-	6,283	20,247	-	26,530
Total Current Assets	<u>1,215,664</u>	<u>2,665,473</u>	<u>1,867,365</u>	<u>971,163</u>	<u>6,719,665</u>
Capital Assets:					
Equipment	-	5,463	-	-	5,463
Accumulated Depreciation	-	(5,463)	-	-	(5,463)
<b>Total Assets</b>	<u>\$ 1,215,664</u>	<u>\$ 2,665,473</u>	<u>\$ 1,867,365</u>	<u>\$ 971,163</u>	<u>\$ 6,719,665</u>
<b>Liabilities:</b>					
Current Liabilities:					
Accounts Payable	\$ -	\$ 592,716	\$ 295,931	\$ 81	\$ 888,728
Total Current Liabilities	<u>-</u>	<u>592,716</u>	<u>295,931</u>	<u>81</u>	<u>888,728</u>
<b>Net Position:</b>					
Restricted	-	834,094	-	53,288	887,382
Unrestricted	1,215,664	1,238,663	1,571,434	917,794	4,943,555
Total Net Position	<u>1,215,664</u>	<u>2,072,757</u>	<u>1,571,434</u>	<u>971,082</u>	<u>5,830,937</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 1,215,664</u>	<u>\$ 2,665,473</u>	<u>\$ 1,867,365</u>	<u>\$ 971,163</u>	<u>\$ 6,719,665</u>

The accompanying notes to the financial statements are an integral part of this statement.

## San Dieguito Union High School District

### Statement of Revenues, Expenses, and Changes in Net Position – Discretely Presented Component Units

June 30, 2025

(Unaudited)

	La Costa Canyon High School Foundation	Canyon Crest Academy Foundation	Torrey Pines High School Foundation	San Dieguito Academy Foundation	Total Component Units
Operating Revenues:					
Contributions	\$ 973,465	\$ 572,771	\$ 2,449,961	\$ 534,569	\$ 4,530,766
Program Revenues	335,914	49,310	127,703	275,269	788,196
Special Events/Fundraising	543,387	1,197,410	213,822	138,510	2,093,129
Interest and Other Revenue	-	28,802	95,815	33,294	157,911
Total Revenues	<u>1,852,766</u>	<u>1,848,293</u>	<u>2,887,301</u>	<u>981,642</u>	<u>7,570,002</u>
Operating Expenses:					
Program Services	1,393,717	924,291	2,412,000	734,718	5,464,726
Management & General	348,429	280,965	405,095	128,700	1,163,189
Fundraising Expenses	-	295,263	113,301	32,899	441,463
Other Expenses	-	270,479	12,160	72,606	355,245
Total Expenses	<u>1,742,146</u>	<u>1,770,998</u>	<u>2,942,556</u>	<u>968,923</u>	<u>7,424,623</u>
Change In Net Position	110,620	77,295	(55,255)	12,719	145,379
Total Net Position - Beginning	<u>1,105,044</u>	<u>1,995,462</u>	<u>1,626,689</u>	<u>958,363</u>	<u>5,685,558</u>
Total Net Position - Ending	<u>\$ 1,215,664</u>	<u>\$ 2,072,757</u>	<u>\$ 1,571,434</u>	<u>\$ 971,082</u>	<u>\$ 5,830,937</u>

The accompanying notes to the financial statements are an integral part of this statement.

# San Dieguito Union High School District

Notes to the Financial Statements

For the Year Ended June 30, 2025

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## A. Summary of Significant Accounting Policies

San Dieguito Union High School District (District) accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

### 1. Reporting Entity

The District operates under a locally elected Board of Education form of government and provides educational services to grades 7-12 as mandated by the state. 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 and agencies that are not legally separate from the District. For the District, this includes general operations, special revenue funds, capital projects funds, debt service funds, student-related activities, and discretely presented component units.

### 2. Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also 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.

The District, the San Dieguito Schools Financing Authority, and the San Dieguito Public Facilities Authority (the CFDs) have a financial and operational relationship which meet the reporting entity definition criteria of the Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, for inclusion of the CFDs as a blended component unit of the District. Therefore, the financial activities of the CFDs have been included in the basic financial statements as a blended component unit.

The following are those aspects of the relationship between the District and the CFDs which satisfy Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, criteria:

#### a. Manifestations of Oversight

The governing body of the CFDs are substantively the same as the District's Board of Directors.

The CFDs have no employees, the District's Superintendent, Associate Superintendent of Business Services, and other employees of the District function as agents of the CFDs. Neither individual received additional compensation for work performed in this capacity.

The District exercises significant influence over operations of the CFDs as it is anticipated that the District will be the sole lessee of all facilities owned by the CFDs.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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b. Accounting and Fiscal Matters

All major financing arrangements, contracts, and other transactions of the CFDs must have the consent of the District.

The District will assume a “moral obligation”, and potentially a legal obligation, for any debt incurred by the CFDs.

c. Scope of Public Service and Financial Presentation

The CFDs were created for the sole purpose of financially assisting the District.

The CFDs were created pursuant to a joint powers agreement between the District and the California Statewide Communities Development Authority, pursuant to California Government Code, commencing with Section 6500. The CFDs were formed to provide financing assistance to the District for construction and acquisition of major capital facilities. Upon completion the District intends to occupy all CFD facilities.

The CFDs financial activity for debt service payments is presented in the financial statements of the Debt Service Fund for Blended Component Units, all other activities of the CFDs are reported in the financial statements of the Capital Projects Fund for Blended Component Units.

The San Dieguito Union High School District has identified four foundations which have a financial and operational relationship which meet the reporting entity definition criteria of the Codification of Governmental Accounting and Financial Reporting Section 2100, for inclusion of the foundations as discretely presented component units.

The following are those aspects of the relationship between the District and the foundations which satisfy Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 criteria:

San Dieguito Academy Foundation

The San Dieguito Academy Foundation (SDA Foundation) is a 501(c)(3) non-profit that supports quality programs and innovative classroom practices exclusively for students at San Dieguito Academy (a school within the District). SDA Foundation provides essential funding to support the ever-increasing costs of quality education. SDA Foundation provides support to athletics, academics, music and theater, and other groups that exclusively benefit the students at San Dieguito Academy. SDA Foundation is a legally separate entity from the District that is governed by a board of directors comprised of parents, students and school administration. The amounts expended by SDA Foundation during the fiscal year ended June 30, 2025 on program services solely benefiting students at San Dieguito Academy was \$734,718.

## San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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### *Nature and Significance of Relationship*

Certain organizations warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the primary government, including their ongoing financial support of the primary government or its other component units. SDA Foundation is reported as a discretely presented component unit based on the following criteria:

- 1) The economic resources received or held by SDA Foundation are entirely for the direct benefit of the students of San Dieguito Academy, a school within the District.
- 2) The student programs at San Dieguito Academy are entitled to a majority of the economic resources received or held by SDA Foundation.
- 3) The economic resources received or held by SDA Foundation are significant to the District. Absent the funds expended by SDA Foundation, the District would have to determine whether or not they would continue to operate those programs.

### La Costa Canyon High School Foundation

The La Costa Canyon High School Foundation (LCC Foundation) is a 501(c)(3) non-profit that supports and enhances academic, athletic, and art opportunities for all students at La Costa Canyon High School (a school within the District). Through active partnerships with students, parents, alumni, and the community, LCC Foundation strives to promote a shared vision of educational excellence for all students. LCC Foundation is a legally separate entity from the District that is governed by a board of directors comprised of parents. The amounts expended by LCC Foundation during the fiscal year ended June 30, 2025 on program services solely benefiting students at La Costa Canyon High School was \$1,393,717.

### *Nature and Significance of Relationship*

Certain organizations warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the primary government, including their ongoing financial support of the primary government or its other component units. LCC Foundation is reported as a discretely presented component unit based on the following criteria:

- 1) The economic resources received or held by LCC Foundation are entirely for the direct benefit of the students of La Costa Canyon High School, a school within the District.
- 2) The student programs at La Costa Canyon High School are entitled to a majority of the economic resources received or held by LCC Foundation.
- 3) The economic resources received or held by LCC Foundation are significant to the District. Absent the funds expended by LCC Foundation, the District would have to determine whether or not they would continue to operate those programs.

## San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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### Torrey Pines High School Foundation

The Torrey Pines High School Foundation (TPHS Foundation) is a 501(c)(3) non-profit organized to bridge the gap between the increasing cost of education and the insufficient funds from the District and State of California by providing academic, athletic and extracurricular enhancements for the students of Torrey Pines High School (a school within the District). TPHS Foundation is a legally separate entity from the District that is governed by a board of directors comprised of parents and community members. The amounts expended by TPHS Foundation during the fiscal year ended June 30, 2025 on program services solely benefiting students at Torrey Pines High School was \$2,412,000.

### *Nature and Significance of Relationship*

Certain organizations warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the primary government, including their ongoing financial support of the primary government or its other component units. TPHS Foundation is reported as a discretely presented component unit based on the following criteria:

- 1) The economic resources received or held by TPHS Foundation are entirely for the direct benefit of the students of Torrey Pines High School, a school within the District.
- 2) The student programs at Torrey Pines High School are entitled to a majority of the economic resources received or held by TPHS Foundation.
- 3) The economic resources received or held by TPHS Foundation are significant to the District. Absent the funds expended by TPHS Foundation, the District would have to determine whether or not they would continue to operate those programs.

### Canyon Crest Academy Foundation

Canyon Crest Academy Foundation (CCA Foundation) is a 501(c)(3) nonprofit dedicated to enriching the experience of every student at Canyon Crest Academy (a school within the District) through financial, volunteer and community support. CCA Foundation provides funds for expansive curriculum and enrichment to educational and athletic programs at Canyon Crest Academy. CCA Foundation is a legally separate organization governed by a board consisting of parents, community members, the principal of Canyon Crest Academy, and a student body liaison from Canyon Crest Academy. The amounts expended by CCA Foundation during the fiscal year ended June 30, 2025 on program services solely benefiting students at Canyon Crest Academy was \$924,291.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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## *Nature and Significance of Relationship*

Certain organizations warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the primary government, including their ongoing financial support of the primary government or its other component units. CCA Foundation is reported as a discretely presented component unit based on the following criteria:

- 1) The economic resources received or held by CCA Foundation are entirely for the direct benefit of the students of Canyon Crest Academy, a school within the District.
- 2) The student programs at Canyon Crest Academy are entitled to a majority of the economic resources received or held by CCA Foundation.
- 3) The economic resources received or held by CCA Foundation are significant to the District. Absent the funds expended by CCA Foundation, the District would have to determine whether or not they would continue to operate those programs.

Based upon review of the applicable GASB pronouncements, the District is not a component unit of any other entity.

### 3. Basis of Presentation

**Government-Wide Statements.** The statement of net position and the statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. 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 of 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 or business segment is self-financing or draws from general revenues of the District.

**Fund Financial Statements.** The fund financial statements provide information about the District's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Governmental funds are used to account for activities that are governmental in nature. Governmental activities are typically tax-supported and include education of pupils, operation of food service programs, construction and maintenance of school facilities, and repayment of long-term debt.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued  
For the Year Ended June 30, 2025

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## *Major Governmental Funds*

The District reports the following major governmental funds:

**General Fund:** The general fund is the primary operating fund of the District. It is used to account for all activities except those that are required to be accounted for in another fund.

**Building Fund:** This fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code §15146*) and may not be used for any purpose other than those for which the bonds were issued. Other authorized revenues to the Building Fund are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code §17462*) and revenue from rentals and leases of real property specifically authorized for deposit into the fund by the governing board (*Education Code §41003*).

**Capital Projects Fund for Blended Component Units:** This fund is used to account for capital projects financed by Mello-Roos Community Facilities Districts and similar entities that are considered component units of the District under generally accepted accounting principles (GAAP). The Mello-Roos Community Facilities Act of 1982 (*Government Code §5311 et seq.*) allows any county, city, special district, school district, or joint powers authority to establish, upon approval of two-thirds of the voters in the district, as “Community Facilities Districts” (CFDs) for the purpose of selling tax-exempt bonds to finance public improvements and services. The District has two CFDs reported as blended component units.

**Bond Interest and Redemption Fund:** The Bond Interest and Redemption Fund is used for the repayment of bonds issued for the District (*Education Code §15125 through §15262*). The County of San Diego Auditor maintains control over the District’s Bond Interest and Redemption Fund. The principal and interest on the bonds must be paid by the County Treasurer from taxes levied by the County Auditor-Controller.

## *Non-Major Governmental Funds*

The District reports the following non-major governmental funds categorized by the fund type:

**Special Revenue Funds:** Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The District maintains the following nonmajor special revenue funds:

**Associated Student Body Fund:** This fund is used to account separately for the activities of associated student body organizations operated by the District.

**Cafeteria Special Revenue Fund:** This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code §38091 through §38093*). The Cafeteria Special Revenue Fund shall be used only for those expenditures authorized by the governing board as necessary for the operation of the District’s food service program (*Education Code §38091 and §38100*).

## San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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**Pupil Transportation Equipment Fund:** This fund is used to account separately for state and local revenues specifically for the acquisition, rehabilitation, or replacement of equipment used to transport students (*Education Code §41852[b]*).

**Capital Projects Funds:** Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The District maintains the following nonmajor capital projects funds:

**Capital Facilities Fund:** The Capital Facilities Fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (*Education Code §17620 through §17626*). The authority for these levies may be county or city ordinances (*Government Code §65970 through §65981*) or private agreements between the District and the developer. All funds, including interest earned, are restricted to the purposes specified in *Government Code §65970 through §65981* or *Government Code §65995*, or items specified in agreements with the developer (*Government Code §66006*).

**County School Facilities Fund:** This fund is established pursuant to *Education Code §17070.43* to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D) or the 2016 State School Facilities Fund (Proposition 51). The fund is used primarily to account for new school facility construction, modernization projects, and facility hardship grants as provided in the Leroy F. Green School Facilities Act of 1998 (*Education Code §17070.10 et seq.*).

**Special Reserve Fund for Capital Outlay Projects:** This fund exists primarily to provide for the accumulation of general fund moneys for capital outlay purposes (*Education Code §42840*). This fund may also be used to account for any other revenues specifically for capital projects that are not restricted to other capital projects funds. Other authorized resources that may be deposited into this fund are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code §17462*) and rentals and leases of real property specifically authorized for deposit into the fund by the governing board (*Education Code §41003*).

**Debt Service Funds:** Debt service funds are established to account for the accumulation of resources for and the payment of principal and interest on general long-term debt. The District maintains the following nonmajor debt service funds:

**Debt Service Fund for Blended Component Units:** This fund is used to account for the accumulation of resources for the payment of principal and interest on bonds issued by Mello-Roos Community Facility Districts and similar entities that are considered blended component units of the District under generally accepted accounting principles (GAAP). The Mello-Roos Community Facilities Act of 1982 (*Government Code §5311 et seq.*) allows any county, city, special district, school district, or joint powers authority to establish, upon approval of two-thirds of the voters in the district, a “Community Facilities Districts” (CFDs) for the purpose of selling tax-exempt bonds to finance public improvements and services. The District has two CFDs reported as blended component units.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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**Internal Service Funds:** Internal service funds are created principally to render services to other organizational units of the District on a cost-reimbursement basis. These funds are designed to be self-supporting with the intent of full recovery of costs, including some measure of the cost of capital assets, through user fees and charges. The District reports the following internal service fund:

**Self-Insurance Fund:** The self-insurance fund is used to separate moneys received for self-insurance activities from other operating funds of the District. (*Education Code §17566*).

## 4. Basis of Accounting – Measurement Focus

**Government-Wide and Proprietary Financial Statements.** The government-wide and proprietary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

**Governmental Fund Financial Statements.** The governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

## 5. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid or at year end, whichever is sooner.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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## 6. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's governing board must adopt a final budget no later than July 1<sup>st</sup>. A public hearing must be conducted to receive comments prior to adoption. The District's governing board has satisfied these requirements.

These budgets are revised by the District's governing board and district superintendent during the year to give consideration to unanticipated income and expenditures.

Formal budgetary integration was used as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts.

## 7. Revenues and Expenses

### a. Revenues – Exchange and Non-Exchange

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 year or expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. Generally, available is defined as collectible within 60 days. However, to achieve comparability of reporting among California districts and so as to not distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, property taxes, interest, certain grants, and other local sources.

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

### b. 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, if measurable, and typically paid within 90 days. Principal and interest on long-term obligations, 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.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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## 8. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position

### a. Deposits and Investments

Cash balances held in banks and in revolving funds are insured to \$250,000 by the Federal Depository Insurance Corporation (FDIC). All cash held by the financial institutions is fully insured or collateralized. For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

In accordance with Education Code §41001, the District maintains substantially all its cash in the San Diego County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds, except for the Tax Override Funds, in which interest earned is credited to the general fund. Any investment losses are proportionately shared by all funds in the pool.

The county is authorized to deposit cash and invest excess funds by California Government Code §53648 et seq. The funds maintained by the county are either secured by federal depository insurance or are collateralized.

Information regarding the amount of dollars invested in derivatives with San Diego County Treasury was not available.

### b. Stores Inventories and Prepaid Expenditures

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventories are valued using the first-in/first-out (FIFO) method and consist of expendable supplies held for consumption. Reported inventories are equally offset by a non-spendable fund balance designation, which indicates that these amounts are not “available for appropriation and expenditure” even though they are a component of net current assets.

The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditures during the benefiting period.

### c. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings & Improvements	20 - 50 Years
Land Improvements	10 - 25 Years
Equipment	5 - 15 Years

d. Lease Assets & Lease Liabilities

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles and equipment. In accordance with GASB Statement 87, the District records lease assets and lease liabilities with a capitalization threshold of \$5,000. Lease assets are amortized over the shorter of the useful life of the underlying asset (as defined in capital assets policy) or the lease term. Lease liabilities are reduced as principal payments on the lease are made.

e. Subscription Assets & Subscription Liabilities

A subscription based information technology arrangement (SBITA) is a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. SBITAs result in a subscription asset and subscription liability on the date of inception in accordance with GASB Statement 96 which are recorded at present value using an imputed interest rate based on the best available borrowing rate for the District in the year of inception. The District has established a capitalization threshold for subscription assets and liabilities of \$5,000. The subscription assets are amortized over the subscription term. The subscription liabilities are reduced as principal payments on the agreements are paid.

f. Compensated Absences

Employees of the District are granted vacation, sick leave, and other types of compensated absences in accordance with District policy and labor agreements. Compensated absences are absences for which employees will be paid, such as vacation, sick leave, and certain types of sabbatical leave when agreed upon in contracts or labor agreements. Under the District's policies, vacation leave and sick leave may be carried forward from year to year, subject to limits established by policy.

A liability for compensated absences is recognized when earned by employees if (a) the leave is attributable to services already rendered, (b) the leave accumulates and may be carried forward to future periods, and (c) it is more likely than not that the leave will be used for time off or otherwise paid in cash or settled through noncash means. The liability is measured using the pay or salary rates in effect as of the financial statement date, plus salary-related payments that are directly and incrementally associated with payments for compensated absences, as required by GASB Statement No. 101.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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In accordance with GASB Statement No. 101, unused sick leave that, upon retirement, is converted to provide or enhance a defined benefit pension is excluded from the compensated absences liability. The value of such converted leave is instead included in the measurement of the District's net pension liability in accordance with applicable GASB standards.

In governmental funds, only the portion of the liability that is expected to be liquidated with expendable available financial resources is reported as a fund liability; the remainder is reported in the government-wide financial statements.

The District measured the liability based on a historic look back period of five years with a first-in-first-out flows assumption for use accrued balances.

g. Unearned Revenue

Unearned revenue represents amounts received in advance of the period in which the District is legally entitled to the resources. In the governmental funds, unearned revenue is reported as a liability until the underlying revenue recognition criteria have been met. Typical sources of unearned revenue include advance payments for services and grant proceeds received before all eligibility requirements have been satisfied.

h. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and transfers out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

i. Fund Balances – Governmental Funds

Fund balances of the governmental funds are classified as follows:

*Nonspendable Fund Balance* represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact (such as revolving cash accounts or principal of a permanent fund).

*Restricted Fund Balance* represents amounts that are subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations, or may be imposed by law through constitutional provisions or enabling legislation.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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*Committed Fund Balance* represents amounts that can only be used for a specific purpose because of a formal action by the District's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget or resolution. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

*Assigned Fund Balance* represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

*Unassigned Fund Balance* represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose 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.

j. Minimum Fund Balance Policy

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce the service levels because of temporary revenue shortfalls or unpredicted expenses. The District's minimum fund balance policy requires a reserve for economic uncertainties, consisting of unassigned amounts equal to 2% of the general fund operating expenses and other financing uses.

k. Deferred Inflows and Deferred Outflows of Resources

Deferred outflows of resources is a consumption of net position that is applicable to a future reporting period. Deferred inflows of resources is an acquisition of net position that is applicable to a future reporting period. Deferred outflows of resources and deferred inflows of resources are recorded in accordance with GASB Statement numbers 63 and 65.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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## 1. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources relating to pension, deferred inflows of resources relating to pension, pension expense, information about the fiduciary net position of the CalPERS Schools Pool Cost-Sharing Multiple-Employer Plan (CalPERS Plan) and CalSTRS Schools Pool Cost-Sharing Multiple Employer Plan (CalSTRS Plan), and additions to/deductions from the CalPERS Plan and CalSTRS Plan fiduciary net positions have been determined on the same basis as they are reported by the CalPERS Financial Office and CalSTRS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain timeframes. For this report, the following time frames are used:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

## 9. Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require the reported results must pertain to liability and asset information within certain defined timeframes. For this report the following timeframes are used:

Valuation Date	July 1, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2024 to June 30, 2025

## 10. Property Taxes

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 Auditor-Controller bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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## 11. Use of 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.

## 12. Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles as defined by Governmental Accounting Standards Board (GASB) Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy is detailed as follows:

- Level 1 Inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.
- Level 2 Inputs: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 Inputs: Unobservable inputs to an asset or liability.

## 13. New Accounting Pronouncements

The District has adopted accounting policies compliant with new pronouncements issued by the Government Accounting Standards Board (GASB) that are effective for the fiscal year ended June 30, 2025. Those newly implemented pronouncements are as follows:

Description	Date Issued
GASB Statement No. 99 <i>Omnibus 2022</i> (Portions related to financial guarantees and derivative instruments)	Apr-22
GASB Statement No. 100 <i>Accounting Changes and Error Corrections</i> (Amendment of GASB Statement No. 62)	Jun-22
GASB Statement No. 101 <i>Compensated Absences</i>	Jun-22
GASB Statement No. 102 <i>Certain Risk Disclosures</i>	Dec-23
GASB Implementation Guide No. 2023-1 <i>Implementation Guidance Update 2023</i>	Jun-23
GASB Implementation Guide No. 2025-1 <i>Implementation Guidance Update 2025 (Question 4.16 ONLY)</i>	Jun-25

The adoption of GASB Statement No. 99, GASB Statement No. 102, GASB Implementation Guide No. 2023-1 and GASB Implementation Guide No. 2025-1 did not have a material impact on the District's financial position, results of operations, or disclosures in the financial statements.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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The adoption of GASB Statement No. 100 resulted in enhanced note disclosures and financial statement presentation but did not result in a material change to the District's financial position.

The adoption of GASB Statement No. 101 resulted in a material change to the District's Net Position for inclusion of a portion of sick leave that meets reporting requirements consistent with the requirements of the GASB pronouncement.

## 14. Accounting Changes and Error Corrections

Effective for the fiscal year ended June 30, 2025, the District implemented GASB Statement No. 100, *Accounting Changes and Error Corrections*. GASB 100 requires that changes to or within the financial reporting entity, including changes in fund classification, be reported by adjusting the beginning balances of the affected funds as if the change occurred at the start of the reporting period. The statement also requires enhanced disclosures regarding accounting changes and error corrections.

### *Error Corrections*

No error corrections were identified or recorded during the fiscal year ended June 30, 2025.

### *Change in Accounting Principle*

Effective July 1, 2024, the District implemented GASB Statement No. 101, *Compensated Absences*, which establishes new recognition and measurement criteria for compensated absences. As a result, the District changed its method of accounting for compensated absences to comply with the new standard. The implementation of GASB Statement No. 101 resulted in a restatement of the beginning net position of governmental activities as of July 1, 2024. The affected financial statement line item is "Compensated Absences Payable." The change in accounting principle resulted in the following restatement of beginning net position:

	<u>Government- Wide Financial Statements</u>
Beginning Net Position as Reported in June 30, 2024 Audit Report	\$ (45,103,036)
Adjustments to Beginning Balance:	
GASB 101 Implementation	<u>(2,058,429)</u>
Beginning Net Position, as Restated	<u>\$ (47,161,465)</u>

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

## *Change in Fund Classification*

During the year, the District’s Special Reserve Fund for Capital Outlay, previously reported as a major governmental fund, no longer met the quantitative criteria for major fund classification and is now reported as a nonmajor governmental fund. Also the Bond Interest and Redemption Fund, previously reported as nonmajor, now meets the quantitative criteria for major fund classification and is now reported as such. This change has been accounted for by adjusting the beginning fund balance of the Special Reserve Fund for Capital Outlay, the Bond Interest and Redemption Fund and the aggregate nonmajor governmental funds as of July 1, 2024. The change in classification did not result from a change in the nature of the fund’s activities, but solely from the application of the major fund criteria in accordance with GASB Statement No. 34, as amended. The fund reclassification had no effect on total net position but resulted in the following change in fund presentation on the financial statements:

	Special Reserve Fund For Capital Outlay	Bond Interest & Redemption Fund	Nonmajor Governmental Funds
Prior Year Audit Report Ending Fund Balance	\$ -	\$ 16,621,210	\$ 28,483,369
Adjustments for:			
GASB 34 Major Fund Classification Change	<u>30,108,483</u>	<u>(16,621,210)</u>	<u>13,487,273</u>
Total Adjustments	<u>30,108,483</u>	<u>(16,621,210)</u>	<u>13,487,273</u>
Beginning Fund Balance, As Restated	<u>\$ 30,108,483</u>	<u>\$ -</u>	<u>\$ 41,970,642</u>

## **B. Compliance and Accountability**

### 1. Finance Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, “Certain Financial Statement Note Disclosures”, violations of finance-related legal and contractual provisions, if any are reported below, along with actions taken to address such violations:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None	Not Applicable	Not Applicable

### 2. Deficit Fund Balance or Fund Net Position of Individual Funds

The following funds are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<u>Violation</u>	<u>Action Taken</u>
None Reported	Not Applicable

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

## C. Fair Value Measurements

The District's investments at June 30, 2025, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

	Amount	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
External investment pools measured at fair value				
San Diego County Treasury	\$ 131,276,785	\$ -	\$ 131,276,785	\$ -
Total investments by fair value level	<u>\$ 131,276,785</u>	<u>\$ -</u>	<u>\$ 131,276,785</u>	<u>\$ -</u>
Investments by fair value level				
Money Market Funds	\$ 3,832,633	\$ 3,832,633	\$ -	\$ -
US Treasury Bonds	10,861,734	10,861,734	-	-
US Treasury Notes	220,634	220,634	-	-
Total investments by fair value level	<u>\$ 14,915,001</u>	<u>\$ 14,915,001</u>	<u>\$ -</u>	<u>\$ -</u>

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 §41001). The fair value of the District's investments in the pool is reported in the accounting financial statements as 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 the 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.

The San Diego County Treasury is not registered with the Securities and Exchange Commission (SEC) as an investment company; however, the County Treasury acts in accordance with investment policies monitored by a Treasury Oversight Committee consisting of members appointed by participants in the investment pool and up to five members of the public having expertise, or an academic background in, public finance. In addition, the County Treasury is audited annually by an independent auditor.

Investments in treasury notes, treasury bonds, and money market funds are amounts held by fiscal agents for community facilities districts special tax bonds.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

## D. Cash and Investments

As of June 30, 2025 the District held the following cash and investments:

	General Fund	Building Fund	Capital Projects Fund for Blended Component Units	Bond Interest and Redemption Fund	Nonmajor Governmental Funds	Total
Cash In County Treasury	\$ 44,180,679	\$ 41,784,529	\$ -	\$ 18,664,167	\$ 26,497,204	\$ 131,126,579
Fair Market Value Adjustment	21,074	19,930	-	8,902	12,637	62,543
Cash In Banks and Revolving Fund	175,508	-	7,328,692	-	2,259,202	9,763,402
Cash With Fiscal Agent	-	-	14,915,001	-	-	14,915,001
<b>Total Cash and Cash Equivalents</b>	<b>\$ 44,377,261</b>	<b>\$ 41,804,459</b>	<b>\$ 22,243,693</b>	<b>\$ 18,673,069</b>	<b>\$ 28,769,043</b>	<b>\$ 155,867,525</b>
	Self Insurance Fund					
Cash In County Treasury	\$ 87,621					
Fair Market Value Adjustment	42					
<b>Total Cash and Cash Equivalents</b>	<b>\$ 87,663</b>					

### 1. Cash in County Treasury

In accordance with Education Code §41001, the District maintains substantially all of its cash in the San Diego County Treasury as part of the common investment pool (\$131,214,200 as of June 30, 2025). The fair value of the District’s portion of this pool as of that date, as provided by the pool sponsor, was \$131,276,785. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

### 2. Cash on Hand, In Banks, and in Revolving Fund

Cash balances on hand and in banks (\$9,587,894 as of June 30, 2025) and in revolving fund (\$175,508 as of June 30, 2025) are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC).

### 3. Cash with Fiscal Agent

The District’s cash with fiscal agent at June 30, 2025 consisted of \$14,915,001 held in money market accounts and US Treasury Bonds and Notes on behalf of the blended component units.

### 4. Investments Authorized by the California Government Code and the District’s Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District’s investment policy where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District’s investment policy.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
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	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

## 5. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

### a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The county treasury is restricted by Government Code §53635 pursuant to §53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of risk.

At June 30, 2025, credit risk for the District's investments was as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Amount</u>
County Treasurer's Investment Pool	Unrated	Not Applicable	\$ 131,276,785
Money Market Funds	Unrated	Not Applicable	3,832,633
US Treasury Bonds	Unrated	Not Applicable	10,861,734
US Treasury Notes	Unrated	Not Applicable	220,634

## San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: 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 agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name.

At June 30, 2025, the District bank accounts were held in institutions which held insurance for the entire amount, but not in the District's name and as such the District was exposed to custodial credit risk for all amounts in excess of the FDIC insurance limitations per banking institution (\$9,263,402 as of June 30, 2025).

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. Investments in any one issuer that represent five percent or more of the total investments are either an external investment pool and are therefore exempt. As such, the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in 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 maintains pooled investments with the San Diego County Treasury with a fair value of \$131,276,785. The average weighted maturity for this pool was 562 days at June 30, 2025.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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## 6. Investment Accounting Policy

The District is required by GASB Statement No. 31 to disclose its policy for determining which investments, if any, are reported at amortized cost. The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

The District's investments in external investment pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is a 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

## E. Accounts Receivable

There are no significant receivables which are not scheduled for collection within one year of year end. Accounts receivable balances as of June 30, 2025, consisted of:

	Major Governmental Funds				Total
	General Fund	Building Fund	Capital Projects Fund For Blended Component Units	Nonmajor Governmental Funds	
Federal Government:					
Special Education	\$ 2,261,077	\$ -	\$ -	\$ -	\$ 2,261,077
Child Nutrition Program	-	-	-	119,233	119,233
Other Federal Programs	164,692	-	-	-	164,692
State Government:					
Lottery	924,743	-	-	-	924,743
Special Education	1,504,815	-	-	-	1,504,815
Arts and Music	100,655	-	-	-	100,655
Child Nutrition Program	-	-	-	472,946	472,946
Other State	79,080	-	-	-	79,080
Local Sources:					
Interest	733,385	631,550	-	437,124	1,802,059
Mello Roos Taxes	43,384	-	101,382	-	144,766
Developer Fees	2,432	-	-	119,706	122,138
CalShape Ventilation Program	488,550	-	-	-	488,550
Student Association Donations	864,871	-	-	-	864,871
Other Local Sources	319,298	-	-	1,516	320,814
Total Accounts Receivable	<u>\$ 7,486,982</u>	<u>\$ 631,550</u>	<u>\$ 101,382</u>	<u>\$ 1,150,525</u>	<u>\$ 9,370,439</u>
		Self-Insurance Fund			
Local Sources:					
Interest	\$ 863				
Due from District	38,144				
Total Accounts Receivable	<u>39,007</u>				

## F. Prepaid Expenditures/Expenses

Prepaid expenditures/expenses for the year ended June 30, 2025, consisted of:

	General Fund
Prepaid registration fees	\$ 16,606
Totals	<u>\$ 16,606</u>

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

## G. Leases Receivable

On August 1, 2021 the District entered into an agreement with the Boys & Girls Club to lease facilities owned by the District for use as an after school program. The lease extends through June 30, 2025 with monthly rent of \$1,050. The lease receivable is recorded at the present value of future lease payments using a discount rate of 0.20%.

Leases receivable and deferred inflow of resources as of June 30, 2025, consisted of the following:

Description	Balance Beginning of Year	Current Year Additions	Current Year Principal Collected	Balance End of Year
Boys & Girls Club	\$ 2,064	\$ -	\$ 2,064	\$ -
Total Leases Receivable	<u>\$ 2,064</u>	<u>\$ -</u>	<u>\$ 2,064</u>	<u>\$ -</u>

Description	Balance Beginning of Year	Current Year Additions	Current Year Amortization	Balance End of Year
Boys & Girls Club	\$ 2,400	\$ -	\$ 2,400	\$ -
Total Deferred Inflows	<u>\$ 2,400</u>	<u>\$ -</u>	<u>\$ 2,400</u>	<u>\$ -</u>

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

## H. Capital Assets, Lease Assets and Subscription Assets

Capital asset, lease asset and subscription asset activity for the year ended June 30, 2025, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 66,592,151	\$ -	\$ -	\$ 66,592,151
Work in progress	41,703,812	49,103,134	25,498,357	65,308,589
Total capital assets not being depreciated	108,295,963	49,103,134	25,498,357	131,900,740
Capital assets being depreciated:				
Land improvements	83,492,210	5,479,395	-	88,971,605
Buildings and improvements	528,845,784	22,810,566	-	551,656,350
Equipment	42,539,328	3,341,422	-	45,880,750
Total capital assets being depreciated	654,877,322	31,631,383	-	686,508,705
Less accumulated depreciation for:				
Land improvements	(63,054,032)	(5,556,757)	-	(68,610,789)
Buildings and improvements	(213,751,005)	(23,039,134)	-	(236,790,139)
Equipment	(31,280,111)	(3,723,613)	-	(35,003,724)
Total accumulated depreciation	(308,085,148)	(32,319,504)	-	(340,404,652)
Total capital assets, net	455,088,137	48,415,013	25,498,357	478,004,793
Lease assets				
Equipment	1,237,546	233,389	-	1,470,935
Less accumulated amortization	(464,383)	(635,479)	-	(1,099,862)
Total lease assets, net	773,163	(402,090)	-	371,073
Subscription assets				
SBITA agreements	380,370	507,864	-	888,234
Less accumulated amortization	(252,796)	(194,216)	-	(447,012)
Total lease assets, net	127,574	313,648	-	441,222
Total capital and lease assets, net	\$ 455,988,874	\$ 48,326,571	\$ 25,498,357	\$ 478,817,088

Depreciation and amortization were charged to functions as follows:

	Depreciation	Amortization
Instruction	\$ 28,026,647	\$ 719,510
Instruction - Related Services		
Instructional Library, Media & Technology	26,180	-
Pupil Services		
Home to School Transportation	109,111	7,292
Food Services	147,018	-
Ancillary Services	2,517	-
General Administration		
Centralized Data Processing	193,918	-
Other General Administration	-	4,978
Plant Services	3,814,113	97,915
Total	\$ 32,319,504	\$ 829,695

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

## I. Interfund Balances & Activities

### 1. Due To and From Other Funds

Balances due to and due from other funds at June 30, 2025, consisted of the following:

Interfund Receivable (Due From Other Funds)	Interfund Payable (Due To Other Funds)	Amount	Purpose
General Fund	Nonmajor Governmental Funds	\$ 222,586	Reimburse expenditures
General Fund	Building Fund	1,481	Reimburse expenditures
	Total	<u>\$ 224,067</u>	

### 2. Transfers To and From Other Funds

Transfers to and from other funds at June 30, 2025, consisted of the following:

Transfers In	Transfers Out	Amount	Purpose
Nonmajor Governmental Funds	Capital Project Fund for Blended Units	\$ 7,393,556	Cash transfer for solar project
Nonmajor Governmental Funds	Nonmajor Governmental Funds	4,468,798	Deferred maintenance
Nonmajor Governmental Funds	General Fund	1,493,290	Cash transfer for solar project
	Total	<u>\$ 13,355,644</u>	

## J. Accounts Payable

Accounts payable balances in the fund financial statements as of June 30, 2025, consisted of:

	Major Governmental Funds				Total Governmental Funds
	General Fund	Building Fund	Capital Projects Fund For Blended Component Units	Nonmajor Governmental Funds	
Vendors Payable	\$ 2,861,570	\$ 2,559,492	\$ 44,067	\$ 2,586,413	\$ 8,051,542
Payroll and Benefits	2,673,560	7,371	-	21,984	2,702,915
EPA and LCFF Accrual	449,980	-	-	-	449,980
Total Accounts Payable	<u>\$ 5,985,110</u>	<u>\$ 2,566,863</u>	<u>\$ 44,067</u>	<u>\$ 2,608,397</u>	<u>\$ 11,204,437</u>
	Self Insurance Fund				
Due to District	<u>\$ 22,954</u>				
Total Accounts Payable	<u>\$ 22,954</u>				

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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## K. Unearned Revenue

Unearned revenue balances as of June 30, 2025, consisted of:

	General Fund	Nonmajor Governmental Funds	Total
Federal Programs:			
Title I	\$ 35,713	\$ -	\$ 35,713
Title IV	17,152	-	17,152
State Programs:			
Career Tech Incentive Grant	1,686,319	-	1,686,319
K-12 Strong Workforce	1,018,365	-	1,018,365
Local Sources:			
Prepaid Meal Accounts	-	32,666	32,666
Other Local Programs	2,448	-	2,448
Total Unearned Revenue	<u>\$ 2,759,997</u>	<u>\$ 32,666</u>	<u>\$ 2,792,663</u>

## L. Short Term Debt Activity

The District accounts for short-term debts for maintenance purposes through the General Fund. The proceeds from loans are shown in the financial statements as other financing sources. During the year ended June 30, 2025, the District did not enter into any short-term debt agreements.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

## M. Fund Balance Classifications of the Governmental Funds

Ending fund balance classifications of the governmental funds for the year ended June 30, 2025 consisted of:

	Major Governmental Funds					Total Governmental Funds
	General Fund	Building Fund	Capital Project Fund for Blended Component Units	Bond Interest and Redemption Fund	Nonmajor Governmental Funds	
<b>Nonspendable Fund Balance</b>						
Revolving Cash	\$ 175,508	\$ -	\$ -	\$ -	\$ -	\$ 175,508
Inventory	-	-	-	-	59,396	59,396
Prepaid Expenditures	16,606	-	-	-	-	16,606
<b>Total Nonspendable Fund Balance</b>	<b>192,114</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,396</b>	<b>251,510</b>
<b>Restricted Fund Balance</b>						
Capital Projects	82,441	39,867,665	22,301,008	-	3,092,542	65,343,656
Debt Service	-	-	-	18,673,069	-	18,673,069
Educational Programs	10,351,716	-	-	-	-	10,351,716
Associated Student Body	-	-	-	-	2,259,203	2,259,203
Child Nutrition Program	-	-	-	-	5,137,970	5,137,970
Other Purposes	864,678	-	-	-	-	864,678
<b>Total Restricted Fund Balance</b>	<b>11,298,835</b>	<b>39,867,665</b>	<b>22,301,008</b>	<b>18,673,069</b>	<b>10,489,715</b>	<b>102,630,292</b>
<b>Committed</b>						
Basic Aid Reserve	15,396,904	-	-	-	-	15,396,904
Deferred Maintenance	-	-	-	-	2,369,379	2,369,379
<b>Total Unassigned Fund Balance</b>	<b>15,396,904</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,369,379</b>	<b>17,766,283</b>
<b>Assigned Fund Balance</b>						
Education Purposes	10,645,945	-	-	-	-	10,645,945
Capital Projects	-	-	-	-	14,196,824	14,196,824
<b>Total Assigned Fund Balance</b>	<b>10,645,945</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,196,824</b>	<b>24,842,769</b>
<b>Unassigned Fund Balance</b>						
For Economic Uncertainties	5,826,011	-	-	-	-	5,826,011
<b>Total Unassigned Fund Balance</b>	<b>5,826,011</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,826,011</b>
<b>Total Fund Balance</b>	<b>\$ 43,359,809</b>	<b>\$ 39,867,665</b>	<b>\$ 22,301,008</b>	<b>\$ 18,673,069</b>	<b>\$ 27,115,314</b>	<b>\$ 151,316,865</b>

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

## N. Long Term Obligations

### 1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2025, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<u>Governmental Activities:</u>					
General Obligation Bonds	\$421,063,728	\$ 77,734,199	\$ 88,928,746	\$409,869,181	\$ 9,486,316
Lease Revenue Bonds	12,730,000	-	-	12,730,000	-
Special Tax Bonds	90,910,702	-	4,011,374	86,899,328	4,224,935
Leases Payable	545,189	233,389	436,527	342,051	130,242
Subscriptions Payable	37,005	507,864	202,402	342,467	170,804
Net Pension Liability*	146,418,372	-	18,467,562	127,950,810	-
Net OPEB Obligation*	23,584,051	-	53,880	23,530,171	-
Compensated Absences*	3,830,474	-	777,572	3,052,902	2,534,669
Total Governmental Activities	<u>\$699,119,521</u>	<u>\$ 78,475,452</u>	<u>\$112,878,063</u>	<u>\$664,716,910</u>	<u>\$ 16,546,966</u>

\*Other long-term liabilities

- Payments for general obligation bonds are made from the bond interest and redemption fund.
- Payments for leases are made from the general fund.
- Payments for subscriptions are made from the general fund.
- Payments for lease revenue bonds are made from the bond interest and redemption fund.
- Payments for special tax bonds are made from the debt service fund for blended component units.
- Payments for pension contributions are made from the general fund.
- Payments for OPEB contributions are made from the self-insurance fund.
- Payments for compensated absences are made from the general fund and the cafeteria fund.

### 2. General Obligation Bonds

The District's bonded debt consists of various issues of general obligation bonds that are generally callable with interest payable semiannually. Bond proceeds pay primarily for acquiring or constructing capital facilities. The District repays general obligation bonds from voter-approved property taxes.

On November 6, 2012, registered voters authorized the issuance of \$449,000,000 principal amount of general obligation bonds. The bonds were authorized to finance specific construction, acquisition and modernization projects approved by the voters, fund capitalized interest, and pay costs of issuance incurred in connection with the issuance of the Bonds. The Bonds represent a general obligation of the District, payable solely from *ad valorem* taxes for the payment of the principal and of interest on the Bonds upon all property subject to taxation by the District without limitation of rate or amount (except as to certain personal property which is taxable at limited rates). Of the total amount originally authorized, all amounts have been issued.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

General obligation bonds at June 30, 2025 consisted of the following:

	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>
2012 Series A-2 Tax Exempt	April 2013	1.00 - 5.00%	08/01/38	\$ 160,000,000
2012 Series B-2 Tax Exempt	April 2015	3.00 - 4.50%	08/01/40	117,040,000
2012 Series C-2 Tax Exempt	July 2016	3.00 - 4.75%	08/01/41	62,000,000
2012 Series D-2 Tax Exempt	May 2018	3.00 - 4.00%	08/01/42	21,900,000
2020 Refunding Bonds	May 2020	1.87 - 2.85%	08/01/39	145,285,000
2012 Series E-2 Tax Exempt	June 2021	1.25 - 4.00%	08/01/43	80,615,000
2021 Refunding Bonds	June 2021	0.15 - 2.48%	08/01/36	32,600,000
2025 Refunding Bond	May 2025	5.00%	08/01/43	68,295,000
Total GO Bonds				<u>\$ 687,735,000</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
2012 Series A-2 Tax Exempt	\$ 3,850,000	\$ -	\$ 3,850,000	\$ -	\$ -
2012 Series A-2 Premium	203,554	-	203,554	-	-
2012 Series B-2 Tax Exempt	76,570,000	-	76,570,000	-	-
2012 Series B-2 Premium	4,439,422	-	4,439,422	-	-
2012 Series C-2 Tax Exempt	61,205,000	-	1,355,000	59,850,000	1,625,000
2012 Series C-2 Premium	2,970,848	-	65,770	2,905,078	78,876
2012 Series D-2 Tax Exempt	18,185,000	-	-	18,185,000	-
2012 Series D-2 Premium	780,203	-	-	780,203	-
2020 Refunding Bonds	137,470,000	-	2,020,000	135,450,000	6,550,000
2012 Series E-2 Tax Exempt	79,540,000	-	-	79,540,000	-
2012 Series E-2 Premium	4,549,701	-	-	4,549,701	-
2021 Refunding Bonds	31,300,000	-	425,000	30,875,000	430,000
2025 Refunding Bonds	-	68,295,000	-	68,295,000	705,000
2025 Refunding Premium	-	9,439,199	-	9,439,199	97,440
Total	<u>\$ 421,063,728</u>	<u>\$ 77,734,199</u>	<u>\$ 88,928,746</u>	<u>\$ 409,869,181</u>	<u>\$ 9,486,316</u>

The annual requirements to amortize the bonds outstanding at June 30, 2025 are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 9,310,000	\$ 11,074,593	\$ 20,384,593
2027	9,650,000	11,748,818	21,398,818
2028	10,055,000	11,501,581	21,556,581
2029	11,160,000	11,214,487	22,374,487
2030	12,350,000	10,875,626	23,225,626
2031-2035	85,575,000	48,329,784	133,904,784
2036-2040	138,475,000	32,854,333	171,329,333
2041-2045	115,620,000	6,444,838	122,064,838
Total	<u>\$ 392,195,000</u>	<u>\$ 144,044,060</u>	<u>\$ 536,239,060</u>

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

## 3. Special Tax Bonds

Special tax bonds outstanding is as follows:

	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>
2008 Special Tax Bonds	05/13/08	4.00 - 5.00%	08/01/41	\$ 89,130,000
2016 Special Tax Bonds	11/07/16	3.00 - 5.00%	03/01/47	23,820,000
2018 Special Tax Bonds	09/27/18	3.50 - 5.00%	03/01/47	74,580,000
CFD 94-2 Local Obligation Bonds	09/27/18	3.50 - 5.00%	03/01/47	19,760,000
CFD 94-3 Local Obligation Bonds	09/27/18	3.50 - 5.00%	03/01/47	6,210,000
CFD 95-1 Local Obligation Bonds	09/27/18	3.50 - 5.00%	03/01/47	29,250,000
CFD 95-2 Local Obligation Bonds	09/27/18	3.50 - 5.00%	03/01/47	6,050,000
CFD 99-1 Local Obligation Bonds	09/27/18	3.50 - 5.00%	03/01/47	7,085,000
CFD 99-2 Local Obligation Bonds	09/27/18	3.50 - 5.00%	03/01/47	290,000
CFD 99-3 Local Obligation Bonds	09/27/18	3.50 - 5.00%	03/01/47	960,000
CFD 03-1 Local Obligation Bonds	09/27/18	3.50 - 5.00%	03/01/47	12,485,000
2018 Local Bonds Receivable	09/27/18	3.50 - 5.00%	03/01/47	(82,090,000)
Total				<u>\$ 187,530,000</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
2016 Special Tax Bonds	\$ 21,000,000	\$ -	\$ 510,000	\$ 20,490,000
Unamortized Premium	402,019	-	9,763	392,256
2018 Special Tax Bonds	62,310,000	-	3,130,000	59,180,000
Unamortized Premium	7,198,682	-	361,611	6,837,071
CFD 94-2 Local Obligation Bonds	15,690,000	-	1,015,000	14,675,000
CFD 94-2 Premium	1,424,850	-	92,175	1,332,675
2018 Local Bonds Receivable	(17,114,850)	-	(1,107,175)	(16,007,675)
CFD 94-3 Local Obligation Bonds	5,080,000	-	285,000	4,795,000
CFD 94-3 Premium	432,180	-	24,246	407,934
2018 Local Bonds Receivable	(5,512,180)	-	(309,246)	(5,202,934)
CFD 95-1 Local Obligation Bonds	24,380,000	-	1,250,000	23,130,000
CFD 95-1 Premium	1,614,154	-	82,760	1,531,394
2018 Local Bonds Receivable	(25,994,154)	-	(1,332,760)	(24,661,394)
CFD 95-2 Local Obligation Bonds	5,190,000	-	220,000	4,970,000
CFD 95-2 Premium	205,971	-	8,731	197,240
2018 Local Bonds Receivable	(5,395,971)	-	(228,731)	(5,167,240)
CFD 99-1 Local Obligation Bonds	6,190,000	-	235,000	5,955,000
CFD 99-1 Premium	209,077	-	7,937	201,140
2018 Local Bonds Receivable	(6,399,077)	-	(242,937)	(6,156,140)
CFD 99-2 Local Obligation Bonds	250,000	-	10,000	240,000
CFD 99-2 Premium	11,978	-	479	11,499
2018 Local Bonds Receivable	(261,978)	-	(10,479)	(251,499)
CFD 99-3 Local Obligation Bonds	810,000	-	40,000	770,000
CFD 99-3 Premium	50,609	-	2,499	48,110
2018 Local Bonds Receivable	(860,609)	-	(42,499)	(818,110)
CFD 03-1 Local Obligation Bonds	10,990,000	-	390,000	10,600,000
CFD 03-1 Premium	288,506	-	10,238	278,268
2018 Local Bonds Receivable	(11,278,505)	-	(400,238)	(10,878,267)
Total	<u>\$ 90,910,702</u>	<u>\$ -</u>	<u>\$ 4,011,374</u>	<u>\$ 86,899,328</u>

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

The annual requirements to amortize the bonds outstanding at June 30, 2025 are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	\$ 3,800,000	\$ 3,576,844	\$ 7,376,844
2027	3,995,000	3,386,844	7,381,844
2028	4,195,000	3,187,094	7,382,094
2029	4,410,000	2,977,344	7,387,344
2030	4,620,000	2,762,656	7,382,656
2031-2035	25,640,000	10,295,431	35,935,431
2036-2040	18,480,000	4,841,750	23,321,750
2041-2045	10,840,000	1,901,463	12,741,463
2046-2050	3,690,000	215,538	3,905,538
Total	<u>\$ 79,670,000</u>	<u>\$ 33,144,964</u>	<u>\$ 112,814,964</u>

#### 4. Lease Revenue Bonds

In May 2010, the District entered into a facility lease agreement with the San Dieguito Public Facilities authority to execute and deliver Lease Revenue Bonds, Series 2010A (Qualified School Construction Bonds – Direct Subsidy) in the amount of \$13,015,000 with an interest rate of 6.46%. Through the facilities lease, the District is obligated to make semi-annual base revenue payments to a principal account beginning April 2011 and continuing through April 2027 at which time the principal account will make a balloon payment on the lease revenue bonds. As of June 30, 2025, the principal account held by a fiscal agent for this purpose had a balance of \$10,798,630. Lease revenue bonds at June 30, 2025 consisted of the following:

	Date of Issue	Interest Rate	Maturity Date	Amount of Original Issue
Lease Revenue Bonds Series A	05/10/10	6.46%	05/01/27	<u>\$ 13,015,000</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Lease Revenue Bonds Series A	\$ 12,730,000	\$ -	\$ -	\$ 12,730,000
Total	<u>\$ 12,730,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,730,000</u>

The annual requirements to amortize the bonds outstanding at June 30, 2025 are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	-	822,231	822,231
2027	12,730,000	822,231	13,552,231
Total	<u>\$ 12,730,000</u>	<u>\$ 1,644,462</u>	<u>\$ 14,374,462</u>

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

## 5. Bond Premiums

Bond premium arises when the market rate of interest is higher than the stated interest rate on the bond. Generally Accepted Accounting Principles (GAAP) require that the premium increase the face value of the bond and then amortize the premium over the life of the bond.

Effective interest on general obligation bonds and special tax bonds issued at a premium are as follows:

	<u>2012 Series A</u>	<u>2012 Series B</u>	<u>2012 Series C</u>	<u>2012 Series D</u>
Total Interest Payments	\$ 113,607,493	\$ 88,265,753	\$ 42,624,776	\$ 18,093,285
Less Bond Premium	(8,336,717)	(6,379,386)	(2,852,014)	(939,590)
Net Interest Payments	<u>105,270,776</u>	<u>81,886,367</u>	<u>39,772,762</u>	<u>17,153,695</u>
PAR Amount of Bonds	160,000,000	117,040,000	62,000,000	25,000,000
Periods	25	25	25	25
Effective Interest Rate	2.63%	2.80%	2.57%	2.74%
	<u>2016 Special Tax</u>	<u>2018 Special Tax</u>	<u>2012 Series E</u>	<u>2025 Refunding</u>
Total Interest Payments	\$ 18,468,936	\$ 42,888,732	\$ 40,309,058	\$ 40,681,385
Less Bond Premium	(456,005)	(8,616,236)	(4,611,191)	(9,439,199)
Net Interest Payments	<u>18,012,931</u>	<u>34,272,496</u>	<u>35,697,867</u>	<u>31,242,186</u>
PAR Amount of Bonds	23,820,000	74,580,000	80,615,000	68,295,000
Periods	30	28	22	16
Effective Interest Rate	2.52%	1.64%	2.01%	2.86%

## 6. Leases Payable

In January 2018, the District entered into a capital master tax-exempt lease-purchase agreement with U.S. Bancorp Government Leasing and Finance, Inc. to purchase six school buses. The total amount to be financed was \$866,396 for a period of six years at a fixed interest rate of 2.82% per year with semi-annual payments of \$78,987 consisting of principal and interest due July 31 and January 31 of each year, with the first payment due July 31, 2018.

In October 2020, the District entered into a board approved master lease-purchase agreement with Enterprise LM Trust, trade name Enterprise Fleet Management Services, to purchase up to thirty three utility vehicles to facilitate replacement of the District's aging service fleet. The lease agreement is for a term of three years or thirty six months with monthly lease purchase payments to be invested over the term providing for the third year buyout and, depending on performance, reducing the overall cost further.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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The District acquired a total of nine vehicles in May 2021 for \$174,776 which is to be paid over three years in monthly installments of \$5,867 which includes interest and a monthly management fee for each vehicle.

The District acquired a total of seven vehicles in June 2021 for \$110,772 which is to be paid over three years in monthly installments of \$3,662 which includes interest and a monthly management fee for each vehicle.

During the fiscal year ended June 30, 2022, the District entered into a lease agreement with Enterprise for the right to use sixteen vehicles and into lease agreements with Xerox for the right to use nineteen copy machines. The leases have been recorded in accordance with GASB Statement No. 87 with a discount rate of 0.20%.

During the fiscal year ended June 30, 2023, the District entered into lease agreements with Enterprise for the right to use a vehicle and with Xerox for the right to use sixteen copy machines. The leases have been recorded in accordance with GASB Statement No. 87 with a discount rate of 2.40%.

During the fiscal year ended June 30, 2025, the District entered into lease agreements with Enterprise for the right to use a vehicle and with Konica for the right to use copy machines. The leases have been recorded in accordance with GASB Statement No. 87 with a discount rate ranging between 2.63% for Konica to 7.75% for Enterprise.

Future payments on the leases are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	\$ 130,242	\$ 9,907	\$ 140,149
2027	84,048	5,424	89,472
2028	66,557	2,970	69,527
2029	54,170	1,118	55,288
2030	7,034	53	7,087
Total	<u>\$ 342,051</u>	<u>\$ 19,472</u>	<u>\$ 361,523</u>

## 7. Subscription Liabilities

The District entered into agreements with various companies subscribing to use of software for specified terms. Five of the agreements resulted in subscription liabilities as defined by GASB Statement No. 96. Interest was imputed at a rate of 2.40% for the subscriptions.

The District entered into a software agreement with Emics during the year ended June 30, 2025 with an effective interest rate of 2.63%.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

Future payments on the subscriptions are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	\$ 170,804	\$ 10,641	\$ 181,445
2027	161,734	5,062	166,796
2028	9,929	1,074	11,003
Total	<u>\$ 342,467</u>	<u>\$ 16,777</u>	<u>\$ 359,244</u>

## 8. Compensated Absences

Total unpaid employee compensated absences as of June 30, 2025 amounted to \$3,052,902. This amount is included as part of long-term liabilities in the government-wide financial statements, as shown below:

	Balance July 1, 2024	Current Year Changes	Balance June 30, 2025	Amounts Due Within One Year
Vacation Liability	\$ 1,772,045	\$ 346,112	\$ 2,118,157	\$ 2,118,157
Sick Leave	2,058,429	(1,123,684)	934,745	416,512
Total	<u>\$ 3,830,474</u>	<u>\$ (777,572)</u>	<u>\$ 3,052,902</u>	<u>\$ 2,534,669</u>

## 9. Net Pension Liability

The District's beginning net pension liability was \$146,418,372 and decreased by \$18,467,562 during the year ended June 30, 2025 for an ending net pension liability of \$127,950,810. See Note O for additional information regarding the net pension liability.

## 10. Net OPEB Liability

The District's beginning net OPEB liability was \$23,584,051 and decreased during the year ended June 30, 2025 by \$53,880. The ending net OPEB liability at June 30, 2025 was \$23,530,171. See Note P for additional information regarding the net OPEB liability.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

## O. Pension Plans

### 1. General Information about the Pension Plans

#### a. Plan Descriptions

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. Support by the State for the CalSTRS plan is such that the plan has a special funding situation as defined by GASB Statement No. 68. CalSTRS and CalPERS issue publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on their respective websites.

#### b. Benefits Paid

CalSTRS and CalPERS provide service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at 62 for normal benefits or at age 55 with statutorily reduced benefits. Employees hired prior to January 1, 2013 are eligible to retire at age 60 for normal benefits or at age 55 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. All members are eligible for death benefits after one year of total service.

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

<u>Hire Date</u>	<u>CalSTRS</u>	
	<u>Before</u>	<u>After</u>
	<u>Jan. 1, 2013</u>	<u>Jan. 1, 2013</u>
Benefit Formula	2% at 60	2% at 62**
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	55 - 60	55 - 62
Monthly Benefits as a % of Eligible Compensation	1.1 - 2.4%*	1.0 - 2.4%*
Required Employee Contribution Rates (2024-25)	10.250%	10.205%
Required Employer Contribution Rates (2024-25)	19.100%	19.100%
Required State Contribution Rates (2024-25)	10.828%	10.828%

\*Amounts are limited to 120% of Social Security Wage Base.

\*\*The contribution rate for CalSTRS 2% at 62 members is based, in part, on the normal cost of benefits and may increase or decrease in future years.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

<u>Hire Date</u>	CalPERS	
	Before Jan. 1, 2013	After Jan. 1, 2013
Benefit Formula	2% at 60	2% at 62**
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50 - 62	52 - 67
Monthly Benefits as a % of Eligible Compensation	1.1 - 2.5%*	1.0 - 2.5%*
Required Employee Contribution Rates (2024-25)	7.000%	8.000%
Required Employer Contribution Rates (2024-25)	27.050%	27.050%

\*Amounts are limited to 120% of Social Security Wage Base

\*\*The rate imposed on CalPERS 2% at 62 members is based on the normal cost of benefits.

c. Contributions

*CalSTRS*

For the fiscal year ended June 30, 2025, California Education Code §22950 requires members to contribute monthly to the system 10.205% (if hired on or after January 1, 2013) or 10.25% (if hired before January 1, 2013) of the creditable compensation upon which members' contributions under this part are based. In addition, the employer required rates established by the CalSTRS board have been established at 19.10% of creditable compensation for the fiscal year ended June 30, 2025. The CalSTRS Board has the authority to increase or decrease percentages paid specific to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Board based upon a recommendation from its actuary. Those adjustments are limited to 1% annually, not to exceed 20.25% of creditable compensation.

*CalPERS*

California Public Employees' Retirement Law §20814(c) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The CalPERS Board retains the authority to amend contribution rates. The total plan contributions are determined through 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 employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. For the fiscal year ended June 30, 2025, the employee contribution rate was 7.00% for employees hired prior to January 1, 2013 and 8.00% for employees hired on or after January 1, 2013, and the employer contribution rate was 27.05% of covered payroll.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

## *On Behalf Payments*

Consistent with California Education Code §22955.1, the State of California makes contributions to CalSTRS on behalf of employees working for the District. For the fiscal year ended June 30, 2025 the State contributed 10.828% of salaries creditable to CalSTRS. Consistent with the requirements of generally accepted accounting principles, the District has recorded these contributions as revenue and expense in the fund financial statements (current financial resources measurement focus). The government-wide financial statements have recorded revenue and expense for pension expense paid on behalf of the District (economic resources measurement focus). Contributions reported for on behalf payments are based on the District’s proportionate share of the States contribution for the fiscal year. Contributions made by the state on behalf of the District and the State’s pension expense associated with District employees for the past three fiscal years are as follows:

CalSTRS			
Year Ended June 30,	On Behalf Contribution Rate	On Behalf Contribution Amount	On Behalf Pension Expense
2023	10.828%	\$ 9,262,914	\$ 28,226,522
2024	10.828%	7,223,996	(2,303,574)
2025	10.828%	7,336,749	(1,220,146)

### d. Contributions Recognized

For the fiscal year ended June 30, 2025 (measurement period June 30, 2024), the contributions recognized for each plan were:

Governmental Fund Financial Statements (Current Financial Resources Measurement Focus)			
	CalSTRS	CalPERS	Total
<i>Governmental Funds</i>			
Contributions - Employer	\$ 16,219,888	\$ 7,097,776	\$ 23,317,664
Contributions - State On Behalf Payments	7,336,749	-	7,336,749
Total Governmental Funds	<u>\$ 23,556,637</u>	<u>\$ 7,097,776</u>	<u>\$ 30,654,413</u>
Government-Wide Financial Statements (Economic Resources Measurement Focus)			
	CalSTRS	CalPERS	Total
<i>Governmental Activities</i>			
Contributions - Employer	\$ 15,991,088	\$ 6,235,732	\$ 22,226,820
Contributions - State On Behalf Payments	7,336,749	-	7,336,749
Total Governmental Activities	<u>\$ 23,327,837</u>	<u>\$ 6,235,732</u>	<u>\$ 29,563,569</u>

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

## 2. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2024 (measurement date) the District reported net pension liabilities for its proportionate share of the net pension liability of each plan as follows:

	Governmental Activities
CalSTRS	\$ 85,601,047
CalPERS	42,349,763
Total	<u>\$ 127,950,810</u>

The District's net pension liability for each Plan is measured as the proportionate share of the total net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2024. The total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to measurement date June 30, 2024 using standard update procedures. 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 plans relative to the projected contributions of all participating employers, as actuarially determined.

The District's proportionate share of the net pension liability for each Plan as of June 30, 2024 and June 30, 2025 were as follows:

	CalSTRS			CalPERS
	District's Proportionate Share	State's Proportionate Share for District *Employees	Total for District Employees	District's Proportionate Share
<i>Governmental Activities</i>				
Proportion June 30, 2024	0.131302%	0.062906%	0.194208%	0.128230%
Proportion June 30, 2025	0.127454%	0.058476%	0.185930%	0.118498%
Change in Proportion	<u>-0.003848%</u>	<u>-0.004430%</u>	<u>-0.008278%</u>	<u>-0.009732%</u>

\*Represents State's Proportionate Share on behalf of District employees.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

a. Pension Expense

	<i>Governmental Activities</i>		
	<u>CalSTRS</u>	<u>CalPERS</u>	<u>Total</u>
Change in Net Pension Liability	\$ (14,399,490)	\$ (4,068,071)	\$ (18,467,561)
State On Behalf Pension Expense	(1,220,146)	-	(1,220,146)
Employer Contributions	16,219,888	7,097,776	23,317,664
Change in Deferrals for:			
Experience Differences	(3,428,335)	(2,266,304)	(5,694,639)
Changes in Assumptions	204,327	1,202,378	1,406,705
Changes in Proportionate Share	(3,835,333)	4,139,644	304,311
Subsequent Contributions	(44,526)	(439,112)	(483,638)
Earnings Differences	772,789	3,313,044	4,085,833
Total Pension Expense Government-Wide	<u>\$ (5,730,826)</u>	<u>\$ 8,979,355</u>	<u>\$ 3,248,529</u>

b. Deferred Outflows and Inflows of Resources

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		
	<u>CalSTRS</u>	<u>CalPERS</u>	<u>Total</u>
<i>Governmental Activities</i>			
Subsequent Contributions	\$ 16,219,888	\$ 7,097,776	\$ 23,317,664
Experience Differences	9,683,772	3,550,409	13,234,181
Changes in Assumptions	374,715	936,072	1,310,787
Changes in Proportionate Share	3,680,985	2,078,879	5,759,864
Earnings Differences	-	1,645,044	1,645,044
Total Deferred Outflows of Resources	<u>\$ 29,959,360</u>	<u>\$ 15,308,180</u>	<u>\$ 45,267,540</u>
	<u>Deferred Inflows of Resources</u>		
	<u>CalSTRS</u>	<u>CalPERS</u>	<u>Total</u>
<i>Governmental Activities</i>			
Experience Differences	\$ (3,745,691)	\$ (303,096)	\$ (4,048,787)
Changes in Assumptions	-	-	-
Changes in Proportionate Share	(30,349,805)	(5,549,107)	(35,898,912)
Earnings Differences	(349,733)	-	(349,733)
Total Deferred Inflows of Resources	<u>\$ (34,445,229)</u>	<u>\$ (5,852,203)</u>	<u>\$ (40,297,432)</u>

Pension contributions made subsequent to the measurement date reported as deferred outflows of resources will be recognized as a portion of pension expense in the year ended June 30, 2026. The remaining amounts reported as deferred outflows or deferred inflows of resources will be recognized as an increase or decrease to pension expense over a five-year period.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

Pension expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

Year Ended June 30,	<i>Governmental Activities</i>				Net Effect on Expenses
	Deferred Outflows of Resources		Deferred Inflows of Resources		
	CalSTRS	CalPERS	CalSTRS	CalPERS	
2026	\$ 19,516,096	\$ 11,533,110	\$ (15,178,624)	\$ (2,737,855)	\$ 13,132,727
2027	3,212,229	3,881,356	(2,190,477)	(2,159,906)	2,743,202
2028	3,024,873	414,231	(7,965,018)	(954,442)	(5,480,356)
2029	1,825,870	(520,517)	(7,741,864)	-	(6,436,511)
2030	1,825,868	-	(935,876)	-	889,992
Thereafter	554,424	-	(433,370)	-	121,054
<b>Total</b>	<b>\$ 29,959,360</b>	<b>\$ 15,308,180</b>	<b>\$ (34,445,229)</b>	<b>\$ (5,852,203)</b>	<b>\$ 4,970,108</b>

c. Actuarial Assumptions

Total pension liabilities for the fiscal year ended June 30, 2025, were based on actuarial valuations determined using the following actuarial assumptions:

	CalSTRS	CalPERS
Fiscal Year	6/30/2025	6/30/2025
Measurement Date	6/30/2024	6/30/2024
Valuation Date	6/30/2023	6/30/2023
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Experience Study Period	2007 - 2022	2000 - 2019
Actuarial Assumptions:		
Discount Rate	7.10%	6.90%
Inflation	2.75%	2.30%
Wage Growth	3.50%	Varies <sup>(3)</sup>
Payroll Growth	3.25%	Varies <sup>(3)</sup>
Investment Rate of Return	7.10%	6.90%
Post Retirement Benefit Increase	2.00% Simple <sup>(1)</sup>	2.00% - 2.30% <sup>(4)</sup>
Mortality	CalSTRS Data <sup>(2)</sup>	CalPERS Data <sup>(5)</sup>

(1) CalSTRS post-retirement benefit increases assumed at 2% simple (annually) maintaining 85% purchasing power level.

(2) CalSTRS base mortality tables are custom tables derived to best fit the patterns of mortality among CalSTRS members. The projection scale was set to equal 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table issued by the Society of Actuaries.

(3) Varies by entry age and service.

(4) CalPERS post retirement benefit increases assumes 2.00% until PPPA floor on purchasing power applies, 2.50% thereafter.

(5) CalPERS mortality table was developed based on CalPERS specific data. The table includes 15 years of mortality improvement using the Society of Actuaries 90% of scale MP-2016. For more details on this table, please refer to the December 2021 experience study report (based on CalPERS demographic data from 2000 to 2019) that can be found on the CalPERS website.

## San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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### d. Discount Rate

The discount rate used to measure the total pension liability was 7.10% for CalSTRS and 6.90% for CalPERS. The projection of cash flows used to determine the discount rates assumed the contributions from the plan members, employers, and state contributing agencies (where applicable) will be made at statutory contribution rates. To determine whether the District bond rate should be used in the calculation of a discount rate for each plan, CalSTRS and CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rates are adequate, and the use of the discount bond rate calculations is not necessary for either plan. The stress test results are presented in detailed reports that can be obtained from CalPERS and CalSTRS respective websites.

The CalPERS discount rate was increased from 7.50% to 7.65% at measurement date June 30, 2015 (Fiscal year June 30, 2016) to correct for an adjustment to exclude administrative expenses. Subsequently CalPERS discount rate was decreased from 7.65% to 7.15% at measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from actuarially determined amounts. Finally, the CalPERS discount rate was decreased from 7.15% to 6.90% at measurement date June 30, 2022 (Fiscal year June 30, 2023) resulting from a new actuarial experience study completed.

The CalSTRS discount rate was adjusted from 7.60% to 7.10% for measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from a new actuarial experience study.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The investment return assumption used in the accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalSTRS and CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalSTRS and CalPERS are scheduled to review actuarial assumptions as part of their regular Asset Liability Management (ALM) review cycle. CalSTRS completed their ALM November 2019 with new policies in effect on July 1, 2021. CalPERS completed their ALM in 2021 with new policies in effect on July 1, 2022. Both CalSTRS and CalPERS conduct new ALM's every 4 years.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalSTRS and CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and long-term (11-60 years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest quarter of one percent.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

The tables below reflect the long-term expected real rate of return by asset class. The rate of return was calculated using capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

## CalSTRS

Asset Class	Assumed Asset Allocation	Long-Term Expected Rate of Return <sup>(1)</sup>	Long-Term Expected Real Rate of Return <sup>(2)</sup>
Public Equity	38.00%	8.00%	5.25%
Real Estate	15.00%	6.80%	4.05%
Private Equity	14.00%	9.50%	6.75%
Fixed Income	14.00%	5.20%	2.45%
Risk Mitigation Strategies	10.00%	5.00%	2.25%
Inflation Sensitive	7.00%	6.40%	3.65%
Cash/Liquid	2.00%	2.80%	0.05%

<sup>(1)</sup> 20 to 30 year geometric average.

<sup>(2)</sup> Real rates of return are net of assumed 2.75% inflation

## CalPERS

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return <sup>(3),(4)</sup>
Global Equity - cap weighted	30.00%	4.54%
Global Equity - non-cap weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-Backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

<sup>(3)</sup> An expected price inflation of 2.30% used for this period.

<sup>(4)</sup> Figures are based on the 2021-22 Asset Liability Management Study.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

e. Sensitivity to Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>CalSTRS</u>	<u>CalPERS</u>
1% Decrease	6.10%	5.90%
Net Pension Liability	\$ 152,257,823	\$ 62,910,926
Current Discount Rate	7.10%	6.90%
Net Pension Liability	\$ 85,601,047	\$ 42,349,763
1% Increase	8.10%	7.90%
Net Pension Liability	\$ 29,941,494	\$ 25,364,605

3. Total Pension Liability, Pension Plan Fiduciary Net Position and Net Pension Liability

**CalSTRS Governmental Activities**

	Increase (Decrease)				
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	State's Share of Net Pension Liability (c)	District's Share of Net Pension Liability (a) - (b) - (c)
<b>Balance at June 30, 2024</b> (Previously Reported)	\$ 763,392,799	\$ 615,482,605	\$ 147,910,194	\$ 47,909,657	\$ 100,000,537
<b>Changes for the year</b>					
Change in proportionate share	(32,539,162)	(26,234,578)	(6,304,584)	(3,373,920)	(2,930,664)
Service cost	16,187,066	-	16,187,066	5,090,921	11,096,145
Interest	51,792,661	-	51,792,661	16,289,075	35,503,586
Experience differences	5,661,569	-	5,661,569	1,780,594	3,880,975
Change in assumptions	(9,949,114)	-	(9,949,114)	(3,129,051)	(6,820,063)
Change in benefits	61,357	-	61,357	19,297	42,060
Contributions:					
Employer	-	15,962,893	(15,962,893)	(5,020,417)	(10,942,476)
Employee	-	8,803,786	(8,803,786)	(2,768,839)	(6,034,947)
State on behalf	-	7,336,749	(7,336,749)	(2,307,448)	(5,029,301)
Net investment income	-	48,663,459	(48,663,459)	(15,304,923)	(33,358,536)
Other income	-	726,986	(726,986)	(228,641)	(498,345)
Benefit payments <sup>(1)</sup>	(35,676,248)	(35,676,248)	-	-	-
Administrative expenses	-	(377,438)	377,438	118,706	258,732
Borrowing costs	-	(619,147)	619,147	194,725	424,422
Other expenses	-	(13,015)	13,015	4,093	8,922
Net changes	(4,461,871)	18,573,447	(23,035,318)	(8,635,828)	(14,399,490)
<b>Balance at June 30, 2025</b>	\$ 758,930,928	\$ 634,056,052	\$ 124,874,876	\$ 39,273,829	\$ 85,601,047

(1) – Includes refunds of employee contributions

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

## CalPERS Governmental Activities

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
<b>Balance at June 30, 2024</b>			
(Previously Reported)	\$ 154,534,524	\$ 108,116,690	\$ 46,417,834
<b>Changes for the year</b>			
Change in proportionate share	(11,728,379)	(8,205,503)	(3,522,876)
Service cost	3,672,439	-	3,672,439
Interest	9,973,772	-	9,973,772
Experience differences	3,432,690	-	3,432,690
Contributions:			
Employer	-	6,361,987	(6,361,987)
Employee	-	1,817,956	(1,817,956)
Net investment income	-	9,526,840	(9,526,840)
Benefit payments <sup>(1)</sup>	(7,055,267)	(7,055,267)	-
Administrative expenses	-	(82,687)	82,687
Net changes	(1,704,745)	2,363,326	(4,068,071)
<b>Balance at June 30, 2025</b>	<b>\$ 152,829,779</b>	<b>\$ 110,480,016</b>	<b>\$ 42,349,763</b>

(1) – Includes refunds of employee contributions

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalSTRS and CalPERS financial reports available on their respective websites.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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## P. Postemployment Benefits Other Than Pension Benefits

The District provides postemployment health care benefits for retired employees in accordance with negotiated contracts with the various bargaining units of the District.

### 1. Plan Description

The District's defined benefit OPEB plan, San Dieguito Union High School District Retiree Health Care Plan (the Plan) provides for retirees that meet eligibility requirements until age 65. Retirees in the plan are eligible for the same medical plans as active employees. The Plan is a single-employer defined benefit OPEB plan administered by the District. Authority to establish and amend the benefit terms and financing requirements lie with the District's board of directors.

#### *Plan Eligibility*

The District provides medical and prescription drug benefits to its employees up to age 65. The District pays up to 100% of the retiree only cost up to a maximum which is based on the highest employee only medical premium in effect in the year of retirement. The District does not provide any retiree health benefits beyond age 65.

For certificated employees, the District provides retiree medical and prescription drug benefits to eligible retirees. The District's financial obligation is to pay for the retiree's medical coverage to age 65. The District pays up to 100% of the retiree only cost up to a maximum which is based on the highest employee only medical premium in effect in the year of retirement. Eligibility for retiree health coverage requires retirement with at least 10 years of service on or after age 55.

For classified employees, other management, confidential, and administrative employees, the District provides medical and prescription drug benefits to the earlier of age 65 or the end of a period of ten years. The District pays up to 100% of the retiree only cost up to a maximum which is based on the highest employee only medical premium in effect in the year of retirement. The District does not provide any retiree health benefits beyond age 65 or after a period of 10 years, if earlier. Eligibility for retiree health coverage requires retirement with at least 10 years of District service.

Retirees also have the option to elect dental coverage for themselves and eligible dependents but must pay the entire cost of coverage. Dependent coverage (except COBRA continuation) ceases upon the death of the retiree or when the retiree reaches age 65. The retiree pays for any amounts above the District's maximum contribution, for the cost of covering any eligible dependents and for the cost of coverage for employee dental.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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## 2. Plan Membership

Membership of the plan consisted of the following as of June 30, 2025:

Inactive plan members or beneficiaries currently receiving benefits	50
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	<u>1,013</u>
	<u><u>1,063</u></u>

## 3. Net OPEB Liability

The San Dieguito Union High School District's Net OPEB liability of \$23,530,171 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023.

## 4. Actuarial Assumptions and Other Inputs

The Net OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

### *Actuarial Assumptions*

The Net OPEB liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Fiscal Year	July 1 <sup>st</sup> to June 30 <sup>th</sup>
Measurement Date	June 30, 2024
Funding Policy	Pay-as-you-go
Discount Rate	6.60% per annum
Investment Rate of Return	5.60%
Healthcare Cost Trend Rates	8.00% decreasing to 4.50%
Retiree's Share of Costs	0.00% of projected premiums

The discount rate is based on assumed long-term return on employer assets using the "Building Block Method". Assessment of long-term returns for employer assets is based on long-term historical returns for surplus funds invested pursuant to California Government Code §53601 et seq.

Mortality Rates for CalPERS Employees: The mortality assumptions are based on the 2021 CalPERS Mortality for Miscellaneous and Schools Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

Mortality Rates for CalSTRS Employees: The mortality assumptions are based on the 2020 CalSTRS Mortality table created by CalSTRS. CalSTRS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalSTRS analysis.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of CalPERS actuarial experience study for the period July 1, 2000 through June 30, 2019 and the CalSTRS experience study for the period July 1, 2015 through June 30, 2018.

Assumed asset allocation and rates of return:

Asset Class	Target Allocation	L/T Expected Real ROR
US Equity	33%	N/A
Non-US Equity	21%	N/A
US Real Estate	6%	N/A
US Bonds	15%	N/A
Non-US Bonds	10%	N/A
Intermediate-Term Credit	10%	N/A
Short-Term Credit	5%	N/A
Total	100%	5.60%

## 5. Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2024	\$ 25,737,913	\$ 2,153,862	\$ 23,584,051
Changes for the year:			
Service cost	1,613,857	-	1,613,857
Interest	1,500,868	-	1,500,868
Experience differences	331,632	-	331,632
Changes in assumptions	(1,843,472)	-	(1,843,472)
Contributions - Employer	-	1,366,316	(1,366,316)
Net investment income	-	296,523	(296,523)
Trust administrative expense	-	(6,074)	6,074
Benefit payments	(1,116,316)	(1,116,316)	-
Net change	486,569	540,449	(53,880)
Balance at June 30, 2025	\$ 26,224,482	\$ 2,694,311	\$ 23,530,171

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

## 6. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB liability of the Plan, as well as what the District’s Net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	<u>1% Decrease</u> <u>(5.60%)</u>	<u>Valuation</u> <u>Discount Rate</u> <u>(6.60%)</u>	<u>1% Increase</u> <u>(7.60%)</u>
Net OPEB Liability	\$ 25,373,643	\$ 23,530,171	\$ 21,776,610

## 7. Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rate

The following presents the Net OPEB liability of the Plan, as well as what the District’s Net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	<u>1% Decrease</u> <u>7.00%</u> <u>Decreasing to</u> <u>3.50%</u>	<u>Healthcare Cost</u> <u>Trends Rate</u> <u>8.00%</u> <u>Decreasing to</u> <u>4.50%</u>	<u>1% Increase</u> <u>9.00%</u> <u>Decreasing to</u> <u>5.50%</u>
Net OPEB Liability	\$ 20,769,342	\$ 23,530,171	\$ 26,709,550

## 8. OPEB Expense

For the fiscal year ended June 30, 2025, the District recognized OPEB expense of \$767,981.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

## 9. Deferred Outflows and Deferred Inflows of Resources Related to OPEB

At June 30, 2025 the District reported deferred outflows and deferred inflows of resources related to OPEB for the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Subsequent contributions	\$ 1,583,512	\$ -
Earnings differences	-	(38,763)
Changes of assumptions	-	(11,009,738)
Experience differences	<u>2,839,147</u>	<u>(5,642,464)</u>
Total	<u>\$ 4,422,659</u>	<u>\$ (16,690,965)</u>

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will impact OPEB expense under the following amortization schedule:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Effect on OPEB Expense</u>
2026	\$ 1,990,335	\$ (2,631,930)	\$ (641,595)
2027	406,823	(2,492,722)	(2,085,899)
2028	406,823	(2,534,009)	(2,127,186)
2029	406,823	(2,519,576)	(2,112,753)
2030	406,819	(2,364,403)	(1,957,584)
Thereafter	<u>805,036</u>	<u>(4,148,325)</u>	<u>(3,343,289)</u>
Total	<u>\$ 4,422,659</u>	<u>\$ (16,690,965)</u>	<u>\$ (12,268,306)</u>

## 10. Liabilities Due to The OPEB Plan

As of June 30, 2025, there are no liabilities owed to the OPEB Plan.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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## Q. Risk Management

The District is exposed to risk of losses due to:

- Torts,
- Theft of, damage to, or destruction of assets,
- Business interruption,
- Errors or omissions,
- Job related illness or injuries to employees,
- Natural disasters,
- Other risks associated with public entity risk pools

Risk management is the process of managing the District's activities to minimize the adverse effects of these risks. The main element of risk management are risk control (to minimize the losses that strike an organization) and risk financing (to obtain finances to provide for or restore the economic damages of those losses). Risk financing techniques include risk retention, risk transfer to and from an insurer, and risk transfer to a non-insurer.

The District has implemented the risk financing technique of risk transfer to an insurer. The District has purchased property & liability insurance as well as workers compensation insurance to cover any losses resulting from the risks identified above.

There have been no significant changes in property and liability or workers compensation coverage during the current fiscal year.

## R. Participation in Joint Powers Authorities

The District is a member of two joint powers agreements (JPA) entities, the San Diego County Schools Risk Management (SDCSRM) and the San Diego County Schools Fringe Benefits Consortium (SDCSFBC) for the operation of a common risk management and insurance programs for property and liability coverage, workers compensation, and other employee benefits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from coverage in the prior year.

These entities have 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 entities and the District are included in these statements. Audited financial statements are available from the respective entities.

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

## S. Commitments and Contingencies

### 1. State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material.

### 2. Litigation

The District is periodically 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 as of June 30, 2025.

### 3. Construction Commitments

As of June 30, 2025 the District had the following commitments with respect to unfinished capital projects:

	<u>Commitment</u>	<u>Expected Date of Completion*</u>	<u>Percentage Complete</u>
Construction in Process:			
Black Box Modernization/Library Renovation (Design)	\$ 2,045,104	Fall 2025	35.8%
Buildings C, D, F, K & Cougar Hall Improvements	52,274	Fall 2025	99.5%
Locker Rooms/Lunch Shelter (Design)	2,520,448	Fall 2025	52.7%
Fitness Complex (combined with Mello Roos)	501,444	Fall 2025	94.5%
Fire Lane/Crest Hall Improvements (Design)	1,850,903	Fall 2025	49.9%
Bldgs. A, B & Mosaic Café Modernization	3,125,027	Fall 2025	58.7%
Locker Room Modernization (Design)	11,989,124	Fall 2026	2.5%
Gym Modernization (Design)	4,177,913	Fall 2026	1.2%
Baseball/Softball Field Improvements (Design)	7,921,109	Fall 2026	1.8%
Athletic Facilities: Phases 1a, Gym Bldg/HVAC & 2, Locker Room Modernization	100,000	Fall 2025	98.6%

\*Expected date of completion subject to change

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

## T. Deferred Outflows of Resources

The District issued refunding bonds in 2020 and as a result of the calculated gain or loss, a loss on refunding in the amount of \$17,035,000 was recognized as a deferred outflow of resources. The loss on refunding will be amortized over sixteen years based on the debt service of the new refunding bonds.

The District issued refunding bonds in 2021 and as a result of the calculated gain or loss, a loss on refunding in the amount of \$4,740,000 was recognized as a deferred outflow of resources. The loss on refunding will be amortized over fifteen years based on the debt service of the new refunding bonds.

In accordance with GASB Statement No. 68 & 71, payments made subsequent to the pension plan measurement date and other items as outlined in the GASB pronouncement have been recorded as deferred outflows of resources.

In accordance with GASB Statement No. 75 certain items related to OPEB as identified in the GASB statement are recorded as deferred outflows of resources.

A summary of the deferred outflows of resources as of June 30, 2025, is as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance
Refunding Loss - 2020 Bonds	\$ 12,776,250	\$ -	\$ 851,750	\$ 11,924,500
Refunding Loss - 2021 Bonds	3,851,250	-	296,250	3,555,000
Refunding Loss - 2025 Bonds	-	3,275,223	204,701	3,070,522
Pension Related				
CalSTRS	30,000,414	3,255,154	3,296,208	29,959,360
CalPERS	20,001,719	602,070	5,295,609	15,308,180
OPEB Related	4,280,654	1,915,144	1,773,139	4,422,659
Total Deferred Outflows of Resources	\$ 70,910,287	\$ 9,047,591	\$ 11,717,657	\$ 68,240,221

Future amortization of deferred outflows of resources is as follows:

Year Ending June 30,	Refunding Losses	Pension Related	OPEB Related	Total
2026	\$ 1,352,701	\$ 31,049,206	\$ 1,990,335	\$ 34,392,242
2027	1,352,701	7,093,585	406,823	8,853,109
2028	1,352,701	3,439,104	406,823	5,198,628
2029	1,352,701	1,305,353	406,823	3,064,877
2030	1,352,711	1,825,868	406,819	3,585,398
Thereafter	11,786,507	554,424	805,036	13,145,967
Total	\$ 18,550,022	\$ 45,267,540	\$ 4,422,659	\$ 68,240,221

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

## U. Deferred Inflows of Resources

In accordance with GASB Statement No. 68 & 71, items as outlined in the GASB statement have been recorded as deferred inflows of resources.

In accordance with GASB Statement No. 75 certain items related to OPEB as identified in the GASB statement are recorded as deferred inflows of resources.

In accordance with GASB Statement No. 87, deferred rent income is recorded as a deferred inflow of resources.

A summary of the deferred inflows of resources as of June 30, 2025 is as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance
Pension Related				
CalSTRS	\$ 40,817,361	\$ 7,238,038	\$ 13,610,170	\$ 34,445,229
CalPERS	4,596,092	4,046,578	2,790,467	5,852,203
OPEB Related	17,310,611	2,012,642	2,632,288	16,690,965
Deferred Rent Income	2,400	-	2,400	-
Total Deferred Inflows of Resources	<u>\$ 62,726,464</u>	<u>\$ 13,297,258</u>	<u>\$ 19,035,325</u>	<u>\$ 56,988,397</u>

Future amortization of deferred inflows is as follows:

Year Ending June 30,	Pension Related	OPEB Related	Total
2026	\$ 17,916,479	\$ 2,631,930	\$ 20,548,409
2027	4,350,383	2,492,722	6,843,105
2028	8,919,460	2,534,009	11,453,469
2029	7,741,864	2,519,576	10,261,440
2030	935,876	2,364,403	3,300,279
Thereafter	433,370	4,148,325	4,581,695
Total	<u>\$ 40,297,432</u>	<u>\$ 16,690,965</u>	<u>\$ 56,988,397</u>

# San Dieguito Union High School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2025

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## V. Upcoming Accounting Guidance

The Governmental Accounting Standards Board (GASB) issues pronouncements and additional guidance for governmental agencies to establish consistent accounting across all governments in the United States. The following table represents items that have been issued by GASB that will become effective in future periods:

Description	Date Issued	Year Effective
GASB Statement No. 103 <i>Financial Reporting Model Improvements</i>	Apr-24	2025-26
GASB Statement No. 104 <i>Disclosure of Certain Capital Assets</i>	Sep-24	2025-26
GASB Implementation Guide No. 2025-1 <i>Implementation Guidance Update 2025 (Except Question 4.16)</i>	Jun-25	2025-26

The effects of the upcoming guidance and pronouncements on the District’s financial statements has not yet been determined.

Required Supplementary Information

# San Dieguito Union High School District

## Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2025

	Budgeted Amounts		Variance Original to Final Budget Positive/ (Negative)	Actual	Variance Actual to Final Budget Positive/ (Negative)
	Original	Final			
<b>Revenues</b>					
LCFF Sources					
State Apportionment	\$ 353,318	\$ 353,318	\$ -	\$ 372,996	\$ 19,678
Education Protection Account	2,396,484	2,397,738	1,254	2,407,982	10,244
Property Taxes	155,095,688	155,202,453	106,765	155,060,351	(142,102)
Federal Revenue	4,275,359	4,158,582	(116,777)	4,058,094	(100,488)
Other State Revenue	21,932,839	17,714,082	(4,218,757)	18,364,270	650,188
Interest Income	1,200,000	1,000,000	(200,000)	1,844,955	844,955
Fair Market Value Adjustment	-	-	-	751,389	751,389
Other Local Revenue	12,948,156	11,340,131	(1,608,025)	14,603,624	3,263,493
Total Revenues	<u>198,201,844</u>	<u>192,166,304</u>	<u>(6,035,540)</u>	<u>197,463,661</u>	<u>5,297,357</u>
<b>Expenditures</b>					
Current Expenditures:					
Certificated Salaries	85,610,518	86,794,878	(1,184,360)	86,245,194	549,684
Classified Salaries	28,861,512	27,959,550	901,962	27,688,411	271,139
Employee Benefits	48,923,968	49,306,836	(382,868)	47,969,385	1,337,451
Books and Supplies	11,043,021	13,518,383	(2,475,362)	9,560,610	3,957,773
Services and Other Operating	23,437,428	24,988,519	(1,551,091)	22,665,234	2,323,285
Other Outgo	665,100	640,954	24,146	678,429	(37,475)
Direct Support/Indirect Costs	(144,031)	(144,031)	-	(137,818)	(6,213)
Capital Outlay	1,860,704	5,305,723	(3,445,019)	3,884,121	1,421,602
Debt Service:					
Principal	58,110	80,856	(22,746)	631,579	(550,723)
Interest	833,659	837,538	(3,879)	852,971	(15,433)
Total Expenditures	<u>201,149,989</u>	<u>209,289,206</u>	<u>(8,139,217)</u>	<u>200,038,116</u>	<u>9,251,090</u>
Excess (Deficiency) of Revenues Over Expenditures					
	<u>(2,948,145)</u>	<u>(17,122,902)</u>	<u>(14,174,757)</u>	<u>(2,574,455)</u>	<u>14,548,447</u>
Other Financing Sources (Uses)					
Proceeds from Leases and Subscriptions	-	-	-	741,253	741,253
Transfers Out	(1,428,290)	(1,100,000)	328,290	(1,493,290)	(393,290)
Total Other Financing Sources (Uses)	<u>(1,428,290)</u>	<u>(1,100,000)</u>	<u>328,290</u>	<u>(752,037)</u>	<u>347,963</u>
<b>Net Change in Fund Balance</b>	<b>(4,376,435)</b>	<b>(18,222,902)</b>	<b>(13,846,467)</b>	<b>(3,326,492)</b>	<b>14,896,410</b>
<b>Fund Balance - Beginning of Year</b>	<b>46,686,301</b>	<b>46,686,301</b>	<b>-</b>	<b>46,686,301</b>	<b>-</b>
<b>Fund Balance - End of Year</b>	<b>\$ 42,309,866</b>	<b>\$ 28,463,399</b>	<b>\$ (13,846,467)</b>	<b>\$ 43,359,809</b>	<b>\$ 14,896,410</b>

See Accompanying Notes to Required Supplementary Information

## San Dieguito Union High School District

### Schedule of the District's Proportionate Share of the Net Pension Liability - CalSTRS

Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.1275%	0.1313%	0.1368%	0.1258%	0.1162%	0.1288%	0.1281%	0.1294%	0.1209%	0.1196%
District's proportionate share of the net pension liability (asset)	\$ 85,601,047	\$ 100,000,538	\$ 95,032,828	\$ 57,252,169	\$ 112,648,048	\$ 116,366,979	\$ 117,757,677	\$ 119,674,988	\$ 97,797,306	\$ 80,535,333
State's proportionate share of the net pension liability (asset) associated with the District	39,273,829	47,909,657	46,590,169	42,450,038	80,076,345	66,039,313	65,006,215	68,093,206	62,153,969	46,567,277
<b>Total</b>	<b>\$ 124,874,876</b>	<b>\$ 147,910,195</b>	<b>\$ 141,622,997</b>	<b>\$ 99,702,207</b>	<b>\$ 192,724,393</b>	<b>\$ 182,406,292</b>	<b>\$ 182,763,892</b>	<b>\$ 187,768,194</b>	<b>\$ 159,951,275</b>	<b>\$ 127,102,610</b>
District's covered payroll*	83,722,974	78,944,262	87,308,398	73,920,516	71,558,716	69,253,397	68,044,620	68,421,216	60,074,753	55,280,293
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	102.24%	126.67%	108.85%	77.45%	157.42%	168.03%	173.06%	174.91%	162.79%	145.69%
Plan fiduciary net position as a percentage of the total pension liability	83.55%	80.62%	81.20%	87.21%	71.82%	72.56%	70.99%	69.46%	70.04%	74.02%

\*Covered payroll on this schedule is based on measurement date, as such covered payroll represented for each fiscal year is the covered payroll from the prior year as identified on the schedule of contributions.

See Accompanying Notes to Required Supplementary Information

**San Dieguito Union High School District**  
**Schedule of the District's Contributions - CalSTRS**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 16,219,888	\$ 15,991,088	\$ 15,078,354	\$ 14,772,581	\$ 11,938,163	\$ 12,236,540	\$ 11,274,453	\$ 9,818,839	\$ 8,607,389	\$ 6,446,021
Contributions in relation to the contractually required contribution	(16,219,888)	(15,991,088)	(15,078,354)	(14,772,581)	(11,938,163)	(12,236,540)	(11,274,453)	(9,818,839)	(8,607,389)	(6,446,021)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll*	\$ 84,920,880	\$ 83,722,974	\$ 78,944,262	\$ 87,308,398	\$ 73,920,516	\$ 71,558,716	\$ 69,253,397	\$ 68,044,620	\$ 68,421,216	\$ 60,074,753
Contributions as a percentage of covered payroll	19.10%	19.10%	19.10%	16.92%	16.15%	17.10%	16.28%	14.43%	12.58%	10.73%

\*Covered payroll on this schedule is based on the fiscal year.

## San Dieguito Union High School District

### Schedule of the District's Proportionate Share of the Net Pension Liability – CalPERS

Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.1185%	0.1282%	0.1412%	0.1442%	0.1419%	0.1408%	0.1497%	0.1562%	0.1525%	0.1448%
District's proportionate share of the net pension liability (asset)	\$ 42,349,763	\$ 46,417,834	\$ 48,579,779	\$ 29,331,808	\$ 43,551,558	\$ 41,047,346	\$ 39,913,666	\$ 37,278,559	\$ 30,126,345	\$ 21,336,448
District's covered payroll*	\$ 23,372,309	\$ 22,198,270	\$ 21,920,738	\$ 20,711,754	\$ 20,628,731	\$ 19,710,497	\$ 19,959,745	\$ 20,056,300	\$ 18,471,840	\$ 16,097,264
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	181.20%	209.11%	221.62%	141.62%	211.12%	208.25%	199.97%	185.87%	163.09%	132.55%
Plan fiduciary net position as a percentage of the total pension liability	72.29%	69.96%	69.76%	80.97%	70.00%	70.05%	70.85%	71.87%	73.90%	79.43%

\*Covered payroll on this schedule is based on measurement date, as such covered payroll represented for each fiscal year is the covered payroll from the prior year as identified on the schedule of contributions.

**San Dieguito Union High School District**  
**Schedule of the District's Contributions - CalPERS**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 7,097,776	\$ 6,235,732	\$ 5,631,701	\$ 5,022,041	\$ 4,287,333	\$ 4,068,192	\$ 3,560,110	\$ 3,099,948	\$ 2,785,419	\$ 2,188,359
Contributions in relation to the contractually required contribution	(7,097,776)	(6,235,732)	(5,631,701)	(5,022,041)	(4,287,333)	(4,068,192)	(3,560,110)	(3,099,948)	(2,785,419)	(2,188,359)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll*	\$ 26,239,468	\$ 23,372,309	\$ 22,198,270	\$ 21,920,738	\$ 20,711,754	\$ 20,628,731	\$ 19,710,497	\$ 19,959,745	\$ 20,056,300	\$ 18,471,840
Contributions as a percentage of covered payroll	27.050%	26.680%	25.370%	22.910%	20.700%	19.721%	18.062%	15.531%	13.888%	11.847%

\*Covered payroll on this schedule is based on the fiscal year.

# San Dieguito Union High School District

## Schedule of Changes in the District's Net OPEB Liability and Related Ratios – SDUHSD Retiree Health Plan

Last Ten Fiscal Years\*

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB liability:										
Service cost	\$ 1,613,857	\$ 2,001,188	\$ 2,015,413	\$ 2,293,180	\$ 2,792,779	\$ 2,411,837	\$ 2,379,289	\$ 2,524,714	N/A	N/A
Interest	1,500,868	1,648,358	1,542,967	1,762,067	1,225,312	1,167,457	1,062,707	863,398	N/A	N/A
Changes of benefit terms	-	-	-	-	-	-	-	-	N/A	N/A
Experience differences	331,632	2,241,278	(928,877)	(7,864,351)	1,495,316	(684,094)	-	-	N/A	N/A
Changes of assumptions	(1,843,472)	(7,610,790)	(159,469)	(1,235,924)	(4,001,168)	(529,249)	(244,107)	(1,280,421)	N/A	N/A
Benefit payments	(1,116,316)	(1,008,655)	(900,358)	(1,298,709)	(967,231)	(1,228,879)	(1,032,339)	(969,332)	N/A	N/A
Net change in total OPEB liability	486,569	(2,728,621)	1,569,676	(6,343,737)	545,008	1,137,072	2,165,550	1,138,359	N/A	N/A
Total OPEB liability - beginning	25,737,913	28,466,534	26,896,858	33,240,595	32,695,587	31,558,515	29,392,965	28,254,606	N/A	N/A
Total OPEB liability - ending	<u>\$ 26,224,482</u>	<u>\$ 25,737,913</u>	<u>\$ 28,466,534</u>	<u>\$ 26,896,858</u>	<u>\$ 33,240,595</u>	<u>\$ 32,695,587</u>	<u>\$ 31,558,515</u>	<u>\$ 29,392,965</u>	<u>N/A</u>	<u>N/A</u>
Plan fiduciary net position:										
Contributions - employer	\$ 1,366,316	\$ 1,258,655	\$ 2,400,358	\$ 1,548,709	\$ 1,217,231	\$ -	\$ -	\$ -	N/A	N/A
Contributions - employee	-	-	-	-	-	-	-	-	N/A	N/A
Net investment income	296,523	174,254	(273,231)	5,674	8,563	-	-	-	N/A	N/A
Benefit payments	(1,116,316)	(1,008,655)	(900,358)	(1,298,709)	(967,231)	-	-	-	N/A	N/A
Administrative expenses	(6,074)	(6,124)	(4,235)	(881)	(158)	-	-	-	N/A	N/A
Net change in plan fiduciary net position	540,449	418,130	1,222,534	254,793	258,405	-	-	-	N/A	N/A
Plan fiduciary net position - beginning	2,153,862	1,735,732	513,198	258,405	-	-	-	-	N/A	N/A
Plan fiduciary net position - ending	<u>\$ 2,694,311</u>	<u>\$ 2,153,862</u>	<u>\$ 1,735,732</u>	<u>\$ 513,198</u>	<u>\$ 258,405</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>N/A</u>	<u>N/A</u>
Net OPEB liability	<u>\$ 23,530,171</u>	<u>\$ 23,584,051</u>	<u>\$ 26,730,802</u>	<u>\$ 26,383,660</u>	<u>\$ 32,982,190</u>	<u>\$ 32,695,587</u>	<u>\$ 31,558,515</u>	<u>\$ 29,392,965</u>	<u>N/A</u>	<u>N/A</u>
Plan fiduciary net position as a percentage of total OPEB liability	10.27%	8.37%	6.10%	1.91%	0.78%	0.00%	0.00%	0.00%	N/A	N/A
Covered payroll	\$159,289,292	\$151,617,165	\$ 94,963,597	\$ 91,484,025	\$ 88,055,292	\$ 85,698,581	\$ 54,295,000	\$ 51,854,000	N/A	N/A
Net OPEB liability as a percentage of covered payroll	14.77%	15.56%	28.15%	28.84%	37.46%	38.15%	58.12%	56.68%	N/A	N/A

\*This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

See Accompanying Notes to Required Supplementary Information

## San Dieguito Union High School District

### Schedule of District Contributions – SDUHSD Retiree Health Plan

Last Ten Fiscal Years\*

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarial determined contributions	\$ 3,518,011	\$ 3,344,906	\$ 3,941,599	\$ 4,688,657	\$ 5,196,014	\$ -	\$ -	\$ -	N/A	N/A
Contributions in relation to the contractually required contribution	1,366,316	1,258,655	2,400,358	1,548,709	1,217,231	1,228,879	1,032,339	969,332	N/A	N/A
Contribution deficiency (excess)	\$ 2,151,695	\$ 2,086,251	\$ 1,541,241	\$ 3,139,948	\$ 3,978,783	\$ (1,228,879)	\$ (1,032,339)	\$ (969,332)	N/A	N/A
District's covered payroll	159,289,292	151,617,165	94,963,597	91,484,025	88,055,292	85,698,581	54,295,000	51,854,000	N/A	N/A
Contributions as a percentage of covered payroll	0.858%	0.830%	2.528%	1.693%	1.382%	1.434%	1.901%	1.869%	N/A	N/A

\*This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

The District obtained ADC for fiscal years ended June 30, 2021 through June 30, 2025 but did not obtain ADC for other years presented.

# **San Dieguito Union High School District**

Notes to Required Supplementary Information

For the Year Ended June 30, 2025

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## **A. Excess of Expenditures Over Appropriations**

As of June 30, 2025, the District's expenditures which exceeded appropriations in the following categories:

Amounts in excess of appropriations were not considered a violation of any laws, regulations, contracts or grant agreements and did not have a direct or material effect on the financial statements.

**San Dieguito Union High School District**  
Notes to Required Supplementary Information, Continued  
For the Year Ended June 30, 2025

**B. Schedule of District’s Proportionate Share – CalSTRS**

1. Benefit Changes: Changes in benefits reflect changes enacted by law for benefits offered and eligibility criteria.
2. Changes in Assumptions: Assumptions used in determining the total pension liability of the CalSTRS Plan changed due to actuarial experience studies performed by CalSTRS.

**C. Schedule of District’s Contributions – CalSTRS**

The total pension liability for California State Teachers’ Retirement System (CalSTRS) for measurement date June 30, 2024, was determined with a valuation completed June 30, 2023. In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Reporting Period	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>
Measurement Date	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Valuation Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Experience Study	2006 - 2010	2006 - 2010	2010 - 2015	2010 - 2015	2010 - 2015
Actuarial Cost Method	Entry Age Normal				
Investment Rate of Return <sup>(1)</sup>	7.60%	7.60%	7.10%	7.10%	7.10%
Consumer Price Inflation	3.00%	3.00%	2.75%	2.75%	2.75%
Wage Growth (Average)	3.75%	3.75%	3.50%	3.50%	3.50%
Post-Retirement Benefit Increases	2.00% Simple				
Reporting Period	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>
Measurement Date	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Valuation Date	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
Experience Study	2010 - 2015	2015 - 2018	2015 - 2018	2015 - 2018	2007 - 2022
Actuarial Cost Method	Entry Age Normal				
Investment Rate of Return <sup>(1)</sup>	7.10%	7.10%	7.10%	7.10%	7.10%
Consumer Price Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Wage Growth (Average)	3.50%	3.50%	3.50%	3.50%	3.50%
Post-Retirement Benefit Increases	2.00% Simple				

(1) – Net of investment expenses but gross of administrative expenses.

CalSTRS uses a generational mortality assumption, which involves the use of base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among CalSTRS members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table issued by the Society of Actuaries.

Additional information can be obtained by reviewing the CalSTRS Actuarial Experience Study on the CalSTRS website.

**San Dieguito Union High School District**  
Notes to Required Supplementary Information, Continued  
For the Year Ended June 30, 2025

**D. Schedule of District’s Proportionate Share – CalPERS**

1. Benefit Changes: Changes in benefits reflect changes enacted by law for benefits offered and eligibility criteria.
2. Changes in Assumptions: Assumptions used in determining the total pension liability of the CalPERS Plan changed due to actuarial experience studies performed by CalPERS.

**E. Schedule of District’s Contributions – CalPERS**

The total pension liability for California Public Employees Retirement System – School Pool (CalPERS) for measurement date June 30, 2024, was determined with a valuation completed June 30, 2023. In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Reporting Period	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Measurement Date	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Valuation Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Experience Study	1997 - 2011	1997 - 2011	1997 - 2011	1997 - 2015	1997 - 2015
Actuarial Cost Method	Entry Age Normal				
Investment Rate of Return <sup>(1)</sup>	7.65%	7.65%	7.15%	7.15%	7.15%
Consumer Price Inflation	2.75%	2.75%	2.75%	2.50%	2.50%
Wage Growth (Average)	3.00%	3.00%	3.00%	3.00%	3.00%
Post-Retirement Benefit Increases	2.00% Simple				
Reporting Period	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
Measurement Date	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Valuation Date	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
Experience Study	1997 - 2015	1997 - 2015	2000 - 2019	2000 - 2019	2000 - 2019
Actuarial Cost Method	Entry Age Normal				
Investment Rate of Return <sup>(1)</sup>	7.15%	7.15%	6.90%	6.90%	6.90%
Consumer Price Inflation	2.50%	2.50%	2.50%	2.50%	2.30%
Wage Growth (Average)	2.75%	2.75%	2.75%	2.75%	Varies by Age
Post-Retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple	2.00 - 2.30%

The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table please refer to the December 2021 experience study report (based on demographic data from 2000 to 2019) available on the CalPERS website.

**F. Schedule of Changes in the District’s Net OPEB Liability and Related Ratios**

- 1) Benefit Changes: There were no benefit changes during the 2024-25 fiscal year.
- 2) Changes in Assumptions: Changes in assumptions reflect changes due to experience studies and updates to discount rates annually.
- 3) The following are the discount rates used for each period:

<u>Year</u>	<u>Discount Rate</u>
2018	3.40%
2019	3.50%
2020	3.50%
2021	5.05%
2022	5.42%
2023	5.50%
2024	5.60%
2025	6.60%

Additional information can be obtained by requesting a copy of the OPEB valuation from the District.

**G. Schedule of District’s Contributions to OPEB Plan**

The District is funding OPEB contributions on a pay-as-you-go basis plus an amount determined by the board based on budgetary considerations through the OPEB Trust administered by CalPERS.

## Combining Statements as Supplementary Information

# San Dieguito Union High School District

## Combining Balance Sheet – Nonmajor Governmental Funds

June 30, 2025

	Special Revenue Funds			Capital Projects Funds			Debt Service Funds	Total Nonmajor Governmental Funds
	Associated Student Body Fund	Cafeteria Fund	Pupil Transportation Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund For Capital Outlay	Debt Service Fund For Blended Component Units	
<b>Assets</b>								
Cash and Investments	\$ 2,259,203	\$ 4,746,372	\$ 2,412,553	\$ 3,624,860	\$ 4,153,148	\$ 11,572,907	\$ -	\$ 28,769,043
Accounts Receivable	-	652,716	50,361	166,480	62,566	218,402	-	1,150,525
Stores Inventories	-	59,396	-	-	-	-	-	59,396
<b>Total Assets</b>	<b>\$ 2,259,203</b>	<b>\$ 5,458,484</b>	<b>\$ 2,462,914</b>	<b>\$ 3,791,340</b>	<b>\$ 4,215,714</b>	<b>\$ 11,791,309</b>	<b>\$ -</b>	<b>\$ 29,978,964</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance:</b>								
Liabilities:								
Accounts Payable	\$ -	\$ 82,518	\$ 93,535	\$ 428,396	\$ 1,049,973	\$ 953,975	\$ -	\$ 2,608,397
Due to Other Funds	-	145,933	-	76,654	-	-	-	222,587
Unearned Revenue	-	32,666	-	-	-	-	-	32,666
Total Liabilities	-	261,117	93,535	505,050	1,049,973	953,975	-	2,863,650
Fund Balance:								
Nonspendable	-	59,396	-	-	-	-	-	59,396
Restricted	2,259,203	5,137,971	-	2,871,984	220,557	-	-	10,489,715
Committed	-	-	2,369,379	-	-	-	-	2,369,379
Assigned	-	-	-	414,306	2,945,184	10,837,334	-	14,196,824
Total Fund Balance	2,259,203	5,197,367	2,369,379	3,286,290	3,165,741	10,837,334	-	27,115,314
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,259,203</b>	<b>\$ 5,458,484</b>	<b>\$ 2,462,914</b>	<b>\$ 3,791,340</b>	<b>\$ 4,215,714</b>	<b>\$ 11,791,309</b>	<b>\$ -</b>	<b>\$ 29,978,964</b>

# San Dieguito Union High School District

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds For the Year Ended June 30, 2025

	Special Revenue Funds			Capital Projects Funds			Debt Service Funds		Total Nonmajor Governmental Funds
	Associated Student Body Fund	Cafeteria Fund	Pupil Transportation Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund For Capital Outlay	Bond Interest & Redemption Fund	Debt Service Fund For Blended Component Units	
<b>Revenues</b>									
Federal Revenue	\$ -	\$ 1,216,980	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,216,980
Other State Revenue	-	4,332,806	-	854	-	-	-	-	4,333,660
Interest	-	145,349	125,711	110,509	126,475	796,148	-	-	1,304,192
Fair Market Value Adjustment	-	54,598	60,290	33,682	3,349	460,458	-	-	612,377
Other Local Revenue	2,977,313	246,038	-	2,559,727	-	18,179	-	-	5,801,257
<b>Total Revenues</b>	<u>\$ 2,977,313</u>	<u>\$ 5,995,771</u>	<u>\$ 186,001</u>	<u>\$ 2,704,772</u>	<u>\$ 129,824</u>	<u>\$ 1,274,785</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,268,466</u>
<b>Expenditures</b>									
Current Expenditures:									
Pupil Services	-	4,408,985	-	-	-	-	-	-	4,408,985
Ancillary Services	2,749,471	-	-	-	-	-	-	-	2,749,471
General Administration	-	137,818	-	92,686	-	-	-	-	230,504
Plant Services	-	-	-	132,238	-	126,208	-	-	258,446
Capital Outlay	41,203	8,379	2,940,576	1,339,977	1,523,615	15,942,488	-	-	21,796,238
Debt Service:									
Principal	-	-	-	-	-	7,351	3,640,000	3,647,351	3,647,351
Interest	-	-	-	-	-	1,089	3,753,556	3,754,645	3,754,645
<b>Total Expenditures</b>	<u>2,790,674</u>	<u>4,555,182</u>	<u>2,940,576</u>	<u>1,564,901</u>	<u>1,523,615</u>	<u>16,077,136</u>	<u>7,393,556</u>	<u>36,845,640</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>186,639</u>	<u>1,440,589</u>	<u>(2,754,575)</u>	<u>1,139,871</u>	<u>(1,393,791)</u>	<u>(14,802,351)</u>	<u>(7,393,556)</u>	<u>(23,577,174)</u>	
<b>Other Financing Sources (Uses):</b>									
Transfers In	-	-	1,328,290	-	4,468,798	-	7,393,556	13,190,644	13,190,644
Transfers Out	-	-	-	-	-	(4,468,798)	-	(4,468,798)	(4,468,798)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>1,328,290</u>	<u>-</u>	<u>4,468,798</u>	<u>(4,468,798)</u>	<u>7,393,556</u>	<u>8,721,846</u>	
Net Change in Fund Balance	186,639	1,440,589	(1,426,285)	1,139,871	3,075,007	(19,271,149)	-	-	(14,855,328)
Fund Balance - 7/1/2024, as previously stated	2,072,564	3,756,778	3,795,664	2,146,419	90,734	-	16,621,210	-	28,483,369
Change with financial reporting entity (major to nonmajor)	-	-	-	-	-	30,108,483	(16,621,210)	-	13,487,273
Fund Balance - 7/1/2024, as restated	<u>2,072,564</u>	<u>3,756,778</u>	<u>3,795,664</u>	<u>2,146,419</u>	<u>90,734</u>	<u>30,108,483</u>	<u>-</u>	<u>-</u>	<u>41,970,642</u>
Fund Balance, 6/30/2025	<u>\$ 2,259,203</u>	<u>\$ 5,197,367</u>	<u>\$ 2,369,379</u>	<u>\$ 3,286,290</u>	<u>\$ 3,165,741</u>	<u>\$ 10,837,334</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,115,314</u>

## Other Supplementary Information

# San Dieguito Union High School District

## Schedule of Average Daily Attendance

For the Year Ended June 30, 2025

	Second Period Report Certificate #59E25689		Annual Report Certificate #D5959D	
	Original	Revised	Original	Revised
Grades 7 and 8:				
Regular ADA	3,471.78	N/A	3,465.92	N/A
Extended Year Special Education	3.26	N/A	3.26	N/A
Nonpublic, Nonsectarian Schools	10.10	N/A	9.69	N/A
Extended Year - Nonpublic	0.09	N/A	0.66	N/A
Total Grades 7 and 8	<u>3,485.23</u>	<u>N/A</u>	<u>3,479.53</u>	<u>N/A</u>
Grades 9-12:				
Regular ADA	7,981.08	N/A	7,934.80	N/A
Extended Year Special Education	6.62	N/A	6.62	N/A
Nonpublic, Nonsectarian Schools	17.26	N/A	16.90	N/A
Extended Year - Nonpublic	0.50	N/A	0.73	N/A
Total Grades 9-12	<u>8,005.46</u>	<u>N/A</u>	<u>7,959.05</u>	<u>N/A</u>
Total ADA	<u><u>11,490.69</u></u>	<u><u>N/A</u></u>	<u><u>11,438.58</u></u>	<u><u>N/A</u></u>

N/A – There were no attendance findings which resulted in revisions to the average daily attendance.

Average daily attendance is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to school districts and charter schools. This schedule provides information regarding the attendance of students by grade span and adjustments to the attendance as a result of an audit finding when applicable.

# San Dieguito Union High School District

## Schedule of Instructional Time

For the Year Ended June 30, 2025

<u>Grade Level</u>	<u>Annual Minutes Requirement</u>	<u>Actual Minutes Offered</u>	<u>J-13A Minutes</u>	<u>Total Minutes</u>	<u>Number of Actual Days Offered (Traditional)</u>	<u>J-13A Days</u>	<u>Total Instructional Days</u>	<u>Status</u>
7th Grade	54,000	58,830	0	58,830	180	0	180	Complied
8th Grade	54,000	58,830	0	58,830	180	0	180	Complied
9th Grade	64,800	65,784	0	65,784	180	0	180	Complied
10th Grade	64,800	65,784	0	65,784	180	0	180	Complied
11th Grade	64,800	65,784	0	65,784	180	0	180	Complied
12th Grade	64,800	65,784	0	65,784	180	0	180	Complied

This schedule provides the information necessary to determine if the District has complied with Article 8 (commencing with Section 46200) of Chapter 2 of Part 26 of the Education Code. The requirements are as follows:

1) EC §46207: As a condition of apportionment the following annual instructional minutes must be offered:

- To pupils in Kindergarten                    36,000 minutes
- To pupils in grades 1 to 3                    50,400 minutes
- To pupils in grades 4 to 8                    54,000 minutes
- To pupils in grades 9 to 12                    64,800 minutes

2) EC §46208: As a condition of apportionment 180 school days must be offered for traditional calendars. In order to qualify as a school day the following minimum daily minutes must be met:

- EC §46112: Grades 1 to 3                    230 minutes
- EC §46113: Grades 4 to 8                    240 minutes
- EC §46114: Kindergarten                    180 minutes
- EC §46141: Grades 9 to 12                    240 minutes

The District did not have a J-13A waiver during the 2024-25 fiscal year.

## San Dieguito Union High School District

### Schedule of Financial Trends & Analysis

For the Year Ended June 30, 2025

General Fund	Budget 2026 (See Note 1)	2025	2024 (See Note 1)	2023 (See Note 1)
Revenues and Other Financing Sources	\$ 195,683,305	\$ 198,204,914	\$ 191,858,432	\$ 174,770,715
Expenditures and Other Financing Uses	202,679,193	201,531,406	184,582,006	171,403,576
Net Change in Fund Balance	(6,995,888)	(3,326,492)	7,276,426	3,367,139
Ending Fund Balance	\$ 33,509,443	\$ 40,505,331	\$ 43,831,823	\$ 36,555,397
Available Reserves (See Note 2)	\$ 16,138,337	\$ 21,222,915	\$ 26,490,079	\$ 24,504,779
Available Reserves as a Percentage of Total Outgo	7.96%	10.53%	14.35%	14.30%
Long Term Debt (See Note 3)	\$ 496,170,730	\$ 510,183,027	\$ 538,083,368	\$ 549,870,762
Average Daily Attendance at P2	11,288	11,491	11,950	12,022

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.

The general fund balance has increased by \$10,130,904 (27.71%) over the past two years. The fiscal year 2024-25 budget projects a decrease of \$10,083,685 (21.6%). For a district of this size, the State recommends available reserves of 3% of total general fund expenditures and other financing uses (total outgo).

Total long-term debt has decreased by \$24,584,138 (4.47%) over the past two years.

Average daily attendance (ADA) has decreased by 81 over the past two years.

# San Dieguito Union High School District

## Schedule of Financial Trends & Analysis, Continued

For the Year Ended June 30, 2025

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### Notes:

1. AU-C §725.05 requires the following conditions be met to provide an opinion on whether supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole:
  - a) The supplementary information was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements.
  - b) The supplementary information relates to the same period as the financial statements.
  - c) The auditor issued an audit report on the financial statements that contained neither an adverse opinion nor a disclaimer of opinion.
  - d) The supplementary information will accompany the audited financial statements or such audited financial statements will be made readily available by the District.

Three of the above columns are not related to the same period as the financial statements and as such we do not provide an opinion on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. Additionally, the analysis presented utilizes information from periods outside the period of the financial statements and as such we do not provide an opinion on whether the analysis is fairly stated, in all material respects, to the financial statements as a whole. The information has been presented for analysis only and has not been audited.

2. Available reserves consist of all unassigned fund balances contained within the general fund and amounts committed to stabilization of educational programs in the assigned fund balance category within the general fund.
3. Long term debt consists of general obligation bonds, lease revenue bonds, special tax bonds, leases payable, and subscription liabilities.

**San Dieguito Union High School District**

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

June 30, 2025

	Child Nutrition Fund (Fund 13)	Deferred Maintenance Fund (Fund 14)	County School Facilities Fund (Fund 35)
June 30, 2025, annual financial and budget report fund balances	<u>\$ 5,197,366</u>	<u>\$ 2,369,378</u>	<u>\$ 3,165,740</u>
Adjustments and reclassifications:			
Increasing (decreasing) the fund balance:			
Rounding	<u>1</u>	<u>1</u>	<u>1</u>
Net adjustments and reclassifications	<u>1</u>	<u>1</u>	<u>1</u>
June 30, 2025, audited financial statement fund balances	<u><u>\$ 5,197,367</u></u>	<u><u>\$ 2,369,379</u></u>	<u><u>\$ 3,165,741</u></u>

This schedule provides the information necessary to reconcile the fund balances of all funds as reported on the SACS Annual Financial and Budget Report with the audited financial statements. Funds that required no adjustment are not presented.

# **San Dieguito Union High School District**

Schedule of Charter Schools

For the Year Ended June 30, 2025

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As of June 30, 2025, the District has not sponsored any charter schools.

This schedule is provided to list all charter schools chartered by the District and displays information for each charter school on whether or not the charter school is included in the District audit.

# San Dieguito Union High School District

## Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2025

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Subrecipient Expenditures	Total Federal Expenditures
<b>CHILD NUTRITION CLUSTER:</b>				
<u>U.S. Department of Agriculture</u>				
Passed through California Department of Education				
School Breakfast Program	10.553	13525	\$ -	\$ 316,635
National School Lunch Program	10.555	13396	-	651,930
National School Lunch Program - Noncash Commodities	10.555	13396	-	248,415
Total Child Nutrition Cluster			-	1,216,980
<b>SPECIAL EDUCATION (IDEA) CLUSTER:</b>				
<u>U.S. Department of Education</u>				
Passed through California Department of Education				
IDEA Basic Local Assistance	84.027	13379	-	1,857,934
IDEA Local Assistance, Private Schools	84.027	10115	-	254,411
IDEA Mental Health	84.027	15197	-	148,732
Total Special Education (IDEA) Cluster			-	2,261,077
<b>OTHER PROGRAMS:</b>				
<u>U.S. Department of Education</u>				
ESSA Title I Basic	84.010	14329	-	414,598
Subtotal ESSA Title I Program			-	414,598
Title III Immigrant Education	84.365	15146	-	60,109
Title III English Learner Program	84.365	14346	-	104,943
Subtotal Title III Program			-	165,052
Carl Perkins Vocational Education	84.048	14894	-	144,327
Workability II, Transition Partnership	84.126	10006	-	163,222
Title II Supporting Effective Instruction	84.367	14341	900	189,242
Title IV Student Support Academic Enrichment	84.424	15396	-	38,580
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 900	\$ 4,593,078

See Accompanying Notes to Schedule of Expenditures of Federal Awards

# San Dieguito Union High School District

Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2025

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## Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of 2 CFR §200.502 *Basis for Determining Federal Awards Expended* and 2CFR §200.510(b) *Schedule of Expenditures of Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

## Summary of Significant Accounting Policies

The expenditures reported on the schedule 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. Negative amounts shown on the schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

## Indirect Cost Rate

Indirect costs were calculated in accordance with 2 CFR §200.412 *Direct and Indirect Costs*. The District used an indirect cost rate of 8.59% based on the rate approved by the California Department of Education for each program which did not have a pre-defined allowable indirect cost rate. The District did not elect to use the 10% de minimis cost rate as covered in 2 CFR §200.414 *Indirect Costs*. The following programs utilized a lower indirect cost rate based on program restrictions or other factors determined by the District:

<u>Program</u>	<u>AL #</u>	<u>Indirect Cost Rate</u>
Child Nutrition Cluster	10.553	5.94%
Carl Perkins Vocational Education	84.048	5.00%

## Schoolwide Program

The District did not operate any schoolwide programs.

## Reconciliation of Revenues

The District has received a federal interest subsidy under the Build America Bonds Program through the Department of the Treasury. The Build America Bonds Program is reported consistent with the requirements of the program and is not included on the schedule of expenditures of federal awards.

The following schedule provides a reconciliation between revenues reported on the Statement of Revenues, Expenditures and Changes in Fund Balance and the related expenditures reported on the Schedule of Expenditures of Federal Awards:

Total Federal Revenues on Statement of Revenues, Expenditures, and Changes in Fund Balance	\$ 5,275,074
Less: Amounts representing QSCB Interest Subsidy federal funds	<u>(681,996)</u>
Total Federal Expenditures on Schedule of Expenditures of Federal Awards	<u>\$ 4,593,078</u>

## Other Information

# San Dieguito Union High School District

Local Education Agency Organization Structure

June 30, 2025

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The San Dieguito Union High School District was established in 1936 and is comprised of an area of approximately 85 square miles in San Diego County. There were no changes in the boundaries of the district during the current fiscal year. The District is currently operating five comprehensive middle schools for grades seven through eight, four comprehensive high schools for grades nine through twelve, and one continuation high school.

## **GOVERNING BOARD**

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<b>Name</b>	<b>Office</b>	<b>Term and Term Expiration</b>
Jodie Williams	President	Four Year Term Expires December 2028
Jane Lea Smith	Vice President	Four Year Term Expires December 2026
Rimga Viskanta	Clerk	Four Year Term Expires December 2026
Michael Allman	Member	Four Year Term Expires December 2028
Phan Anderson	Member	Four Year Term Expires December 2026

## **ADMINISTRATION**

---

Anne Staffieri, Ed.D.  
Superintendent

Stephen Dickinson  
Associate Superintendent  
Business Services

Bryan Marcus  
Associate Superintendent  
Educational Services

Mary Anne Nuskin  
Associate Superintendent  
Human Resources

Dawn Campbell  
Director of Fiscal Services

## Other Independent Auditors' Reports

Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Education  
San Dieguito Union High School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the San Dieguito Union High 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 January 28, 2026.

**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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001.

**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*.

## San Dieguito Union High School District's Response to Finding

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the 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 other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### 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.



El Cajon, California

January 28, 2026

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

To the Board of Education  
San Dieguito Union High School District

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited the San Dieguito Union High 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 types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *US 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 generally accepted auditing standards, *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 generally accepted auditing standards, *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.

*Wilkinson Hadley King & Co. LLP*

El Cajon, California

January 28, 2026

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

To the Board of Education  
San Dieguito Union High School District

**Report on Compliance for Applicable State Programs**

**Opinion on Each Applicable State Program**

We have audited the San Dieguito Union High School District's (the District) compliance with the requirements specified in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 identified below for the year ended June 30, 2025.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above on each of its applicable state programs for the year ended June 30, 2025.

**Basis for Opinion on Each Applicable State Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 (the Audit Guide). Our responsibilities under those standards and the Audit Guide 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 applicable state 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 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 generally accepted auditing standards, *Government Auditing Standards*, and the Audit Guide 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 applicable state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Audit Guide, 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 state 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 Audit Guide, 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.
- Select and test transactions and records to determine the District’s compliance with the state laws and regulations applicable to the following programs:

	Procedures Performed
<b><u>Local Education Agencies Other than Charter Schools</u></b>	
A. Attendance.....	Yes
B. Teacher Certification and Misassignments.....	Yes
C. <i>(Reserved)</i> .....	N/A
D. Independent Study.....	Yes
E. Continuation Education.....	Yes
F. Instructional Time.....	Yes
G. Instructional Materials.....	Yes
H. Ratio of Administrative Employees to Teachers.....	Yes
I. Classroom Teacher Salaries.....	Yes
J. Early Retirement Incentive.....	N/A
K. Gann Limit Calculation.....	Yes
L. School Accountability Report Card.....	Yes
M. Juvenile Court Schools.....	N/A
N. Middle or Early College High Schools.....	N/A
O. K-3 Grade Span Adjustment.....	N/A
P. <i>(Reserved)</i> .....	N/A
Q. Apprenticeship: Related and Supplemental Instruction.....	N/A
R. Comprehensive School Safety Plan.....	Yes
S. District of Choice.....	N/A
TT. Home to School Transportation Reimbursement.....	Yes

<b>School Districts, County Offices of Education, and Charter Schools</b>		<b>Procedures Performed</b>
T.	Proposition 28 Arts & Music in Schools.....	Yes
U.	After/Before School Education and Safety Program.....	N/A
V.	Proper Expenditure of Education Protection Account Funds.....	Yes
W.	Unduplicated Local Control Funding Formula Pupil Counts.....	Yes
X.	Local Control and Accountability Plan.....	Yes
Y.	Independent Study - Course Based.....	N/A
Z.	Immunizations.....	No
AZ.	Educator Effectiveness.....	Yes
BZ.	Expanded Learning Opportunities Grant (ELO-G).....	N/A
CZ.	Career Technical Education Incentive Grant.....	N/A
DZ.	Expanded Learning Opportunities Program (ELO-P).....	N/A
EZ.	Transitional Kindergarten.....	N/A
FZ.	Kindergarten Continuance.....	N/A

N/A – The School District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

We did not perform procedures for Immunizations because the school sites for the District did not appear on the California Department of Public Health list of LEAs that are subject to the audit of immunizations.

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 State 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 or significant deficiencies, 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 *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810. Accordingly, this report is not suitable for any other purpose.

*William Hadley King & Co. LLP*

El Cajon, California  
January 28, 2026

## Auditor's Results, Findings & Recommendations



**San Dieguito Union High School District**

Schedule of Auditor's Results, Continued

For the Year Ended June 30, 2025

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Dollar threshold used to distinguish between Type A  
and Type B programs

\$750,000

Auditee qualified as low-risk auditee?

X  Yes        No

**STATE AWARDS**

Type of auditor's report issued on compliance for state programs:

Unmodified

Internal control over applicable state programs:

One or more material weakness(es) identified?

Yes       X  No

One or more significant deficiencies identified that are  
not considered material weakness(es)?

Yes       X  No

Any audit findings disclosed that are required to be reported  
in accordance with *2024-25 Guide for Annual Audits  
of California K-12 Local Education Agencies?*

Yes       X  No

# San Dieguito Union High School District

## Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2025

Findings represent significant deficiencies, material weaknesses, and/or instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), or the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Finding codes as identified in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* are as follows:

<u>Five Digit Code</u>	<u>AB 3627 Finding Type</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities
43000	Apprenticeship: Related and Supplemental Instruction
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

### A. Financial Statement Findings

Finding Number: 2025-001  
Repeat Finding: Yes  
Description: Vacation Accrual  
Type of Finding: Internal Control – Significant Deficiency (30000)

#### Criteria or Specific Requirement

Determine that the District's vacation accrual liability at year end is clerically accurate and all employee's vacation carryover is within the maximum allowed per District policy.

#### Condition

In our testing and review of the District's vacation accrual balance at year end, we noted that 33 employees out of the total population of 368 employees listed had vacation days carried over that exceeded the maximum allowed by District policy. The employees with balances in excess of allowable carryover make up 40% of the total liability.

#### Cause

While District management has been working towards a reduction in vacation balances, they have not been able to reduce over accrued balances for these 33 employees to be consistent with bargained carryover policies.

# San Dieguito Union High School District

Schedule of Findings and Questioned Costs, Continued

For the Year Ended June 30, 2025

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## Effect

A considerable amount of vacation liability is attributed to the 33 employees in excess of allowable carryovers. The liability could impact cash flow.

## Context

Employees should accrue vacation only up to the maximum allowed by District policy and management should monitor all employees carryover to ensure no individuals exceed the maximum allowed. Allowable carryover is bargained and agreed upon by bargaining units.

## Recommendation

Implement procedures that will require all employees to utilize excess vacation time in order to reduce the excess liability to the District. Monitor the vacation carryover for all employees in conjunction with District policy to ensure no employees exceed the maximum carryover of vacation days allowed. Determine the best method to limit the amount of vacation time accrued annually and establish a plan to reduce the vacation accrual liability in future.

## Views of Responsible Officials

See Corrective Action Plan

### **B. Federal Awards**

None

### **C. State Award Findings**

None



**Board of Trustees**  
Michael Allman  
Phan Anderson  
Jane Lea Smith  
Rimga Viskanta  
Jodie Williams

**Superintendent**  
Anne L. Staffieri, Ed.D.

710 Encinitas Boulevard, Encinitas, CA 92024  
Telephone (760) 753-6491  
www.sduhsd.net

**Business Services Division**  
Stephen Dickinson, Associate Superintendent

January 29, 2026

To Whom It May Concern,

The accompanying Corrective Action Plan has been prepared as required by the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* published by the Education Audit Appeals Panel. The name of the contact person responsible for corrective action, the planned corrective action, and the anticipated completion date for each finding included in the current year's Schedule of Findings and Questioned Costs have been provided.

In addition, we have also prepared the accompanying Summary Schedule of Prior Audit Findings, which includes the status of audit findings reported in the prior year's audit.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stephen Dickinson", is written over a circular blue stamp or seal.

Stephen Dickinson  
Associate Superintendent  
Business Services

## **San Dieguito Union High School District**

Corrective Action Plan  
Year Ended June 30, 2025

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### **Financial Statement Findings**

Finding Number: 2025-001  
Program Name: Vacation Accrual  
Contact Person: Mary Anne Nuskin, Associate Superintendent, Human Resources  
Anticipated Completion Date: June 30, 2026

Planned Corrective Action: The District has been working diligently over the last several fiscal years to reduce the excess vacation balances. During the 2024-25 fiscal year, the numbers of employees exceeding the vacation maximum was reduced.

The District notifies all managers and employees of the employee's excess vacation. All managers have access to a shared Google Document that is updated regularly to reflect current vacation balances. The managers continue to work with employees that have excess vacation in developing a plan for using the excess days. In some instances, it has been difficult to allow employees to take the excess vacation, as we are short-staffed in the Transportation and Maintenance and Operations departments. The District continues to work collaboratively with CSEA to address this issue. The District has a plan in place that will reduce the vacation liability even further by June 30, 2026.

# San Dieguito Union High School District

## Schedule of Prior Year Audit Findings

For the Year Ended June 30, 2025

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<u>Finding/Recommendation</u>	<u>Status</u>	<u>Explanation if Not Implemented</u>
<p><b>Finding 2024-001</b> <b>Vacation Accrual</b></p> <p><u>Condition</u> In our testing and review of the District's vacation accrual balance at year end, we noted that 34 employees out of the total population of 362 employees listed had vacation days carried over that exceeded the maximum allowed by District policy. The employees with balances in excess of allowable carryover make up 40% of the total liability.</p> <p><u>Recommendation</u> Implement procedures that will require all employees to utilize excess vacation time in order to reduce the excess liability to the District. Monitor the vacation carryover for all employees in conjunction with District policy to ensure no employees exceed the maximum carryover of vacation days allowed. Determine the best method to limit the amount of vacation time accrued annually and establish a plan to reduce the vacation accrual liability in future.</p>	Not Fully Implemented	See Current Finding 2025-001