San Ysidro School District

County of San Diego
San Diego, California

Audit Report

June 30, 2023

WILKINSON HADLEY KING & CO. LLP
CPAs AND ADVISORS

San Ysidro School District
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June 30, 2023

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Independent Auditor's Report

To the Board of Education
San Ysidro School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the San Ysidro School District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, 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, 2023, 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 Opinions

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

Change in Accounting Principle

As described in Note A to the financial statements, in the fiscal year ended June 30, 2023, the District adopted new accounting guidance, *GASB Statement No. 96, Subscription-Based Information Technology Arrangements*. 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 financials 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 and individual 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 combining financial statements and additional supplementary information, identified in the table of contents, as required by the *2022-23 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 2024, 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.

Wilkinson Hadley King & Co. LLP

El Cajon, California
February 29, 2024

(Unaudited)

The discussion and analysis of San Ysidro School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. 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 HIGHLIGHTS3

- The decrease in Local Control Funding Formula (LCFF) sources from 2021-22 to 2021-23 was $904,187 or 3.89%.

- The general fund expenditures increased by $14,383,068 or 20.1% over the previous year amount.

- General fund revenues and other sources exceeded expenditures and other uses by $11,536,277 resulting in an increase to ending fund balance.

- The District implemented GASB Statement No. 96 during the 2022-23 fiscal year recording subscription assets and a related liability.

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 Ysidro 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 entire 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 2021-2022?"

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 major governmental funds of the District are the General Fund, the Building Fund, the Bond Interest and Redemption Fund, the Capital Projects Fund, and the Debt Service Fund. 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 ($89.2) million at June 30, 2023. Of this amount, unrestricted net position was ($68.9) million, net investment in capital assets was $(94.3) million, and restricted net position was $74.0 million. A Comparative analysis of government-wide statement of net position is presented in Table 1.

The District's net position increased $19.7 million this fiscal year (See Table 2). The District's expenses for instructional and pupil services represented 73.7% of total expenses. The administrative activities of the District accounted for just 7.1% of total costs. The remaining 19.2% was spent in the areas of plant services and other expenses, including debt service interest. (See Figure 2)

(Table 1)
Comparative Statement of Net Position

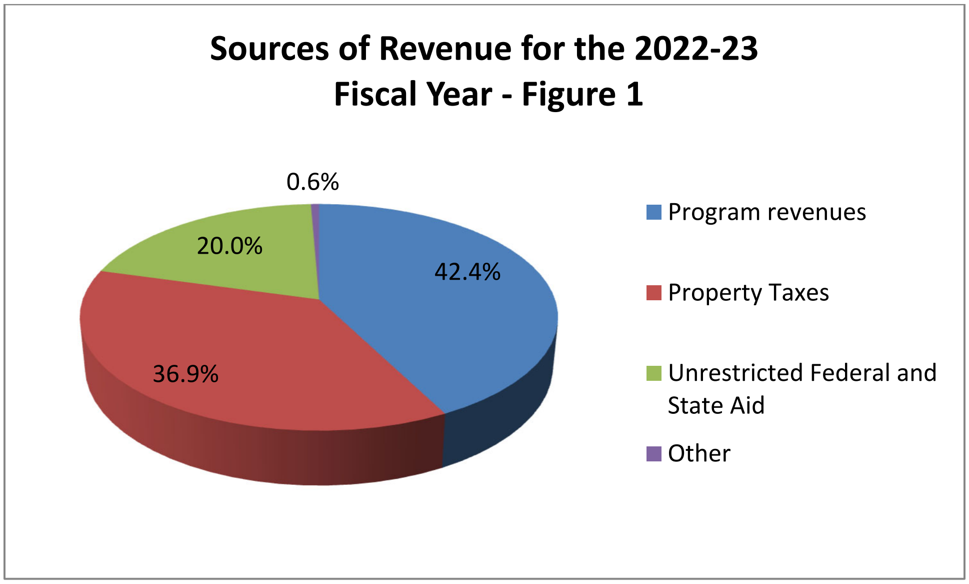
	Governmental Activities	
	June 30, 2023	**June 30, 2022**
Assets		
Cash	$ 76,771,091	65,053,053
Accounts receivable	9,221,593	4,431,288
Inventory	38,258	68,261
Capital assets, net	132,097,744	130,597,770
Lease assets, net	45,275	88,522
Subscription assets, net	555,024	-
Total Assets	$ 218,728,985	$ 200,238,894
Deferred Outflows of Resources		
Deferred outflows of resources - pensions	$ 15,184,766	10,902,869
Deferred outflows of resources - OPEB	1,784,766	1,911,880
Deferred outflows of resources - other	15,416,936	16,148,323
Total Deferred Outflows of Resources	$ 32,386,468	$ 28,963,072
Liabilities		
Accounts payable and other current liabilities	$ 6,693,364	$ 3,918,619
Unearned revenue	3,023,856	1,444,035
Long-term liabilities	319,540,128	305,492,844
Total Liabilities	$ 329,257,348	$ 310,855,498
Deferred Inflows of Resources		
Deferred inflows of resources - pensions	$ 7,382,353	$ 26,292,045
Deferred inflows of resources - other	3,627,288	908,888
Total Deferred Inflows of Resources	$ 11,009,641	$ 27,200,933
Net Position		
Net investment in capital assets	$ (94,303,702)	(97,464,790)
Restricted	74,039,358	60,396,393
Unrestricted	(68,887,192)	(71,786,068)
Total Net Position	$ (89,151,536)	$ (108,854,465)

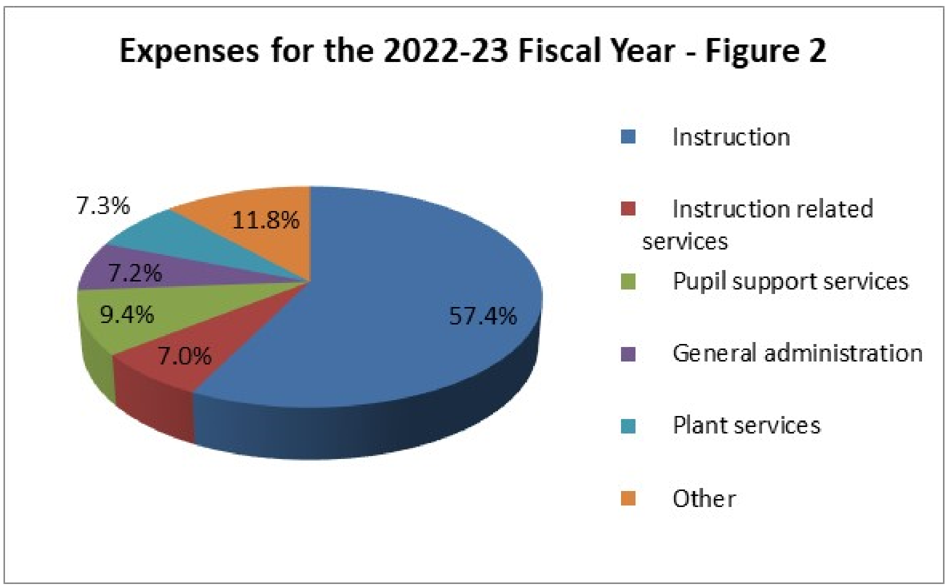
(Table 2)
Comparative Statement of Change in Net Position

	Governmental Activities	
	Year Ended June 30, 2023	Year Ended June 30, 2022
Revenues		
Program revenues		
Charges for services	$ 3,749,398	$ 1,761,727
Operating grants and contributions	48,168,076	22,463,999
Capital grants and contributions	110,796	6,246,628
General revenues		
Taxes levied for general purposes	31,805,952	25,638,271
Taxes levied for debt service	9,474,381	10,895,474
Taxes levied for other specific purposes	4,030,619	3,525,629
Federal and state aid not restricted to specific purposes	24,566,454	26,268,713
Interest and investment earnings	274,001	(977,711)
Miscellaneous	519,275	263,067
Total Revenues	122,698,952	96,085,797
Expenses		
Instruction	59,111,925	45,660,668
Instruction related services	7,193,940	4,842,462
Pupil support services	9,691,444	6,893,513
General administration	7,364,926	5,120,466
Plant services	7,509,841	6,248,527
Other	12,123,947	11,471,569
Total Expenses	102,996,023	80,237,205
Increase (Decrease) in Net Position	19,702,929	15,847,802
Net Position - Beginning Balance	(108,854,465)	(125,921,555)
Adjustment to Beginning Balance**	-	1,219,288
Net Position - Ending Balance	$ (89,151,536)	$ (108,854,465)

GOVERNMENTAL ACTIVITIES

As reported in the Statement of Activities, the cost of all of the District's governmental activities this year was $102.99 million. The amount that our local taxpayers financed for these activities through property taxes was $45.3 million. Federal and State aid not restricted to specific purposes totaled $24.6 million. Operating grants and contributions revenue was $48.2 million. Operating grants and unrestricted federal and state aid covered 70.6% of the expenses of the entire District. (See Figure 1)





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 $77.5 million, an increase of $12.0 million from the previous fiscal year's combined ending balance of $65.4 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 overall expenditures.
- 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.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets and Lease 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.

(Table 3)
Comparative Schedule of Capital Assets and Lease Assets, and Subscription Assets

	June 30, 2023	June 30, 2022	Net $ Change	Net % Change
Land	$ 45,896,267	$ 45,896,267	$ -	0.0%
Work in Progress	6,168,561	1,085,875	5,082,686	468.1%
Land Improvements	19,923,026	19,923,026	-	0.0%
Buildings & Improvements	134,727,997	134,727,997	-	0.0%
Equipment	4,308,733	3,562,985	745,748	20.9%
Less Accumulated Depreciation for				
Land Improvements	(17,567,409)	(17,150,420)	(416,989)	2.4%
Buildings & Improvements	(58,245,105)	(54,447,636)	(3,797,469)	7.0%
Equipment	(3,114,326)	(3,000,424)	(113,902)	3.8%
Lease Assets	131,769	131,769	-	0.0%
Less Accumulated Amortization	(86,494)	(43,247)	(43,247)	100.0%
Subscription Assets	845,500	-	845,500	100.0%
Less Accumulated Amortization	(290,476)	-	(290,476)	100.0%
Total	$ 132,698,043	$ 130,686,192	$ 1,500,074	1.1%

*Adjusted from amounts reported in 2020-21 MD&A to reflect GASB 87 implementation.

Long-Term Obligations

At June 30, 2022 the District had $319.5 million in long-term obligations outstanding. Table 4 shows a comparative schedule of long-term obligation items.

(Table 4)
Comparative Schedule of Long-Term Obligations

	June 30, 2023	June 30, 2022	Net $ Change	Net % Change
General Obligation Bonds	$ 212,861,600	$ 211,555,147	$ 1,306,453	0.6%
Certificates of Participation	38,685,627	36,822,463	1,863,164	5.1%
OPEB Liability	18,578,137	16,544,352	2,033,785	12.3%
Principal Apportionment	1,351,947	1,081,557	270,390	25.0%
Compensated Absences	634,698	440,532	194,166	44.1%
Net Pension Liability	33,290,775	52,465,884	(19,175,109)	-36.5%
Subscriptions Payable	-	584,659	(584,659)	-100.0%
Leases Payable	90,060	45,534	44,526	97.8%
Total Long-Term Debt	$ 305,492,844	$ 319,540,128	$ (14,047,284)	-4.4%

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the district was aware of several circumstances that could affect its future financial health. In February 2024, the Legislative Analyst Office (LAO) projected a state budget deficit of $73 billion as compared to their January deficit proposal of $68 billion. State revenues are significantly down. The potential increase in the deficit amount could lead to significant reductions in allocations and programs. The LAO's proposal includes abandoning the funding for the COLA, looking at dollars that have yet to be allocated to districts and considering reducing costs in ongoing programs such as ELO-P, school nutrition, Transitional Kindergarten, school transportation and State Preschool. LAO suggests eliminating some LCFF add-ons such as TIIG and minimum state aid.

Budget subcommittees in both houses of the Legislature have already begun the process of evaluating the Governor's budget proposal and will be simultaneously reviewing the LAO's alternatives. This work will become much more serious once April revenues are posted from tax receipts and the May Revision is submitted by the Governor.

The district will continue to conservatively manage the budget in anticipation that budget cuts could be implemented in the current and subsequent budget years.

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 Ysidro School District, 4350 Otay Mesa Road, San Ysidro, California 92173.

Basic Financial Statements

San Ysidro School District
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Cash and Investments	$ 76,771,091
Accounts Receivable	9,221,593
Inventory	38,258
Capital Assets:	
Land	45,896,267
Land Improvements	19,923,026
Buildings & Improvements	134,727,997
Equipment	4,308,733
Work in Progress	6,168,561
Less Accumulated Depreciation	(78,926,840)
Lease Assets:	
Equipment	131,769
Less Accumulated Amortization	(86,494)
Subscription Assets:	
Software Subscriptions	845,500
Less Accumulated Amortization	(290,476)
Total Assets	218,728,985
Deferred Outflows of Resources	32,386,468
Liabilities	
Accounts Payable and Other Current Liabilities	6,693,364
Unearned Revenue	3,023,856
Long-Term Liabilities:	
Due Within One Year	11,989,275
Due In More Than One Year	307,550,853
Total Liabilities	329,257,348
Deferred Inflows of Resources	11,009,641
Net Position	
Net Investment in Capital Assets	(94,303,702)
Restricted For:	
Capital Projects	35,519,862
Debt Service	10,660,603
Educational Programs	20,009,737
Other Purposes (Expendable)	7,722,465
Other Purposes (Nonexpendable)	126,691
Unrestricted	(68,887,192)
Total Net Position	$ (89,151,536)

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

San Ysidro School District

Statement of Activities

For the Year Ended June 30, 2023

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities					
Instruction	$ 59,111,925	$ 3,686,753	$ 38,518,891	$ 110,796	$ (16,795,485)
Instruction-Related Services:					
Instructional Supervision and Administration	1,741,564	-	555,944	-	(1,185,620)
Instructional Library, Media and Technology	859,852	-	152	-	(859,700)
School Site Administration	4,592,524	-	434,621	-	(4,157,903)
Pupil Services:					
Home-to-School Transportation	942,284	-	-	-	(942,284)
Food Services	3,487,487	2,251	4,390,731	-	905,495
All Other Pupil Services	5,261,673	1,007	2,930,403	-	(2,330,263)
General Administration:					
Centralized Data Processing	1,447,699	-	256,178	-	(1,191,521)
All Other General Administration	5,917,227	3,538	891,757	-	(5,021,932)
Plant Services	7,509,841	7,253	147,824	-	(7,354,764)
Ancillary Services	99,596	48,596	41,575	-	(9,425)
Community Services	6,467	-	-	-	(6,467)
Interest on Long-Term Debt	11,839,098	-	-	-	(11,839,098)
Debt Issuance Costs	72,895	-	-	-	(72,895)
Transfers to County Office of Education	105,891	-	-	-	(105,891)
Total Governmental Activities	$ 102,996,023	$ 3,749,398	$ 48,168,076	$ 110,796	(50,967,753)

General Revenues	
Taxes and Subventions:	
Property Taxes, Levied for General Purposes	$ 31,805,952
Property Taxes, Levied for Debt Service	9,474,381
Property Taxes, Levied for Other Specific Purposes	4,030,619
Federal and State Aid Not Restricted for Specific Purposes	24,566,454
Interest and Investment Earnings	274,001
Miscellaneous	519,275
Total General Revenues	70,670,682
Change in Net Position	19,702,929
Net Position - Beginning of Year	(108,854,465)
Net Position - Ending	$ (89,151,536)

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

San Ysidro School District

Balance Sheet – Governmental Funds

June 30, 2023

	General Fund	Building Fund	Bond Interest & Redemption Fund	Blended Component Units (CFD & PFA) Capital Projects Fund	Blended Component Units (CFD & PFA) Debt Service Fund	Nonmajor Governmental Funds	Total
Assets							
Cash and Investments	$ 25,368,499	$ 18,902,332	$ 10,660,603	$ 5,114,804	$ -	$ 16,724,853	$ 76,771,091
Accounts Receivable	8,119,032	-	-	-	-	1,102,561	9,221,593
Due from Other Funds	1,532,949	13,858	-	-	-	81,824	1,628,631
Stores Inventories	-	-	-	-	-	38,258	38,258
Total Assets	$ 35,020,480	$ 18,916,190	$ 10,660,603	$ 5,114,804	$ -	$ 17,947,496	$ 87,659,573
Liabilities and Fund Balance:							
Liabilities:							
Accounts Payable	3,495,596	1,971,064	-	-	-	66,821	5,533,481
Due to Other Funds	95,682	13,872	-	40,000	-	1,479,077	1,628,631
Unearned Revenue	2,653,808	-	-	-	-	370,048	3,023,856
Total Liabilities	6,245,086	1,984,936	-	40,000	-	1,915,946	10,185,968
Fund Balance:							
Nonspendable	88,433	-	-	-	-	38,258	126,691
Restricted	25,252,714	16,931,254	10,660,603	5,074,804	-	15,993,292	73,912,667
Assigned	937,357	-	-	-	-	-	937,357
Unassigned	2,496,890	-	-	-	-	-	2,496,890
Total Fund Balance	28,775,394	16,931,254	10,660,603	5,074,804	-	16,031,550	77,473,605
Total Liabilities and Fund Balances	$ 35,020,480	$ 18,916,190	$ 10,660,603	$ 5,114,804	$ -	$ 17,947,496	$ 87,659,573

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

San Ysidro School District

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2023

Total fund balances, governmental funds:			$ 77,473,605
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		211,024,584	
Accumulated depreciation		(78,926,840)	
	Net		132,097,744
Lease assets relating to governmental activities, at historical cost		131,769	
Accumulated amortization		(86,494)	
	Net		45,275
Subscription assets relating to governmental activities, at historical cost		845,500	
Accumulated amortization		(290,476)	
	Net		555,024
Unamortized costs: In governmental funds, debt issue costs are recognized as expenditures in the period they are incurred. In the government-wide statements, debt issue costs for prepaid debt insurance are amortized over the life of the debt. Unamortized debt insurance costs included in deferred outflows of resources on the			2,060,127
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 unmatured interest owing at the end of the period was:			(1,159,883)
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:			13,356,809

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	211,555,147	
Certificates of participation payable	36,822,463	
Leases payable	45,534	
Subscription liability	584,659	
Principal apportionment repayment plan	1,081,557	
Net pension liability	52,465,884	
Total OPEB liability	16,544,352	
Compensated absences	440,532	
Total		(319,540,128)

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	15,184,766	
Deferred inflows of resources relating to pensions	(7,382,353)	
Net		7,802,413

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

Deferred outflows of resources relating to OPEB	1,784,766	
Deferred inflows of resources relating to OPEB	(3,627,288)	
Net		(1,842,522)

Total net position, governmental activities:	$ (89,151,536)

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

San Ysidro School District

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Year Ended June 30, 2023

				Blended Component Units (CFD & PFA)			
	General Fund	Building Fund	Bond Interest & Redemption Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Revenues							
State Apportionment	$ 22,367,051	$ -	$ -	$ -	$ -	$ -	$ 22,367,051
Education Protection Account Funds	828,252	-	-	-	-	-	828,252
Property Taxes	31,805,952	-	9,474,381	4,030,619	-	-	45,310,952
Federal Revenue	11,827,249	-	-	-	-	2,900,445	14,727,694
Other State Revenue	21,341,865	-	-	-	-	3,477,454	24,819,319
Interest Income	354,294	348,712	140,967	20,641	-	231,882	1,096,496
FMV Adjustment	(296,100)	(36,583)	(298,923)	(37,795)	-	(153,094)	(822,495)
Other Local Revenue	5,454,344	-	(29,630)	-	-	2,891,629	8,316,343
Total Revenues	$ 93,682,907	$ 312,129	$ 9,286,795	$ 4,013,465	$ -	$ 9,348,316	$ 116,643,612
Expenditures							
Current Expenditures:							
Instruction	52,824,605	-	-	-	-	1,347,554	54,172,159
Instruction - Related Services	5,940,181	-	-	-	-	372,108	6,312,289
Pupil Services	5,815,984	-	-	-	-	3,170,682	8,986,666
Ancillary Services	-	-	-	-	-	99,596	99,596
General Administration	6,904,254	-	-	-	-	151,581	7,055,835
Plant Services	7,100,688	102,403	-	-	-	100,287	7,303,378
Other Outgo	105,891	-	-	-	-	-	105,891
Capital Outlay	3,834,340	2,800,801	-	-	-	38,793	6,673,934
Debt Service:							
Principal	372,736	-	7,740,024	-	1,672,631	-	9,785,391
Interest	93,451	-	3,630,644	-	1,229,906	-	4,954,001
Total Expenditures	82,992,130	2,903,204	11,370,668	-	2,902,537	5,280,601	105,449,140
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,690,777	(2,591,075)	(2,083,873)	4,013,465	(2,902,537)	4,067,715	11,194,472
Other Financing Sources (Uses):							
Transfers In	-	-	-	-	2,902,537	6,248,244	9,150,781
Transfers Out	-	-	-	(2,902,537)	-	(6,248,244)	(9,150,781)
Proceeds from SBITAs	845,500	-	-	-	-	-	845,500
Total Other Financing Sources (Uses)	845,500	-	-	(2,902,537)	2,902,537	-	845,500
Net Change in Fund Balance	11,536,277	(2,591,075)	(2,083,873)	1,110,928	-	4,067,715	12,039,972
Fund Balance, Beginning of Year	17,239,117	19,522,329	12,744,476	3,963,876	-	11,963,835	65,433,633
Fund Balance, End of Year	$ 28,775,394	$ 16,931,254	$ 10,660,603	$ 5,074,804	$ -	$ 16,031,550	$ 77,473,605

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

Total change in fund balances, governmental funds:		$ 12,039,972
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 and depreciation expense or amortization expense for the period is:		
Expenditures for capital outlay	6,673,934	
Depreciation expense	(4,328,460)	
Amortization expense	(333,723)	
Net		2,011,751
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:		9,785,391
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, net of issue premium or discount, were:		(845,500)
Other liabilities not normally liquidated with current financial resources: In the government-wide statements, expenses must be accrued in connection with any liabilities incurred during the period that are not expected to be liquidated with current financial resources, in addition to compensated absences and long-term debt. Examples include special termination benefits such as retirement incentives financed over time, and structured legal settlements. This year, expenses incurred for such obligations were:		270,390
Debt issue costs for prepaid debt insurance: In governmental funds, debt issue costs are recognized as expenditures in the period they are incurred. In the government-wide statements, debt issue costs for prepaid debt insurance are amortized over the life of the debt. The difference between debt issue costs for prepaid insurance incurred in the current period and prepaid insurance costs amortized for the period is:		(72,895)

San Ysidro 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, 2023

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:	(6,631,383)
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 was:	(253,714)
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:	194,166
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:	4,016,480
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:	(811,729)
Change in net position of governmental activities:	$ 19,702,929

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

A. Summary of Significant Accounting Policies

San Ysidro 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 K-8 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 facilities funds, debt service funds, and student-related activities.

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 and the San Ysidro Community Facilities District (the CFD) and the San Ysidro School District Public Financing Authority (PFA) 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 CFD and PFA as a component unit of the District. Therefore, the financial activities of the CFD and PFA 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 CFD and PFA which satisfy Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, criteria:

a. Manifestations of Oversight

The governing body of the CFD and PFA are substantively the same as the District's Board of Directors.

The CFD and PFA have no employees, the District's Superintendent and Director of Fiscal Services function as agents of the CFD and PFA. Neither individual received additional compensation for work performed in this capacity.

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

b. Accounting and Fiscal Matters

All major financing arrangements, contracts, and other transactions of the CFD and PFA 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 CFD and PFA.

c. Scope of Public Service and Financial Presentation

The CFD and PFA was created for the sole purpose of financially assisting the District.

The CFD and PFA 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 CFD and PFA 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 and PFA facilities.

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

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. 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.

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*).

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.

Capital Projects Fund for Blended Component Units (CFD & PFA): 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, a "Community Facilities District" (CFD) for the purpose of selling tax-exempt bonds to finance public improvements and services. The District has one CFD reported as a blended component unit.

Debt Service Fund for Blended Component Units (CFD & PFA): 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 District" (CFD) for the purpose of selling tax-exempt bonds to finance public improvements and services. The District has one CFD reported as a blended component unit.

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*).

Child Development Fund: This fund is used to account separately for federal, state, and local revenues to operate child development programs.

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*).

4. Basis of Accounting – Measurement Focus

Government-Wide Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using 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.

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 1st. 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.

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.

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

Asset Class	Estimated Useful Life
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. Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. The balance of the liabilities is recognized in the government-wide financial statements at year end.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

f. Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized.

g. 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.

h. 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.

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.

i. 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 3% of the general fund operating expenses and other financing uses.

j. 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.

k. 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, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

l. Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the total 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	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

9. 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.

10. 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.

11. 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.

12. 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, 2023. Those newly implemented pronouncements are as follows:

Description	Date Issued
GASB Statement 91, Conduit Debt Obligations	05/2019
GASB Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements	03/2020
GASB Statement 96, Subscription Based Information Technology Arrangements	05/2020
GASB Statement 99, Omnibus 2022 (Portions related to leases, PPPs, and SBITAs)	04/2022
GASB Implementation Guide 2021-1, Implementation Guidance Update - 2021 (Except Question 5.1)	05/2021

Implementation of these standards did not result in any changes to financial accounting or reporting for the District.

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:

Violation	Action Taken
None Reported	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:

Fund Name	Deficit Amount	Remarks
None	Not Applicable	Not Applicable

C. Fair Value Measurements

The District's investments at June 30, 2023, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

		Fair Value Measurement Using		
	Amount	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	$ 75,035,634	$ -	$ 75,035,634	$ -
Total investments by fair value level	$ 75,035,634	$ -	$ 75,035,634	$ -
Total investments by fair value level				
Money Market Funds	$ 1,590,222	$ 1,590,222	$ -	$ -
Total investments by fair value level	$ 1,590,222	$ 1,590,222	$ -	$ -

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.

D. Cash and Investments

As of June 30, 2023, the District held the following cash and cash equivalents:

				Blended Component Units (CFD & PFA)			
	General Fund	Building Fund	Bond Interest & Redemption Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Cash in County Treasury	$ 25,963,819	$ 19,432,353	$ 10,959,526	$ 3,623,411	$ -	$ 17,160,523	$ 77,139,632
FMV Adjustment	(708,168)	(530,021)	(298,923)	(98,829)	-	(468,057)	(2,103,998)
Revolving Cash	88,433	-	-	-	-	-	88,433
Cash in Bank	24,415	-	-	-	-	32,387	56,802
Cash with Fiscal Agent	-	-	-	1,590,222	-		1,590,222
Total	$ 25,368,499	$ 18,902,332	$ 10,660,603	$ 5,114,804	$ -	$ 16,724,853	$ 76,771,091

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 ($77,139,632 as of June 30, 2023). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was $75,035,634. 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 ($56,802 as of June 30, 2023) and in revolving fund ($88,433 as of June 30, 2023) are insured up to $250,000 by the Federal Depository Insurance Corporation (FDIC).

3. Cash with Fiscal Agents

   The District's cash with fiscal agents at June 30, 2023 are shown below:

Investment or Investment Type	Maturity	Fair Value
U.S. Money Market Funds	< 30 days	$ 1,590,222

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.

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 Years	None	None
Registered State Bonds, Notes, Warrants	5 Years	None	None
U.S. Treasury Obligations	5 Years	None	None
U.S. Agency Securities	5 Years	None	None
Banker's Acceptance	180 Days	40%	30%
Commercial Paper	270 Days	25%	10%
Negotiable Certificates of Deposit	5 Years	30%	None
Repurchase Agreements	1 Year	None	None
Reverse Repurchase Agreements	92 Days	20% of Base	None
Medium-Term Corporate notes	5 Years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 Years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund	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 recognized rating agencies are designed to give an indication of risk.

At June 30, 2023, credit risk for the District's investments was as follows:

Investment Type	Rating	Rating Agency	Amount
County Treasurer's Investment Pool	Unrated	Not Applicable	$ 75,035,634
Money Market Funds	Unrated	Not Applicable	1,590,222

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, 2023, the District's bank balances, including revolving cash, did not exceed FDIC insurance limitations and as such the District was not exposed to custodial credit risk.

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 $75,035,634. The average weighted maturity for this pool was 438 days at June 30, 2023.

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.

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.

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, 2023, consisted of:

	General Fund	Nonmajor Governmental Funds	Total
Federal Government:			
Special Education	$ 1,174,680	$ -	$ 1,174,680
EPA	208,650	-	208,650
Title IV	52,603	-	52,603
ESSER	3,143,934	-	3,143,934
ELO Grant	945,918	-	945,918
Head Start	-	39,017	39,017
American Rescue Plan	15,608	-	15,608
Child Nutrition	-	612,842	612,842
State Government:			
LCFF State Aid	397,528	-	397,528
Lottery	251,754	-	251,754
Special Education	34,667	-	34,667
Child Development	-	11,354	11,354
State Mental Health	42,855	-	42,855
Discretionary Block Grant	1,126,583	-	1,126,583
Child Nutrition	-	366,552	366,552
Other State Programs	-	-	-
Local Sources			
Interest	4,347	870	5,217
ASES	719,905	-	719,905
Other Local Sources	-	71,926	71,926
Total Accounts Receivable	$ 8,119,032	$ 1,102,561	$ 9,221,593

F. Capital Assets, Lease Assets, and Subscription Assets

Capital asset, lease asset, and subscription asset activity for the year ended June 30, 2023, was as follows:

Governmental activities:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	$ 45,896,267	$ -	$ -	$ 45,896,267
Work in progress	1,085,876	5,082,685	-	6,168,561
Total capital assets not being depreciated	46,982,143	5,082,685	-	52,064,828
Capital assets being depreciated:				
Land improvements	19,923,026	-	-	19,923,026
Buildings and improvements	134,727,997	-	-	134,727,997
Equipment	3,562,985	745,748	-	4,308,733
Total capital assets being depreciated	158,214,008	745,748	-	158,959,756
Less accumulated depreciation for:				
Land improvements	(17,150,420)	(416,989)	-	(17,567,409)
Buildings and improvements	(54,447,636)	(3,797,469)	-	(58,245,105)
Equipment	(3,000,324)	(114,002)	-	(3,114,326)
Total accumulated depreciation	(74,598,380)	(4,328,460)	-	(78,926,840)
Total capital assets, net	130,597,771	1,499,973	-	132,097,744
Lease assets				
Equipment	131,769	-	-	131,769
Less accumulated amortization	(43,247)	(43,247)	-	(86,494)
Total lease assets, net	88,522	(43,247)	-	45,275
Subscription assets				
Software subscriptions	-	845,500	-	845,500
Less accumulated amortization	-	(290,476)	-	(290,476)
Total subscription assets, net	-	555,024	-	555,024
Total capital lease, and subscription assets, net	$ 130,686,293	$ 2,011,750	$ -	$ 132,698,043

Depreciation and amortization were charged to functions as follows:

	Depreciation By Function	Amortization By Function
Instruction	$ 3,178,214	$ 290,476
Instruction Related	630,511	-
Pupil Services	444,746	-
Ancillary Services	6,467	-
General Administration	41,150	43,247
Plant Services	27,372	-
	$ 4,328,460	$ 333,723

G. Interfund Balances & Activities

1. Due To and From Other Funds

Balances due to and due from other funds at June 30, 2023 consisted of the following:

Interfund Receivable (Due From Other Funds)	Interfund Payable (Due To Other Funds)	Amount	Purpose
General Fund	Building Fund	$ 13,872	Reimburse expenditures
General Fund	Capital Project Fund	40,000	Reimburse expenditures
General Fund	Nonmajor Governmental Funds	1,479,077	Indirect costs and expenditure reimbursement
Building Fund	General Fund	13,858	Reimburse expenditures
Nonmajor Governmental Funds	General Fund	81,824	Reimburse expenditures
	Total	$ 1,628,631	

2. Transfers To and From Other Funds

Transfers to and from other funds at June 30, 2023, consisted of the following:

Transfers In	Transfers Out	Amount	Purpose
Debt Service Fund	Capital Project Fund	$ 2,902,537	Debt Service Expenditures
Nonmajor Governmental Funds	Nonmajor Governmental funds	6,248,244	Capital Projects Expenditures
	Total	$ 9,150,781	

H. Accounts Payable

Accounts payable balances as of June 30, 2023 consisted of:

	General Fund	Building Fund	Nonmajor Governmental Funds	Total
Vendors Payable	$ 885,427	$ 1,971,064	$ 964	$ 2,857,455
Payroll and Benefits	1,170,271	-	65,857	1,236,128
Other	358,341	-	-	358,341
LCFF Repayment	1,081,557	-	-	1,081,557
Total accounts payable	$ 3,495,596	$ 1,971,064	$ 66,821	$ 5,533,481

I. Unearned Revenue

Unearned revenue balances as of June 30, 2023 consisted of:

	General Fund	Non Major Governmental Funds	Total
Federal Programs			
Title III Immigrant Education	$ 1,305,876	$ -	$ 1,305,876
ESSA School Improvement	44,460	-	44,460
ELO GEER II	34,915	-	34,915
Special Education	28,948	-	28,948
Title II Supporting Effective Inst.	154,810	-	154,810
Title IV Student Support	100,030	-	100,030
Title III Immigrant Student	6,420	-	6,420
Title III English Learner	196,261	-	196,261
ESSA Education for Homeless	130,945	-	130,945
American Rescue Plan	11,468	-	11,468
Head Start	-	284,419	284,419
Child Nutrition	-	11,596	11,596
State Programs			
Universal PreKinder Grant	465,861	-	465,861
Local Programs			
Child Development	-	74,033	74,033
CalSHAPE Grant	173,814	-	173,814
Total Unearned Revenue	$ 2,653,808	$ 370,048	$ 3,023,856

J. 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. The District did not issue any short-term debt during the current fiscal year.

K. Fund Balance Classifications of the Governmental Funds

Ending fund balance classifications of the governmental funds for the year ended June 30, 2023 consisted of:

				Blended Component Units (CFD & PFA)			
	General Fund	Building Fund	Bond Interest & Redemption Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Nonspendable Fund Balance							
Revolving Cash	$ 88,433	$ -	$ -	$ -	$ -	$ -	$ 88,433
Stores	-	-	-	-	-	38,258	38,258
Total Nonspendable Fund Balance	88,433	-	-	-	-	38,258	126,691
Restricted Fund Balance							
Capital Projects	-	16,931,254	-	5,074,804	-	13,513,804	35,519,862
Debt Service	-	-	10,660,603	-	-	-	10,660,603
Educational Programs	20,384,846	-	-	-	-	399,172	20,784,018
Child Nutrition	221,522	-	-	-	-	2,048,931	2,270,453
Associated Student Body	-	-	-	-	-	31,385	31,385
Restricted Maintenance	1,057,264	-	-	-	-	-	1,057,264
Other Purposes	3,589,082	-	-	-	-	-	3,589,082
Total Restricted Fund Balance	25,252,714	16,931,254	10,660,603	5,074,804	-	15,993,292	73,912,667
Assigned Fund Balance							
Educational Programs	40,541	-	-	-	-	-	40,541
ADA Overstatement Repayment	896,816	-	-	-	-	-	896,816
Total Assigned Fund Balance	937,357	-	-	-	-	-	937,357
Unassigned Fund Balance							
For Economic Uncertanties	2,496,890	-	-	-	-	-	2,496,890
Total Unassigned Fund Balance	2,496,890	-	-	-	-	-	2,496,890
Total Fund Balance	$ 28,775,394	$ 16,931,254	$ 10,660,603	$ 5,074,804	$ -	$ 16,031,550	$ 77,473,605

L. 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, 2023, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds	$ 139,506,092	$ -	$ 7,740,024	$ 131,766,068	$ 6,038,132
Bond Premiums	5,688,502	-	281,614	5,406,888	214,436
Accreted Interest	67,667,006	8,520,161	1,804,976	74,382,191	1,996,868
Total GO Bonds	212,861,600	8,520,161	9,826,614	211,555,147	8,249,436
Certificates of Participation	36,230,000	-	1,740,000	34,490,000	1,835,000
COPS Premiums	2,455,627	-	123,164	2,332,463	320,844
Total Certificates of Participation	38,685,627	-	1,863,164	36,822,463	2,155,844
Leases Payable	90,060	-	44,526	45,534	39,322
Subscriptions Payable	-	845,500	260,841	584,659	288,151
Principal Apportionment Plan	1,351,947	-	270,390	1,081,557	270,390
Total OPEB Liability*	18,578,137	-	2,033,785	16,544,352	545,600
Net Pension Liability*	33,290,775	19,175,109	-	52,465,884	-
Compensated Absences*	634,698	-	194,166	440,532	440,532
Total Governmental Activities	$ 305,492,844	$ 28,540,770	$ 14,493,486	$ 319,540,128	$ 11,989,275

*Other long-term liabilities

- Payments for general obligation bonds are made from the bond interest and redemption fund.
- Payments for certificates of participation are made from the debt service fund for blended component units.
- Payments for leases payable are made from the general fund.
- Payments for subscriptions payable are made from the general fund.
- Payments for pension contributions are made from the general fund.
- Payments for OPEB contributions are made from the general fund.
- Payments for compensated absences are made from the general 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.

In 1997, registered voters authorized the issuance of $250,000,000 principal amount of general obligation bonds. Of the amounts originally authorized, $108,487,391 were not issued.

On March 3, 2020, registered voters approved Measure U authorizing the issuance of $55,500,000 in bonds to replace the bonds previously authorized in 1997. Of the amounts authorized under Measure U, $35,500,000 remains unissued.

On March 3, 2020, registered voters approved Measure T authorizing the issuance of $52,985,000 in general obligation bonds. Of the amounts authorized under Measure T, $37,155,000 remains unissued.

General obligation bonds at June 30, 2023 consisted of the following:

	Date of Issue	Interest Rate	Maturity Date	Amount of Original Issue
1997 Election, Series D	02/01/05	3.00-4.25%	08/01/29	$ 24,619,362
1997 Election, Series E	11/15/07	4.00-5.00%	08/01/32	33,952,740
1997 Election, Series F	06/28/11	2.00-10.90%	08/01/50	17,599,623
1997 Election, Series G	05/31/12	5.45-12.00%	08/01/41	28,990,884
2012 Refunding Bonds	06/27/12	0.50-5.00%	08/01/29	29,860,000
2015 Refunding Bonds	06/03/15	2.00-5.43%	08/01/48	45,643,442
2020 Series A, Measure U	09/03/20	3.00-4.00%	08/01/45	20,000,000
2020 Series A, Measure T	09/03/20	0.37-2.97%	08/01/45	15,830,000
Total GO Bonds				$ 216,496,051

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
1997 Election, Series D					
Principal	$ 11,333,323	$ -	$ 1,330,024	$ 10,003,299	$ 1,333,132
Premium	273,584	-	32,106	241,478	32,182
Accreted Interest	16,044,351	1,382,950	1,804,976	15,622,325	1,996,868
1997 Election, Series E					
Principal	14,137,741	-	-	14,137,741	-
Premium	301,361	-	-	301,361	-
Accreted Interest	15,122,979	1,542,821	-	16,665,800	-
1997 Election, Series F					
Principal	580,702	-	-	580,702	-
Premium	35,967	-	-	35,967	-
Accreted Interest	1,206,716	200,222	-	1,406,938	-
1997 Election, Series G					
Principal	28,990,884	-	-	28,990,884	-
Premium	925,828	-	-	925,828	-
Accreted Interest	20,947,313	2,899,918	-	23,847,231	-
2012 Refunding Bonds					
Principal	11,185,000	-	1,525,000	9,660,000	1,665,000
Premium	699,519	-	95,375	604,144	103,505
2015 Refunding Bonds					
Principal	40,188,442	-	1,860,000	38,328,442	2,030,000
Premium	1,182,435	-	54,725	1,127,710	59,727
Accreted Interest	14,345,647	2,494,250	-	16,839,897	-
2020 Series A, Measure U					
Principal	18,495,000	-	1,690,000	16,805,000	810,000
Premium	2,269,808	-	99,408	2,170,400	19,022
2020 Series A, Measure T					
Principal	14,595,000	-	1,335,000	13,260,000	200,000
Total GO Bonds	$ 212,861,600	$ 8,520,161	$ 9,826,614	$ 211,555,147	$ 8,249,436

The annual requirements to amortize the bonds outstanding at June 30, 2023 are as follows:

Year Ended June 30,	Principal	Interest	Accreted Interest	Total
2024	$ 6,028,132	$ 1,625,783	$ 1,996,868	$ 9,650,783
2025	5,706,776	1,426,932	2,283,224	9,416,932
2026	6,216,794	1,237,423	2,418,206	9,872,423
2027	4,373,112	1,111,643	5,186,888	10,671,643
2028	4,485,327	1,058,758	5,644,673	11,188,758
2029-2033	20,642,397	4,518,212	36,047,603	61,208,212
2034-2038	24,101,382	3,609,085	47,083,618	74,794,085
2039-2043	25,618,475	2,244,988	67,656,525	95,519,988
2044-2048	30,225,775	419,288	88,929,225	119,574,288
2049-2053	4,367,898	-	21,447,102	25,815,000
Total	$ 131,766,068	$ 17,252,112	$ 278,693,932	$ 427,712,112

Amounts represented in the repayment schedule for accreted interest are reflective of 100% of amounts to be repaid. Amounts represented as accreted interest in the debt summary are reflective of amounts that have accrued as of June 30, 2023.

Accreted interest is the process of systematically increasing the carrying amount of capital appreciation bonds to their estimated value at the maturity date of the bond. The District imputes the effective interest rate, using the present value, the face value, and the period of the bond and multiplies the effective interest rate by the book value of the debt at the end of the period.

Premium

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 issued at a premium are as follows:

	1997 Series D	1997 Series E	1997 Series F	1997 Series G
Total Interest Payments on Bonds	$ 30,814,643	$ 43,043,707	$ 213,389,044	$ 88,034,116
Less Bond Premium	(594,306)	(723,738)	(1,090,083)	(925,828)
Net Interest Payments	$ 30,220,337	$ 42,319,969	$ 212,298,961	$ 87,108,288
Par Amount of Bonds	24,619,362	33,952,740	17,599,623	28,990,884
Periods	25	25	39	30
Effective Interest Rate	4.91%	4.99%	30.93%	10.02%

	2012 Refunding Bonds	2015 Refunding Bonds	2020 Series A, Measure U	2020 Series A, Measure T
Total Interest Payments on Bonds	$ 9,538,616	$ 128,956,075	$ 11,487,125	$ 6,228,183
Less Bond Premium	(1,867,466)	(1,342,933)	(2,454,509)	-
Net Interest Payments	$ 7,671,150	$ 127,613,142	$ 9,032,616	$ 6,228,183
Par Amount of Bonds	29,860,000	45,643,442	20,000,000	15,830,000
Periods	18	34	25	25
Effective Interest Rate	1.43%	8.22%	1.81%	1.57%

3. Certificates of Participation

The District's certificates of participation (COPs) consist of various issues of COPs that are generally callable with interest payable semiannually. COPs proceeds pay primarily for acquiring or constructing capital facilities. The District repays COPs from the debt service fund for component units. The debt is secured by facilities owned by the District.

Certificates of participation issued by the District as of June 30, 2023 consisted of the following:

	Date of Issue	Interest Rate	Maturity Date	Amount of Original Issue
2015 Refunding COPS	08/18/15	1.75-5.00%	09/01/34	$ 21,585,000
2016 Refunding COPS	09/29/16	2.00-4.00%	09/01/35	6,505,000
2021 COPS	04/08/21	2.00-4.00%	09/01/50	16,455,000
Total COPs				$ 44,545,000

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
2015 Refunding COPS					
Principal	$ 14,585,000	$ -	$ 1,165,000	$ 13,420,000	$ 1,230,000
Premium	1,053,299	-	84,134	969,165	88,828
2016 Refunding COPS					
Principal	5,855,000	-	185,000	5,670,000	195,000
Premium	636,959	-	20,126	616,833	212,143
2021 COPS					
Principal	15,790,000	-	390,000	15,400,000	410,000
Premium	765,369	-	18,904	746,465	19,873
Total COPs	$ 38,685,627	$ -	$ 1,863,164	$ 36,822,463	$ 2,155,844

The annual requirements to amortize the certificates of participation at June 30, 2023 are as follows:

Year Ended June 30,	Principal	Interest	Total
2024	$ 1,835,000	$ 1,266,568	$ 3,101,568
2025	1,835,000	1,190,000	3,025,000
2026	1,740,000	1,117,193	2,857,193
2027	1,795,000	1,046,543	2,841,543
2028	1,935,000	983,056	2,918,056
2029-2033	10,895,000	2,242,743	13,137,743
2034-2038	7,955,000	665,493	8,620,493
2039-2043	3,320,000	374,818	3,694,818
2044-2048	2,575,000	363,918	2,938,918
2049-2053	605,000	353,018	958,018
Total	$ 34,490,000	$ 9,603,350	$ 44,093,350

Premium

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

Effective interest on certificates of participation issued at a premium are as follows:

	2015 Refunding COPs	2016 Refunding COPs	2021 COPS
Total Interest Payments on COPs	$ 9,324,060	$ 3,376,150	$ 6,060,569
Less COPS Premium	(1,558,824)	(707,671)	(797,602)
Net Interest Payments	$ 7,765,236	$ 2,668,479	$ 5,262,967
Par Amount of COPs	21,585,000	6,505,000	16,455,000
Periods	20	21	30
Effective Interest Rate	1.80%	1.95%	1.07%

4. Leases Payable

The District has entered into three lease agreements for the right to use equipment. The Print Shop lease agreement calls for monthly payments of $2,732 for 36 months commencing July 1, 2021 and ending June 30, 2024. The Sunset lease calls for monthly payments of $516 for 38 months commencing July 1, 2021 and ending August 31, 2024. The San Ysidro Middle School lease calls for monthly payments of $557 for 38 months commencing July 1, 2021 and ending on August 31, 2024. The leases have been discounted to present value at an imputed rate of 3.50%.

Future payments on leases payable are as follows:

Year Ended June 30,	Principal	Interest	Total
2024	$ 39,322	$ 926	$ 40,248
2025	6,212	10	6,222
Total	$ 45,534	$ 936	$ 46,470

5. Principal Apportionment Repayment Plan

In October 2019, the California Department of Education approved the request for a repayment plan to resolve the impact and overstatement of principal apportionment for the 2016-17 fiscal year as a result of the overstated attendance finding which was documented in the 2015-16 audit report. After legal involvement and review, the District and the California Department of Education have agreed on the liability of $2,163,117 to be repaid in eight annual installments consisting of seven annual installments of $270,390 each with a final installment of $270,387.

Annual installments will be withheld from principal apportionment paid to the District each year, beginning with the 2019-20 First Principal Apportionment until the full liability is satisfied. Interest on the outstanding balance of the repayment will be calculated at the rate earned on the state's short term pooled money investment account. Any interest accrued during the year will be calculated and withheld from the Second Principal Apportionment, beginning in 2021-22 until all interest charges are satisfied.

The repayment plan for the liability is as follows:

Year Ended June 30,	2016-17 Apportionment Repayments
2024	$ 270,390
2025	270,390
2026	270,390
2027	270,387
Totals	$ 1,081,557

6. Subscription Liabilities

The District entered into agreements with various companies subscribing to use of software for specified terms. Ten of the agreements resulted in subscription liabilities as defined by GASB Statement No. 96. Interest was imputed at a rate of 10% for the subscriptions.

Future payments on the subscriptions are as follows:

Year Ended June 30,	Principal	Interest	Total
2024	$ 288,151	$ 45,496	$ 333,647
2025	277,908	17,145	295,053
2026	8,834	1,462	10,296
2027	9,766	536	10,302
Total	$ 584,659	$ 64,639	$ 649,298

7. Limited Tax Obligation Bonds

On April 8, 2021, the District issued limited tax obligation bonds between the Community Facilities District (CFD) and the Public Financing Authority (PFA) for the purpose of repaying the 2021 COPs issued. Principal and interest payments are made from the CFD to the PFA semi-annually. The issuance results in both a debt to the CFD and a receivable to the PFA as follows:

	Date of Issue	Interest Rate	Maturity Date	Amount of Original Issue
2021 Limited Obligation Bonds - CFD	04/08/21	2.00-4.00%	09/01/50	$ 16,455,000
2021 Limited Obligation Receivable - PFA	04/08/21	2.00-4.00%	09/01/50	(16,455,000)
Total Limited Obligation Bonds				$ -

	Beginning Balance	Increases	Decreases	Ending Balance
2021 Limited Obligation Bonds - CFD				
Principal	$ 15,790,000	$ -	$ 390,000	$ 15,400,000
Premium	765,369	-	18,904	746,465
2021 Limited Obligation Receivable - PFA				
Principal	(15,790,000)	-	(390,000)	(15,400,000)
Premium	(765,369)	-	(18,904)	(746,465)
Total Limited Obligation Bonds	$ -	$ -	$ -	$ -

Repayments of the limited obligation bonds are scheduled as follows:

Year Ended June 30,	CFD Principal	CFD Interest	PFA Receivable	Total
2024	$ 410,000	$ 438,818	$ (848,818)	$ -
2025	435,000	421,918	(856,918)	-
2026	450,000	404,218	(854,218)	-
2027	510,000	385,018	(895,018)	-
2028	545,000	363,918	(908,918)	-
2029-2033	3,055,000	1,468,590	(4,523,590)	-
2034-2038	3,495,000	966,320	(4,461,320)	-
2039-2043	3,320,000	55,361	(3,375,361)	-
2044-2048	2,575,000	226,328	(2,801,328)	-
2049-2053	605,000	13,120	(618,120)	-
Total	$ 15,400,000	$ 4,743,609	$ (20,143,609)	$ -

8. Compensated Absences

   Total unpaid employee compensated absences as of June 30, 2023 amounted to $440,532. This amount is included as part of long-term liabilities in the government-wide financial statements.

9. Net Pension Liability

   The District's beginning net pension liability was $33,290,775 and increased by $19,175,109 during the year ended June 30, 2023 for an ending net pension liability of $52,465,884. See Note M for additional information regarding the net pension liability.

10. Total OPEB Liability

    The District's beginning total OPEB liability was $18,578,137 and decreased by $2,033,785 during the year ended June 30, 2023 for an ending total OPEB liability of $16,544,352. See Note N for additional information regarding the total OPEB liability.

M. 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, 2023 are summarized as follows:

	CalSTRS	
Hire Date	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	55-60	55-62
Monthly Benefits as a % of Eligible Compensation	1.1 - 2.4%	1.0 - 2.4%*
Required Employee Contribution Rates (2022-23)	10.250%	10.205%
Required Employer Contribution Rates (2022-23)	19.100%	19.100%
Required State Contribution Rates (2022-23)	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.

	CalPERS	
Hire Date	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 (2022-23)	7.000%	8.000%
Required Employer Contribution Rates (2022-23)	25.370%	25.370%

*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, 2023, 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, 2023. 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, 2023, 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 25.37% of covered payroll.

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, 2023 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
2021	10.328%	$ 2,416,053	$ 1,770,195
2022	10.828%	2,725,456	407,412
2023	10.828%	2,473,093	8,258,043

The State contributed an additional $297 Million to CalSTRS during the 2020-21 fiscal year as a continuing settlement associated with SB90.

d. Contributions Recognized

For the fiscal year ended June 30, 2023 (measurement period June 30, 2022), the contributions recognized for each plan were:

	Governmental Fund Financial Statements (Current Financial Resources Measurement Focus)		
	CalSTRS	CalPERS	Total
Contributions - Employer	$ 5,621,835	$ 2,978,227	$ 8,600,062
Contributions - State On Behalf Payments	2,473,093	-	2,473,093
Total Governmental Funds	$ 8,094,928	$ 2,978,227	$ 11,073,155

	Government-Wide Financial Statements (Economic Resources Measurement Focus)		
	CalSTRS	CalPERS	Total
Contributions - Employer	$ 4,347,406	$ 2,532,595	$ 6,880,001
Contributions - State On Behalf Payments	2,725,456	-	2,725,456
Total Government-Wide	$ 7,072,862	$ 2,532,595	$ 9,605,457

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

As of June 30, 2022 (measurement date) the District reported net pension liabilities for its proportionate share of the net pension liability of each plan as follows:

	Proportionate Share of the Net Pension Liability		
	CalSTRS	CalPERS	Total
Governmental Activities	$ 27,967,304	$ 24,498,580	$ 52,465,884

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, 2022. The total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to measurement date June 30, 2022 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, 2022 and June 30, 2023 were as follows:

	CalSTRS			CalPERS
	District's Proportionate Share	State's Proportionate Share*	Total For District Employees	District's Proportionate Share
Governmental Activities				
Proportion June 30, 2022	0.039297%	0.025461%	0.064758%	0.075772%
Proportion June 30, 2023	0.040249%	0.024547%	0.064796%	0.071198%
Change in Proportion	0.000952%	-0.000914%	0.000038%	-0.004574%

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

a. Pension Expense

	Governmental Activities		
	CalSTRS	CalPERS	Total
State On Behalf Pension Expense	$ 8,258,043	$ -	$ 8,258,043
Employer Contributions	5,621,835	2,978,227	8,600,062
Change In:			
Net Pension Liability	10,084,335	9,090,774	19,175,109
Deferred Outflows of Resources	(111,176)	(10,098,314)	(10,209,490)
Deferred Inflows of Resources	(14,032,825)	1,050,726	(12,982,099)
Total Pension Expense - Governmental	$ 9,820,212	$ 3,021,413	$ 12,841,625

b. Deferred Outflows and Inflows of Resources

At June 30, 2023, The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	CalSTRS	CalPERS	Total
Governmental Activities			
Contributions Subsequent to Measurement	$ 5,621,835	$ 2,978,227	$ 8,600,062
Experience Differences	20,691	118,343	139,034
Changes in Assumptions	1,093,498	1,812,266	2,905,764
Changes in Proportionate Share	665,691	255,712	921,403
Earnings Differences	-	2,618,503	2,618,503
Total Deferred Outflows of Resources	$ 7,401,715	$ 7,783,051	$ 15,184,766

	Deferred Inflows of Resources		
	CalSTRS	CalPERS	Total
Governmental Activities			
Experience Differences	$ 2,109,672	$ 611,018	$ 2,720,690
Changes in Proportionate Share	2,350,063	1,205,410	3,555,473
Earnings Differences	1,106,190	-	1,106,190
Total Deferred Inflows of Resources	$ 5,565,925	$ 1,816,428	$ 7,382,353

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, 2024. 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. Pension expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

Governmental Activities					
	Deferred Outflows of Resources		Deferred Inflows of Resources		
Year Ended June 30,	CalSTRS	CalPERS	CalSTRS	CalPERS	Net Effect on Expenses
2024	$ 6,879,186	$ 4,195,983	$ (2,555,742)	$ (668,522)	$ 7,850,905
2025	189,229	1,056,307	(2,650,160)	(593,757)	(1,998,381)
2026	189,230	766,945	(1,999,797)	(368,131)	(1,411,753)
2027	144,070	1,763,816	2,021,295	(186,018)	3,743,163
2028	-	-	(285,325)	-	(285,325)
Thereafter	-	-	(96,196)	-	(96,196)
Total	$ 7,401,715	$ 7,783,051	$ (5,565,925)	$ (1,816,428)	$ 7,802,413

c. Actuarial Assumptions

Total pension liabilities for the fiscal year ended June 30, 2023, were based on actuarial valuations determined using the following actuarial assumptions:

	CalSTRS	CalPERS
Fiscal Year	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2022	June 30, 2022
Valuation Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Experience Study Period	2015 - 2018	2000 - 2019
Actuarial Assumptions:		
Discount Rate	7.10%	6.90%
Inflation	2.75%	2.30%
Payroll Growth	3.50%	(3)
Investment Rate of Return	7.00%	6.90%
Post Retirement Benefit Increase	(1)	(4)
Mortality	(2)	(5)

(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.

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.

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 Real Rate of Return*
Public Equity	42.00%	4.75%
Private Equity	13.00%	6.25%
Real Estate	15.00%	3.55%
Inflation Sensitive	6.00%	3.25%
Fixed Income	12.00%	1.25%
Risk Mitigating Strategies	10.00%	1.75%
Cash/Liquidity	2.00%	-0.35%

*20 year average

CalPERS

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

*20 year average

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:

	CalSTRS	CalPERS
1% Decrease	6.10%	5.90%
Net Pension Liability	$ 47,499,052	$ 35,389,440
Current Discount Rate	7.10%	6.90%
Net Pension Liability	$ 27,967,304	$ 24,498,580
1% Increase	8.10%	7.90%
Net Pension Liability	$ 11,750,293	$ 15,497,685

1. <u>Total Pension Liability, Pension Plan Fiduciary Net Position and Net Pension Liability</u>

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)
Balance at June 30, 2022					
(Previously Reported)	$ 230,409,395	$ 200,939,834	$ 29,469,561	$ 11,586,592	$ 17,882,969
Changes for the year					
Change in proportionate share	135,204	117,912	17,292	(415,937)	433,229
Service cost	4,973,093	-	4,973,093	1,883,982	3,089,111
Interest	16,326,000	-	16,326,000	6,184,862	10,141,138
Experience differences	(1,084,037)	-	(1,084,037)	(410,671)	(673,366)
Change in assumptions	-	-	-	-	-
Change in benefits	45,357	-	45,357	17,183	28,174
Contributions:					
Employer	-	4,225,578	(4,225,578)	(1,600,797)	(2,624,781)
Employee	-	2,635,594	(2,635,594)	(998,456)	(1,637,138)
State on behalf	-	2,773,245	(2,773,245)	(1,050,603)	(1,722,642)
Net investment income	-	(4,788,612)	4,788,612	1,814,094	2,974,518
Other income	-	84,361	(84,361)	(31,959)	(52,402)
Benefit payments[(1)]	(11,356,580)	(11,356,580)	-	-	-
Administrative expenses	-	(123,836)	123,836	46,913	76,923
Borrowing costs	-	(79,566)	79,566	30,142	49,424
Other expenses	-	(3,460)	3,460	1,313	2,147
Net changes	9,039,037	(6,515,364)	15,554,401	5,470,066	10,084,335
Balance at June 30, 2023	$ 239,448,432	$ 194,424,470	$ 45,023,962	$ 17,056,658	$ 27,967,304

(1) – Includes refunds of employee contributions

CalPERS Governmental Activities

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2022 (Previously Reported)	$ 80,968,056	$ 65,560,250	$ 15,407,806
Changes for the year			
Change in proportionate share	(4,887,661)	(3,957,564)	(930,097)
Service cost	1,769,499	-	1,769,499
Interest	5,294,154	-	5,294,154
Experience differences	(789,149)	-	(789,149)
Change in assumptions	2,437,185	-	2,437,185
Change in benefits	-	-	-
Contributions:			
Employer	-	2,532,589	(2,532,589)
Employee	-	786,197	(786,197)
Nonemployer	-	-	-
Net plan to plan resource movement	-	2	(2)
Net investment income	-	(4,589,737)	4,589,737
Benefit payments[(1)]	(3,772,609)	(3,772,609)	-
Administrative expenses	-	(38,233)	38,233
Other expenses	-	-	-
Net changes	51,419	(9,039,355)	9,090,774
Balance at June 30, 2023	$ 81,019,475	$ 56,520,895	$ 24,498,580

(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.

N. Postemployment Benefits Other than Pension Benefits (OPEB)

1. Plan Description

The District's defined benefit OPEB plan, San Ysidro School District Retiree Health Care Plan (the Plan) provides OPEB 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 Districts governing board.

2. Benefits Provided

The following is a summary of the current retiree benefit plan:

Certificated Employees

The District provides retiree medical coverage for retirees only until the last day of the month in which the retiree attains age 65. Retirees pay 100% of the cost of any spouse and dependent coverage. Spouse and dependent coverage (except for COBRA) ceases upon the death of the retiree. The District does not provide any financial contribution to retiree medical coverage beyond age 65. Eligibility for retiree health coverage requires retirement on or after age 55 with at least 15 years of service with the District. The retiree pays 100% of the cost of coverage to continue dental, vision, and life benefits.

Classified Employees

The District provides retiree medical coverage for retirees only until the last day of the month in which the retiree attains age 65. The District will pay 50% of the cost of coverage if the retiree has 15 years of service retirement. The 50% amount increases by 10% for each additional year of service up to 100%. The retiree pays 100% of the cost of any spouse or dependent coverage. Spouse and dependent coverage (except for COBRA) ceases upon the death of the retiree. The District does not provide any financial contribution for retiree medical coverage beyond age 65. Eligibility for retiree health coverage requires retirement on or after age 55 with at least 15 years of service with the District. The retiree pays 100% of the cost of coverage to continue dental, vision, and life benefits.

Management, Confidential and Supervisory Employees

The District provides retiree medical coverage for retirees only until the last day of the month in which the retiree attains age 65. Retirees pay 100% of the cost of any spouse and dependent coverage. Spouse and dependent coverage (except for COBRA) ceases upon the death of the retiree. The District does not provide any financial contribution for retiree medical coverage beyond age 65. Eligibility for retiree health coverage requires retirement on or after age 55 with at least 15 years of service with the District. The retiree pays 100% of the cost of coverage to continue dental, vision, and life benefits.

Former Board Members

Former board members may continue health benefits at retirement on a self-pay basis. Former board members first elected to the governing board prior to January 1, 1995 and serving at least 12 years may receive a District contribution for retiree only coverage.

3. Contributions

The contribution requirements of plan members and the San Ysidro School District are established and may be amended by the San Ysidro School District through negotiations with bargaining units. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.

4. Plan Membership

Membership of the plan consisted of the following as of the June 30, 2021 valuation date, measured as of June 30, 2022 for fiscal year June 30, 2023:

Inactive plan members or beneficiaries currently receiving benefits	18
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	518
	536

5. Total OPEB Liability

The San Ysidro School District's total OPEB liability of $16,544,352 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2021.

6. Actuarial Assumptions and Other Inputs

The total 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:

Economic assumptions:	
Inflation	2.80% per annum
Payroll growth	2.80% per annum, in aggregate
Discount rate	4.09%
Healthcare cost trend rates	6.75% decreasing to 4.50%
Retiree's share of costs	0.00%
Non-economic assumptions:	
Mortality	
Certificated	Most recent CalSTRS mortality tables
Classified	Most recent CalPERS mortality tables
Termination Rates:	
Certificated	Most recent CalSTRS termination rates
Classified	Most Recent CalPERS termination rates

The discount rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index.

7. Changes in Total OPEB Liability

	Total OPEB Liability
Service cost	$ 1,098,870
Interest	426,027
Experience (Gains)/Losses	(653,904)
Changes of assumptions	(2,500,757)
Benefit payments	(449,870)
Other	45,849
Net change in Total OPEB Liability	(2,033,785)
Total OPEB Liability - Beginning	18,578,137
Total OPEB Liability - Ending	$ 16,544,352

8. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (3.09%)	Valuation Discount Rate (4.09%)	1% Increase (5.09%)
Total OPEB Liability	$ 17,834,314	$ 16,544,352	$ 15,322,131

9. Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rate

The following presents the total OPEB liability of the Plan, as well as what the District's total 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:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
	5.75% Decreasing to 3.50%	6.75% Decreasing to 4.50%	7.75% Decreasing to 5.50%
Total OPEB Liability	$ 14,662,135	$ 16,544,352	$ 18,741,656

10. OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources related to OPEB

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of $1,484,953. At June 30, 2023 the District reported the following Deferred Outflows and Deferred Inflows of Resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience (Gains)/Losses	$ 316,945	$ (1,327,225)
Changes of assumptions	922,221	(2,300,063)
Subsequent contributions	545,600	-
Total	$ 1,784,766	$ (3,627,288)

Amounts reported as deferred outflows and deferred inflows of resources will be recognized as an increase or decrease to OPEB expense over five to eight year periods. OPEB expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Effect on OPEB Expense
2024	$ 768,444	$ (436,261)	$ 332,183
2025	222,844	(436,261)	(213,417)
2026	222,844	(436,257)	(213,413)
2027	222,844	(419,799)	(196,955)
2028	222,848	(419,799)	(196,951)
Thereafter	124,942	(1,478,911)	(1,353,969)
Total	$ 1,784,766	$ (3,627,288)	$ (1,842,522)

O. 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.

P. 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.

Q. 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 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, 2023.

3. Construction Commitments

   As of June 30, 2023, the District had the following commitments with respect to unfinished capital projects:

Construction in Process:	Commitment	Expected Date of Final Completion*
SYMS Modernization	$ 49,700,000	December 2027
Roofing Project	172,400	February 2024
Playground Project	2,300,000	March 2024
Willow Safety and Security	4,250,000	October 2024
Generator Project	10,000	August 2023
Sunset HVAC Project	100,000	February 2024
Sunset Bench Project	90,000	October 2023
Total	$ 56,622,400	

*Expected date of completion subject to change

R. Deferred Outflows of Resources

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.

Refunding Bonds and COPs that resulted in a loss on refunding have recorded the loss as a deferred outflow of resources to be amortized over the life of the debt in accordance with GASB Statement No. 65.

Prepaid insurance on debt instruments has been recorded as a deferred outflow of resources to be amortized over the life of the debt in accordance with GASB Statement No 65.

A summary of the deferred outflows of resources as of June 30, 2023 is as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance
Refunding Losses				
2012 Refunding Bonds	$ 997,984	$ -	$ 124,747	$ 873,237
2015 Refunding Bonds	9,788,959	-	362,554	9,426,405
2021 Measure T Refunding	600,768	-	25,030	575,738
2015 Refunding COPs	749,502	-	57,653	691,849
2016 Refunding COPs	491,968	-	30,747	461,221
2021 Refunding COPs	1,386,120	-	57,761	1,328,359
Prepaid Debt Insurance	2,133,022	-	72,895	2,060,127
OPEB related	1,911,880	545,600	672,714	1,784,766
Pension related				
CalSTRS	7,290,539	6,055,064	5,943,888	7,401,715
CalPERS	(2,315,263)	14,234,488	4,136,174	7,783,051
Total Deferred Outflows of Resources	$ 23,035,479	$ 20,835,152	$ 11,484,163	$ 32,386,468

Future amortization of deferred outflows is as follows:

Year Ending June 30,	Refunding Losses	Prepaid Debt Insurance	Pension Related	OPEB Related	Total
2024	$ 658,491	$ 47,774	$ 11,075,169	$ 768,444	$ 12,549,878
2025	658,491	51,794	1,245,536	222,844	2,178,665
2026	658,491	54,149	956,175	222,844	1,891,659
2027	658,491	53,745	1,907,886	222,844	2,842,966
2028	658,491	56,947	-	222,848	938,286
Thereafter	10,064,354	1,795,718	-	124,942	11,985,014
Total	$ 13,356,809	$ 2,060,127	$ 15,184,766	$ 1,784,766	$ 32,386,468

S. 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.

A summary of the deferred inflows of resources as of June 30, 2023 is as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance
OPEB related	$ 908,888	$ 3,154,661	$ 436,261	$ 3,627,288
Pension related				
CalSTRS	19,598,750	(11,128,446)	2,904,379	5,565,925
CalPERS	765,702	1,719,246	668,520	1,816,428
Total Deferred Inflows of Resources	$ 21,273,340	$ (6,254,539)	$ 4,009,160	$ 11,009,641

Future amortization of deferred inflows is as follows:

Year Ending June 30,	Pension Related	OPEB Related	Total
2024	$ 3,224,264	$ 436,261	$ 3,660,525
2025	3,243,917	436,261	3,680,178
2026	2,367,928	436,257	2,804,185
2027	(1,835,277)	419,799	(1,415,478)
2028	285,325	419,799	705,124
Thereafter	96,196	1,478,911	1,575,107
Total	$ 7,382,353	$ 3,627,288	$ 11,009,641

T. 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	Fiscal Year Effective
GASB Statement 99, Omnibus 2022 (Portions related to financial guarantees and derivative instruments)	04/2022	2024-25
GASB Statement 100, Accounting Changes for Error Corrections	06/2022	2024-25
GASB Statement 101, Compensated Absences	06/2022	2024-25
GASB Implementation Guide 2021-1, Implementation Guidance Update - 2021 (Question 5.1)	05/2021	2024-25
GASB Implementation Guide 2023-1, Implementation Guidance Update - 2023	06/2023	2024-25

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

Required Supplementary Information

San Ysidro School District

Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2023

	Budgeted Amounts			Variance to Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
LCFF Sources				
State Apportionment	$ 26,567,978	$ 26,684,539	$ 22,367,051	$ (4,317,488)
Education Protection Account	818,690	828,452	828,252	(200)
Property Taxes	25,339,424	27,480,026	31,805,952	4,325,926
Federal Revenue	5,884,689	15,439,022	11,827,249	(3,611,773)
Other State Revenue	8,869,338	20,628,022	21,341,865	713,843
Interest Income	65,000	65,000	354,294	289,294
FMV Adjustment	-	-	(296,100)	(296,100)
Other Local Revenue	4,077,543	4,679,488	5,454,344	774,856
Total Revenues	71,622,662	95,804,549	93,682,907	(2,121,642)
Expenditures				
Current Expenditures:				
Certificated Salaries	28,057,316	36,810,718	31,158,490	5,652,228
Classified Salaries	11,128,222	15,847,681	13,126,554	2,721,127
Employee Benefits	18,085,491	21,081,969	18,293,255	2,788,714
Books and Supplies	2,024,952	7,360,281	4,538,316	2,821,965
Services and Other Operating	12,275,152	20,666,602	12,107,875	8,558,727
Other Outgo	120,000	120,000	105,891	14,109
Direct Support/Indirect Costs	(181,622)	(153,705)	(151,581)	(2,124)
Capital Outlay	-	5,715,678	3,347,143	2,368,535
Debt Service				
Principal	271,000	271,000	372,736	(101,736)
Interest	-	-	93,451	(93,451)
Total Expenditures	71,780,511	107,720,224	82,992,130	24,728,094
Excess (Deficiency) of Revenues Over Expenditures	(157,849)	(11,915,675)	10,690,777	22,606,452
Other Financing Sources (Uses)				
Other Sources	-	-	845,500	845,500
Net Financing Sources (Uses)	-	-	845,500	845,500
Net Change in Fund Balance	(157,849)	(11,915,675)	11,536,277	23,451,952
Fund Balance - Beginning of Year	17,239,117	17,239,117	17,239,117	-
Fund Balance - End of Year	$ 17,081,268	$ 5,323,442	$ 28,775,394	$ 23,451,952

See Accompanying Notes to Required Supplementary Information

San Ysidro School District

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

Last Ten Fiscal Years*

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.0402%	0.0393%	0.0391%	0.0456%	0.0446%	0.0432%	0.0415%	0.0415%	0.0423%	N/A
District's proportionate share of the net pension liability (asset)	$ 27,967,304	$ 17,882,969	$ 37,856,551	$ 41,156,819	$ 40,962,948	$ 39,966,263	$ 33,537,341	$ 27,965,531	$ 24,714,443	N/A
State's proportionate share of the net pension liability (asset) associated with the District	17,056,658	13,259,436	26,910,878	21,804,471	22,991,514	23,686,041	20,756,543	15,969,232	12,924,473	N/A
Total	$ 45,023,962	$ 31,142,405	$ 64,767,429	$ 62,961,290	$ 63,954,462	$ 63,652,304	$ 54,293,884	$ 43,934,763	$ 37,638,916	N/A
District's covered payroll**	$ 25,693,889	$ 23,089,158	$ 24,048,380	$ 24,493,796	$ 23,669,577	$ 22,849,650	$ 20,601,258	$ 19,195,832	$ 18,740,145	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	108.85%	77.45%	157.42%	168.03%	173.06%	174.91%	162.79%	145.69%	131.88%	N/A
Plan fiduciary net position as a percentage of the total pension liability	81.20%	87.21%	71.82%	72.56%	70.99%	69.46%	70.04%	74.02%	76.52%	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.

**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 Ysidro School District

Schedule of the District's Contributions - CalSTRS

Last Ten Fiscal Years*

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 5,621,835	$ 4,436,097	$ 3,728,899	$ 4,112,273	$ 3,987,590	$ 3,415,520	$ 2,874,486	$ 2,210,515	$ 1,704,590	N/A
Contributions in relation to the contractually required contribution	(5,621,835)	(4,436,097)	(3,728,899)	(4,112,273)	(3,987,590)	(3,415,520)	(2,874,486)	(2,210,515)	(1,704,590)	N/A
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	N/A
District's covered payroll**	$ 29,433,691	$ 26,218,067	$ 23,089,158	$ 24,048,380	$ 24,493,796	$ 23,669,577	$ 22,849,650	$ 20,601,258	$ 19,195,832	N/A
Contributions as a percentage of covered payroll	19.10%	16.92%	16.15%	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%	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.

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

San Ysidro School District

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

Last Ten Fiscal Years*

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.7120%	0.0758%	0.0744%	0.0777%	0.0791%	0.0737%	0.0673%	0.0598%	0.0623%	N/A
District's proportionate share of the net pension liability (asset)	$ 24,498,580	$ 15,407,806	$ 22,822,992	$ 22,644,792	$ 21,090,817	$ 17,598,194	$ 13,292,253	$ 8,815,645	$ 7,067,431	N/A
District's covered payroll**	$ 11,054,540	$ 10,879,821	$ 10,810,451	$ 10,873,807	$ 10,546,906	$ 9,468,052	$ 8,150,089	$ 6,650,956	$ 6,545,787	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	221.62%	141.62%	211.12%	208.25%	199.97%	185.87%	163.09%	132.55%	107.97%	N/A
Plan fiduciary net position as a percentage of the total pension liability	69.76%	80.97%	70.00%	70.05%	70.85%	71.87%	73.90%	79.43%	83.38%	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.

**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 Ysidro School District

Schedule of the District's Contributions - CalPERS

Last Ten Fiscal Years*

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	20014
Contractually required contribution	$ 2,978,227	$ 2,533,413	$ 2,252,123	$ 2,131,929	$ 1,964,027	$ 1,638,040	$ 1,314,923	$ 965,541	$ 782,884	N/A
Contributions in relation to the contractually required contribution	(2,978,227)	(2,533,413)	(2,252,123)	(2,131,929)	(1,964,027)	(1,638,040)	(1,314,923)	(965,541)	(782,884)	N/A
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	N/A
District's covered payroll**	$ 11,739,168	$ 11,058,110	$ 10,879,821	$ 10,810,451	$ 10,873,807	$ 10,546,906	$ 9,468,052	$ 8,150,089	$ 6,650,956	N/A
Contributions as a percentage of covered payroll	25.370%	22.910%	20.700%	19.721%	18.062%	15.531%	13.888%	11.847%	11.771%	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.

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

San Ysidro School District

Schedule of Changes in the District's Total OPEB liability and Related Ratios – SYSD Retiree Health Benefit Plan

Last Ten Fiscal Years*

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total OPEB liability:										
Service cost	$ 1,098,870	$ 883,281	$ 801,272	$ 691,833	$ 684,496	$ 661,989	N/A	N/A	N/A	N/A
Interest	426,027	499,623	554,220	544,221	507,697	482,353	N/A	N/A	N/A	N/A
Changes of benefit terms	-	-	-	-	-	-	N/A	N/A	N/A	N/A
Experience differences	(653,904)	(563,549)	(431,806)	570,501	-	-	N/A	N/A	N/A	N/A
Changes of assumptions	(2,500,757)	155,411	704,854	590,377	(131,692)	-	N/A	N/A	N/A	N/A
Other	45,849	-	-	-	-	-	N/A	N/A	N/A	N/A
Benefit payments	(449,870)	(588,470)	(455,913)	(470,127)	(431,726)	(411,168)	N/A	N/A	N/A	N/A
Net change in total OPEB liability	(2,033,785)	386,296	1,172,627	1,926,805	628,775	733,174	N/A	N/A	N/A	N/A
Total OPEB liability - beginning	18,578,137	18,191,841	17,019,214	15,092,409	14,463,634	13,730,460	N/A	N/A	N/A	N/A
Total OPEB liability - ending	$ 16,544,352	$ 18,578,137	$ 18,191,841	$ 17,019,214	$ 15,092,409	$ 14,463,634	N/A	N/A	N/A	N/A
Covered payroll	37,797,450	33,919,198	33,919,198	32,931,260	$ 30,005,000	$ 30,005,000	N/A	N/A	N/A	N/A
Total OPEB liability as a percentage of covered payroll	43.77%	54.77%	53.63%	51.68%	50.30%	48.20%	N/A	N/A	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.

Excess of Expenditures Over Appropriations

As of June 30, 2023, the District's expenditures which exceeded appropriations in the following categories:

Appropriations Category	Excess Expenditures	Reason for Excess Expenditures
General Fund:		
Indirect Costs	$ 2,124	The District underestimated transfers due to indirect costs.
Debt Service	195,187	The District did not budget for leases recorded with GASB 87 or subscriptions recorded under GASB 96 as debt principal and interest.

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.

Schedule of District's Proportionate Share – CalSTRS

1. Benefit Changes: There were no changes to benefits during the periods being reported.

2. Changes in Assumptions: Assumptions used in determining the total pension liability of the CalSTRS Plan changed due to actuarial experience studies. Changes in assumptions effective in fiscal year 2020-21 (measured as of June 30, 2020) were to termination rates and service retirement rates based on the experience study for the period July 1, 2015, through June 30, 2018. Changes in assumptions effective in fiscal year 2017-18 (measured as of June 30, 2017) were to price inflation, wage growth, discount rate and mortality tables based on the experience study for the period July 1, 2010, through June 30, 2015.

Schedule of District's Contributions – CalSTRS

The total pension liability for California State Teachers' Retirement System (CalSTRS) for measurement date June 30, 2021, was determined with a valuation completed June 30, 2020 (released in May 2021). In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Reporting Period	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Measurement Date	06/30/14	06/30/15	06/30/16	06/30/17	06/30/18
Valuation Date	06/30/13	06/30/14	06/30/15	06/30/16	06/30/17
Experience Study	07/01/06 - 06/30/10	07/01/06 - 06/30/10	07/01/06 - 06/30/10	07/01/06 - 06/30/15	07/01/06 - 06/30/15
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return (1)	7.60%	7.60%	7.60%	7.10%	7.10%
Consumer Price Inflation	3.00%	3.00%	3.00%	2.75%	2.75%
Wage Growth (Average)	3.75%	3.75%	3.75%	3.50%	3.50%
Post-retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple

Reporting Period	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Measurement Date	06/30/19	06/30/20	06/30/21	06/30/22
Valuation Date	06/30/18	06/30/19	06/30/20	06/30/21
Experience Study	07/01/06 - 06/30/15	07/01/15 - 06/30/18	07/01/15 - 06/30/18	07/01/15 - 06/30/18
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return (1)	7.10%	7.10%	7.10%	7.10%
Consumer Price Inflation	2.75%	2.75%	2.75%	2.75%
Wage Growth (Average)	3.50%	3.50%	3.50%	3.50%
Post-retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	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.

Schedule of District's Proportionate Share – CalPERS

1. Benefit Changes: There were no changes to benefits during the periods being reported.

2. Changes in Assumptions. On December 21, 2016, the CalPERS Board lowered the discount rate for funding purposes from 7.50% to 7.00% using a three-year phase-in beginning with the June 30, 2016, actuarial valuations and the June 30, 2017 valuations for the School Pool. Subsequently the CalPERS Board decrease from 7.25% to 7.15% for the school pool valuation occurred in the June 30, 2019, valuation. Finally, the CalPERS board decreased the discount rate from 7.15% to 6.90% for measurement date June 30, 2022 as a result of the 2021 experience study. Additional adjustments were made to mortality and other assumptions based upon the experience study completed in 2021.

Schedule of District's Contributions – CalPERS

The total pension liability for California Public Employees Retirement System – School Pool (CalPERS) for measurement date June 30, 2021, was determined with a valuation completed June 30, 2020. In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Reporting Period	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Measurement Date	06/30/14	06/30/15	06/30/16	06/30/17	06/30/18
Valuation Date	06/30/13	06/30/14	06/30/15	06/30/16	06/30/17
Experience Study	07/01/97 - 06/30/11	07/01/97 - 06/30/11	07/01/97 - 06/30/11	07/01/97 - 06/30/11	07/01/97 - 06/30/15
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.50%	7.65%	7.65%	7.15%	7.15%
Consumer Price Inflation	2.75%	2.75%	2.75%	2.75%	2.50%
Wage Growth (Average)	3.00%	3.00%	3.00%	3.00%	3.00%
Post-retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple

Reporting Period	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Measurement Date	06/30/19	06/30/20	06/30/21	06/30/22
Valuation Date	06/30/18	06/30/19	06/30/20	06/30/21
Experience Study	07/01/97 - 06/30/15	07/01/97 - 06/30/15	07/01/97 - 06/30/15	07/01/00 - 06/30/19
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.15%	7.15%	7.15%	6.90%
Consumer Price Inflation	2.50%	2.50%	2.50%	2.50%
Wage Growth (Average)	3.00%	2.75%	2.75%	2.75%
Post-retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple

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.

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

1) Benefit Changes: In 2020 the District made changes to benefit terms consistent with bargaining agreements. There have been no additional changes to benefits in periods being reported.

2) Changes in Assumptions: Discount rate is updated annually.

3) No assets are accumulated in a trust that meets the criteria in GASB Statement No 75 Paragraph 4.

4) The following are the discount rates used for each period:

Year	Discount Rate
2018	3.50%
2019	3.15%
2020	2.20%
2021	2.66%
2022	2.19%
2023	4.09%

Combining Statements as Supplementary Information

San Ysidro School District

Combining Balance Sheet – Nonmajor Governmental Funds

June 30, 2023

	Special Revenue Funds			Capital Projects Funds			
	Associated Student Body Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve For Capital Outlay	Total Nonmajor Governmental Funds
Assets							
Cash and Investments	$ 31,384	$ 1,067,018	$ 2,046,050	$ 7,289,642	$ 114,711	$ 6,176,048	$ 16,724,853
Accounts Receivable	-	123,167	979,394	-	-	-	1,102,561
Due from Other Funds	-	14,491	67,333	-	-	-	81,824
Stores Inventories	-	-	38,258	-	-	-	38,258
Total Assets	$ 31,384	$ 1,204,676	$ 3,131,035	$ 7,289,642	$ 114,711	$ 6,176,048	$ 17,947,496
Liabilities and Fund Balance:							
Liabilities:							
Accounts Payable	-	38,427	28,394	-	-	-	66,821
Due to Other Funds	-	408,625	1,003,855	66,597	-	-	1,479,077
Unearned Revenue	-	358,452	11,596	-	-	-	370,048
Total Liabilities	-	805,504	1,043,845	66,597	-	-	1,915,946
Fund Balance:							
Nonspendable	-	-	38,258	-	-	-	38,258
Restricted	31,384	399,172	2,048,932	7,223,045	114,711	6,176,048	15,993,292
Total Fund Balance	31,384	399,172	2,087,190	7,223,045	114,711	6,176,048	16,031,550
Total Liabilities and Fund Balances	$ 31,384	$ 1,204,676	$ 3,131,035	$ 7,289,642	$ 114,711	$ 6,176,048	$ 17,947,496

San Ysidro School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds

June 30, 2023

	Special Revenue Funds			Capital Projects Funds			
	Associated Student Body Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve For Capital Outlay	Total Nonmajor Governmental Funds
Revenues							
Federal Revenue	$ -	$ 403,841	$ 2,496,604	$ -	$ -	$ -	$ 2,900,445
Other State Revenue	-	1,493,574	1,983,880	-	-	-	3,477,454
Interest Income	-	9,941	17,834	91,562	110,796	1,749	231,882
FMV Adjustment	-	(10,952)	(33,441)	(88,967)	151,167	(170,901)	(153,094)
Other Local Revenue	90,171	78,724	1,297	2,721,437	-	-	2,891,629
Total Revenues	$ 90,171	$ 1,975,128	$ 4,466,174	$ 2,724,032	$ 261,963	$ (169,152)	$ 9,348,316
Expenditures							
Current Expenditures:							
Instruction	-	1,347,554	-	-	-	-	1,347,554
Instruction - Related Services	-	372,108	-	-	-	-	372,108
Pupil Services	-	94,736	3,075,946	-	-	-	3,170,682
Ancillary Services	99,596	-	-	-	-	-	99,596
General Administration	-	69,449	82,132	-	-	-	151,581
Plant Services	-	97,099	3,188	-	-	-	100,287
Capital Outlay	-	-	38,793	-	-	-	38,793
Total Expenditures	99,596	1,980,946	3,200,059	-	-	-	5,280,601
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,425)	(5,818)	1,266,115	2,724,032	261,963	(169,152)	4,067,715
Other Financing Sources (Uses):							
Transfers In	-	-	-	-	-	6,248,244	6,248,244
Transfers Out	-	-	-	-	(6,248,244)	-	(6,248,244)
Total Other Financing Sources (Uses)	-	-	-	-	(6,248,244)	6,248,244	-
Net Change in Fund Balance	(9,425)	(5,818)	1,266,115	2,724,032	(5,986,281)	6,079,092	4,067,715
Fund Balance, Beginning of Year	40,809	404,990	821,075	4,499,013	6,100,992	96,956	11,963,835
Fund Balance, End of Year	$ 31,384	$ 399,172	$ 2,087,190	$ 7,223,045	$ 114,711	$ 6,176,048	$ 16,031,550

Other Supplementary Information

San Ysidro School District

Local Education Agency Organization Structure
June 30, 2023

The San Ysidro School District was established in 1887. The District boundaries include the City of San Ysidro and portions of the unincorporated area of San Diego County. There were no changes to the District's boundaries during the current fiscal year. The District operates one preschool, five elementary schools, and two middle schools.

GOVERNING BOARD

Name	Office	Term and Term Expiration
Rosaleah Pallasigue	President	Four Year Term Expires December 2024
Irene Lopez	Vice President	Four Year Term Expires December 2026
Zenaida Rosario	Clerk	Four Year Term Expires December 2026
Rodolfo Lopez	Member	Four Year Term Expires December 2026
Antonio Martinez	Member	Four Year Term Expires December 2026

ADMINISTRATION

Gina A. Potter, Ed.D
Superintendent

Russell Little
Assistant Superintendent
Educational Leadership and Pupil Services
.
Jose Iniguez
Assistant Superintendent
Administrative Leadership and School Support and Safety

Marilyn Adrianzen
Chief Business Official

Linda Olea
Executive Director
Human Resources

San Ysidro School District
Schedule of Average Daily Attendance
Year Ended June 30, 2023

	Second Period Report		Annual Report	
	Original EF5A7536	Revised	Original AF2EC9A8	Revised
TK/K-3				
Regular ADA	1,680.48	-	1,693.63	-
Special Education - NPS	0.80	-	0.83	-
Total TK/K-3	1,681.28	-	1,694.46	-
Grades 4-6				
Regular ADA	1,334.04	-	1,340.01	-
Special Education - NPS	0.97	-	0.97	-
Total Grades 4-6	1,335.01	-	1,340.98	-
Grades 7-8				
Regular ADA	850.47	-	856.20	-
Special Education - NPS	2.12	-	2.05	-
Total Grades 7-8	852.59	-	858.25	-
Total ADA	3,868.88	-	3,893.69	-

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 Ysidro School District
Schedule of Instructional Time
Year Ended June 30, 2023

Grade Level	Annual Minutes Requirement	Actual Minutes Offered	J-13A Minutes	Total Minutes	Number of Actual Days Offered (Traditional)	J-13A Days	Total Instructional Days	Status
Transitional Kindergarten	36,000	37,800	0	37,800	180	0	180	Complied
Kindergarten	36,000	40,050	0	40,050	180	0	180	Complied
1st Grade	50,400	54,900	0	54,900	180	0	180	Complied
2nd Grade	50,400	54,900	0	54,900	180	0	180	Complied
3rd Grade	50,400	54,900	0	54,900	180	0	180	Complied
4th Grade	54,000	54,900	0	54,900	180	0	180	Complied
5th Grade	54,000	54,900	0	54,900	180	0	180	Complied
6th Grade	54,000	54,900	0	54,900	180	0	180	Complied
7th Grade	54,000	58,120	0	58,120	180	0	180	Complied
8th Grade	54,000	58,120	0	58,120	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

San Ysidro School District
Schedule of Financial Trends and Analysis
Year Ended June 30, 2023

General Fund	Budget 2024 (See Note 1)	2023	2022	2021
Revenues and Other Financing Sources	$ 74,693,134	$ 94,528,407	$ 73,002,790	$ 68,243,421
Expenditures and Other Financing Uses	74,397,100	82,992,130	68,609,062	58,886,540
Net Change in Fund Balance	296,034	11,536,277	4,393,728	9,356,881
Ending Fund Balance	$ 29,071,428	$ 28,775,394	$ 17,239,117	$ 12,845,389
Available Reserves (See Note 2)	$ 2,231,913	$ 2,496,890	$ 2,063,544	$ 2,284,683
Available Reserves as a Percentage of Total Outgo	3.00%	3.01%	3.01%	3.88%
Long Term Debt (See Note 3)	$247,927,649	$250,089,360	$252,989,234	$257,177,567
Average Daily Attendance at P2	3,788	3,869	3,629	4,203

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 $15,930,005 (124%) over the past two years. The fiscal year 2023-24 budget projects an increase of $296,034 (1%). 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 $7,088,207 over the past two years.

Average daily attendance (ADA) has decreased by 334 as compared to ADA funded in 2020-21. As a result of the COVID-19 pandemic there was no attendance reporting for the 2020-21 fiscal year. Each LEA was funded based on the 2019-20 ADA reported.

Notes:

1. Budget 2024 is included for analytical purposes only and has not been subjected to audit.
2. Available reserves consist of all unassigned fund balances contained within the general fund.
3. Long-term debt consists of general obligation bonds, QZAB bonds, certificates of participation, principal apportionment payable, leases payable, and subscriptions payable.

San Ysidro School District

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

Year Ended June 30, 2023

	Cafeteria Fund (Fund 13)	Bond Interest & Redemption Fund (Fund 51)
June 30, 2023, annual financial and budget report fund balances	$ 1,107,797	$ 10,959,526
Adjustments and reclassifications:		
Increasing (decreasing) the fund balance:		
Understatement of accounts receivable	979,393	-
Cash in county treasury FMV adjustment	-	(298,923)
Net adjustments and reclassifications	979,393	(298,923)
June 30, 2023, audited financial statement fund balances	$ 2,087,190	$ 10,660,603

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 Ysidro School District
Schedule of Charter Schools
Year Ended June 30, 2023

The San Ysidro School District did not sponsor any charter schools as of June 30, 2023.

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 Ysidro School District

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Subrecipient Expenditures	Total Federal Expenditures
CHILD NUTRITION CLUSTER:				
U.S. Department of Agriculture				
Passed through California Department of Education				
School Breakfast Program	10.553	13525	$ -	$ 316,443
National School Lunch Program	10.555	13396	-	1,941,474
Supply Chain Assistance (SCA) Funds	10.555	15655	-	99,662
National School Lunch Program - Noncash Commodities	10.555	13396	-	139,028
Total Child Nutrition Cluster			-	2,496,607
SPECIAL EDUCATION (IDEA) CLUSTER:				
U.S. Department of Education				
Passed through California Department of Education				
IDEA Basic Local Assistance	84.027	13379	-	1,137,701
IDEA Assistance Entitlement	84.027	15638	-	188,571
IDEA Mental Health	84.173	15197	-	69,360
IDEA Preschool Grants (Ages 3-5)	84.173	13430	-	34,013
IDEA Preschool Grants	84.173	15639	-	24,107
Total Special Education (IDEA) Cluster			-	1,453,752
OTHER PROGRAMS:				
U.S. Department of Health and Human Services				
Passed through California Department of Education				
Head Start Program	93.600	10016	-	403,841
U.S. Department of Education				
Passed through California Department of Education				
Title I	84.010	14329	-	1,293,724
ESSA School Improvement Funding for LEAs	84.010	15438	-	305,674
MCKINNEY - Vento Homeless Assist Act/FF	84.196	14332	-	75,998
Federal Impact Aid	84.041	N/A	-	141,694
Title III English Learner Student Program	84.365	14346	-	166,413
Title II Supporting Effective Instruction	84.367	14341	-	135,555
Title IV Student Support & Academic Enrichment	84.424	15396	-	177,142
American Rescue Plan Homeless Children and Youth	84.425	15564	-	64,690
American Rescue Plan Children and Youth II	84.425	15566	-	42,090
ELO Grant ESSER III	84.425	15620	-	396,683
ELO Grant ESSER III state Reserve	84.425	15621	-	362,792
ELO Grant ESSER II State Reserve	84.425	15618	-	608,518
ESSER II	84.425D	15547	-	242,177
ESSER III	84.425D	15559	-	4,258,794
ESSER III-Learning Loss	84.425U	10155	-	2,101,550
Total Other Programs			-	10,777,335
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ -	$ 14,727,694

See accompanying notes to schedule of expenditures of federal awards.

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 4.91% 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:

Program	AL #	Indirect Cost Rate
Title I	84.010	4.88%
IDEA Preschool Grants (Ages 3-5)	84.173	4.81%
Child Nutrition Cluster	10.553, 10.555	4.72%

Schoolwide Program

The District operates “schoolwide programs” at all school sites. Using federal funding, schoolwide programs are designed to upgrade an entire educational program within a school for all students, rather than limiting services to certain targeted students. The following federal program amounts were expended by the District in it’s schoolwide programs:

Program	AL #	Amount Expended
Title I	84.010	$ 1,293,724
ESSA School Improvement Funding for LEAs	84.010	305,674

Other Independent Auditors' Reports

WILKINSON HADLEY
KING & CO. LLP
CPAS AND ADVISORS
El Cajon, CA | Berkeley, CA

Brian K. Hadley, CPA
Aubrey W. Mann, CPA
Kevin A. Sproul, CPA

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 Ysidro 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, each major fund, and the aggregate remaining fund information of the San Ysidro School District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 29, 2024.

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 opinion 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, a material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a material weakness.

A *significant deficiency* is a deficiency, or 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. We did not identify any deficiencies which we consider to be significant deficiencies.

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 did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

San Ysidro School District's Response to the Finding

San Ysidro School District's response to the finding identified in our audit is described in the accompanying corrective action plan. San Ysidro School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Wilkinson Hadley King & Co. LLP

El Cajon, California
February 29, 2024

WILKINSON HADLEY
KING & CO. LLP
CPAS AND ADVISORS
El Cajon, CA | Berkeley, CA

Brian K. Hadley, CPA
Aubrey W. Mann, CPA
Kevin A. Sproul, CPA

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 Ysidro School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the San Ysidro 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, 2023. 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, 2023.

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
February 29, 2024

WILKINSON HADLEY
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El Cajon, CA | Berkeley, CA

Brian K. Hadley, CPA
Aubrey W. Mann, CPA
Kevin A. Sproul, CPA

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

To the Board of Education
San Ysidro School District

Report on Compliance for Applicable State Programs

Opinion on Each Applicable State Program

We have audited the San Ysidro School District's (the District) compliance with the requirements specified in the *2022-23 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, 2023.

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, 2023.

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 *2022-23 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
Local Education Agencies Other than Charter Schools		
A.	Attendance	Yes
B.	Teacher Certification and Misassignments	Yes
C.	Kindergarten Continuance	Yes
D.	Independent Study	N/A
E.	Continuation Education	N/A
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	Yes
P.	Transportation Maintenance of Effort	Yes
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	N/A
UU.	Independent Study Certification for ADA Loss Mitigtion	Yes

School Districts, County Offices of Education, and Charter Schools

T.	California Clean Energy Jobs Act……………………………………	N/A
U.	After/Before School Education and Safety Program………………	Yes
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)…………………	Yes
CZ.	Career Technical Education Incentive Grant………………………	N/A
DZ.	EZ Transitional Kindergarten	Yes

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 state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 state compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over state 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 *2022-23 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.

Wilkinson Hadley King & Co. LLP

El Cajon, California
February 29, 2024

Auditor’s Results, Findings & Recommendations

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
One or more material weakness(es) identified?	X Yes	No
One or more significant deficiencies identified that are not considered material weakness(es)?	Yes	X No
Noncompliance material to financial statements noted?	Yes	X No

FEDERAL AWARDS

Internal control over major 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
Type of auditor's report issued on compliance for major programs:	Unmodified	
Compliance supplement utilized for single audit	May 2023	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)?	Yes	X No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I, ESSA School Improvement
84.425D	ESSA Relief II, ESSA Relief III
84.425U	ESSA Relief III - Learning Loss
84.425	ESSER II
84.425	American Rescue Plan Homeless I
84.425	American Rescue Plan Homeless Children and Youth II
84.425	ESSER III State Reserve Emergency Needs
84.425	ESSER III State Reserve Learning Loss

Dollar threshold used to distinguish between Type A and Type B programs	$750,000	
Auditee qualified as low-risk auditee?	Yes	X 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 *2022-23 Guide for Annual Audits of California K-12 Local Education Agencies?*	____ Yes	X No

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 *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Finding codes as identified in the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* are as follows:

Five Digit Code	AB 3627 Finding Type
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:	2023-001
Repeat Finding:	No
Program Name:	Internal Controls Over Year End Close
Questioned Costs:	None
Type of Finding:	Internal Control (30000)

<u>Criteria or Specific Requirement</u>
Verify that the District has internal controls that are properly designed and implemented over year end close that are sufficient to detect, correct, and/or deter misstatements whether due to error or fraud and to safeguard assets of the District.

<u>Condition</u>
In our review of revenue we noted the District did not record accounts receivable for child nutrition revenue for April, May, or June claims. In addition, in our review of cash fair market value adjustment, we noted that the District did not record the fair market value adjustment for the Bond Interest and Redemption Fund. Finally, the District did not post any changes to cash with fiscal agent in the Capital Projects Fund for Blended Component Units.

<u>Cause</u>
Key personnel in the closing process were on medical leave during close. The District did not have an adequate review of the closing process that took over when the individual went out on medical leave.

Effect

There were misstatements in the financial statements that were not detected and corrected by the District prior to closing the books and which required audit adjusting journal entries to correct. Auditors posted adjustments for accounts receivable and fair market value adjustment to cash in county treasury. The variance to cash with fiscal agent was below the level which requires adjustment, so no adjustment was made.

Context

Proper review of year end closing entries and revenue reconciliations are key internal controls that allow the District, in the normal course of performing their duties, to detect and correct misstatements whether due to error or fraud.

Recommendation

We recommend the District post audit adjusting journal entries. In addition, we recommend the District reconcile cash with fiscal agent in the 2022-23 fiscal year to bring balances to correct amounts. The District should cross-train employees so that when an employee is out due to medical leave or for other purposes, the internal control system remains in place. The District may also consider hiring temporary consultants to temporarily fill key positions while employees are out on leave.

Views of Responsible Officials

See Corrective Action Plan

B. Federal Awards

None

C. State Award Findings

None

Marilyn Adrianzen
Chief Business Official

February 29, 2024

To Whom it May Concern:

The accompanying Corrective Action Plan has been prepared as required by the *2022-23 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,

Marilyn Adrianzen
Chief Business Official

Enclosure

4350 Otay Mesa Road San Ysidro, CA 92173
(619) 428-4476 Ext. 3004 • marilyn.adrianzen@sysdschools.org

Financial Statement Finding

Finding Number:	2023-001
Program Name:	Internal Control Over Year End Close
Contact Person:	Marilyn Adrianzen – Chief Business Official Amber Elliott – Business Services Technician
Anticipated Completion Date:	June 30, 2024
Planned Corrective Action:	Business services will ensure that the Cafeteria Fund (fund 1300) revenue is properly recorded throughout the fiscal year and during the year-end close process. Additionally, business services will ensure that Cafeteria Fund revenue accruals are posted prior to closing.

San Ysidro School District

Schedule of Prior Year Audit Findings

Year Ended June 30, 2023

Finding/Recommendation	Status	Explanation if Not Implemented
Finding 2022-001 **Payroll** Condition In our review of independent study agreements we noted that the agreements were missing eight of the required elements and the District was unable to provide copies of agreements for nine of the students selected in our sample. Recommendation We recommended that the District review and update independent study master agreements to include all required elements. In addition, we recommended the District provide training to all employees completing documentation for independent study to ensure that they are keeping all required agreements in the student files as well as filling out all agreements completely.	Implemented	