



**BOARD OF TRUSTEES
REGULAR BOARD MEETING**

Board of Trustees
Joyce Dalessandro
Kristin Gibson
Beth Hergesheimer
Melisse Mossy
Maureen "Mo" Muir

Superintendent
Robert A. Haley, Ed.D.

**THURSDAY, MAY 21, 2020
5:00 PM**

Meeting will be held virtually.

This meeting will be held in accordance with Executive Orders N-25-20 and N-33-20, and the County of San Diego Health and Human Services Order of the Health Officer and Emergency Regulations issued on April 10, 2020. A copy of each order is available online at www.sduhsd.net and posted at 710 Encinitas Boulevard, Encinitas, CA. The meeting will be live-streamed, audio and video recorded. The public live-stream link will be posted online at www.sduhsd.net prior to the start of the meeting. Members of the Board of Trustees will be permitted to participate virtually/telephonically.

Public comments for regular board meetings are restricted to only action items and to the public comment/non-agenda item on the agenda before the Board of Trustees. Members of the public who wish to address the Board of Trustees may do so by submitting a request using this [form](#). This form will be available beginning at 5:00 p.m., May 19, 2020, and will close at 5:00 p.m. on May 20, 2020. Public comment will be limited to two (2) minutes per speaker and a total of 20 minutes per item. If there are more than 10 requests for any action or the public comment/non-agenda item, there will be a random selection of speakers made prior to the meeting on May 21, 2020 that will be video recorded. Speakers will be notified of selection in the afternoon prior to the start of the meeting. Written comments will be limited to 350 words (2,100 characters) or less. Comments will be shared with all trustees and posted online with the agenda for the public to see.

Additional information and supporting documents that may be provided to the Board of Trustees prior to the start of the meeting, if provided, will be posted on the website at www.sduhsd.net.

Welcome to the meeting of the San Dieguito Union High School District Board of Trustees.

AGENDA

- 1. CALL TO ORDER**
 - a. WELCOME
 - b. PLEDGE OF ALLEGIANCE
- 2. APPROVAL OF AGENDA**
- 3. CLOSED SESSION – NONE SCHEDULED**
- 4. RECONVENE TO OPEN SESSION – NONE SCHEDULED**
- 5. REPORTS**
 - a. STUDENT BOARD MEMBERS
 - i. STUDENT RECOGNITION
 - b. BOARD OF TRUSTEES
 - c. SUPERINTENDENT
- 6. RECOGNITION – AMY OLSON, 2020 TEACHER OF THE YEAR & CINDY SKEBER, 2020 CLASSIFIED SCHOOL EMPLOYEE OF THE YEAR**
- 7. PRESENTATION – NONE SCHEDULED**
- 8. PUBLIC COMMENT – NON-AGENDA ITEMS**

In accordance with the Brown Act, no discussion or action may be taken by the Board of Trustees on non-agenda items; however, the Board may 1) acknowledge receipt of the information; 2) refer the matter to staff for further study; or 3) refer the matter to a future agenda. *Please see meeting protocol.*

9. CONSENT AGENDA – *public comment, if any*

Members of the public are entitled to comment on items on the consent agenda. Trustees may ask for additional information regarding items on the consent agenda. Items on the consent agenda will be voted on in one motion unless a member of the board, staff or public requests that the item be removed and voted on separately, in which case the Board President will determine when it will be called and considered for action.

a. CONSENT AGENDA

- i. APPROVAL OF MINUTES / APRIL 21, 2020 REGULAR MEETING & MAY 14, 2020 SPECIAL MEETING
- ii. APPROVAL/RATIFICATION OF AGREEMENTS & AMENDMENTS TO AGREEMENTS
- iii. APPROVAL OF CHANGE ORDERS
- iv. ACCEPTANCE OF CONSTRUCTION PROJECTS
- v. RATIFICATION OF PURCHASE ORDERS LISTING
- vi. RATIFICATION OF WARRANTS REPORT LISTING
- vii. ADOPTION OF ANNUAL RESOLUTIONS / AUTHORIZED SIGNATURES
- viii. APPROVAL/RATIFICATION OF PARENT SETTLEMENT AND RELEASE AGREEMENTS
- ix. ACCEPTANCE OF WILLIAMS UNIFORM COMPLAINTS QUARTERLY REPORT, 3RD QTR, 2019-20 (JAN-MAR)

b. CONSENT AGENDA

- i. APPROVAL/RATIFICATION OF PERSONNEL REPORTS

10. ACTION ITEMS

- a. **CONSIDERATION OF DISTANCE LEARNING PLAN DURING SCHOOL CLOSURE SPRING 2020 – WAIVER OF BOARD POLICY 5121, GRADES/EVALUATION OF STUDENT ACHIEVEMENT, FOR SPRING SEMESTER 2020** - *public comment, if any*
- b. **CONSIDERATION OF ACCEPTANCE OF THE 2019 ANNUAL PROPOSITION AA BUILDING FUND AUDIT REPORT** – *public comment, if any*
- c. **CONSIDERATION OF ACCEPTANCE OF THE INDEPENDENT CITIZENS OVERSIGHT COMMITTEE 2019 ANNUAL REPORT** – *public comment, if any*
- d. **PUBLIC HEARING & CONSIDERATION OF ADOPTION OF RESOLUTION TO CONVEY FIRST AMENDMENT TO GRANT OF EASEMENT / VERIZON WIRELESS / TORREY PINES HIGH SCHOOL** - *public comment, if any*
- e. **CONSIDERATION OF ADOPTION OF RESOLUTION / TAX & REVENUE ANTICIPATION NOTES (TRANS) FOR 2020-21** – *public comment, if any*
- f. **CONSIDERATION OF APPROVAL OF DECLARATION OF NEED FOR FULLY QUALIFIED EDUCATORS** – *public comment, if any*
- g. **CONSIDERATION OF ACCEPTANCE OF GIFTS & DONATIONS** – *public comment, if any*

11. INFORMATION ITEMS

- a. BUSINESS SERVICES – TINA DOUGLAS, ASSOCIATE SUPERINTENDENT
 - i. 2020 General Obligation Refunding Bonds
- b. HUMAN RESOURCES – CINDY FRAZEE, ASSOCIATE SUPERINTENDENT

- c. EDUCATIONAL SERVICES – BRYAN MARCUS, ASSOCIATE SUPERINTENDENT
- d. ADMINISTRATIVE SERVICES – MARK MILLER, DEPUTY SUPERINTENDENT
- e. SUPERINTENDENT/DISTRICT – ROBERT A. HALEY, ED.D., SUPERINTENDENT

12. FUTURE AGENDA ITEMS

13. ADJOURNMENT

The next regularly Board Meeting is scheduled on [Thursday, June 4, 2020, at 5:00 PM](#) in the SDUHSD District Office Board Room 101. The District Office is located at 710 Encinitas Blvd., Encinitas, CA, 92024.



MEETING PROTOCOL

Board of Trustees
Joyce Dalessandro
Kristin Gibson
Beth Hergesheimer
Melisse Mossy
Maureen "Mo" Muir

Superintendent
Robert A. Haley, Ed.D.

The members of the San Dieguito Union High School District Board of Trustees are locally elected officials, serve four-year terms of office, and are responsible for the schools' educational programs, in grades seven through twelve. The Board is a policy-making body whose actions are guided by the District's vision, mission, and goals. Administration of the District is delegated to a professional administrative staff led by the Superintendent. Board Members are required to conduct the programs of the schools in accordance with the Constitution of the State of California, the California Education Code, and other laws relating to schools enacted by the Legislature, in addition to policies and procedures adopted by the Board of Trustees.

PUBLIC COMMENTS (Please see public comment process noted above.)

Members of the public are entitled to comment on action items listed on the agenda for Board consideration or deliberation. If you wish to speak regarding an action item on the agenda, please see public comment process noted above. At the discretion of the Board President, members of the public are entitled to speak on agenda items either immediately after the item is called or following background information provided related to the item. Members of the public are entitled to comment on an agenda item only once at any meeting. Although the Board President may seek additional information, participation in debate on any item before the Board shall be limited to the Board and staff. The Board President shall determine the order of speakers, when the Board President calls a member of the public they are asked, but not required, to provide their names prior to making comments. Members of the public are entitled to speak on matters within the jurisdiction of the Board, but not on the agenda during the public comment portion of the meeting. The Board President may acknowledge receipt of the information, refer to staff for further study, or refer the matter to a future agenda, but there shall be no discussion or action taken by the Board.

Please note the meeting is video recorded and will be published online. Comments are limited to two (2) minutes per person and may not be increased through donations of time by other members of the public. The total public comment time for agenda action items and non-agenda items shall not exceed twenty (20) minutes.

PUBLIC INSPECTION OF DOCUMENTS

In compliance with Government Code 54957.5, agenda-related documents that have been distributed to the Board less than 72 hours prior to the Board Meeting will be available for review on the district website, www.sduhsd.net and/or at the district office. Please contact the [Office of the Superintendent](#) for more information.

CONSENT CALENDAR

All matters listed under Consent are those on which the Board has previously deliberated or which can be classified as routine items of business. Members of the public are entitled to comment on items on the consent agenda. Trustees may ask for additional information regarding items on the consent agenda. Items on the consent agenda will be voted on in one motion unless a member of the board, staff or public requests that the item be removed and voted on separately, in which case the Board President will determine when it will be called and considered for action.

CLOSED SESSION

The Board may meet in Closed Session to consider qualified matters of litigation, employee negotiations, student discipline, employee grievances, personnel qualifications, and/or real estate negotiations which are timely.

CELL PHONES / ELECTRONIC DEVICES

As a courtesy to all meeting attendees, please set cell phones and electronic devices to silent mode and engage in conversations outside the meeting room.

In compliance with the Americans with Disabilities Act if you need special assistance, disability-related modifications, or accommodations, including auxiliary aids or services, in order to participate in the public meetings of the District's Governing Board, please contact the [Office of the Superintendent](#). Notification 72 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accommodation and accessibility to this meeting. Upon request the District shall also make available this agenda and all other public records associated with the meeting in appropriate alternative formats for persons with a disability.

Canyon Crest Academy • Carmel Valley MS • Diegueño MS • Earl Warren MS • La Costa Canyon HS
Oak Crest MS • Pacific Trails MS • San Dieguito HS Academy • Sunset HS • Torrey Pines HS

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: May 15, 2020

BOARD MEETING DATE: May 21, 2020

**PREPARED &
SUBMITTED BY:** Robert A. Haley, Ed.D., Superintendent

SUBJECT: **APPROVAL OF MINUTES / April 21, 2020
Regular Board Meeting & May 14, 2020
Special Meeting**

EXECUTIVE SUMMARY

The minutes of the April 21, 2020 Regular Board meeting and the May 14, 2020 Special meeting are being recommended for approval, as attached.

RECOMMENDATION:

It is recommended that the Board approve the minutes of the April 21, 2020 Regular Board meeting and the May 14, 2020 Special meeting, as shown in the attached supplement.

FUNDING SOURCE:

Not applicable



**BOARD OF TRUSTEES
REGULAR BOARD MEETING
MINUTES**

Board of Trustees
Joyce Dalessandro
Kristin Gibson
Beth Hergesheimer
Melisse Mossy
Maureen "Mo" Muir

Superintendent
Robert A. Haley, Ed.D.

**TUESDAY, APRIL 21, 2020
10:00 AM**

THIS MEETINGS WAS HELD VIRTUALLY.

ATTENDANCE

*Link to [video-recording](#).

BOARD OF TRUSTEES

*Joyce Dalessandro
*Kristin Gibson
Beth Hergesheimer
*Melisse Mossy
Maureen "Mo" Muir

STUDENT BOARD REPRESENTATIVES

Jack Farfel, Canyon Crest Academy (Absent)
Grace Keefe, San Dieguito High School Academy (Absent)
Wendy Miyazaki, La Costa Canyon High School (Absent)
Cole Parker, Torrey Pines High School (Absent)
Sarah Trigg, Sunset High School (Absent)

**Board Members Dalessandro, Gibson, and Mossy participated in the Board meeting via teleconference in accordance with Executive Order N-25-20 and N-33-20, and Public Health Officer regulations issued on April 10, 2020.*

DISTRICT ADMINISTRATORS / STAFF

Robert A. Haley, Ed.D., Superintendent
*Mark Miller, Deputy Superintendent
*Tina Douglas, Associate Superintendent, Business Services
*Cindy Frazee, Associate Superintendent, Human Resources
*Bryan Marcus, Associate Superintendent, Educational Services
Joann Schultz, Executive Assistant to the Superintendent / Recording Secretary
**Executive Cabinet members participated in the Board meeting virtually via teleconference.*

1. CALL TO ORDER

- a. WELCOME - President Hergesheimer called the meeting to order at 10:04 a.m. and stated the meeting was being held in accordance with State of California Executive Order N-25-20, N-33-20 and Public Health Officer regulations issued on April 10, 2020.
- b. PLEDGE OF ALLEGIANCE – President Hergesheimer led the Pledge of Allegiance.

2. APPROVAL OF AGENDA

Motion by Ms. Muir, seconded by Ms. Mossy, to approve the agenda of April 21, 2020, Regular Board Meeting of the San Dieguito Union High School District, as presented.

BOARD Ayes: Dalessandro, Gibson, Hergesheimer, Mossy, Muir; Noes: None; Abstain: None.

Motion unanimously carried.

3. CLOSED SESSION – NONE SCHEDULED

4. RECONVENE TO OPEN SESSION – NONE SCHEDULED

5. REPORTS – NONE SCHEDULED

6. RECOGNITION – NONE SCHEDULED

7. PRESENTATION – NUTRITION SERVICES DEPARTMENT / SCHOOL LUNCH HERO DAY / MAY 1, 2020

Dr. Haley read aloud a proclamation, and recognized and thanked the Nutrition Services Department employees for their work in providing meals to students during this unprecedented time. The Board proclaimed May 1, 2020 as School Lunch Hero Day.

8. PUBLIC COMMENT – NON-AGENDA ITEMS

Comments were made by Marianne Grosner.

9. CONSENT AGENDA

a. CONSENT AGENDA

Motion by Ms. Muir, seconded by Ms. Dalessandro, to approve Consent Agenda Item 9a, as presented.

- i. APPROVAL OF MINUTES (3) / MARCH 19, 2020 SPECIAL & REGULAR MEETINGS AND APRIL 15, 2020 SPECIAL MEETING
- ii. APPROVAL/RATIFICATION OF AGREEMENTS & AMENDMENTS TO AGREEMENTS
- iii. RATIFICATION OF PURCHASE ORDERS LISTING
- iv. RATIFICATION OF WARRANTS REPORT LISTING
- v. APPROVAL OF COOPERATIVE PURCHASING INSTRUMENTS

BOARD Ayes: Dalessandro, Gibson, Hergesheimer, Mossy, Muir; Noes: None; Abstain: None.

Motion unanimously carried.

b. CONSENT AGENDA

Motion by Ms. Mossy, seconded by Ms. Dalessandro, to approve Consent Agenda Item 9b, as presented.

- i. APPROVAL/RATIFICATION OF PERSONNEL REPORTS

BOARD Ayes: Dalessandro, Gibson, Hergesheimer, Mossy, Muir; Noes: None; Abstain: None.

Motion unanimously carried.

**The Board convened to a break at 11:19 a.m. and reconvened the meeting at 11:25 a.m.*

10. ACTION ITEMS

a. CONSIDERATION OF DISTANCE LEARNING PLAN

PUBLIC COMMENTS: Comments were made by Jane O'Hara, Hampton Hurt, Siobhan Gallagher, Erica Strohn, Corrie Samniego, Dylan Baurle, Karen Prince, Caroline Dunn, John O'Hara, Maureen Lucewicz, Ruth Baurle, Taylor Putnam, Susan McElroy, Clare Lucewicz, Melanie Kabo, Angela Kent, Joshua Kabo, Amy Jensen, Steve Dunn, Julie Thompson, Jungwoo Seo, Anna Tulino, Monica Attili, Nathan Weatheron, and Henry Snear.

Dr. Haley, Mr. Miller, and Mr. Marcus provided an update on the Distance Learning Plan. The recommendation for the item was, as follows, "It is recommended that the Board consider the information presented in the Distance Learning Plan and provide direction to the Superintendent." Included in the Distance Learning Plan is a section Final Spring Term Grades. Following the presentation, the Board asked questions and made comments on the Final Spring Term Grades. The Board President asked each Trustee to do so. The Board majority provided direction to the superintendent to continue with the Distance Learning Plan as presented, including the Final Spring Term Grades of Credit/No Credit grading for students.

b. CONSIDERATION OF ADOPTION OF RESOLUTION / LEASE-LEASEBACK AGREEMENT / TORREY PINES HS / BUILDING MODERNIZATION & NEW DIGITAL ARTS/ARTS CLASSROOM PROJECT

Motion by Ms. Muir, seconded by Ms. Dalessandro, to adopt the resolution for the lease-leaseback agreement for the Torrey Pines HS building modernization & new digital arts/arts classroom project, as presented.

BOARD Ayes: Dalessandro, Gibson, Hergesheimer, Mossy, Muir; Noes: None; Abstain: None.

Motion unanimously carried.

c. CONSIDERATION OF ADOPTION OF RESOLUTION FOR DESIGNATION OF APPLICANT’S AGENT FOR NON-STATE AGENCIES / COVID-19 PANDEMIC

Motion by Ms. Muir, seconded by Ms. Mossy, to adopt the Resolution for the Designation of Applicant’s Agent for None-State Agencies, related to the COVID-19 pandemic, as presented.

BOARD Ayes: Dalessandro, Gibson, Hergesheimer, Mossy, Muir; Noes: None; Abstain: None.

Motion unanimously carried.

d. CONSIDERATION OF ADOPTION OF THE RESOLUTION DECLARING MAY 4-8, 2020, “TEACHER APPRECIATION WEEK”, AND MAY 5, 2020, “DAY OF THE TEACHER”

Motion by Ms. Muir, seconded by Ms. Gibson, to adopt the Resolution declaring May 4-8, 2020 as “Teacher Appreciation Week” and May 5, 2020 as “Day of the Teacher”, as presented.

BOARD Ayes: Dalessandro, Gibson, Hergesheimer, Mossy, Muir; Noes: None; Abstain: None.

Motion unanimously carried.

e. CONSIDERATION OF ADOPTION OF THE RESOLUTION DECLARING MAY 17-23, 2020, “CLASSIFIED SCHOOL EMPLOYEES WEEK”

Motion by Ms. Dalessandro, seconded by Ms. Muir, to adopt the Resolution declaring May 17-23, 2020 as “Classified School Employees Week”, as presented.

BOARD Ayes: Dalessandro, Gibson, Hergesheimer, Mossy, Muir; Noes: None; Abstain: None.

Motion unanimously carried.

f. CONSIDERATION OF REVISED MANAGEMENT EMPLOYEES SALARY SCHEDULE

Motion by Ms. Muir, seconded by Ms. Dalessandro, to approve the revised Management Employees Salary Schedule, as presented.

BOARD Ayes: Dalessandro, Gibson, Hergesheimer, Mossy, Muir; Noes: None; Abstain: None.

Motion unanimously carried.

g. CONSIDERATION OF ACCEPTANCE OF GIFTS & DONATIONS

Motion by Ms. Muir, seconded by Ms. Dalessandro, to accept the gifts and donations, as presented.

BOARD Ayes: Dalessandro, Gibson, Hergesheimer, Mossy, Muir; Noes: None; Abstain: None.

Motion unanimously carried.

11. INFORMATION AND DISCUSSION ITEMS

a. SUPERINTENDENT’S REPORT – DISTRICT RESPONSE PLANNING TO COVID-19

Dr. Haley and the Executive Cabinet team provided an update on the District response planning to COVID-19.

12. FUTURE AGENDA ITEMS – NONE

13. ADJOURNMENT

The meeting adjourned at 1:03 p.m.

Melisse Mossy, Board Clerk

Date:

Robert A. Haley, Ed.D., Superintendent

Date: May 21, 2020

MINUTES ADOPTED:



**BOARD OF TRUSTEES
SPECIAL MEETING
MINUTES**

Board of Trustees
Joyce Dalessandro
Kristin Gibson
Beth Hergesheimer
Melisse Mossy
Maureen "Mo" Muir

Superintendent
Robert A. Haley, Ed.D.

**THURSDAY, MAY 14, 2020
5:00 PM**

MEETING WAS HELD VIRTUALLY.

The Governing Board of the San Dieguito Union High School District held a Special Meeting on Thursday, May 14, 2020, virtually.

**Link to [video-recording](#).*

ATTENDANCE / BOARD OF TRUSTEES & STUDENT BOARD REPRESENTATIVES:

- *Joyce Dalessandro
- *Kristin Gibson
- *Beth Hergesheimer
- *Melisse Mossy
- *Maureen "Mo" Muir
- *Jack Farfel, Canyon Crest Academy
- *Grace Keefe, San Dieguito High School Academy
- *Wendy Miyazaki, La Costa Canyon High School
- *Cole Parker, Torrey Pines High School

**All Board members and student board representatives participated in the Board meeting virtually in accordance with Executive Orders N-25-20, N-33-20 and Public Health Executive Order issued on April 10, 2020.*

ATTENDANCE / DISTRICT MANAGEMENT:

- *Robert A. Haley, Ed.D., Superintendent
- *Mark Miller, Deputy Superintendent
- *Tina Douglas, Associate Superintendent, Business Services
- *Cindy Frazee, Associate Superintendent, Human Resources
- *Bryan Marcus, Associate Superintendent, Educational Services
- *Brett Killeen, Principal, Canyon Crest Academy
- *Vicki Kim, Principal, Carmel Valley Middle School
- *Cara Dolnik, Principal, Diegueno Middle School
- *Justin Conn, Principal, Earl Warren Middle School
- *Reno Medina, Principal, La Costa Canyon High School
- *Briehna Weatherford, Principal, Oak Crest Middle School
- *Mary Anne Nuskin, Principal, Pacific Trails Middle School
- *Adam Camacho, Principal, San Dieguito High School Academy
- *Rick Ayala, Principal, Sunset High School
- *Rob Coppo, Principal, Torrey Pines High School
- Joann Schultz, Executive Assistant to the Superintendent / Recording Secretary
- *Participated in the Board meeting virtually.*

1. CALL TO ORDER

a. WELCOME / MEETING PROTOCOL REMARKS

President Hergesheimer called the meeting to order at 5:00 p.m. Ms. Hergesheimer stated the public was given the opportunity to submit a request to speak and provide written public comments prior to the start of the meeting, and comments received were shared with the Board of Trustees, and will be posted on the website.

b. PLEDGE OF ALLEGIANCE

President Hergesheimer led the Pledge of Allegiance.

c. APPROVAL OF AGENDA

Motion by Ms. Gibson, seconded by Ms. Muir, to approve the agenda of May 14, 2020 Special Meeting of the San Dieguito Union High School District, as presented.

ADVISORY VOTE: Ayes: Miyazaki, Farfel, Keefe, Parker; Noes: None; Abstain: None. BOARD Ayes: Dalessandro, Gibson, Hergesheimer, Mossy, Muir; Noes: None; Abstain: None.

Motion unanimously carried.

ACTION ITEM

2. CONSIDERATION OF DISTANCE LEARNING PLAN DURING SCHOOL CLOSURE SPRING 2020 – WAIVER OF BOARD POLICY 5121, GRADES/EVALUATION OF STUDENT ACHIEVEMENT, FOR SPRING SEMESTER 2020

PUBLIC COMMENTS: Comments were made by Katrina Young, Bruce Kesler, Speaker #5, Speaker #6, Julie Pallia, Dirk-Uwe Bartsch, Victoria Bloise, Seema Burke, Maureen Farley Lucewicz.

The Board asked questions of staff and held a discussion.

A motion was made by Ms. Muir, seconded by Ms. Mossy, that staff bring back a policy and a procedure that would provide hold harmless grades and Credit/No Credit for all of our schools of the San Dieguito Union High School District.

No vote was taken.

The motion was amended by Ms. Hergesheimer, seconded by Ms. Mossy, to have staff bring back a policy and a procedure that would provide hold harmless grades and Credit/No Credit for the high schools, and Credit/No Credit for the middle schools of the San Dieguito Union High School District.

STUDENT ADVISORY Ayes: None; Noes: None; Abstain: Farfel, Keefe, Miyazaki, Parker. BOARD Ayes: Dalessandro, Gibson, Hergesheimer, Mossy, Muir; Noes: None; Abstain: None.

Motion unanimously carried.

**The Board convened for a break at 6:45 p.m. and reconvened at 6:50 p.m.*

INFORMATION ITEMS

3. SCHOOL CLOSURE / REOPENING – FALL SEMESTER 2020

Dr. Haley, Mr. Marcus and Ms. Frazee provided an update.

4. GRADUATIONS AND PROMOTIONS 2020 – PRELIMINARY PLANNING

Dr. Haley, and Principals Dolnik, Medina, Coppo, Killeen, Camacho and Ayala provided an update on preliminary planning for 2020 promotions and graduations.

5. BUDGET 2020-21 – PRELIMINARY PLANNING

Dr. Haley and Ms. Douglas provided a brief update on 2020-21 budget since the Governor released the May Revise earlier in the day and limited information is available.

6. ADJOURNMENT

The meeting was adjourned at 8:02 p.m.

Melisse Mossy, Clerk

May 21, 2020

Robert A. Haley, Ed.D., Superintendent

MINUTES ADOPTED:

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: May 8, 2020

BOARD MEETING DATE: May 21, 2020

PREPARED BY: Debra Kelly, Director of Purchasing
Tina Douglas, Associate Superintendent,
Business Services

SUBMITTED BY: Robert A. Haley, Ed.D., Superintendent

SUBJECT: APPROVAL / RATIFICATION OF
PROFESSIONAL SERVICES AGREEMENTS /
AMENDMENTS TO AGREEMENTS

EXECUTIVE SUMMARY

The attached Report summarizes agreements / amendments to agreements from district departments.

RECOMMENDATION:

It is recommended that the Board approve/ratify the agreements/amendments to agreements, as shown in the attached Report.

FUNDING SOURCE:

As noted on the attached report.

2019\20 Approval/Ratification of Agreements
May 21, 2020 Board Meeting

ITEM 9a-ii

Agreements Recommended for Board Approval

#	AGREEMENT VENDOR	DESCRIPTION OF SERVICES	FUNDING SOURCE	AMOUNT NOT TO EXCEED	START DATE	END DATE
1	Illuminate Education, Inc.	To provide DnA web-based student data and assessment management software, Grading Software, and Inspect Premium.	General Fund/Unrestricted 01-00	At the annual per student rates of: 2020-21 = \$4.64 2021-22 = \$4.78 2022-23 = \$4.92	07/01/20	06/30/23
2	T-Mobile USA, Inc.	To provide cellular hotspots for student use district wide.	General Fund/Unrestricted 01-00	\$20 per month per device	Upon execution of the contract	12 months after execution of the contract
3	San Diego County Superintendent of Schools (SDCOE)	Reimbursement from SDCOE to cover the costs of substitutes, expenses, and compensation for after contract-work for an SDUHSD employee performing consulting duties as the Health Framework Lead.	NA	NA	1/17/2020	06/30/20
4	LDP Associates, Inc.	To provide preventative maintenance visits, parts, labor, 24x7 annual tech support, and on-site service for the San Dieguito Union High School server room back up power supply equipment and air conditioning systems.	General Fund/Unrestricted 01-00	\$13,950.00	05/30/20	05/29/21
5	Gerardy Photography, Inc.	Photography services district wide.	NA	NA	05/23/20	06/30/21
6	Center for Autism and Related Disorders, LLC (CARD)	Non Public Agency (NPA) autism and related services.	General Fund/Restricted 01-00	At the rates established in the agreement	07/01/19	06/30/20
7	California State University San Marcos (CSUSM)	To provide CSUSM students clinical experiences and observational opportunities.	NA	NA	Upon execution of the contract	5 years after execution of the contract or until terminated with 30 day advance notice
8	PCS Revenue Control Systems, Inc.	To provide annual support for Rightrak, Comtrak, ApplyNOW, LunchStatus Online, Fastrak ScMP school food and nutrition technology systems district wide.	Cafeteria Fund 13-00	\$6,213.75	07/01/20	6/30/2021 and then automatically renewing for additional one year periods until terminated with 90 day advance notice
9	Dell Marketing, LP	To provide computer equipment, peripherals, and related services per the National Association of State Procurement Officials (NASPO) cooperative purchasing agreement MNWNC-108.	Fund to which the project is charged	At the rates established in the agreement	05/22/20	07/31/21
10	EMC Corporation	To provide computer equipment, storage, including related peripherals and services per the National Association of State Procurement Officials (NASPO) cooperative purchasing agreement MNWNC-109.	Fund to which the project is charged	At the rates established in the agreement	05/22/20	07/31/21
11	Fagen Friedman & Fulfrost LLP	To provide legal services.	General Fund/Unrestricted 01-00	At the rates established in the agreement	07/01/20	06/30/21
12	NvLS Professional Services, LLC	To provide E-rate consulting services.	General Fund/Unrestricted 01-00	\$13,400.00 per year	07/01/20	06/30/21
13	Grossmont-Cuyamaca Community College District Auxiliary Organization dba Foundation for Grossmont and Cuyamaca Colleges (GCCCD)	Participation agreement for the K12 Strong Workforce Program allowing GCCCD to act as the Fiscal Agent responsible for contracting with, and distributing funds to, grantees such as SDUHSD.	NA	NA	05/01/20	12/31/22

2019\20 Approval/Ratification of Agreements
May 21, 2020 Board Meeting

ITEM 9a-ii

#	AGREEMENT VENDOR	DESCRIPTION OF SERVICES	FUNDING SOURCE	AMOUNT NOT TO EXCEED	START DATE	END DATE
14	S&R Towing, Inc. dba S&R Towing	To provide commercial towing services as needed district wide at no cost to the district.	NA	NA	05/23/20	NA
15	Ninyo & Moore	Provide environmental services on a time and materials basis at the Sunset High School Campus Reconstruction Project.	Building Fund Prop 39 -- Fund 21-39	Time & Materials Basis at the rates established in the proposal	4/23/2020	Completion
16	Roesling Nakamura Terada Architects	Provide architectural/engineering services for landscape improvements along Torrington Street at Torrey Pines High School.	Mello-Roos Funds	\$24,800.00 plus reimbursable expenses	5/22/2020	Completion
17	HED Design	Provide architectural/engineering services for modernization of the Industrial Arts Building and Buildings A and B at San Dieguito High School Academy.	Building Fund Prop 39 -- Fund 21-39	\$301,000.00 plus reimbursable expenses	5/22/2020	Completion
18	C&D Towing Services, Inc.	Provide towing/container relocation services.	The Fund to Which The Project is Charged	\$10,000.00	5/22/2020	05/21/21
19	USA Shade	Provide shade structure for San Dieguito High School Academy Arts & Humanities Building Quad.	Building Fund Prop 39 -- Fund 21-39	\$61,972.82	05/22/20	Completion
20	Jose Gonzales, Esq.	To provide legal services for planning and construction.	General Fund O1-00 and Mello-Roos Funds	At the rates established in the proposal	05/22/20	05/21/23
21	School Facility Consultants	Provide services for state funding of new school construction & modernization projects district wide, the federal stimulus funding applications process and funding through the implementation of Proposition 39 Clean Energy Act.	Capital Facilities Fund 25-19	\$30,000.00	7/1/2020	6/30/2021
22	Vector Resources, Inc.	Provide and install security cameras for La Costa Canyon High School.	Mello-Roos Funds	\$105,715.34	05/22/20	Completion
23	Vector Resources, Inc.	Provide and install security cameras for Canyon Crest Academy.	Mello-Roos Funds	\$99,649.58	05/22/20	Completion
24	Dell EMC Corp.	Provide and install Dell Isilon-VS Bundle camera server/storage system including hardware and software maintenance.	Mello-Roos Funds	\$88,754.42	05/22/20	Completion
25	FoxLin, Inc.	Provide planning and environmental consulting services for projects district wide.	The Fund to Which The Project is Charged	\$30,000.00 plus reimbursable expenses	05/22/20	05/21/21
26	Trace3	Provide network hardware for data and telecommunications including voice over internet protocol (VOIP) at the new Sunset High School Campus.	Building Fund 21-39	\$218,155.20	05/22/20	Completion
27	Westberg & White	Provide architectural/engineering services for a new shade structure in the Arts Quad and San Dieguito High School Academy.	Building Fund Prop 39 -- Fund 21-39	\$7,500.00 plus reimbursable expenses	05/22/20	Completion

**2019-20 Approval/Ratification of Amendments to Agreements
May 21, 2020 Board Meeting**

ITEM 9a-ii

Amendments to Agreements Recommended for Board Approval

#	AGREEMENT VENDOR	DESCRIPTION OF SERVICES	FUNDING SOURCE	AMENDED AMOUNT	AMOUNT NOT TO EXCEED	START DATE	END DATE
1	Follett School Solutions, Inc.	Increasing the annual not-to-exceed expenditure for Follett Destiny Resource service from \$744.83 per school site to \$762.67 per school site for a total of nine school sites with no other changes to the agreement.	General Fund/ Unrestricted 01-00	\$17.84 per school site	\$6,864.03 per year	06/30/20	6/30/2021 and then continuing until terminated
2	Overdrive, Inc.	Extending the eBook & Audio Book catalog resource for libraries & schools.	General Fund/ Unrestricted 01-00	\$10,000.00 per year	\$10,000.00 per year	08/21/20	08/20/21
3	Aeries Software, Inc. dba Eagle Software	Amending the software license for Aeries, Aeries Analytics, and Aeries Online Enrollment, increasing the annual not to exceed amount with no other changes.	General Fund/ Unrestricted 01-00	\$5,452.63	\$89,471.83	07/01/20	06/30/21
4	Galasso's Bakery	Extending the contract an additional year with rate increases as allowed in the contract.	Cafeteria Fund/ 13-00	At the rates established in the agreement	At the rates established in the agreement	7/1/2020	6/30/2021
5	The Regents of the University of California, San Diego (UCSD)	Amending the contract for Athletic Trainer Services (ATCs), extending the contract for an additional year with no other changes to the contract.	General Fund/ Unrestricted 01-00	NA	\$205,500.00	07/01/20	06/30/21
6	SOL Transportation, LLC	Amending the contract for Special Education Transportation, extending the contract for an additional year with no other changes to the contract.	General Fund/ Unrestricted 01-00	NA	At the rates established in the agreement	05/16/20	05/15/21
7	HopSkipDrive, Inc.	Amending the contract for Special Education Transportation, extending the contract for an additional year with no other changes to the contract.	General Fund/ Unrestricted 01-00	NA	At the rates established in the agreement	05/16/20	05/15/21
8	ALC Schools, LLC	Amending the contract for Special Education Transportation, extending the contract for an additional year with no other changes to the contract.	General Fund/ Unrestricted 01-00	NA	At the rates established in the agreement	05/16/20	05/15/21
9	Frontline Technologies Group dba Frontline Education, formally known as Digital Schools of California, LLC	Amending the contract for Digital Schools Suite software for human resources, budgeting, and payroll management, extending for an additional year and allowing an increase in the annual fee.	General Fund/ Unrestricted 01-00	\$5,226.63	\$57,904.63	07/01/20	06/30/21
10	Advanced Toolware, LLC dba Tools4ever	Adding 2,000 additional users to the district's User Management Resource Administrator (UMRA) user account management and provisioning software account.	General Fund/ Unrestricted 01-00	\$3,240.00	\$12,240.00	05/01/20	04/30/21 and then continuing with auto renewals until terminated
11	Banyan Tree Educational Services, Inc.	Amending the Non-Public School (NPS) Master Contract and Appendix A to accommodate an MOU for Distance Learning due to Covid-19.	NA	NA	NA	03/15/20	06/30/20
12	Community School of San Diego High School	Amending the Non-Public School (NPS) Master Contract and Appendix A to accommodate an MOU for Distance Learning due to Covid-19.	NA	NA	NA	03/15/20	06/30/20

**2019-20 Approval/Ratification of Amendments to Agreements
May 21, 2020 Board Meeting**

ITEM 9a-ii

#	AGREEMENT VENDOR	DESCRIPTION OF SERVICES	FUNDING SOURCE	AMENDED AMOUNT	AMOUNT NOT TO EXCEED	START DATE	END DATE
13	Community Transition Academy	Amending the Non-Public School (NPS) Master Contract and Appendix A to accommodate an MOU for Distance Learning due to Covid-19.	NA	NA	NA	03/15/20	06/30/20
14	Excelsior Academy	Amending the Non-Public School (NPS) Master Contract and Appendix A to accommodate an MOU for Distance Learning due to Covid-19.	NA	NA	NA	03/15/20	06/30/20
15	Fred Finch Youth Center	Amending the Non-Public School (NPS) Master Contract and Appendix A to accommodate an MOU for Distance Learning due to Covid-19.	NA	NA	NA	03/15/20	06/30/20
16	Oak Grove Center	Amending the Non-Public School (NPS) Master Contract and Appendix A to accommodate an MOU for Distance Learning due to Covid-19.	NA	NA	NA	03/15/20	06/30/20
17	San Diego Center for Children Academy	Amending the Non-Public School (NPS) Master Contract and Appendix A to accommodate an MOU for Distance Learning due to Covid-19.	NA	NA	NA	03/15/20	06/30/20
18	Sierra Academy of San Diego	Amending the Non-Public School (NPS) Master Contract and Appendix A to accommodate an MOU for Distance Learning due to Covid-19.	NA	NA	NA	03/15/20	06/30/20
19	Springall Academy	Amending the Non-Public School (NPS) Master Contract and Appendix A to accommodate an MOU for Distance Learning due to Covid-19.	NA	NA	NA	03/15/20	06/30/20
20	TERI, Inc.	Amending the Non-Public School (NPS) Master Contract and Appendix A to accommodate an MOU for Distance Learning due to Covid-19.	NA	NA	NA	03/15/20	06/30/20
21	The Institute for Effective Education	Amending the Non-Public School (NPS) Master Contract and Appendix A to accommodate an MOU for Distance Learning due to Covid-19.	NA	NA	NA	03/15/20	06/30/20
22	The Winston School	Amending the Non-Public School (NPS) Master Contract and Appendix A to accommodate an MOU for Distance Learning due to Covid-19.	NA	NA	NA	03/15/20	06/30/20
23	Autism Spectrum Consultants, Inc.	Amending the Non-Public Agency (NPA) Master Contract and Appendix B to accommodate an MOU for Distance Learning due to Covid-19.	NA	NA	NA	03/15/20	06/30/20
24	Coast Music Therapy, Inc.	Amending the Non-Public Agency (NPA) Master Contract and Appendix B to accommodate an MOU for Distance Learning due to Covid-19.	NA	NA	NA	03/15/20	06/30/20
25	New Haven Youth and Family Services, Inc.	Amending the Non-Public Agency (NPA) Master Contract and Appendix B to accommodate an MOU for Distance Learning due to Covid-19.	NA	NA	NA	03/15/20	06/30/20

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: May 7, 2020

BOARD MEETING DATE: May 21, 2020

PREPARED BY: John Addleman, Exec. Director Planning Services
Tina Douglas, Associate Superintendent,
Business Services

SUBMITTED BY: Robert A. Haley, Ed.D., Superintendent

SUBJECT: APPROVAL OF CHANGE ORDERS / FACILITIES
PLANNING & CONSTRUCTION

EXECUTIVE SUMMARY

On April 19, 2018 the board approved the resolution authorizing entering into a Lease-Leaseback contractual arrangement with Erickson Hall Construction Company (“EHCC”) for the Oak Crest Middle School Administration Building Reconstruction and Building F Project (the “Project”). The Lease-Leaseback award was made pursuant to the competitive solicitation procedures unanimously adopted by the board on December 14, 2017.

The Project was constructed in two phases, with the Phase 1 final GMP approved on June 21, 2018, and the Phase 2 final GMP approved October 11, 2018 for a total cost of \$2,877,089.00.

The Project was completed on time and under budget, and EHCC has a final deductive change order in the amount of \$142,882.00 for a revised final GMP of \$2,734,207.00

RECOMMENDATION:

It is recommended that the Board approve the following change order and authorize Tina Douglas or Robert A. Haley to execute same:

1. Erickson Hall Construction Company, Oak Crest Middle School Administration Building Reconstruction and Building F Project CB2018-08, decreasing the amount by \$142,882.00 for a new total of \$2,734,207.00, and extending the contract date by 280 days, to be expended from Building Fund Prop 39 – Fund 21-39, Mello-Roos Funds and Other Building Fund 21-09.

FUNDING SOURCE:

As noted herein.

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: May 7, 2020

BOARD MEETING DATE: May 21, 2020

PREPARED BY: John Addleman, Exec. Director Planning Services
Tina Douglas, Associate Superintendent Business

SUBMITTED BY: Robert A. Haley, Ed.D., Superintendent

SUBJECT: ACCEPTANCE OF CONSTRUCTION PROJECTS

EXECUTIVE SUMMARY

On April 19, 2018 the board approved the resolution authorizing entering into a Lease-Leaseback contractual arrangement with Erickson Hall Construction Company (“EHCC”) for the Oak Crest Middle School Administration Building Reconstruction and Building F Project (the “Project”). The Lease-Leaseback award was made pursuant to the competitive solicitation procedures unanimously adopted by the board on December 14, 2017.

The Project was completed on time and under budget.

RECOMMENDATION:

It is recommended that the Board accept the Project as complete as of this date, and authorize the administration to file the Notice of Completion with the County Records’ Office and release final retention for the following contractor:

1. Oak Crest Middle School Administration Building Reconstruction and Building F Project CB2018-08, contract entered into with Erickson Hall Construction Co.

FUNDING SOURCE:

Not Applicable.

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: May 13, 2020

BOARD MEETING DATE: May 21, 2020

PREPARED BY: Tina Douglas, Associate Superintendent,
Business Services

SUBMITTED BY: Robert A. Haley, Ed.D., Superintendent

SUBJECT: RATIFICATION OF PURCHASE ORDERS
LISTING

EXECUTIVE SUMMARY

Please find the attached Purchase Orders listing submitted for your ratification.

RECOMMENDATION:

It is recommended that the Board ratify the purchase orders listing, as shown in the attached supplement.

FUNDING SOURCE:

Not applicable.

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PO REPORT APRIL 9, 2020 THROUGH MAY 7, 2020					
PO NBR	FUND	VENDOR	LOC	DESCRIPTION	AMOUNT
0000015062	1300	SOUTHWEST SCHOOL/OFFICE SUPPLY	014	Materials And Supplies	\$300.00
0000015063	0100	NO CTY STUDENT TRANSPORTATION	013	Subagreements For Services	\$75,000.00
0000015064	0100	DION INTERNATIONAL	013	Repairs-Vehicles	\$10,000.00
0000015065	0100	CREATIVE BUS SALES	013	Materials-Vehicle Parts	\$5,000.00
0000015066	0100	NORTH COAST SIGNS	015	Professional/Consult Svs	\$7,826.07
0000015068	0100	ALTA COPY, PRINT, DESIGN	600	Materials And Supplies	\$2,262.75
0000015069	0100	ALTA COPY, PRINT, DESIGN	600	Materials And Supplies	\$700.38
0000015070	0100	SOUTHWEST SCHOOL/OFFICE SUPPLY	012	Materials And Supplies	\$1,648.57
0000015071	0100	SCHOOL DATEBOOKS INC	600	Materials And Supplies	\$3,107.12
0000015072	0100	HAIDER, MELISSA L., MPT	002	Professional/Consult Svs	\$20,750.00
0000015073	0100	SAN DIEGO CO LIBRARY	011	Professional/Consult Svs	\$15,021.50
0000015074	0100	UNITED SITE SERVICES	500	Other Serv.& Oper.Exp.	\$750.97
0000015075	2139	DIGITAL NETWORKS GROUP, INC.	007	Technology Equipment	\$262,842.05
0000015076	0100	EDGEWOOD PRESS	500	Printing	\$1,184.76
0000015077	0100	LAW OFFICE OF MEAGAN NUNEZ	002	Mediation Settlements	\$6,000.00
0000015078	0100	SSID #5191325302	002	Mediation Settlements	\$22,000.00
0000015079	0100	SSID #9160250051	002	Other Serv.& Oper.Exp.	\$1,500.00
0000015080	0100	SSID #5039829527	002	Other Serv.& Oper.Exp.	\$1,500.00
0000015081	0100	DION INTERNATIONAL	013	Repairs-Vehicles	\$5,000.00
0000015082	0100	PERSEUS ASSOCIATES, LLC	013	Computer Licensing	\$200.00
0000015084	0100	XEROX CORPORATION	500	Copy Charges	\$500.00
0000015085	0100	THRIVELY INC	003	Professional/Consult Svs	\$25,000.00
0000015086	0100	SAN DIEGO COUNTY OFFICE OF EDUCATION	001	Conference,Workshop,Sem.	\$25.00
0000015087	0100	XEROX CORPORATION	007	Copy Charges	\$603.00
0000015088	0100	INTERNATIONAL BACCALAUREATE ORGANIZATION	001	Dues And Memberships	\$269.00
0000015089	0100	D S SERVICES OF AMERICA INC	011	Materials And Supplies	\$3,000.00
0000015090	0100	FLOWATER INC	500	Repairs & Maintenance	\$150.00
0000015091	0100	UNITED SITE SERVICES	012	Rents & Leases	\$200.00
0000015092	0100	UNITED SITE SERVICES	012	Rents & Leases	\$200.00
0000015093	0100	ECONOMY CAP & GOWN	500	Materials And Supplies	\$470.41
0000015094	0100	LOGAN RIVER ACADEMY	002	Mental Health Svcs	\$15,044.49
0000015094	0100	LOGAN RIVER ACADEMY	002	Other Contr-N.P.S.	\$14,159.64
0000015094	0100	LOGAN RIVER ACADEMY	002	Room & Board	\$25,000.00
0000015094	0100	LOGAN RIVER ACADEMY	002	Sub/Room & Board	\$8,852.78
0000015095	0100	THE FRUTH GROUP, INC	500	Rents & Leases	\$200.00
0000015096	0100	INT'L SOCIETY OF ARBORICULTURE	012	Conference,Workshop,Sem.	\$230.00
0000015097	0100	CDW GOVERNMENT	011	Non-Capitalized Tech Equipment	\$205,862.89
0000015098	0100	XEROX CORPORATION	012	Copy Charges	\$600.00
0000015099	0100	LDP ASSOCIATES, INC.	017	Repairs & Maintenance	\$13,950.00
0000015100	0100	STAPLES ADVANTAGE	500	Materials And Supplies	\$50.00
0000015101	0100	AT&T	017	Communications-Telephone	\$100,000.00
0000015102	2139	STAPLES ADVANTAGE	007	Equipment	\$6,006.99
0000015103	0100	MAINTEX INC	012	Materials And Supplies	\$2,844.60
0000015104	1300	ALL AMERICAN PLASTIC	014	Purchases Supplies	\$600.00
0000015105	0100	AREY JONES ED SOLUTIONS	003	Non-Capitalized Tech Equipment	\$99,817.58
0000015106	0100	UNITED SITE SERVICES	012	Rents & Leases	\$500.00
0000015107	0100	WILLDAN FINANCIAL SERVICES	007	Bank Charges	\$2,000.00
0000015107	0100	WILLDAN FINANCIAL SERVICES	007	Data Processing Contract	\$1,500.00
0000015108	0100	CDW GOVERNMENT	011	Non-Capitalized Tech Equipment	\$5,600.19
0000015109	0100	AREY JONES ED SOLUTIONS	003	Non-Capitalized Tech Equipment	\$40,524.66
0000015110	2139	ELITE RELOCATION	007	Improvements	\$2,515.74
0000015111	2139	ARENSEN OFFICE FURNITURE	007	Equipment	\$60,513.75

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0000015112	2139	DIVISION OF THE STATE ARCHITECT	007	New Construction	\$22,444.51
0000015113	0100	STEVEN SMITH LANDSCAPE, INC.	012	Repairs & Maintenance	\$6,000.00
0000015114	0100	SSID #7093672716	002	Mediation Settlements	\$12,300.00
0000015115	0100	Stock-Trak Inc	003	Computer Licensing	\$700.00
0000015116	0100	AFFORDABLE DRAIN SERVICE INC	012	Repairs & Maintenance	\$5,000.00
0000015117	0100	ROMAN'S TRUCK BODY & PAINT	013	Repairs-Vehicles	\$8,849.31
0000015118	0100	UNITED TIRE CENTERS, LLC	013	Repairs-Vehicles	\$400.00
0000015119	0100	ACCURATE SECURITY PROS, INC.	012	Repairs & Maintenance	\$3,000.00
0000015120	0100	FERGUSON ENTERPRISES INC	012	Non-Capitalized Equipment	\$4,265.92
0000015121	0100	FRONTIER FENCE COMPANY INC	012	Repairs & Maintenance	\$997.00
0000015122	0100	D A D ASPHALT, INC.	012	Repairs & Maintenance	\$7,300.00
0000015123	0100	BREVIG PLUMBING	012	Repairs & Maintenance	\$2,223.00
0000015124	2139	PROCURETECH	007	Equipment	\$4,428.46
0000015127	0100	TRACE3, LLC	017	Computer Licensing	\$10,000.00
0000015128	2139	VECTOR RESOURCES, INC.	007	Equipment	\$26,799.88
0000015129	0100	MAINTEX INC	011	Materials And Supplies	\$374.97
0000015130	0100	NOVA ENGINEERING, INC.	012	Professional/Consult Svs	\$32,700.00
0000015131	0100	NOVA ENGINEERING, INC.	012	Professional/Consult Svs	\$37,200.00
0000015132	0100	Rancho Janitorial	011	Materials And Supplies	\$3,663.50
0000015133	0100	DEVEREUX CLEO WALLACE	002	Mental Health Svcs	\$23,858.61
0000015133	0100	DEVEREUX CLEO WALLACE	002	Other Contr-N.P.S.	\$12,979.12
0000015133	0100	DEVEREUX CLEO WALLACE	002	Room & Board	\$25,000.00
0000015133	0100	DEVEREUX CLEO WALLACE	002	Sub/Room & Board	\$6,864.59
0000015134	0100	TOOLS4EVER	017	Computer Licensing	\$3,240.00
0000015135	2519	CROSS CIVIL ENGINEERING	007	Professional/Consult Svs	\$8,800.00
0000015136	2519	RUHNAU CLARKE ARCHITECTS	007	Professional/Consult Svs	\$257,673.00
0000015137	2519	KITCHELL CORPORATION	007	Professional/Consult Svs	\$343,551.00
0000015138	0100	GEM INDUSTRIAL, INC.	007	Land Improvements	\$164,703.60
0000015138	2519	GEM INDUSTRIAL, INC.	007	Land Improvements	\$211,796.40
0000015139	2518	SAN DIEGO UNION-TRIBUNE, LLC	007	Advertising	\$567.79
0000015140	0100	STEVEN SMITH LANDSCAPE, INC.	012	Repairs & Maintenance	\$10,000.00
0000015141	0100	FRONTIER FENCE COMPANY INC	012	Repairs & Maintenance	\$5,060.00
0000015142	0100	FIELDTURF USA INC	012	Data Processing Contract	\$72,000.00
0000015142	2519	FIELDTURF USA INC	007	Land Improvements	\$88,000.00
0000015143	0100	OFFICE DEPOT, INC	012	Materials And Supplies	\$30.67
0000015144	0100	UNITED TIRE CENTERS, LLC	013	Repairs-Vehicles	\$325.00
0000015145	0100	FIELDTURF USA INC	012	Repairs & Maintenance	\$1,059.00
0000015146	0100	MISSION JANITORIAL SUPPLIES	012	Non-Capitalized Equipment	\$16,146.34
0000015147	0100	AMERICAN SANITARY SUPPLY	012	Materials And Supplies	\$1,050.00
0000015148	0100	EUROPEAN STYLE PAINTING CORP	012	Repairs & Maintenance	\$53,000.00
0000015149	2139	CLASS LEASING LLC	007	New Construction	\$4,705.00
0000015150	0100	HERITAGE SCHOOLS	002	Mental Health Svcs	\$10,374.00
0000015150	0100	HERITAGE SCHOOLS	002	Other Contr-N.P.S.	\$12,264.00
0000015150	0100	HERITAGE SCHOOLS	002	Room & Board	\$25,000.00
0000015150	0100	HERITAGE SCHOOLS	002	Sub/Room & Board	\$4,412.00
0000015151	0100	New Haven Youth & Family Services	002	Other Contr-N.P.S.	\$443.43
0000015152	2519	BREVIG PLUMBING	007	Improvements	\$5,542.00
0000015153	0100	INDIAN PRODUCT	500	Materials And Supplies	\$971.44
0000015154	0100	ALTA COPY, PRINT, DESIGN	600	Materials And Supplies	\$285.00
0000015155	0100	SOUTHWEST SCHOOL/OFFICE SUPPLY	011	Materials And Supplies	\$1,406.14
0000015156	0100	SSID #1288927618	002	Mediation Settlements	\$5,500.00
0000015157	1300	AMAZON CAPITAL SERVICES, INC.	014	Materials And Supplies	\$200.00
0000015158	2139	SAN DIEGO GAS & ELECTRIC CO	007	New Construction	\$164,412.00
0000015159	2139	NINYO & MOORE	007	New Construction	\$19,087.43

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0000015160	2139	CULVER-NEWLIN INC	007	Equipment	\$71,603.42
0000015478	0100	R C AWARDS	500	Materials And Supplies	\$1,468.32

REPORT TOTAL \$2,901,410.74

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: May 13, 2020

BOARD MEETING DATE: May 21, 2020

PREPARED BY: Tina Douglas, Associate Superintendent,
Business Services

SUBMITTED BY: Robert A. Haley, Ed.D., Superintendent

SUBJECT: RATIFICATION OF WARRANTS REPORTS
LISTING

EXECUTIVE SUMMARY

Please find the following warrants reports listing submitted for your ratification:

1. Warrants
2. Revolving Cash Fund

RECOMMENDATION:

It is recommended that the Board ratify the warrants reports listing, as shown in the attached supplements.

FUNDING SOURCE:

Not applicable.

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WARRANT REPORT FROM 03/06/20 THROUGH 04/08/20

14667729	4/9/2020	BARBARA REUER	0100	Professional/Consult Svs	\$ 877.74
14667730	4/9/2020	CW DRIVER LLC	2139	New Construction	\$ 1,105.00
14667731	4/9/2020	SOUL CHARTER SCHOOL	0100	Trfr To Cht Sch In Lieu Proptx	\$ 53,967.34
14667732	4/9/2020	BURNHAM BENEFITS INSURANCE SERVICES	0100	Professional/Consult Svs	\$ 7,083.33
14667733	4/9/2020	MONICA ESPIINOZA	1300	Mileage	\$ 13.23
14667734	4/9/2020	C P R S	0100	Materials And Supplies Professional/Consult Svs	\$ 990.44 \$ 42,500.00
14667735	4/9/2020	GALASSO'S BAKERY	1300	Purchases Food	\$ 555.58
14667736	4/9/2020	Colleen Owens	0100	Mileage	\$ 57.50
14667737	4/9/2020	SNEAG, GARY O.D.	0100	Professional/Consult Svs	\$ 130.00
14667738	4/9/2020	Devereux Advanced Behavioral Health GA	0100	Mental Health Svcs Other Contr-N.P.S. Room & Board	\$ 4,730.48 \$ 3,336.93 \$ 6,270.96
14667739	4/9/2020	AMERICAN PRODUCE DISTRIBUTORS	1300	Purchases Food	\$ 2,208.79
14667740	4/9/2020	YOUTH LEAGUE TENNIS	0100	Bldg/Field Use - Tp	\$ 245.00
14667741	4/9/2020	COAST LACROSSE CLUB	0100	Leases And Rentals Bldg/Field Use-PT	\$ 60.00 \$ 138.00
14667742	4/9/2020	SUZI HOLCOMB	1300	Food Service Sales Cca	\$ 72.25
14667743	4/9/2020	GERRIT WITSENBURG	1300	Food Service Sales Lcc	\$ 27.00
14667744	4/9/2020	A1 GOLF CARS, INC	0100	Repairs & Maintenance	\$ 784.69
14667745	4/9/2020	WEX BANK	0100	Fuel	\$ 875.98
14667746	4/9/2020	COAST MUSIC THERAPY INC	0100	Other Contr-N.P.A.	\$ 281.25
14667747	4/9/2020	COMMUNITY SCHOOL OF SD, THE	0100	Sub/Other Contr-Nps	\$ 18,077.45
14667748	4/9/2020	D. A. D. ASPHALT, INC.	2139	Land Improvements	\$ 15,880.00
14667749	4/9/2020	FAGEN FRIEDMAN & FULFROST, LLP	0100	Legal Expense	\$ 19.50
14667750	4/9/2020	CORELOGIC SOLUTIONS, LLC	0100	Computer Licensing	\$ 257.50
14667751	4/9/2020	GRAINGER	0100	Materials And Supplies Non-Capitalized Equipment	\$ 290.93 \$ 628.04
14667752	4/9/2020	HOLLANDIA DAIRY	1300	Purchases Food	\$ 4,848.60
14667753	4/9/2020	MAXIM HEALTHCARE SERVICES INC	0100	Professional/Consult Svs	\$ 5,770.35
14667754	4/9/2020	SAN DIEGO CITY TREASURER	0100	Sewer Charges Water	\$ - \$ 1,092.18
14667755	4/9/2020	JOHNSON CONTROLS	0100	Repairs & Maintenance	\$ 1,244.58
14667756	4/9/2020	STAPLES ADVANTAGE	0100	Materials And Supplies	\$ 1,774.55
14667757	4/9/2020	T E R I INC	0100	Other Contr-N.P.S. Sub/Other Contr-Nps	\$ 6,427.51 \$ 30,446.10
14667758	4/9/2020	XEROX CORPORATION	0100	Copy Charges Rents & Leases	\$ 1,446.67 \$ 3,596.03
14668538	4/13/2020	AMY R. HURST	0100	Mileage	\$ 101.78
14668539	4/13/2020	SILK SCREEN MACHINE INC	0100	Materials And Supplies	\$ 3,663.50
14668540	4/13/2020	ENCINITAS BEE COMPANY	0100	Pest Control	\$ 150.00
14668541	4/13/2020	LEE, WESLEY	0100	Athletic Post-Season Travel	\$ 1,082.80
14668542	4/13/2020	LOPEZ, RICK	0100	Mileage	\$ 2.88
14668543	4/13/2020	AT&T	0100	Communications-Telephone	\$ 41.04
14668544	4/13/2020	ATKINSON, ANDELSON, LOYA, RUUD & ROMO	0100	Legal Expense	\$ 3,511.35
14668545	4/13/2020	CDW GOVERNMENT	0100	Non-Capitalized Tech Equipment	\$ 4,929.09
14668546	4/13/2020	COX COMMUNICATIONS	0100	Communications-Telephone	\$ 418.91
14668547	4/13/2020	FOLLETT SCHOOL SOLUTIONS, INC.	0100	Computer Licensing	\$ 399.98
14668548	4/13/2020	GOLD STAR FOODS	1300	Purchases Food	\$ 32,037.60
14668549	4/13/2020	LAWNMOWERS PLUS INC	0100	Repairs & Maintenance	\$ 215.50
14668550	4/13/2020	NO CTY STUDENT TRANSPORTATION	0100	Subagreements For Services	\$ 3,204.72
14668551	4/13/2020	OLIVENHAIN MUNICIPAL WATER DST	0100	Water	\$ 10,154.74
14668552	4/13/2020	RANCHO SANTA FE SEC SYSTEMS	0100	Other Serv.& Oper.Exp.	\$ 536.00
14668553	4/13/2020	SAN DIEGO GAS & ELECTRIC CO	0100	Gas & Electric	\$ 149,684.99
14668554	4/13/2020	SAN DIEGUITO WATER DISTRICT	0100	Water	\$ 1,873.67
14668555	4/13/2020	SANTA FE IRRIGATION DISTRICT	0100	Water	\$ 1,532.03
14668556	4/13/2020	TOP OF THE BAGEL	1300	Purchases Food	\$ 334.14
14668557	4/13/2020	PERSEUS ASSOCIATES, LLC	0100	Computer Licensing	\$ 400.00
14668558	4/13/2020	XEROX CORPORATION	0100	Copy Charges Rents & Leases	\$ 2,544.95 \$ 4,905.77
14669266	4/16/2020	FERGUSON FACILITIES SUPPLY	0100	Materials And Supplies Non-Capitalized Equipment	\$ 185.08 \$ 1,032.40
14669267	4/16/2020	Harbottle Law Group	0100	Legal Expense	\$ 2,376.00

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14669268	4/16/2020	MARY COURTNEY	0100	Mileage	\$ 90.28
14669269	4/16/2020	TOTAL ONLINE PROTECTION LLC	0100	Materials And Supplies	\$ 3,621.33
				Repairs & Maintenance	\$ 2,000.00
14669270	4/16/2020	Chelsea Pest & Termite Control	0100	Pest Control	\$ 349.00
14669271	4/16/2020	DIANA BRANDIN	0100	Professional/Consult Svs	\$ 3,280.00
14669272	4/16/2020	CW DRIVER LLC	2139	New Construction	\$ 1,884,303.15
14669273	4/16/2020	KIDS BEHAVIORAL HEALTH OF ALASKA, INC	0100	Mental Health Svcs	\$ 7,020.00
				Other Contr-N.P.S.	\$ 3,915.00
				Room & Board	\$ 9,774.00
14669274	4/16/2020	Alliance for African Assistance	0100	Professional/Consult Svs	\$ 823.18
14669275	4/16/2020	AMY R. HURST	0100	Mileage	\$ 45.43
14669276	4/16/2020	ALL AMERICAN PLASTIC & PACKAGING	1300	Purchases Supplies	\$ 156.40
14669277	4/16/2020	NUTRIEN AG SOLUTIONS INC	0100	Materials And Supplies	\$ 9,911.89
14669278	4/16/2020	Community Transition Academy	0100	Sub/Other Contr-Nps	\$ 28,200.00
14669279	4/16/2020	LASERCYCLE USA INC	0100	Materials And Supplies	\$ 395.21
14669280	4/16/2020	BEST PLUMBING SPECIALTIES INC	0100	Materials And Supplies	\$ 639.39
				Non-Capitalized Equipment	\$ 641.34
14669281	4/16/2020	Deaf Community Services of San Diego	0100	Professional/Consult Svs	\$ 280.00
14669282	4/16/2020	Colleen Owens	0100	Mileage	\$ 16.10
14669283	4/16/2020	ROYAL LINES CHARTERS LLC	0100	Subagreements For Services	\$ 1,408.75
14669284	4/16/2020	KELLEY FOX	0100	Mileage	\$ 27.03
14669285	4/16/2020	KENNEDY, JANNA	0100	Mileage	\$ 62.68
14669286	4/16/2020	KELLY BORDERS	0100	Mileage	\$ 163.88
14669287	4/16/2020	KELLY BORDERS	0100	Mileage	\$ 10.35
14669288	4/16/2020	VAZQUEZ R WELDING	2139	Equipment	\$ 1,100.00
14669289	4/16/2020	ANNE SUSALSKI	1300	Food Service Sales Sda	\$ 36.75
14669290	4/16/2020	AMY SWINDLE	1300	Food Service Sales Tp	\$ 188.50
14669291	4/16/2020	EDMOND ZAIDE	1300	Food Service Sales Sda	\$ 82.75
14669292	4/16/2020	AT&T	0100	Communications-Telephone	\$ 53.87
14669293	4/16/2020	AT&T LONG DISTANCE	0100	Communications-Telephone	\$ 21.29
14669294	4/16/2020	AMAZON CAPITAL SERVICES, INC.	0100	Materials And Supplies	\$ 10,055.25
14669296	4/16/2020	AMERICAN SANITARY SUPPLY	0100	Materials And Supplies	\$ 1,369.88
14669297	4/16/2020	BANYAN TREE EDUCATIONAL SERVICES, INC.	0100	Sub/Other Contr-Nps	\$ 31,062.32
14669298	4/16/2020	BERT'S OFFICE TRAILERS	0100	Rents & Leases	\$ 144.39
14669299	4/16/2020	JOY BISCHKE	0100	Mileage	\$ 158.82
14669300	4/16/2020	CHERYL COOPER	0100	Mileage	\$ 208.67
14669301	4/16/2020	SPARKLETTS	0100	Materials And Supplies	\$ 418.14
14669302	4/16/2020	SPARKLETTS	0100	Materials And Supplies	\$ 754.76
14669303	4/16/2020	DIGITAL NETWORKS GROUP, INC.	2519	Non-Capitalized Tech Equipment	\$ 12,960.66
14669304	4/16/2020	DION INTERNATIONAL TRUCKS LLC - S.D.	0100	Repairs-Vehicles	\$ 3,764.11
14669305	4/16/2020	KELLY DUNN	0100	Mileage	\$ 294.39
14669306	4/16/2020	DUNN EDWARDS CORP	0100	Materials And Supplies	\$ 647.58
14669307	4/16/2020	ERICKSON-HALL CONSTRUCTION CO	2139	New Construction	\$ 2,894.00
14669308	4/16/2020	EXCELSIOR ACADEMY	0100	Other Contr-N.P.S.	\$ 6,098.05
14669310	4/16/2020	FIELDTURF USA INC	0100	Repairs & Maintenance	\$ 1,259.60
14669311	4/16/2020	FISHER SCIENTIFIC	0100	Materials And Supplies	\$ 180.48
14669312	4/16/2020	Fred Finch Youth Center	0100	Sub/Other Contr-Nps	\$ 4,553.46
14669313	4/16/2020	FREDRICKS ELECTRIC INC	2519	Improvements	\$ 4,260.00
14669314	4/16/2020	KASEY R. GALIK	0100	Mileage	\$ 169.62
14669315	4/16/2020	GRAND PACIFIC CHARTER	0100	Subagreements For Services	\$ 13,173.00
14669317	4/16/2020	MELISSA HAIDER, MPT	0100	Professional/Consult Svs	\$ 10,148.75
14669318	4/16/2020	INST FOR EFFECTIVE EDUCATION	0100	Other Contr-N.P.S.	\$ 4,347.36
				Sub/Other Contr-Nps	\$ 23,122.39
14669319	4/16/2020	LAWSON PRODUCTS INC	0100	Materials-Vehicle Parts	\$ 389.58
14669321	4/16/2020	MISSION LINEN SUPPLY	0100	Other Serv.& Oper.Exp.	\$ 246.00
14669322	4/16/2020	NAPA AUTO PARTS	0100	Materials And Supplies	\$ 264.44
				Materials-Vehicle Parts	\$ 1,850.76
14669323	4/16/2020	New Haven Youth & Family Services	0100	Other Contr-N.P.A.	\$ 2,958.62
14669324	4/16/2020	NO CTY STUDENT TRANSPORTATION	0100	Subagreements For Services	\$ 13,017.24
14669326	4/16/2020	NCTD	0100	Fees - Business, Admission,Etc	\$ 1,095.00
14669327	4/16/2020	PACIFIC BACKFLOW, INC	0100	Other Serv.& Oper.Exp.	\$ -
				Repairs & Maintenance	\$ 450.07
14669328	4/16/2020	Tina Peterson	0100	Materials And Supplies	\$ 40.00

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14669329	4/16/2020	Provo Canyon School	0100	Mental Health Svcs	\$ 920.00
				Other Contr-N.P.S.	\$ 1,412.00
				Sub/Mental Health Svcs	\$ 5,800.00
				Sub/Other Contr-Nps	\$ 5,068.00
				Sub/Room & Board	\$ 12,180.00
14669330	4/16/2020	RANCHO SANTA FE SEC SYSTEMS	0100	Other Serv.& Oper.Exp.	\$ 536.00
14669331	4/16/2020	SAN DIEGO CO LIBRARY	0100	Professional/Consult Svs	\$ 15,021.50
14669332	4/16/2020	SAN DIEGO COUNTY OFFICE OF EDUCATION	0100	Conference,Workshop,Sem.	\$ 45.00
				Materials And Supplies	\$ 77.58
14669333	4/16/2020	JOHNSON CONTROLS	0100	Materials And Supplies	\$ 768.81
				Repairs & Maintenance	\$ 3,837.94
14669334	4/16/2020	SO-CAL DOMINOIDS	1300	Purchases Food	\$ 8,054.00
14669335	4/16/2020	SOL TRANSPORTATION, INC.	0100	Spec.Ed.Transportation	\$ 67,619.75
14669336	4/16/2020	SPRINT	0100	Communications-Telephone	\$ 2,021.85
14669337	4/16/2020	STAPLES ADVANTAGE	0100	Materials And Supplies	\$ 248.65
14669338	4/16/2020	SUNDANCE STAGE LINES INC	0100	Subagreements For Services	\$ 6,257.50
14669339	4/16/2020	SVA ARCHITECTS, INC.	2139	New Construction	\$ 6,925.00
14669340	4/16/2020	UC REGENTS	0100	Professional/Consult Svs	\$ 18,681.82
14669341	4/16/2020	UNITED SITE SERVICES	0100	Other Serv.& Oper.Exp.	\$ 1,157.25
				Rents & Leases	\$ 1,202.51
14669342	4/16/2020	VISTA HILL	0100	Mental Health Svcs	\$ 6,584.00
				Sub/Mental Health Svcs	\$ 59,256.00
14669343	4/16/2020	WESTBERG & WHITE, INC.	0100	Professional/Consult Svs	\$ 5,868.92
14669344	4/16/2020	WINSTON SCHOOL OF SAN DIEGO	0100	Other Contr-N.P.S.	\$ 12,482.10
14669345	4/16/2020	XEROX CORPORATION	0100	Copy Charges	\$ 4,733.74
				Rents & Leases	\$ 9,537.03
14670385	4/20/2020	PIONEER MFG. CO./ PIONEER ATHLETICS	0100	Materials And Supplies	\$ 8,355.42
14670386	4/20/2020	INTNL BACCALAUREATE ORGANIZATION	0100	Dues And Memberships	\$ 269.00
14670387	4/20/2020	Jeffrey A. Bissiri	2519	New Construction	\$ 862.50
14670388	4/20/2020	Specialized Education of CA	0100	Other Contr-N.P.S.	\$ 9,447.84
14670389	4/20/2020	PESI	0100	Conference,Workshop,Sem.	\$ 499.99
14670390	4/20/2020	HERNANDEZ, LAURA	0100	Mileage	\$ 28.75
14670391	4/20/2020	SENR WOOLY	0100	Materials And Supplies	\$ 85.00
14670392	4/20/2020	SHOP ANATOMICAL INC	0100	Materials And Supplies	\$ 481.92
14670393	4/20/2020	VISTA PAINT CORPORATION	0100	Materials And Supplies	\$ 537.69
14670394	4/20/2020	CURRIER & HUDSON	0100	Legal Expense	\$ 6,630.00
14670395	4/20/2020	Raptor Technologies, LLC	0100	Materials And Supplies	\$ 538.75
14670396	4/20/2020	DELTA DENTAL	0100	Health & Welfare Benefits, cla	\$ 26.76
14670397	4/20/2020	FBC DENTAL	0100	Health & Welfare Benefits, cla	\$ 659.03
14670398	4/20/2020	MES VISION	0100	Health & Welfare Benefits, cla	\$ 20.44
14670399	4/20/2020	VEBA	0100	Health & Welfare Benefits, cla	\$ 4,240.00
14670400	4/20/2020	NOVA ENGINEERING, INC.	2139	New Construction	\$ 1,660.00
14670401	4/20/2020	OFFICE & ERGONOMIC SOLUTIONS INC	0100	Materials And Supplies	\$ 5,303.98
14670402	4/20/2020	SSID# 5191325302	0100	Mediation Settlements	\$ 22,000.00
14670403	4/20/2020	ALLIED REFRIGERATION INC.	0100	Materials And Supplies	\$ 95.45
14670404	4/20/2020	AMAZON CAPITAL SERVICES, INC.	0100	Materials And Supplies	\$ 6,258.99
			1300	Materials And Supplies	\$ 79.10
14670405	4/20/2020	AUTISM SPECTRUM	0100	Sub/Other Contr-Npa	\$ 6,779.00
14670406	4/20/2020	CA AGRI CONTROL INC	0100	Pest Control	\$ 700.00
14670407	4/20/2020	CITY OF CARLSBAD	0100	Rents & Leases	\$ 2,459.00
14670408	4/20/2020	SPARKLETTS	0100	Materials And Supplies	\$ 213.41
14670409	4/20/2020	SPARKLETTS	0100	Materials And Supplies	\$ 273.22
14670410	4/20/2020	Frontline Technologies Group LLC	0100	Consultants-Computer	\$ 13,806.54
14670411	4/20/2020	DION INTERNATIONAL TRUCKS LLC - S.D.	0100	Repairs-Vehicles	\$ 2,577.12
14670412	4/20/2020	EDGEWOOD PRESS	0100	Printing	\$ 1,184.76
14670413	4/20/2020	FAGEN FRIEDMAN & FULFROST, LLP	0100	Legal Expense	\$ 2,238.80
14670414	4/20/2020	SSID# 5191325302	0100	Mediation Settlements	\$ 6,000.00
14670415	4/20/2020	MATCH POINT TENNIS COURTS, INC	0100	Other Serv.& Oper.Exp.	\$ 140.00
14670416	4/20/2020	MAXIM HEALTHCARE SERVICES INC	0100	Professional/Consult Svs	\$ 6,072.70
14670417	4/20/2020	NINYO & MOORE	2139	New Construction	\$ 6,103.50
14670418	4/20/2020	PERMA BOUND	0100	Books Other Than Textbooks	\$ 4,603.61
14670419	4/20/2020	PRO-ED	0100	Materials And Supplies	\$ 352.00
14670420	4/20/2020	PROJECT LEAD THE WAY, INC	0100	Materials And Supplies	\$ 279.34

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14670421	4/20/2020	RASIX COMPUTER CENTER INC	0100	Materials And Supplies	\$ 391.26
14670422	4/20/2020	ROESLING NAKAMURA	0100	Land Improvements	\$ 14,175.00
			2139	Improvements	\$ 4,750.50
			2519	Improvements	\$ 480.00
14670423	4/20/2020	S AND R TOWING INC	0100	Other Serv.& Oper.Exp.	\$ 826.00
14670424	4/20/2020	SAN DIEGO CENTER FOR CHILDREN	0100	Other Contr-N.P.S.	\$ 3,396.88
				Sub/Other Contr-Nps	\$ 4,892.73
14670425	4/20/2020	SCHOOL HEALTH CORPORATION	0100	Materials And Supplies	\$ 52.22
14670426	4/20/2020	SHELL CAR WASH & EXPRESS LUBE	0100	Materials And Supplies	\$ 429.77
14670427	4/20/2020	SIEMENS INDUSTRY, INC.	0100	Other Serv.& Oper.Exp.	\$ 30,801.00
14670428	4/20/2020	Specialized Education of Ca, Inc.	0100	Sub/Other Contr-Nps	\$ 4,973.76
14670429	4/20/2020	SNAP ON INDUSTRIAL	0100	Equipment	\$ 24,611.72
14670430	4/20/2020	SOUTHWEST SCHOOL/OFFICE SUPPLY	0100	Materials And Supplies	\$ 85.66
14670431	4/20/2020	SWEETWATER	0100	Materials And Supplies	\$ 210.11
				Non-Capitalized Equipment	\$ 1,247.76
14670432	4/20/2020	UNITED PARCEL SERVICE	0100	Communications-Postage	\$ 116.55
14670434	4/20/2020	VORTEX INDUSTRIES	0100	Other Serv.& Oper.Exp.	\$ -
				Repairs & Maintenance	\$ 2,571.92
14670435	4/20/2020	WESTAIR GASES & EQUIPMENT	0100	Rents & Leases	\$ 455.58
14670436	4/20/2020	WESTERN ENVIRONMENTAL & SAFETY	2139	Improvements	\$ 3,730.00
14671321	4/23/2020	CENTER FOR AUTISM AND RELATED DISORDERS	0100	Professional/Consult Svs	\$ 128.75
14671322	4/23/2020	THE FRUTH GROUP INC	0100	Rents & Leases	\$ 121.70
14671323	4/23/2020	BARBARA REUER	0100	Professional/Consult Svs	\$ 438.87
14671324	4/23/2020	CW DRIVER LLC	2139	New Construction	\$ 1,105.00
14671325	4/23/2020	CW DRIVER LLC	2139	New Construction	\$ 1,433,526.25
14671326	4/23/2020	THRIVELY INC	0100	Professional/Consult Svs	\$ 25,000.00
14671327	4/23/2020	NORTHSTAR AV LLC	0100	Materials And Supplies	\$ 6,462.85
				Non-Capitalized Equipment	\$ 2,088.19
14671328	4/23/2020	ISQUAD REPAIR LLC	0100	Repairs & Maintenance	\$ 296.28
14671329	4/23/2020	PM Industrial Supply Company	0100	Materials And Supplies	\$ 147.91
14671330	4/23/2020	NOVA ENGINEERING, INC.	2139	New Construction	\$ 3,920.00
14671331	4/23/2020	Safeguard, Inc.	0100	Professional/Consult Svs	\$ 7,570.40
14671332	4/23/2020	FLOWATER INC	0100	Repairs & Maintenance	\$ 150.00
14671333	4/23/2020	CONAN CONSTRUCTION, INC.	2139	Improvements	\$ 41,325.00
14671334	4/23/2020	ROMERO, CRUZ	0100	Mileage	\$ 135.13
14671335	4/23/2020	JINGYI LI	1300	Food Service Sales Sda	\$ 127.75
14671336	4/23/2020	INT'L SOCIETY OF ARBORICULTURE	0100	Conference,Workshop,Sem.	\$ 230.00
14671337	4/23/2020	ALLIED REFRIGERATION INC.	0100	Materials And Supplies	\$ 249.98
14671338	4/23/2020	B AND H PHOTO-VIDEO	0100	Materials And Supplies	\$ 342.91
14671339	4/23/2020	COMMUNITY SCHOOL OF SD, THE	0100	Sub/Other Contr-Nps	\$ 19,715.40
14671340	4/23/2020	CONSULTING & INSPECTION SVCS	2139	New Construction	\$ 64,736.00
14671341	4/23/2020	LLOYD PEST CONTROL	1300	Other Serv.& Oper.Exp.	\$ 193.00
14671342	4/23/2020	LOGAN RIVER ACADEMY	0100	Mental Health Svcs	\$ 3,048.23
				Other Contr-N.P.S.	\$ 2,776.40
				Room & Board	\$ 6,859.06
14671343	4/23/2020	MISSION FEDERAL CREDIT UNION	0100	Materials And Supplies	\$ 6,647.39
14671344	4/23/2020	OAK GROVE INSTITUTE	0100	Mental Health Svcs	\$ -
				Other Contr-N.P.S.	\$ 2,788.00
				Sub/Room & Board	\$ 10,323.96
14671345	4/23/2020	P AND R PAPER SUPPLY CO.	1300	Purchases Supplies	\$ 2,563.95
14671346	4/23/2020	SCHOOL SERVICES OF CALIFORNIA, INC.	0100	Conference,Workshop,Sem.	\$ 825.00
				Professional/Consult Svs	\$ 325.00
14671347	4/23/2020	STAPLES ADVANTAGE	0100	Materials And Supplies	\$ 25.58
14671348	4/23/2020	T E R I INC	0100	Other Contr-N.P.S.	\$ 6,089.22
				Sub/Other Contr-Nps	\$ 34,505.58
14671349	4/23/2020	BSN SPORTS,LLC	0100	Repairs & Maintenance	\$ 2,441.92
14671350	4/23/2020	SAN DIEGO UNION-TRIBUNE, LLC	2518	Advertising	\$ 412.42
14671351	4/23/2020	WAXIE SANITARY SUPPLY	0100	Materials And Supplies	\$ 649.33
14671352	4/23/2020	WESTERN ENVIRONMENTAL & SAFETY	0100	Other Serv.& Oper.Exp.	\$ 1,990.00
14671353	4/23/2020	XEROX CORPORATION	1300	Copy Charges	\$ 39.77
				Rents & Leases	\$ 215.75
14672176	4/27/2020	Daniel Young	0100	Conference,Workshop,Sem.	\$ 104.00
14672177	4/27/2020	NORTH COAST SIGNS	0100	Professional/Consult Svs	\$ 7,826.07

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14672178	4/27/2020	Eusebio T Sevilla	0100	Conference,Workshop,Sem.	\$ 473.82
14672179	4/27/2020	ROSELLA ARCE	0100	Conference,Workshop,Sem.	\$ 150.43
14672180	4/27/2020	BERNARD, RALF	0100	Conference,Workshop,Sem.	\$ 72.65
14672181	4/27/2020	THE HARTFORD	0100	All Other Local Revenue	\$ 5,911.85
14672182	4/27/2020	SSID #7240596603	0100	Mediation Settlements	\$ 16,679.82
14672183	4/27/2020	Alliance for African Assistance	0100	Professional/Consult Svs	\$ 435.87
14672184	4/27/2020	SSID #5154707632	0100	Mediation Settlements	\$ 30,855.90
14672185	4/27/2020	SSID# 2065349362	0100	Other Serv.& Oper.Exp.	\$ 391.85
14672186	4/27/2020	Devereux Advanced Behavioral Health GA	0100	Mental Health Svcs	\$ 5,056.72
				Other Contr-N.P.S.	\$ 4,318.38
				Room & Board	\$ 997.36
				Sub/Room & Board	\$ 5,706.08
14672187	4/27/2020	Safeguard, Inc.	0100	Professional/Consult Svs	\$ 3,796.68
14672188	4/27/2020	JAMES ANTHONY	0100	Conference,Workshop,Sem.	\$ 700.00
14672189	4/27/2020	DANIELLE MURPHY	0100	Conference,Workshop,Sem.	\$ 18.75
14672190	4/27/2020	CHARLES ROBERTS	0100	All Other Local Revenue	\$ 1,469.80
14672191	4/27/2020	YANG ZHAI	1300	Food Sales Pacific Trails	\$ 87.75
14672192	4/27/2020	GUADALUPE GUTIERREZ	0100	All Other Local Revenue	\$ 73.25
14672193	4/27/2020	LESLIE DEGOLER	1300	Food Service Sales Tp	\$ 224.50
14672194	4/27/2020	YOONSUN CHUNG	1300	Food Service Sales Cca	\$ 70.00
14672195	4/27/2020	JOHN ADDLEMAN	0100	Conference,Workshop,Sem.	\$ 1,621.94
14672196	4/27/2020	COAST MUSIC THERAPY INC	0100	Other Contr-N.P.A.	\$ 250.00
14672197	4/27/2020	THE COLLEGE BOARD - WRO	0100	Conference,Workshop,Sem.	\$ 195.00
14672198	4/27/2020	DIGITAL NETWORKS GROUP, INC.	2519	Non-Capitalized Tech Equipment	\$ 1,100.41
14672199	4/27/2020	DIVISION OF THE STATE ARCHITECT	2139	New Construction	\$ 22,444.51
14672200	4/27/2020	INST FOR EFFECTIVE EDUCATION	0100	Sub/Other Contr-Nps	\$ 10,985.80
14672201	4/27/2020	LOGAN RIVER ACADEMY	0100	Mental Health Svcs	\$ 3,048.23
				Other Contr-N.P.S.	\$ 2,915.22
				Room & Board	\$ 6,859.06
14672202	4/27/2020	MRC360 AKA MR COPY	0100	Materials And Supplies	\$ 545.19
14672203	4/27/2020	LORI MUSEL	0100	Conference,Workshop,Sem.	\$ 149.00
14672204	4/27/2020	ERIC NEUBAUER	0100	Conference,Workshop,Sem.	\$ 439.88
14672205	4/27/2020	New Haven Youth & Family Services	0100	Other Contr-N.P.A.	\$ 2,200.00
14672206	4/27/2020	RANCHO SANTA FE SEC SYSTEMS	0100	Other Serv.& Oper.Exp.	\$ 536.00
14672207	4/27/2020	SAN DIEGO SCENIC TOURS, INC.	0100	Fld. Trips By Prv. Contr	\$ 2,882.75
14672208	4/27/2020	WILLDAN FINANCIAL SERVICES	0100	Bank Charges	\$ 2,000.00
				Data Processing Contract	\$ 1,500.00
14672209	4/27/2020	WINSTON SCHOOL OF SAN DIEGO	0100	Other Contr-N.P.S.	\$ 11,251.60
				Sub/Other Contr-Nps	\$ 3,401.30
14673028	4/30/2020	SSID# 7093672716	0100	Mediation Settlements	\$ 1,755.00
14673029	4/30/2020	UNITED TIRE CENTERS, LLC	0100	Hazardous Waste Disposal	\$ 132.00
				Repairs-Vehicles	\$ 405.28
				Tires	\$ 2,251.65
14673030	4/30/2020	THE FRUTH GROUP	0100	Materials And Supplies	\$ 660.52
14673031	4/30/2020	TOTAL ONLINE PROTECTION LLC	0100	Materials And Supplies	\$ 4,180.70
				Repairs & Maintenance	\$ 400.00
14673032	4/30/2020	Marley Nelms	1300	Refreshments	\$ 10.00
14673033	4/30/2020	PROCURE AMERICA INC	0100	Communications-Telephone	\$ 1,466.00
14673034	4/30/2020	NUTRIEN AG SOLUTIONS INC	0100	Materials And Supplies	\$ 245.01
14673035	4/30/2020	LM RASMUSSEN CONSTRUCTION	0100	Repairs & Maintenance	\$ 9,895.00
14673036	4/30/2020	MAINTEX INC	0100	Materials And Supplies	\$ 49.22
14673037	4/30/2020	TAYLOR, SHANNON	0100	Conference,Workshop,Sem.	\$ 700.00
14673038	4/30/2020	AT&T	0100	Communications-Telephone	\$ 9,182.18
14673039	4/30/2020	C E D	0100	Materials And Supplies	\$ 1,231.58
14673040	4/30/2020	CITY OF CARLSBAD	0100	Rents & Leases	\$ 4,982.00
14673041	4/30/2020	COSTCO CARLSBAD	0100	Materials And Supplies	\$ 105.28
14673042	4/30/2020	COUNTY BURNER & MACHINERY CORP	0100	Repairs & Maintenance	\$ 15,292.00
14673043	4/30/2020	COX COMMUNICATIONS	0100	Communications-Telephone	\$ 401.16
14673044	4/30/2020	DIGITAL NETWORKS GROUP, INC.	0100	Repairs & Maintenance	\$ 420.00
14673045	4/30/2020	EDCO DISPOSAL CORPORATION	0100	Rubbish Disposal	\$ 3,047.00
14673046	4/30/2020	EN POINTE TECHNOLOGIES SALES LLC	0100	Computer Licensing	\$ 51,043.64
14673047	4/30/2020	FAGEN FRIEDMAN & FULFROST, LLP	0100	Legal Expense	\$ 250.00
14673048	4/30/2020	FRONTIER FENCE COMPANY INC	0100	Repairs & Maintenance	\$ 997.00

ITEM 9a-vi

WARRANT REPORT FROM 03/06/20 THROUGH 04/08/20

14673049	4/30/2020	GEM INDUSTRIAL, INC.	2519	Improvements	\$ 60,857.00
14673050	4/30/2020	HOME DEPOT CREDIT SERVICES	0100	Materials And Supplies	\$ 42.74
14673051	4/30/2020	INST FOR EFFECTIVE EDUCATION	0100	Sub/Other Contr-Nps	\$ 20,900.39
14673052	4/30/2020	OPTIMUM FLOORCARE	0100	Repairs & Maintenance	\$ 233.50
14673053	4/30/2020	RALPHS CUSTOMER CHARGES	0100	Materials And Supplies	\$ 67.55
14673054	4/30/2020	ROMAN'S TRUCK BODY & PAINT	0100	Repairs-Vehicles	\$ 8,849.31
14673055	4/30/2020	SAN DIEGO SCENIC TOURS, INC.	0100	Fld. Trips By Prv. Contr	\$ 100.00
14673056	4/30/2020	SAN DIEGUITO WATER DISTRICT	0100	Water	\$ 4,015.61
14673057	4/30/2020	SOL TRANSPORTATION, INC.	0100	Spec.Ed.Transportation	\$ 34,626.00
			1300	Materials And Supplies	\$ 129.30
14673059	4/30/2020	CA DEPT TAX AND FEE ADMINISTRATION	0100	Fees - Business, Admission,Etc	\$ 146.77
14673060	4/30/2020	BSN SPORTS,LLC	0100	Repairs & Maintenance	\$ 34,064.82
14673061	4/30/2020	UNITED SITE SERVICES	0100	Other Serv.& Oper.Exp.	\$ 1,250.90
				Rents & Leases	\$ 1,108.86
14673062	4/30/2020	VERIZON CELLULAR	0100	Communications-Telephone	\$ 1,367.06
14673930	5/4/2020	M A Engineers Inc.	2139	New Construction	\$ 2,800.00
14673931	5/4/2020	UNITED TIRE CENTERS, LLC	0100	Tires	\$ 2,970.32
14673932	5/4/2020	ECONOMY CAP & GOWN	0100	Materials And Supplies	\$ 440.57
14673933	5/4/2020	AQUATIC DESIGN GROUP, INC.	2519	Professional/Consult Svs	\$ 18,000.00
14673934	5/4/2020	JANNA KENNEDY	0100	Conference,Workshop,Sem.	\$ 150.00
14673935	5/4/2020	OLIVIA BOGERT	0100	Conference,Workshop,Sem.	\$ 74.75
14673936	5/4/2020	ARIEL HAAS	0100	Materials And Supplies	\$ 170.79
14673937	5/4/2020	ELISABETH DYSART	1300	Food Service Sales Cca	\$ 68.75
14673938	5/4/2020	B D S ENGINEERING, INC	2109	Improvements	\$ 4,275.00
			2139	New Construction	\$ 2,010.00
14673939	5/4/2020	DEVEREUX CLEO WALLACE	0100	Mental Health Svcs	\$ -
				Other Contr-N.P.S.	\$ 4,502.96
				Room & Board	\$ 11,299.50
14673940	5/4/2020	DIGITAL NETWORKS GROUP, INC.	0100	Repairs & Maintenance	\$ 1,847.50
14673941	5/4/2020	FEDEX	0100	Communications-Postage	\$ 13.36
14673942	5/4/2020	MOBILE MODULAR MANAGEMENT CORP	2139	New Construction	\$ 13,190.00
14673943	5/4/2020	NOVA SERVICES	2139	New Construction	\$ 2,000.00
14673944	5/4/2020	RANCHO SANTA FE SEC SYSTEMS	0100	Other Serv.& Oper.Exp.	\$ 536.00
				Security Guard Contract	\$ 1,750.00
14673945	5/4/2020	SAN DIEGO COUNTY OFFICE OF EDUCATION	0100	Conference,Workshop,Sem.	\$ 50.00
14673946	5/4/2020	SCHOOL FACILITY CONSULTANTS	2519	Professional/Consult Svs	\$ 1,768.75
14673947	5/4/2020	STAPLES ADVANTAGE	0100	Materials And Supplies	\$ 92.83
				Printing	\$ 1,534.51
14674759	5/7/2020	CINDY SKEBER	0100	Printing	\$ 123.79
14674760	5/7/2020	UNITED TIRE CENTERS, LLC	0100	Hazardous Waste Disposal	\$ 369.50
				Repairs-Vehicles	\$ 36.39
14674761	5/7/2020	Harbottle Law Group	0100	Legal Expense	\$ 2,310.00
14674762	5/7/2020	Samantha Thacker	0100	Mileage	\$ 48.30
14674763	5/7/2020	C D L SERVICES INC	0100	Materials And Supplies	\$ 5,808.10
14674764	5/7/2020	SITEONE LANDSCAPE SUPPLY	0100	Materials And Supplies	\$ 420.16
14674765	5/7/2020	Chelsea Pest & Termite Control	0100	Pest Control	\$ 25.00
14674766	5/7/2020	LAUNDRY LADIES, INC.	0100	Other Serv.& Oper.Exp.	\$ 105.00
14674767	5/7/2020	DANNIS WOLIVER KELLEY	0100	Legal Expense	\$ 11,016.46
14674768	5/7/2020	CABLE, PIPE & LEAK DETECTION	0100	Other Serv.& Oper.Exp.	\$ 430.00
14674769	5/7/2020	BURNHAM BENEFITS INSURANCE SERVICES	0100	Professional/Consult Svs	\$ 7,083.33
14674770	5/7/2020	MAINTEX INC	0100	Materials And Supplies	\$ 3,219.57
14674771	5/7/2020	DELTA DENTAL	0100	Health & Welfare Benefits, cla	\$ 26.76
14674772	5/7/2020	FBC DENTAL	0100	Health & Welfare Benefits, cla	\$ 604.86
14674773	5/7/2020	MES VISION	0100	Health & Welfare Benefits, cla	\$ 10.22
14674774	5/7/2020	VEBA	0100	Health & Welfare Benefits, cla	\$ 3,622.00
14674775	5/7/2020	Deaf Community Services of San Diego	0100	Professional/Consult Svs	\$ 490.00
14674776	5/7/2020	Voiance Language Services, LLC	0100	Professional/Consult Svs	\$ 25.00
14674777	5/7/2020	KELLY BORDERS	0100	Mileage	\$ 97.75
14674778	5/7/2020	Pacific Radio Exchange Inc	0100	Materials And Supplies	\$ 60.53
14674779	5/7/2020	ALTA COPY, PRINT, DESIGN	0100	Materials And Supplies	\$ 886.75
14674780	5/7/2020	AMERICAN SANITARY SUPPLY	0100	Materials And Supplies	\$ 2,282.60
14674781	5/7/2020	CA DEPT OF EDUCATION	1300	Purchases Food	\$ 85.50
14674782	5/7/2020	TCG ADMINISTRATORS/CALSTRS	0100	Professional/Consult Svs	\$ 724.00

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WARRANT REPORT FROM 03/06/20 THROUGH 04/08/20

14674783	5/7/2020	CINTAS	1300	Materials And Supplies	\$ 6,206.40
14674784	5/7/2020	SPARKLETTTS	0100	Materials And Supplies	\$ 70.85
14674785	5/7/2020	ELIZABETH DARGAN	0100	Mileage	\$ 92.25
14674786	5/7/2020	JOHN DIGIULIO	0100	Mileage	\$ 125.40
14674787	5/7/2020	DOUG SCOTT GILBERT	0100	Mileage	\$ 62.68
14674788	5/7/2020	PACIFIC BACKFLOW, INC	0100	Other Serv.& Oper.Exp.	\$ 2,092.93
14674789	5/7/2020	RANCHO SANTA FE SEC SYSTEMS	0100	Other Serv.& Oper.Exp.	\$ 536.00
14674790	5/7/2020	SAN DIEGUITO WATER DISTRICT	0100	Water	\$ 4,029.70
14674791	5/7/2020	STAPLES ADVANTAGE	0100	Materials And Supplies	\$ 153.44
14674792	5/7/2020	U S POSTAL SERVICE	0100	Communications-Postage	\$ 10,000.00
14674793	5/7/2020	VISTA HIGHER LEARNING	0100	Books Other Than Textbooks	\$ 571.14

Report Total \$ 5,301,088.26

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RCF REPORT FROM 08/10/19 THROUGH 09/09/19

CK NBR	DATE	NAME/VENDOR	DESCRIPTION	AMOUNT
11744	08/19/2019	SAN DIEGUITO UHSD	TPP, BANK FEE	2,755.29
11745	08/26/2019	SAN DIEGUITO UHSD	TPP	282.00
11746	08/26/2019	JESSICA HUNTSBERGER	TRAVEL: EDInnovateLive 2019	522.49
11747	09/06/2019	KRISTIN SINGH	Payroll: August 2019	135.20

Report Total

3,694.98

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: May 14, 2020

BOARD MEETING DATE: May 21, 2020

PREPARED BY: Tina Douglas, Associate Superintendent,
Business Services

SUBMITTED BY: Robert A. Haley, Ed.D., Superintendent

SUBJECT: **ADOPTION OF RESOLUTIONS AUTHORIZED
SIGNATURES FOR MAIL, WARRANTS, PAYROLL,
SCHOOL ORDERS**

EXECUTIVE SUMMARY

Various sections of Education Code require the Board of Trustees to adopt a series of resolutions prior to the beginning of each fiscal year in order to maintain a current register of persons authorized to act on behalf of the school district. The first resolution enclosed designates authorized agents to receive mail and pickup warrants at the County Office of Education. The second resolution designates authorized agents to ascertain and certify that employees have taken the oath of allegiance and certification of classified service assignment. The third resolution allows the COE Credentials Department to release credentials held warrants to employees who have provided the required credential paper work. And the last resolution designates authorized agents to sign school orders. These four resolutions will be effective during the period July 1, 2020 through June 30, 2021.

RECOMMENDATION:

Adopt the following resolutions, effective July 1, 2020 through June 30, 2021, as shown in the attached supplements:

1. RESOLUTION DESIGNATING AGENT TO RECEIVE MAIL AND PICKUP WARRANTS AT THE COUNTY OFFICE OF EDUCATION

Designate Tina Douglas to receive mail and Tina Douglas, Cindy Frazee, Robert A. Haley, Dawn Campbell, Courtney Fryt, and Barbara Crisostomo and Rick Del Val to pick up warrants at the County Office of Education, effective July 1, 2020 through June 30, 2021.

2. RESOLUTION FOR PAYROLL ORDER CERTIFICATION

Designate Robert A. Haley or Cindy Frazee to ascertain and certify that each employee has taken the oath of allegiance and designating Susan Dixon to certify classified service assignment, effective July 1, 2020 through June 30, 2021.

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3. RESOLUTION DESIGNATING AUTHORIZED AGENT TO SIGN SCHOOL ORDERS

Designate Robert A. Haley or Tina Douglas or Dawn Campbell to sign school orders, effective July 1, 2020 through June 30, 2021.

FUNDING SOURCE:

Not Applicable

**RESOLUTION DESIGNATING AUTHORIZED AGENT TO RECEIVE MAIL
AND PICK UP WARRANTS AT THE COUNTY OFFICE OF EDUCATION**

_____ School District, San Diego County ON MOTION
OF member _____, seconded by member _____
effective _____ through June 30, _____.

IT IS RESOLVED AND ORDERED that:

1. The authorized agent (**one person only**) to receive mail from the Accounting/Payroll Sections is _____.
2. The authorized person(s) or district(s) to pick up warrants from the County Office (other than the mail addressee) are:

- | | | | | | |
|----|-----------|--------------------------|--------------------------|--------------------------|---|
| | | mail | hold | consortium | |
| 3. | Check one | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Monthly payroll warrants each and every month. |
| | Check one | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Daily/Hourly payroll warrants each and every month. |

IT IS FURTHER RESOLVED that, this motion shall stand and that all additions and deletions shall be submitted in writing to the San Diego County Office of Education.

PASSED AND ADOPTED by said Governing Board on _____ by the following vote:
(date)

AYES: _____ MEMBERS

NOES: _____ MEMBERS

ABSENT: _____ MEMBERS

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO) SS

I, _____, Secretary of the Governing Board, do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly passed and adopted by said Board at a regularly called and conducted meeting held on said date.

Secretary of the Governing Board

Manual signature(s) of authorized person(s):

Facsimile signature(s), if applicable: (Rubber Stamp)

PAYMENT ORDER RESOLUTION

_____ School District, San Diego County ON MOTION
OF member _____, seconded by member _____
effective _____ through June 30, _____.

IT IS RESOLVED AND ORDERED that, in accordance with the provisions of Section 3100 et seq., Chapter 8, Division 4, Title I of the Government Code (**all districts**), the following person(s) be and is hereby designated to ascertain and certify that each employee of said district has taken the oath of allegiance.

_____ or _____.

IT IS FURTHER RESOLVED AND ORDERED that, in accordance with the payroll procedure provided in Education Code Section 45310 (**merit system districts only**), no warrant shall be drawn by or on behalf of the governing board of this district for the payment of any salary or wage to any employee in the classified service unless the assignment bears the certification of the following person:

_____, Personnel Director

IT IS FURTHER RESOLVED that this motion shall stand and that all additions and deletions shall be submitted in writing to the San Diego County Office of Education.

PASSED AND ADOPTED by said Governing Board on _____ by the following vote:
(date)

AYES: _____ MEMBERS

NOES: _____ MEMBERS

ABSENT: _____ MEMBERS

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO) SS

I, _____, Secretary of the Governing Board, do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly passed and adopted by said Board at a regularly called and conducted meeting held on said date.

Secretary of the Governing Board

Manual signature(s) of authorized person(s):

Facsimile signature(s), if applicable:
(Rubber Stamp) Gov Code Sec. 5501

**RESOLUTION DESIGNATING AUTHORIZED AGENT TO SIGN SCHOOL ORDERS
(COMMERCIAL WARRANTS)**

_____ School District, San Diego County ON MOTION

OF member _____, seconded by member _____

effective _____ through June 30, _____.

IT IS RESOLVED AND ORDERED that, pursuant to the provisions of Education Code Section 42632 or 85232, _____ be and is hereby authorized to sign any and all orders in the name of said District, drawn on the funds of said District.

IT IS FURTHER RESOLVED that this motion shall stand and that all additions and deletions shall be submitted in writing to the San Diego County Office of Education.

PASSED AND ADOPTED by said Governing Board on _____ by the following vote: (date)

AYES: _____ MEMBERS

NOES: _____ MEMBERS

ABSENT: _____ MEMBERS

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO) SS

I, _____, Secretary of the Governing Board, do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly passed and adopted by said Board at a regularly called and conducted meeting held on said date.

Secretary of the Governing Board

Manual signature(s) of authorized person(s):

Facsimile signature(s), if applicable:
(Rubber Stamp)

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: May 18, 2020

BOARD MEETING DATE: May 21, 2020

PREPARED BY: Tiffany Hazlewood, Director of School & Student Service
Mark Miller, Deputy Superintendent,

SUBMITTED BY: Robert A. Haley, Ed.D., Superintendent

SUBJECT: APPROVAL OF PARENT SETTLEMENT AND RELEASE AGREEMENT

EXECUTIVE SUMMARY

The attached Special Education Agreement report for Parent Settlement and Release Agreements summarizes one Settlement Agreement that provides services for special education students.

RECOMMENDATION:

The administration recommends that the Board approve and/or ratify the contracts as shown on the attached Special Education Agreement report.

FUNDING SOURCE:

As noted on the attached report.

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT BOARD MEETING

ITEM 9a-viii

SPECIAL EDUCATION AGREEMENTSBoard Meeting Date: 05/21/20

<u>Student #</u>	<u>Description of Services</u>	<u>Date Executed</u>	<u>Budget #</u>	<u>Amount</u>
2020-132PS	Pursuant to the Settlement Agreement, a negotiated agreement has been reached between the San Dieguito Union High School District and student #2020-132PS for educationally related services through 06/30/21.	04/28/20	General Fund/ Restricted 01-00	\$21,000.00

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: May 4, 2020

BOARD MEETING DATE: May 21, 2020

PREPARED BY: Bryan Marcus
Associate Superintendent / Educational Services

SUBMITTED BY: Robert A. Haley, Ed.D., Superintendent

SUBJECT: WILLIAMS UNIFORM COMPLAINT QUARTERLY
REPORT, 2019-20, 3rd QUARTER, JANUARY –
MARCH, 2020

EXECUTIVE SUMMARY

State law requires school districts to submit reports to the San Diego County Office of Education (SDCOE) and to the district governing board on the number of complaints each district has received related to the Williams Settlement, i.e., instructional materials sufficiency, emergency facilities issues, and teacher vacancies and misassignments.

Attached is the report for the third quarter, 2019-20, from January through March, 2020.

RECOMMENDATION:

It is recommended that the Board review and accept the attached Williams Uniform Complaint Report for the third quarter, from January through March, 2020, as shown in the attached supplement.

FUNDING SOURCE:

Not applicable.

Academic School Year 2019-2020
Quarterly Report on Williams Uniform Complaints
 [Education Code § 35186]

District: San Dieguito Union High School District

Person completing this form: Lesley Rhodes Title: Executive Assistant

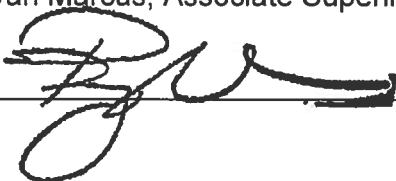
Quarterly Report Submission Date: Jul 1 – Sep 30, 2019
 Oct 1 – Dec 31, 2019
 Jan 1 – Mar 31, 2020
 Apr 1 – Jun 30, 2020

Date for information to be reported publicly at governing board meeting: May 21, 2020

- No complaints were filed with any school in the district during the quarter indicated above.
- Complaints were filed with schools in the district during the quarter indicated above. The following chart summarizes the nature and resolution of these complaints.

GENERAL SUBJECT AREA	TOTAL # OF COMPLAINTS	# RESOLVED	# UNRESOLVED
Textbooks and Instructional Materials	0	0	0
Teacher Vacancy of Misassignments	0	0	0
Facilities Conditions	0	0	0
TOTALS	0	0	0

Submitted by Bryan Marcus, Associate Superintendent / Educational Services

Signature: 

Date: May 15, 2020

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: May 8, 2020

BOARD MEETING DATE: May 21, 2020

PREPARED BY: Cindy Frazee
Associate Superintendent, Human Resources

SUBMITTED BY: Robert A. Haley, Ed.D.
Superintendent

SUBJECT: APPROVAL/RATIFICATION OF
CERTIFICATED and CLASSIFIED
PERSONNEL REPORTS

EXECUTIVE SUMMARY

Please find the following Personnel actions attached for Board approval:

Certificated

Employment
Change in Assignment
Resignation
Leave of Absence

Classified

Employment
Leave of Absence
Resignation

RECOMMENDATION:

It is recommended that the Board approve/ratify the attached Personnel actions.

FUNDING SOURCE:

General Fund

PERSONNEL LIST

CERTIFICATED PERSONNEL

Employment

1. **Eli Aghassi**, 100% Temporary Teacher (physics) at Torrey Pines High School, for the 20-21 school year, effective 08/18/2020 through 06/11/2021.
2. **Anna Gravenkamp**, 100% Temporary Teacher (physical education) at La Costa Canyon High School, for the 20-21 school year, effective 08/18/2020 through 06/11/2021.
3. **Jeffrey Lampert**, 100% Temporary Teacher (chemistry and physics) at San Dieguito High School Academy, for the 20-21 school year, effective 08/18/2020 through 06/11/2021.

Change In Assignment

1. **Richard Ayala**, 100% Principal of Alternative Schools and Programs at Requeza Education Center (Sunset High School and COAST Academy) for the 20-21 school year, effective 07/01/2020 through 06/30/2021.
2. **Bryn Bishop**, 67% Teacher (physics) at Canyon Crest Academy for the 19-20 school year, effective 01/27/2020 through 06/12/2020.
3. **Scott Jay**, 100% Teacher (visual performing arts) at Torrey Pines High School, for the 20-21 school year, effective 08/12/2020 through 06/11/2021.
4. **Sarah Harding**, 60% Teacher (visual performing arts) at La Costa Canyon High School, for the 20-21 school year, effective 08/12/2020 through 06/11/2021.

Resignation

1. **Caroline Cesena**, 100% Teacher (screen printing) at San Dieguito High School Academy, resignation for the purpose of retirement, effective June 12, 2020.
2. **Tim Staycer**, 100% Teacher (special education) at Torrey Pines High School, resignation for the purpose of retirement, effective June 12, 2020.

Leave of Absence

1. **Sarah Harding**, Teacher (visual performing arts) at Torrey Pines High School, requests a 40% unpaid leave of absence (60% assignment) for the 20-21 school year, effective 08/12/2020 through 06/11/2021.

PERSONNEL LIST

CLASSIFIED PERSONNEL

Employment

1. **Santos Ramirez, Jesus**, Administrative Assistant II, SR40, 100.00% FTE, Technology Department, effective 04/20/20.

Leave of Absence

1. **Howard, Andrea**, from 100.00% Unpaid Leave of Absence to Instructional Assistant-SpEd (NS), SR34, 37.50% FTE, Torrey Pines High School, effective 05/26/20.

Resignation

1. **Keyohara, Maureen**, Receptionist, SR32, 100.00% FTE, San Dieguito High School Academy, resignation for the purpose of retirement, effective 06/17/20.

ITEM 10a

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: May 18, 2020

BOARD MEETING DATE: May 21, 2020

PREPARED BY: Robert Haley
Superintendent
Bryan Marcus
Associate Superintendent / Educational Services

SUBMITTED BY: Robert A. Haley, Ed.D., Superintendent

SUBJECT: **CONSIDERATION OF APPROVAL OF EXHIBIT
5121: GRADES/EVALUATION OF STUDENT
ACHIEVEMENT**

EXECUTIVE SUMMARY

Due to the unique circumstances and challenges presented by the COVID-19 pandemic and school closure, staff submitted an Exhibit to Board Policy 5121 recommending ratification of the Credit/No Credit grading system for final term grades as outlined in the Distance Learning Plan for consideration at a Special Board Meeting held on May 14, 2020.

After the item was introduced, an alternative motion was made that directed staff to prepare and bring back to the Board of Trustees new language for the exhibit that included a choice of grades and credit/no credit for high school students with the intent (or purpose) of holding students harmless for the final spring term grading period.

Staff is developing a new Exhibit 5121, Grades/Evaluation Of Student Achievement, which will be posted online when completed.

RECOMMENDATION:

As this was a Board of Trustees action directing staff, no staff recommendation is made.

FUNDING SOURCE:

Not applicable.

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: May 14, 2020

BOARD MEETING DATE: May 21, 2020

PREPARED BY: Dawn Campbell, Director of Fiscal Svcs.
John Addleman, Exec. Dir. of Planning Svcs.
Tina Douglas, Assoc. Supt. Business Svcs.

SUBMITTED BY: Robert A. Haley, Ed.D., Superintendent

SUBJECT: **ACCEPTANCE OF THE 2019 ANNUAL
PROPOSITION AA BUILDING FUND AUDIT
REPORT**

EXECUTIVE SUMMARY

In November 2012, the San Dieguito community approved the passage of Proposition AA, a General Obligation Bond initiative. Proposition 39 General Obligation bonds require an independent performance audit to ensure that funds have been expended only on the specific projects listed in the ballot measure and a financial audit of the bond proceeds. The audit also includes an evaluation of procedures including internal controls and the formation, composition and purpose of the Independent Citizens Oversight Committee.

The District entered into an agreement for the annual Proposition AA audit with Wilkinson Hadley King & Co. LLP – Certified Public Accountants. The audit has been completed in accordance with state law. Wilkinson Hadley King & Co. LLP now present the audit report for your review and acceptance.

Findings and recommendations are noted on page 53 of the audit report. The report does not contain any negative findings or identify any material weaknesses in the District's internal controls. In addition, review of the Proposition AA procedures and Independent Citizens Oversight Committee compliance requirements revealed no areas of noncompliance.

The 2019 Prop AA Independent Audit Report was scheduled to be reviewed by the committee at a special meeting on March 17, 2020. Due to COVID-19 the meeting was cancelled and committee members were asked to review the audit and direct any questions to staff or Wilkinson Hadley King & Co. LLP.

RECOMMENDATION:

It is recommended that the Board accept the 2019 annual Proposition AA Building Fund Audit of the San Dieguito Union High School District, as prepared by Wilkinson Hadley King & Co. LLP, as shown in the attached supplement.

FUNDING SOURCE:

Not applicable.

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

PROPOSITION AA

**BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

YEAR ENDED JUNE 30, 2019

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA
BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS
Financial Statements and Supplemental Information
Year Ended June 30, 2019

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INTRODUCTION

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

Introduction and Citizens' Oversight Committee Member Listing

On November 6, 2012 the San Dieguito Union High School District was successful under Proposition AA in obtaining District voters to issue up to \$449,000,000 in General Obligation Bonds pursuant to a 55% vote in a bond election. The General Obligation Bonds are considered Proposition 39 bonds. The passage of Proposition 39 in November 2000 amended the California Constitution to include accountability measures. Specifically, the District must conduct an annual, independent performance audit to ensure that funds have been expended only on the specific projects listed as well as an annual, independent audit of the proceeds from the sale of the bonds until all of the proceeds have been expended.

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

The San Dieguito Union High School District Proposition AA Independent Citizens' Oversight Committee as of June 30, 2019 was comprised of the following members:

<u>Name</u>	<u>Position</u>	<u>Term Expiration</u>
Robin Duveen	President-Taxpayer Association Member	April 2021
Jerilyn Larson	Representative-Member-At-Large	April 2021
Kristina Leyva	Secretary-Parent of SDUHSD Student	April 2021
Adam Peck	Member-Business Organization	April 2021
Lucienne McCauley	Member-Senior Citizen Organization	April 2021
Amy Flicker	Member-Teacher-Parent Organization	April 2021
John Wood	Member-At-Large	April 2021
Diane Chau	Member-At-Large	April 2021
Peter Chu	Member-At-Large	April 2021



P. Robert Wilkinson, CPA
Brian K. Hadley, CPA

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Aubrey W. Mann, CPA
Kevin A. Sproul, CPA

Independent Auditor's Report

**Governing Board Members and
Citizens' Oversight Committee
San Dieguito Union High School District
Encinitas, California**

Report on the Financial Statements

We have audited the accompanying financial statements of Proposition AA Building Fund (21-39) of San Dieguito Union High School District, which comprise the balance sheet as of June 30, 2019, and the related statement of revenues, expenditures, and changes in fund balance for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

As discussed in Note B, the financial statements present only the Building Fund (21-39) which is specific to Proposition AA and is not intended to present fairly the financial position and results of operations of San Dieguito Union High School District in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Proposition AA Building Fund (21-39) of San Dieguito Union High School District as of June 30, 2019, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters*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, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, as required by the *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 is presented for purposes of additional analysis and is 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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 March 9, 2020, on our consideration of San Dieguito Union High School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering San Dieguito Union High School District's internal control over financial reporting and compliance.

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Report on Other Legal and Regulatory Requirements

In accordance with the requirements of Proposition 39, as incorporated in California Constitution Article 13A, we have also issued our performance audit report dated March 9, 2020 on our consideration of the District's compliance with the requirements of Proposition 39 with regards to the Proposition AA Building Fund (21-39). That report is an integral part of our audit of the District's Proposition AA Building Fund (21-39) for the fiscal year ended June 30, 2019 and should be considered in assessing the results of our financial audit.

William Arvelly King & Co., LLP

El Cajon, California
March 9, 2020

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FINANCIAL STATEMENTS

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)

This section of San Dieguito Union High School District's (District) Proposition AA Building Fund annual financial and performance audit report presents management's discussion and analysis of the Proposition AA Bond Program during the year ending June 30, 2019. Readers should also review the financial statements and notes to the basic financial statements included in the audit report to enhance their understanding of the Proposition AA Bond Program's financial and program performance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's Proposition AA Building Fund basic financial statements. The Fund's financial statements comprise three components: 1) management's discussion and analysis; 2) the Proposition AA Building Fund's financial statements; and 3) the performance audit required by law.

The District accounts for Proposition AA General Obligation Bond activity in the District's Building Fund. The Building Fund is a governmental fund type accounted for on a modified accrual basis of accounting that does not include fixed assets or long-term liabilities.

On November 6, 2012, the voters of the San Dieguito Union High School District community voted to approve Proposition AA to authorize the District to issue up to \$449 million of general obligation bonds to finance certain specified capital projects and facilities. In April 2013, the district issued the first series of those bonds in the amount of \$160 million to fund projects. The second series of those bonds were issued in April 2015, in the amount of \$117 million. The third series of those bonds were issued in July 2016, in the amount of \$62 million. The latest series of bonds, in the amount of \$25 million, were issued in May 2018. The District currently has \$349.1 million outstanding in general obligation bonds, as of June 30, 2019.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2019 are as follows:

- The fund balance for Proposition AA Building Fund is \$39.8 million, as of June 30, 2019, which is \$41.5 million lower than June 2018 as projects continue.
- Revenues consisted of other state income, interest earned, and other local income (including reimbursements and settlements). Revenue totaled \$2.8 million as of June 30, 2019, as compared to \$5.4 million as of June 30, 2018.
- Expenditures and other outgo as of June 30, 2019, totaled \$43.5 million, as compared to \$49.2 million in June 2018.

FINANCIAL ANALYSIS OF THE PROPOSITION AA BUILDING FUND**Balance Sheet**

The District's Proposition AA Building Fund balance as of June 30, 2019 was \$39.8 million (see Table A-1 below).

Table A-1

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND
GENERAL OBLIGATION BONDS
JUNE 30, 2019**

	Building Fund		Total % Change over 17-18
	2017-18	2018-19	
Cash	87,238,548	41,434,007	-52.5%
Accounts Receivable	365,549	570,585	56.1%
Total Assets	\$ 87,604,097	\$ 42,004,592	-52.1%
Accounts Payable	6,372,837	2,242,205	-64.8%
Due to Other Funds	-	2,298	n/a
Total Liabilities	\$ 6,372,837	\$ 2,244,503	-64.8%
Fund Balance	81,231,260	39,760,089	-51.1%
Total Liabilities and Fund Balance	\$ 87,604,097	\$ 42,004,592	-52.1%

Fund Balance

The interest income reported represents funds earned on the cash held by the San Diego County Treasurer. The total expenditures of \$43.5 million are only for Proposition AA voter authorized expenses (see Table A-2 below).

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Table A-2

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND
GENERAL OBLIGATION BONDS
JUNE 30, 2019**

	Building Fund		Total % Change over 17-18
	2017-18	2018-19	
Revenues			
Other State Income	12,990	65,218	402.1%
Interest Income	1,309,003	1,339,596	2.3%
Reimbursement - CVMS Expansion		1,193,907	
Insurance Settlement		144,776	
Other Reimbursement Costs		21,610	
Rebates and Refunds		25,799	
Other Local Income	4,097,084	-	
Total Revenues	\$ 5,419,077	\$ 2,790,906	-48.5%
Expenditures			
Classified Salaries	723,649	724,445	0.1%
Employee Benefits	243,993	301,422	23.5%
Operating Expenses	195,524	-	
Computer Licensing		20,855	
Capital Outlay:		-	
Land Improvements	83,339	-	
New Construction	46,897,648	40,860,274	-12.9%
Construction Improvement	103,571	328,611	217.3%
Equipment	1,003,845	1,260,881	25.6%
Equipment Replacement	32,630	-	
Total Expenditures	\$ 49,284,199	\$ 43,496,488	-11.7%
Other Financing Sources (Uses)			
Proceeds from Sales of Bonds	25,000,000	-	
Bond Premium	939,590	-	
Cost of Issuance	(788,062)	-	
Interfund Transfer to General Fund	(765,589)	(765,589)	
	\$ 24,385,939	\$ (765,589)	
Net Change in Fund Balance	(19,479,183)	(41,471,171)	-112.9%
Fund Balance, Beginning	100,710,443	81,231,260	-19.3%
Fund Balance, Ending	\$ 81,231,260	\$ 39,760,089	-51.1%

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Long-Term Debt: At the end of the year, San Dieguito Union High School District had \$333,920,000 in long-term debt outstanding. This is a decrease of \$3,035,000 from the prior year.

General Obligation Bonds Payable	Building Fund		% Change over 17-18
	2017-18	2018-19	
Due within one year	3,035,000	3,590,000	18.3%
Due in more than one year	333,920,000	330,330,000	-1.1%
Total General Obligation Bonds Payable	\$ 336,955,000	\$ 333,920,000	-0.9%

PROPOSITION AA BUILDING FUND PLANNING AND CONSTRUCTION YEAR IN REVIEW

The 2018-2019 fiscal year began with the following nine school construction projects underway throughout the San Dieguito Union High School District:

- Canyon Crest Academy – Building B Landscape & Pathway Enhancements
- Carmel Valley Middle School – Performing Arts Center and Drama Classroom Modernization and New Music Classroom Building
- Diegueno Middle School – Buildings B & G Renovation
- Earl Warren Middle School – Campus Re-Construction, Phase 2
- La Costa Canyon – 200s Building and Courtyard Renovation
- Oak Crest Middle School – New Science Classrooms/Quad
- Pacific Trails Middle School – Second Classroom Building
- San Dieguito High School Academy – Arts and Humanities Building
- Torrey Pines High School – Performing Arts Center Complex

In addition, planning was nearing completion at the start of 2018-2019 for construction of the upcoming school projects:

- Oak Crest Middle School – Administration Building Reconstruction
- Diegueno Middle School – New Building P

By the end of fall of 2018-2019, four of the nine construction projects were complete or nearly complete:

- Canyon Crest Academy – Building B Landscape & Pathway Enhancements
- Carmel Valley Middle School – Performing Arts Center and Drama Classroom Modernization and New Music Classroom Building
- Diegueno Middle School – Buildings B & G Renovation
- La Costa Canyon High School – 200s Building and Courtyard Renovation

Also in the fall, construction had begun on Oak Crest Middle School – Administration Building Reconstruction.

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Planning also began in the fall of 2018-19 on the Sunset High School – Campus Reconstruction project.

Over the winter of 2018-2019, the Pacific Trails Middle School – Second Classroom Building project was nearly completed, and construction on the Diegueno Middle School – New Building P project had begun.

In early spring of 2018-2019, planning began on:

- La Costa Canyon High School – Culinary Arts Modernization
- La Costa Canyon High School – Weight Room Renovation

At the close of 2018-2019, two of the six construction projects were complete or nearly complete:

- Earl Warren Middle School – Campus Re-Construction, Phase 2
- Torrey Pines High School – Performing Arts Center Complex

Leaving the remaining four construction projects still underway:

- Diegueno Middle School – New Building P
- Oak Crest Middle School – New Science Classrooms/Quad
- Oak Crest Middle School – Administration Building Reconstruction
- San Dieguito High School Academy – Arts and Humanities Building

In looking forward to the 2019-2020 year, the Sunset High School – Campus Reconstruction project was preparing for construction start in the summer.

Planning was progressing on the La Costa Canyon High School – Culinary Arts Modernization for a spring 2020 construction start.

Planning that began in 2018-2019 was still underway for two school projects with anticipated 2020-2021 construction starts:

- La Costa Canyon High School – Weight Room
- Torrey Pines High School – the Balance of the I Building project: New Art Classroom Building, Campus Green and Parking Lot

Overall, the seven school construction projects completed in 2018-2019 were delivered on time and under budget, with a projected savings of \$2.1 million to be used towards other voter-approved Prop AA projects.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of the existing circumstances that could affect its financial health in the future:

- Possible increases in building costs during construction

Requests for Information

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the San Dieguito Union High School District's Proposition AA Building Fund finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Associate Superintendent of Business Services, San Dieguito Union High School District, 710 Encinitas Blvd., Encinitas, CA 92024.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

Balance Sheet
June 30, 2019

ASSETS

Current Assets

Cash and cash equivalents	\$ 41,434,007
Accounts receivable	<u>570,585</u>
Total Current Assets	<u><u>42,004,592</u></u>

TOTAL ASSETS

\$ 42,004,592

LIABILITIES AND FUND BALANCE

Current Liabilities

Accounts payable	\$ 2,242,205
Due to other funds	<u>2,298</u>
Total Current Liabilities	<u><u>2,244,503</u></u>

Fund Balance

Restricted for capital projects	<u>39,760,089</u>
Total Fund Balance	<u><u>39,760,089</u></u>

TOTAL LIABILITIES AND FUND BALANCE

\$ 42,004,592

The accompanying notes are an integral part of this statement.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2019

REVENUES

Other state income	\$ 65,218
Interest income	1,339,596
Reimbursement - CVMS expansion	1,193,907
Insurance settlement	144,776
Other reimbursement costs	21,610
Rebates and refunds	<u>25,799</u>
TOTAL REVENUES	<u><u>2,790,906</u></u>

EXPENDITURES

Classified salaries	724,445
Employee benefits and taxes	301,422
Computer licensing	20,855
Capital Outlay:	
New construction	40,860,274
Construction improvement	328,611
Equipment	<u>1,260,881</u>
TOTAL EXPENDITURES	<u><u>43,496,488</u></u>

**EXCESS (DEFICIENCY) OF REVENUES
OVER (UNDER) EXPENDITURES**

(40,705,582)

OTHER FINANCING SOURCES (USES):

Interfund transfer to General Fund	<u>(765,589)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u><u>(765,589)</u></u>

NET CHANGE IN FUND BALANCE

(41,471,171)

FUND BALANCE, BEGINNING OF YEAR

81,231,260

FUND BALANCE, END OF YEAR

\$ 39,760,089

The accompanying notes are an integral part of this statement.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

Notes to the Financial Statements
Year Ended June 30, 2019

A. Definition of the Fund

The Building Fund (21-39) was formed to account for property acquisition and construction of new schools as well as renovation of current schools for San Dieguito Union High School District (District), through expenditures of general obligation bonds issued under Proposition AA General Obligation Bonds Election of 2012. Fund (21-39) is one of the Building Funds of the District.

B. Summary of Significant Policies

Basis of Presentation

The District accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's School Accounting Manual. The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB) and *Audits of State and Local Governmental Units* issued by the American Institute of Certified Public Accountants.

Fund Structure

The accompanying financial statements are used to account for the transactions of the Building Fund (21-39) specific to Proposition AA as defined in Note A and are not intended to present fairly the financial position and results of operations of San Dieguito Union High School District in conformity with accounting principles generally accepted in the United States of America.

Basis of Accounting

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

The Building Fund (21-39) is maintained on the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered). With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

Budgets and Budgetary Accounting

The Board of Trustees adopts an operating budget no later than July 1 in accordance with state law. This budget is revised by the Board of Trustees during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS
Notes to the Financial Statements
Year Ended June 30, 2019

Encumbrances

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated at June 30 since they do not constitute expenditures or liabilities.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Cash in County Treasury

In accordance with Education Code §41001, the District maintains a substantial amount of 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 fair value, in accordance with the requirements of GASB Statement No. 31.

Interest earned is deposited quarterly into participating funds. 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.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables/payables. Accounts receivable are recorded net of estimated uncollectible amounts. There were no significant receivables that are not scheduled for collection within one year of year end.

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 insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS

Notes to the Financial Statements
Year Ended June 30, 2019

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. 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 conveys 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.

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. At June 30, 2019 the Districts Proposition AA Building Fund (21-39) did not have any deferred inflows or deferred outflows of resources.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, 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.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

Notes to the Financial Statements
Year Ended June 30, 2019

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined time frames. For this report, the following time frames are used:

Valuation Date (VD)	June 30, 2017
Measurement Date (MD)	June 30, 2018
Measurement Period (MP)	July 1, 2017 to June 30, 2018

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 for an asset or liability.

C. Fair Value Measurements

The District's investments attributed to Proposition AA Building Fund (21-39) at June 30, 2019, categorized within the fair value hierarchy established by generally accepted accounting principles were as follows:

	Amounts	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				
Imperial County Treasury	\$ 41,434,007	\$ -	\$ 41,434,007	\$ -
Total investments by fair value level	<u>\$ 41,434,007</u>	<u>\$ -</u>	<u>\$ 41,434,007</u>	<u>\$ -</u>

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 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.

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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

Cash in County Treasury

The District maintains significantly all of its cash in the San Diego County Treasury as part of the common investment pool. As of June 30, 2019, the portion of cash in the San Diego County Treasury attributed to Building Fund (21-39) was \$41,434,007. The fair value of Building Fund (21-39)'s portion of this pool as of that date, as provided by the pool sponsor, was \$41,434,007. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

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 is restricted by Government Code Section 53635 pursuant to Section 53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end the District was not exposed to credit risk.

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. 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 year end, the District's Building Fund (21-39) 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. At year end the District's Building Fund (21-39) was not exposed to concentration of credit risk.

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Year Ended June 30, 2019

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 manages its exposure to interest rate risk by investing in the county pool.

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's Building Fund (21-39) was not exposed to foreign currency risk.

E. Accounts Receivable

As of June 30, 2019 accounts receivable consisted of:

	Accounts Receivable
Local Sources:	
Interest	\$ 545,119
Solar rebate	15,000
Other local sources	10,466
Total Accounts Receivable	\$ 570,585

All receivables are expected to be collected within one year and as such, no allowance for doubtful accounts has been established.

F. Accounts Payable

As of June 30, 2019 accounts payable consisted of:

	Accounts Payable
Vendors payable	\$ 2,230,414
Payroll and related liabilities	94
Pension related benefits	10,450
Use tax payable	1,247
Total Accounts Payable	\$ 2,242,205

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
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 Year Ended June 30, 2019

G. Interfund Balances and Activities

Interfund transfers to and from other funds at June 30, 2019 are as follows:

Transfer to General Fund	\$ 765,589
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The amount transferred to the General Fund represents the portion of lease principal payment due on the solar facilities project in accordance with the authorized purpose under the facility lease agreement with the San Dieguito Public Facilities Financing Authority in conjunction with the Bond Project List as listed in the full text of the Proposition AA Ballot Measure.

Due to and due from other funds at June 30, 2019 are as follows:

Due to Self Insurance Fund	\$ 22,298
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The amount due to the Self Insurance Fund represents the portion of OPEB contribution attributed to Building Fund (21-39).

H. General Obligation Bonds

2013 General Obligation Bonds

In April 2013, the District issued \$2,320,000 taxable, 2012 Election, Series A-1, General Obligation Bonds and \$157,680,000 tax-exempt, 2012 Election, Series A-2 General Obligation Bonds. The issue consisted of \$93,035,000 of current interest bonds with interest rates ranging from 1.00% to 5.00% with annual maturities from August 2014 through August 2033 and \$66,965,000 in a term bond with an interest rate of 4.00% with an annual maturity date of August 1, 2038. Interest on the bonds accrues from the date of delivery and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2014. The bonds were authorized at an election of the registered voters held on November 6, 2012 at which 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of bonds in order to finance specific construction, acquisition and modernization projects approved by the voters including lease payments with respect to such facilities in addition to purchasing the San Dieguito Public Facilities Authority's interest in, and pay and prepay lease payments due on the Torrey Pines High School Projects.

2015 General Obligation Bonds

In April 2015, the District issued \$7,010,000 taxable, 2012 Election, Series B-1, General Obligation Bonds and \$110,030,000 tax-exempt, 2012 Election, Series B-2 General Obligation Bonds. The issue consisted of \$61,050,000 of current interest bonds with interest rates ranging from 0.60% to 4.50% with annual maturities from August 2016 through August 2036 and \$55,990,000 in a term bond with an interest rate of 4.00% with an annuity maturity date of February 1, 2040. Interest on the bonds accrues from the date of delivery and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2016. The bonds were authorized at an election of the registered voters held on November 6, 2012 at which 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of the bonds in order to finance specific construction, acquisition and modernization projects approved by the voters including lease payments with respect to such facilities in addition to purchasing the San Dieguito Public Facilities Authority's interest in and pay and prepay lease payments due on the Torrey Pines High School Projects.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
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2016 General Obligation Bonds

In July 2016, the District issued \$795,000 taxable, 2012 Election, Series C-1, General Obligation Bonds and \$61,205,000 tax-exempt, 2012 Election, Series C-2 General Obligation Bonds. The issue consisted of \$14,000,000 of current interest bonds with interest rates ranging from 0.80% to 4.75% with annual maturities from August 2017 through August 2036 and \$48,000,000 in a term bond with an interest rate of 4.00% with an annuity maturity date of February 1, 2041. Interest on the bonds accrues from the date of delivery and is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2017. The bonds were authorized at an election of the registered voters held on November 6, 2012 at which 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of the bonds in order to finance specific construction, acquisition and modernization projects approved by the voters including lease payments with respect to such facilities in addition to purchasing the San Dieguito Public Facilities Authority's interest in and pay and prepay lease payments due on the Torrey Pines High School Projects.

2018 General Obligation Bonds

In May 2018, the District issued \$3,100,000 taxable, 2012 Election, Series D-1, General Obligation Bonds and \$21,900,000 tax-exempt, 2012 Election, Series D-2 General Obligation Bonds. The issue consisted of \$25,000,000 of current interest bonds with interest rates ranging from 2.59% to 4.00% with annual maturities from August 2019 through August 2042. Interest on the bonds accrues from the date of delivery and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2019. The bonds were authorized at an election of the registered voters held on November 6, 2012 at which 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of the bonds in order to finance specific construction, acquisition and modernization projects approved by the voters including lease payments with respect to such facilities in addition to purchasing the San Dieguito Public Facilities Authority's interest in and pay and prepay lease payments due on the Torrey Pines High School Projects.

The outstanding bonded debt of Proposition AA Building Fund (21-39) is as follows:

Description	Date of Issuance	Interest Rate	Maturity Date	Original Issue Amount	Beginning Balance	Increases	Decreases	Ending Balance
Election 2012 Series A	03/27/13	1.00-5.00%	08/01/38	\$ 160,000,000	\$ 144,220,000	\$ -	\$ 935,000	\$ 143,285,000
2012 A Premium	03/27/13		08/01/38	8,336,717	6,733,502	-	320,643	6,412,859
Total 2012 Series A				<u>\$ 168,336,717</u>	<u>\$ 150,953,502</u>	<u>\$ -</u>	<u>\$ 1,255,643</u>	<u>\$ 149,697,859</u>
Election 2012 Series B	04/15/15	3.00-4.50%	08/01/40	\$ 117,040,000	\$ 106,530,000	\$ -	\$ 2,100,000	\$ 104,430,000
2012 B Premium	04/15/15		08/01/40	6,379,386	5,550,067	-	255,175	5,294,892
Total 2012 Series B				<u>\$ 123,419,386</u>	<u>\$ 112,080,067</u>	<u>\$ -</u>	<u>\$ 2,355,175</u>	<u>\$ 109,724,892</u>
Election 2012 Series C	06/28/16	0.80-4.75%	08/01/41	\$ 62,000,000	\$ 61,205,000	\$ -	\$ -	\$ 61,205,000
2012 C Premium	06/28/16		08/01/41	2,970,848	2,733,180	-	118,834	2,614,346
Total 2012 Series C				<u>\$ 64,970,848</u>	<u>\$ 63,938,180</u>	<u>\$ -</u>	<u>\$ 118,834</u>	<u>\$ 63,819,346</u>
Election 2012 Series D	05/16/18	2.59-4.00%	08/01/42	\$ 25,000,000	\$ 25,000,000	\$ -	\$ -	\$ 25,000,000
2012 D Premium	05/16/18		08/01/42	939,590	939,590	-	39,150	900,440
Total 2012 Series D				<u>\$ 25,939,590</u>	<u>\$ 25,939,590</u>	<u>\$ -</u>	<u>\$ 39,150</u>	<u>\$ 25,900,440</u>
TOTAL				<u>\$ 356,726,951</u>	<u>\$ 352,911,339</u>	<u>\$ -</u>	<u>\$ 3,768,802</u>	<u>\$ 349,142,537</u>

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
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The annual requirements to amortize the general obligation bonds payable outstanding as of June 30, 2019 is as follows:

Year Ended June 30	Principal	Interest	Total
2020	\$ 3,590,000	\$ 13,228,794	\$ 16,818,794
2021	3,835,000	12,947,441	16,782,441
2022	4,645,000	12,808,225	17,453,225
2023	2,685,000	12,599,100	15,284,100
2024	3,245,000	12,450,850	15,695,850
2025-2029	35,825,000	58,161,500	93,986,500
2030-2034	67,665,000	47,575,300	115,240,300
2035-2039	107,490,000	30,128,725	137,618,725
2040-2044	104,940,000	7,200,600	112,140,600
Total	<u>\$ 333,920,000</u>	<u>\$ 207,100,535</u>	<u>\$ 541,020,535</u>

I. Bond Premium

Bond premium arises when the market rate of interest is lower 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.

The District has issued bonds at a premium. The premiums are being amortized over the life of the debt using the straight-line method.

Premiums issued on the debt resulted in an effective interest rate as follows:

	2013 Series A Bonds	2015 Series B Bonds	2016 Series C Bonds	2018 Series D Bonds
Total Interest Payments on Bonds	\$113,607,493	\$ 88,265,753	\$ 42,624,776	\$ 18,093,285
Less Bond Premium	<u>(8,336,717)</u>	<u>(6,379,386)</u>	<u>(2,852,014)</u>	<u>(939,590)</u>
Net Interest Payments	<u>\$105,270,776</u>	<u>\$ 81,886,367</u>	<u>\$ 39,772,762</u>	<u>\$ 17,153,695</u>
Par Amount of Bonds	\$160,000,000	\$117,040,000	\$ 62,000,000	\$ 25,000,000
Periods	25	25	25	25
Effective Interest Rate	2.630%	2.790%	2.560%	2.740%

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
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J. Construction Commitments

As of June 30, 2019 the Building Fund (21-39) had the following commitments with respect to unfinished capital projects:

<u>Project</u>	<u>Commitment</u>	<u>*Expected Date of Final Completion</u>	<u>Percentage Complete</u>
Canyon Crest Academy Stadium Lights Improvements	\$ 1,068,245	10/31/19	3%
Carmel Valley Middle School Field Improvements	1,838,500	10/15/19	25%
Carmel Valley Middle School Solar Improvements	1,136,198	09/30/19	36%
Diegueno Middle School Building P	9,488,424	12/15/19	52%
Earl Warren Middle School New Campus	46,555,011	07/31/19	99%
Oak Crest MS Administration Building	3,182,247	08/26/19	69%
Oak Crest MS Science Classroom Building and Quad	12,473,631	11/30/19	90%
San Dieguito HSA New Arts and Humanities Building	29,664,632	08/26/19	86%
Torrey Pines High School Performing Arts Center	27,667,193	08/23/19	99%

*Expected date of final completion subject to change.

K. Pension Plans

The following information presented below is the District's government-wide pension plan amounts for CalPERS and CalSTRS. As of June 30, 2019, the Building Fund (21-39) or bond fund was 0.84% of the District's total State Teachers' Retirement System expenditures and 2.36% of the District's total Public Employee's Retirement System expenditures.

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.

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
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b. Benefits Provided

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 age 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, 2019 are summarized as follows:

	CalSTRS	
	Before Jan. 1, 2013	On or After Jan. 1, 2013
Hire Date		
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 (at June 30, 2019)	10.250%	10.205%
Required Employer Contribution Rates (at June 30, 2019)	16.280%	16.280%
Required State Contribution Rates (at June 30, 2019)	14.772%	14.772%

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

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

	CalPERS	
	Before Jan. 1, 2013	On or After Jan. 1, 2013
Hire Date		
Benefit Formula	2% at 55	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 (at June 30, 2019)	7.000%	7.000%
Required Employer Contribution Rates (at June 30, 2019)	18.062%	18.062%

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c. Contributions

CalSTRS

For the fiscal year ended June 30, 2019 (measurement date June 30, 2018), Section 22950 of the California Education Code requires members to contribute monthly to the system 10.205% (if hired on or after January 1, 2013) or 10.250% (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 16.280% of creditable compensation for the measurement period ended June 30, 2018 and for the fiscal year ended June 30, 2019. Rates are defined in Section 22950.5 through measurement period ending June 30, 2021. Beginning in the fiscal year 2021-22 and for each fiscal year thereafter, 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.

CalPERS

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the 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 employees. For the fiscal year ended June 30, 2019 (measurement date June 30, 2018), the employee contribution rate was 7.00% and employer contribution rate was 18.062% of covered payroll.

On Behalf Payments

Consistent with Section 22955.1 of the California Education Code, the State of California makes contributions to CalSTRS on behalf of employees working for the District. For the fiscal year ended June 30, 2019 (measurement date June 30, 2018) the State contributed 14.772% of salaries creditable to CalSTRS. The contributions made by the State during the fiscal year ended June 30, 2019 included amounts resulting from Senate Bill (SB) 90 settlement in which the State contributed an additional \$2.2 Billion to CalSTRS on behalf of the Districts during the 2018-19 fiscal year in order to reduce contribution rates for Districts in 2019-20 and 2020-21. The contribution resulting from SB 90 made up 42% of the total contributions made by the State on behalf of the District. Consistent with the requirements of GASB 85, 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 State's contribution for the fiscal year.

ITEM 10b

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS
 Notes to the Financial Statements
 Year Ended June 30, 2019

Contributions made by the State on behalf of the District's Building Fund (21-39) for the past three fiscal years is as follows:

CalSTRS			
Year Ended June 30,	On Behalf Contribution Rate	On Behalf Contribution Amount	On Behalf Pension Expense
2017	7.470%	\$ 11,857	\$ 11,965
2018	8.292%	22,309	5,681
2019	15.465%	28,217	(8,819)

CalPERS			
Year Ended June 30,	On Behalf Contribution Rate	On Behalf Contribution Amount	On Behalf Pension Expense
2019	6.873%	\$ 37,001	\$ -

d. Contributions Recognized

For the fiscal year ended June 30, 2019 (measurement period June 30, 2018), the contributions recognized for each plan were:

	District Share of CalSTRS	Bond Share of CalSTRS
Contributions - Employer	\$ 11,404,127	\$ 29,704
Contributions - State On Behalf Payments	10,833,090	28,217
Total Contributions	\$ 22,237,217	\$ 57,921
	District Share of CalPERS	Bond Share of CalPERS
Contributions - Employer	\$ 3,682,051	\$ 97,235
Contributions - State On Behalf Payments	1,367,933	37,001
Total Contributions	\$ 5,049,984	\$ 134,236

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
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2. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2019, the District reported net pension liabilities for its proportionate shares of the net pension liability of each plan as follows:

	District Proportionate Share of Net Pension Liability	Bond Proportionate Share of Net Pension Liability
CalSTRS	\$ 117,757,677	\$ 465,968
CalPERS	39,913,666	1,103,054
Total Net Pension Liability	<u>\$ 157,671,343</u>	<u>\$ 1,569,022</u>

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2018, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 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, actuarially determined.

The District's proportionate share of the net pension liability for each Plan as of June 30, 2018 and June 30, 2019 were as follows:

	District Share for CalSTRS			Bond Share for CalSTRS		
	District's Proportionate Share	State's Proportionate Share	Total For District Employees	Bond Proportionate Share	State's Proportionate Share	Total For Bond Employees
Proportion - June 30, 2018	0.1294%	0.0768%	0.2062%	0.0003%	0.0002%	0.0005%
Proportion - June 30, 2019	0.1281%	0.0736%	0.2017%	0.0005%	0.0003%	0.0008%
Change in Proportion	<u>-0.0013%</u>	<u>-0.0032%</u>	<u>-0.0045%</u>	<u>0.0002%</u>	<u>0.0001%</u>	<u>0.0003%</u>

	District's Share CalPERS	Bond Share CalPERS
Proportion - June 30, 2018	0.1562%	0.0050%
Proportion - June 30, 2019	0.1497%	0.0041%
Change in Proportion	<u>-0.0065%</u>	<u>-0.0009%</u>

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
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Year Ended June 30, 2019

a. Pension Expense

For the measurement period ended June 30, 2018 (fiscal year June 30, 2019), pension expense was recognized as follows:

Pension expense for the CalSTRS plan was as follows:

	District Share of CalSTRS	Bond Share of CalSTRS
Change in Net Pension Liability (Asset)	\$ (1,917,312)	\$ 188,528
State on Behalf Pension Expense	(2,053,391)	(8,119)
Employer Contributions to Pension Expense	11,404,127	29,704
Increase/(Decrease) in Deferred Outflows of Resources		
Employer contributions subsequent to measurement date	(1,475,717)	8,518
Differences between actual and expected experience	103,266	382
Changes in assumptions	5,173,134	19,126
Changes in proportionate share	1,547,406	(121,281)
Net difference between projected and actual earnings	7,829	19
Increase/(Decrease) in Deferred Inflows of Resources		
Differences between actual and expected experience	89,025	365
Changes in proportionate share	170,525	(2,969)
Net difference between projected and actual earnings	1,170,000	5,365
Total Pension Expense	<u>\$ 14,218,892</u>	<u>\$ 119,638</u>

Pension expense for the CalPERS plan was as follows:

	District Share of CalPERS	Bond Share of CalPERS
Change in Net Pension Liability (Asset)	\$ 2,635,107	\$ (95,830)
Employer Contributions to Pension Expense	3,682,051	97,235
Increase/(Decrease) in Deferred Outflows of Resources		
Employer contributions subsequent to measurement date	(493,396)	(11,375)
Differences between actual and expected experiences	(1,602,828)	(41,182)
Changes in assumptions	913,050	31,803
Changes in proportionate share	372,472	16,783
Net difference between projected and actual earnings	2,096,111	66,823
Increase/(Decrease) in Deferred Inflows of Resources		
Changes in assumptions	(352,606)	(11,965)
Changes in proportionate share	1,170,166	160,481
Net difference between projected and actual earnings	(1,202,752)	(42,366)
Total Pension Expense	<u>\$ 7,217,375</u>	<u>\$ 170,407</u>

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS
Notes to the Financial Statements
Year Ended June 30, 2019

b. Deferred Outflows and Inflows of Resources

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	District Share of Deferred Outflows of Resources			Bond Share of Deferred Outflows of Resources		
	CalSTRS	CalPERS	Total	CalSTRS	CalPERS	Total
Pension contributions subsequent to measurement date	\$ 11,404,127	\$ 3,682,051	\$ 15,086,178	\$ 29,704	\$ 97,235	\$ 126,939
Differences between actual and expected experience	309,798	3,289,397	3,599,195	1,145	96,162	97,307
Changes in assumptions	15,519,403	4,895,078	20,414,481	57,377	154,987	212,364
Changes in employer's proportionate share	4,468,377	887,858	5,356,235	248,722	46,512	295,234
Net difference between projected and actual earnings	11,732	3,316,151	3,327,883	27	105,716	105,743
Total Deferred Outflows of Resources	\$ 31,713,437	\$ 16,070,535	\$ 47,783,972	\$ 336,975	\$ 500,612	\$ 837,587

	District Share of Deferred Inflows of Resources			Bond Share of Deferred Inflows of Resources		
	CalSTRS	CalPERS	Total	CalSTRS	CalPERS	Total
Differences between actual and expected experience	\$ (100,702)	\$ -	\$ (100,702)	\$ (392)	\$ -	\$ (392)
Changes in assumptions	-	(352,606)	(352,606)	-	(11,964)	(11,964)
Changes in employer's proportionate share	(1,721,990)	(1,297,310)	(3,019,300)	(2,969)	(177,554)	(180,523)
Net difference between projected and actual earnings	(12,496,648)	(3,060,876)	(15,557,524)	(47,241)	(94,175)	(141,416)
Total Deferred Inflows of Resources	\$ (14,319,340)	\$ (4,710,792)	\$ (19,030,132)	\$ (50,602)	\$ (283,693)	\$ (334,295)

Pension contributions made subsequent to measurement date reported as deferred outflows of resources will be recognized as a portion of pension expense in the year ended June 30, 2020. 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:

Year Ended	District Share of Deferred Outflows of Resources		District Share of Deferred Inflows of Resources		Net Effect On Expenses
	CalSTRS	CalPERS	CalSTRS	CalPERS	
June 30					
2020	\$ 18,235,762	\$ 8,908,304	\$ (4,872,157)	\$ (1,666,376)	\$ 20,605,533
2021	6,827,710	4,022,201	(4,093,388)	(1,250,198)	5,506,325
2022	6,649,965	2,450,542	(4,092,731)	(1,250,199)	3,757,577
2023	-	689,488	(1,261,064)	(544,019)	(1,115,595)
Total	\$ 31,713,437	\$ 16,070,535	\$ (14,319,340)	\$ (4,710,792)	\$ 28,753,840

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Year Ended June 30	Bond Share of Deferred Outflows of Resources		Bond Share of Deferred Inflows of Resources		Net Effect On Expenses
	CalSTRS	CalPERS	CalSTRS	CalPERS	
2020	\$ 119,383	\$ 266,734	\$ (17,502)	\$ (91,977)	\$ 276,638
2021	89,669	130,784	(14,525)	(71,477)	134,451
2022	89,637	84,040	(14,524)	(71,476)	87,677
2023	38,286	19,054	(4,051)	(48,763)	4,526
Total	\$ 336,975	\$ 500,612	\$ (50,602)	\$ (283,693)	\$ 503,292

c. Actuarial Assumptions

The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

	CalSTRS	CalPERS
Fiscal Year	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2018	June 30, 2018
Valuation Date	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount Rate	7.10%	7.15%
Inflation	2.75%	2.50%
Wage Growth	3.50%	(3)
Investment Rate of Return	7.10%	7.15%
Post Retirement Increase	(1)	(4)
Mortality	(2)	(5)

- (1) CalSTRS post retirement benefit increases assumed at 2% simple for DB annually maintaining 85% purchasing power level for DB. Increases are not applicable for DBS/CBB.
- (2) CalSTRS projects mortality by setting the projection scale equal to 100% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table issued by the Society of Actuaries.
- (3) Wage growth is a component of inflation for CalPERS assumptions.
- (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 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) 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 7.15% for CalPERS. The projection of cash flows used to determine the discount rate assumed the contributions from plan members, employers, and state contributing agencies 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 District bond rate calculation is not necessary for either plan. The stress test results are presented in a detailed report that can be obtained from the CalPERS and CalSTRS websites.

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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.

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 valuations 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 all actuarial assumptions as part of their regular Asset Liability Management (ALM) review cycle. The last ALM completed by CalSTRS was conducted in 2015. CalSTRS is in process of completing the next ALM and expects to complete the process by November 2019. CalPERS completed their ALM in 2018 with new policies in effect on July 1, 2018. 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 reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

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CalSTRS

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Global Equity	47.00%	6.30%
Fixed Income	12.00%	0.30%
Real Estate	13.00%	5.20%
Private Equity	13.00%	9.30%
Risk Mitigating Strategies	9.00%	2.90%
Inflation Sensitive	4.00%	3.80%
Cash/Liquidity	2.00%	-1.00%

*20 year average

CalPERS

<u>Asset Class*</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10**</u>	<u>Real Return Years 11+***</u>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

*In the Basic Financial Statements, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments, Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

**An expected inflation of 2.00% is used for this period.

***An expected inflation of 2.92% is used for this period.

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

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

	<u>District Share</u>		<u>Bond Share</u>	
	<u>CalSTRS</u>	<u>CalPERS</u>	<u>CalSTRS</u>	<u>CalPERS</u>
1% Decrease	6.10%	6.15%	6.10%	6.15%
Net Pension Liability	\$ 172,501,219	\$ 58,112,390	\$ 682,589	\$ 1,605,995
Current Discount Rate	7.10%	7.15%	7.10%	7.15%
Net Pension Liability	\$ 117,757,677	\$ 39,913,666	\$ 465,968	\$ 1,103,054
1% Increase	8.10%	8.15%	8.10%	8.15%
Net Pension Liability	\$ 72,369,982	\$ 24,815,220	\$ 286,369	\$ 685,794

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

CalSTRS - District Share	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, 2018	\$ 624,469,482	\$ 433,727,123	\$ 190,742,359	\$ 71,067,369	\$ 119,674,990
Changes for the year:					
CalSTRS auditor adjustment	-	(1,026,943)	1,026,943	374,777	652,166
Change in proportionate share	(13,609,518)	(9,452,531)	(4,156,987)	(2,974,165)	(1,182,822)
Service cost	14,409,485	-	14,409,485	5,258,655	9,150,830
Interest	43,369,685	-	43,369,685	15,827,505	27,542,180
Differences between expected and actual experience	(189,652)	-	(189,652)	(69,212)	(120,440)
Contributions - Employer	-	9,818,830	(9,818,830)	(3,583,323)	(6,235,507)
Contributions - Employee	-	7,053,919	(7,053,919)	(2,574,285)	(4,479,634)
Contributions - State On Behalf	-	5,642,484	(5,642,484)	(2,059,190)	(3,583,294)
Net investment income	-	37,675,168	(37,675,168)	(13,749,325)	(23,925,843)
Other income	-	212,135	(212,135)	(77,418)	(134,717)
Benefit payments, including refunds of employee contributions	(29,328,802)	(29,328,802)	-	-	-
Administrative expenses	-	(435,963)	435,963	159,102	276,861
Borrowing costs	-	(190,154)	190,154	69,396	120,758
Other expenses	-	(3,385)	3,385	1,236	2,149
Net Changes	14,651,198	19,964,758	(5,313,560)	(3,396,247)	(1,917,313)
Balance at June 30, 2019	\$ 639,120,680	\$ 453,691,881	\$ 185,428,799	\$ 67,671,122	\$ 117,757,677

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<u>CalSTRS - Bond Share</u>	Increase (Decrease)				
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	State's Share of Net Pension Liability (c)	Bond's Share of Net Pension Liability (a) - (b) - (c)
Balance at June 30, 2018	\$ 1,447,241	\$ 1,005,186	\$ 442,055	\$ 164,614	\$ 277,441
Changes for the year:					
CalSTRS auditor adjustment	-	(4,062)	4,062	1,481	2,581
Change in proportionate share	968,864	672,928	295,936	104,503	191,433
Service cost	56,993	-	56,993	20,783	36,210
Interest	171,538	-	171,538	62,553	108,985
Differences between expected and actual experience	(750)	-	(750)	(274)	(476)
Contributions - Employer	-	38,836	(38,836)	(14,162)	(24,674)
Contributions - Employee	-	27,900	(27,900)	(10,174)	(17,726)
Contributions - State on Behalf	-	22,317	(22,317)	(8,138)	(14,179)
Net investment income	-	149,015	(149,015)	(54,340)	(94,675)
Other income	-	839	(839)	(306)	(533)
Benefit payments, including refunds of employee contributions	(116,003)	(116,003)	-	-	-
Administrative expenses	-	(1,724)	1,724	629	1,095
Borrowing costs	-	(752)	752	274	478
Other expenses	-	(13)	13	5	8
Net Changes	<u>1,080,642</u>	<u>789,281</u>	<u>291,361</u>	<u>102,834</u>	<u>188,527</u>
Balance at June 30, 2019	<u>\$ 2,527,883</u>	<u>\$ 1,794,467</u>	<u>\$ 733,416</u>	<u>\$ 267,448</u>	<u>\$ 465,968</u>

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<u>CalPERS - District Share</u>	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2018	\$ 132,531,199	\$ 95,252,642	\$ 37,278,557
Changes for the year:			
Change in proportionate share	(5,482,668)	(3,940,496)	(1,542,172)
Service cost	3,252,439	-	3,252,439
Interest	9,229,829	-	9,229,829
Differences between expected and actual experience	2,773,720	-	2,773,720
Changes in assumptions	673,728	-	673,728
Contributions - Employer	-	3,099,952	(3,099,952)
Contributions - Employee	-	1,426,572	(1,426,572)
Net plan to plan resource movement	-	2	(2)
Net investment income	-	7,627,107	(7,627,107)
Benefit payments, including refunds of employee contributions	(6,067,357)	(6,067,357)	-
Administrative expenses	-	(138,391)	138,391
Other expenses	-	(262,807)	262,807
Net Changes	<u>4,379,691</u>	<u>1,744,582</u>	<u>2,635,109</u>
Balance at June 30, 2019	<u>\$ 136,910,890</u>	<u>\$ 96,997,224</u>	<u>\$ 39,913,666</u>
<u>CalPERS - Bond Share</u>	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2018	\$ 4,262,223	\$ 3,063,340	\$ 1,198,883
Changes for the year:			
Change in proportionate share	(751,109)	(539,836)	(211,273)
Service cost	89,884	-	89,884
Interest	255,076	-	255,076
Differences between expected and actual experience	76,655	-	76,655
Changes in assumptions	18,619	-	18,619
Contributions - Employer	-	85,670	(85,670)
Contributions - Employee	-	39,425	(39,425)
Net plan to plan resource movement	-	-	-
Net investment income	-	210,783	(210,783)
Benefit payments, including refunds of employee contributions	(167,678)	(167,678)	-
Administrative expenses	-	(3,825)	3,825
Other expenses	-	(7,263)	7,263
Net Changes	<u>(478,553)</u>	<u>(382,724)</u>	<u>(95,829)</u>
Balance at June 30, 2019	<u>\$ 3,783,670</u>	<u>\$ 2,680,616</u>	<u>\$ 1,103,054</u>

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

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L. Compensated Absences

As of June 30, 2019, the District had a compensated absences liability associated with employees charged to Proposition AA Building Fund (21-39) as follows:

	Proposition AA Building Fund (21-39)
Accrued Vacation Balances	\$ 144,053

M. Postemployment Benefits Other Than Pension Benefits

The following information presented below is the District's government-wide liability for OPEB. The bond fund had 0.7420% of the District's total OPEB expense.

1. General Information about the OPEB Plan

Plan Description

The District's defined benefit OPEB plan, San Dieguito Union High 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 District's board of directors. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.

Plan Eligibility

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

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

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

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

Employees Covered by Benefit Terms

At June 30, 2019, the following retirees were covered by the benefit terms:

Inactive plan members of beneficiaries currently receiving benefit payments	63
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	950
Total number of participants	1,013

2. Total OPEB Liability

The District's Total OPEB liability of \$31,558,515 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability on the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75% per annum
Salary Increases	3.00% per annum, in aggregate
Discount Rate	3.50% per annum
Healthcare Cost Trend Rates	6.50% decreasing to 5.00%
Retiree's Share of Costs	0.00%

The discount rate is the average, rounded to 5 basis points, of the range of 3-20 year municipal bond rate indices; S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO Index, and Fidelity GO 20 Year Bond Index.

Mortality rates are based on the most recent rates used by CalPERS and CalSTRS for pension valuations. The CalPERS mortality table was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB. The CalSTRS mortality table was developed based on CalSTRS specific data. The table includes mortality improvements set at 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

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The actuarial assumptions used in the June 30, 2018 valuation were based on the results of CalPERS actuarial experience study for the period July 1, 1997 through June 30, 2011 and the CalSTRS experience study for the period July 1, 2010 through June 30, 2015.

Changes in Total OPEB Liability

	<u>District</u>	<u>Building Fund</u>
	<u>Total OPEB</u>	<u>(21-39)</u>
	<u>Liability</u>	<u>Total OPEB</u>
		<u>Liability</u>
Balance at June 30, 2018	\$ 29,392,965	\$ 218,096
Changes for the year:		-
Service Cost	2,379,289	17,654
Interest	1,062,707	7,885
Changes in assumptions or other inputs	(244,107)	(1,811)
Benefit payments	<u>(1,032,339)</u>	<u>(7,660)</u>
Net changes	<u>2,165,550</u>	<u>16,068</u>
Balance at June 30, 2019	<u>\$ 31,558,515</u>	<u>\$ 234,164</u>

There were no changes in benefit terms or assumptions and other inputs for the fiscal year ended June 30, 2019.

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	<u>(2.50%)</u>	<u>(3.50%)</u>	<u>(4.50%)</u>
District's Total OPEB Liability	\$ 34,064,295	\$ 31,558,515	\$ 29,200,766
Building Fund (21-39) Share Total Liability	\$ 252,757	\$ 234,164	\$ 216,670

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Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point-lower (5.50% decreasing to 4.00% per year) or 1-percentage-point higher (7.50% decreasing to 6.00% per year) than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
	5.50%	6.50%	7.50%
	decreasing to	decreasing to	decreasing to
	<u>4.00%</u>	<u>5.00%</u>	<u>6.00%</u>
District's Total OPEB Liability	\$ 27,953,181	\$ 31,558,515	\$ 35,721,840
Building Fund (21-39) Share Total Liability	\$ 207,413	\$ 234,164	\$ 265,056

3. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019 the District recognized OPEB expense of \$3,272,604 (\$24,283 of which is associated with employees paid from Building Fund (21-39)). At June 30, 2019 the District reported deferred outflows of resources and deferred inflows related to the following sources:

	District Deferred Outflows of Resources <u>OPEB Related</u>	Building Fund (21-39) Deferred Outflows of Resources <u>OPEB Related</u>
Contributions subsequent to measurement date	<u>\$ 924,940</u>	<u>\$ 6,863</u>
	District Deferred Inflows of Resources <u>OPEB Related</u>	Building Fund (21-39) Deferred Inflows of Resources <u>OPEB Related</u>
Changes in assumptions	<u>\$ (1,212,867)</u>	<u>\$ (8,999)</u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense during the fiscal year ending June 30, 2020.

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REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

Schedule of the Bond's Proportionate Share of the Net Pension Liability
California State Teachers' Retirement System (CalSTRS)
Last Ten Fiscal Years*

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the net pension liability (asset)	0.1281%	0.1294%	0.1209%	0.1196%	0.1263%	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset)	\$ 117,757,677	\$ 119,674,988	\$ 97,797,306	\$ 80,535,333	\$ 73,782,939	N/A	N/A	N/A	N/A	N/A
State's proportion of the net pension liability (asset) associated with the District Total	<u>67,671,121</u>	<u>71,067,638</u>	<u>60,499,140</u>	<u>50,492,934</u>	<u>46,983,210</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
	<u>\$ 185,428,798</u>	<u>\$ 190,742,626</u>	<u>\$ 158,296,446</u>	<u>\$ 131,028,267</u>	<u>\$ 120,766,149</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 68,044,491	\$ 68,421,216	\$ 68,951,765	\$ 60,074,753	\$ 55,280,293	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	173.06%	174.91%	141.83%	134.06%	133.47%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	70.99%	69.46%	70.04%	74.02%	76.52%	N/A	N/A	N/A	N/A	N/A
Bond's proportion of the net pension liability (asset)	0.0005%	0.0005%	0.0003%	0.0003%	0.0003%	N/A	N/A	N/A	N/A	N/A
Bond's proportionate share of the net pension liability (asset)	\$ 465,968	\$ 442,453	\$ 227,743	\$ 189,457	\$ 179,292	N/A	N/A	N/A	N/A	N/A
State's proportion of the net pension liability (asset) associated with the Bond Total	<u>267,449</u>	<u>164,850</u>	<u>161,762</u>	<u>134,648</u>	<u>-</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
	<u>\$ 733,417</u>	<u>\$ 607,303</u>	<u>\$ 389,505</u>	<u>\$ 324,105</u>	<u>\$ 179,292</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Bond's covered-employee payroll	\$ 269,037	\$ 158,712	\$ 158,712	\$ 139,897	\$ 130,045	N/A	N/A	N/A	N/A	N/A
Bond's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	173.20%	178.78%	143.49%	135.43%	137.87%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	70.99%	69.46%	70.04%	74.02%	76.52%	N/A	N/A	N/A	N/A	N/A

* This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full ten year trend is compiled, this schedule provides the information only for those years for which information is available.

See accompanying notes to required supplementary information

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

Schedule of Bond's Contributions
California State Teachers' Retirement System (CalSTRS)
Last Ten Fiscal Years*

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District:										
Contractually required contribution	\$ 11,404,127	\$ 9,928,410	\$ 8,674,132	\$ 6,446,021	\$ 4,908,890	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	(11,404,127)	(9,928,410)	(8,674,132)	(6,446,021)	(4,908,890)	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 70,049,920	\$ 68,803,950	\$ 68,951,765	\$ 60,074,756	\$ 55,280,293	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	16.28%	14.43%	12.58%	10.73%	8.88%	N/A	N/A	N/A	N/A	N/A
Bond Portion:										
Contractually required contribution	\$ 29,704	\$ 38,222	\$ 19,966	\$ 9,549	\$ 7,536	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	(29,704)	(38,222)	(19,966)	(9,549)	(7,536)	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Bond's covered-employee payroll	\$ 182,457	\$ 264,879	\$ 158,712	\$ 88,990	\$ 84,861	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	16.28%	14.43%	12.58%	10.73%	8.88%	N/A	N/A	N/A	N/A	N/A

* This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full ten year trend is compiled, this schedule provides the information only for those years for which information is available.

See accompanying notes to required supplementary information

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

Schedule of the Bond's Proportionate Share of the Net Pension Liability
California Public Employee Retirement System (CalPERS)
Last Ten Fiscal Years*

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the net pension liability (asset)	0.1497%	0.1562%	0.1525%	0.1448%	0.1476%	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset)	\$ 39,913,666	\$ 37,278,559	\$ 30,126,345	\$ 21,336,448	\$ 16,750,628	N/A	N/A	N/A	N/A	N/A
District's covered-employee payroll	\$ 19,959,745	\$ 20,056,300	\$ 20,047,717	\$ 18,471,841	\$ 16,097,264	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	199.97%	185.87%	150.27%	115.51%	104.06%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	70.85%	71.87%	73.90%	79.43%	83.38%	N/A	N/A	N/A	N/A	N/A
Bond's proportion of the net pension liability (asset)	0.0041%	0.0050%	0.0047%	0.0049%	0.0047%	N/A	N/A	N/A	N/A	N/A
Bond's proportionate share of the net pension liability (asset)	\$ 1,103,054	\$ 1,198,884	\$ 927,127	\$ 723,958	\$ 531,976	N/A	N/A	N/A	N/A	N/A
Bond's covered-employee payroll	\$ 551,671	\$ 644,988	\$ 568,464	\$ 546,190	\$ 492,711	N/A	N/A	N/A	N/A	N/A
Bond's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	199.95%	185.88%	163.09%	132.55%	107.97%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	70.85%	71.87%	73.90%	79.43%	83.38%	N/A	N/A	N/A	N/A	N/A

* This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full ten year trend is compiled, this schedule provides the information only for those years for which information is available.

See accompanying notes to required supplementary information

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

Schedule of the Bond's Proportionate Share of the Net Pension Liability
California Public Employee Retirement System (CalPERS)
Last Ten Fiscal Years*

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District:										
Contractually required contribution	\$ 3,682,051	\$ 3,188,655	\$ 2,784,227	\$ 2,188,359	\$ 1,894,809	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	(3,682,051)	(3,188,655)	(2,784,227)	(2,188,359)	(1,894,809)	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 20,385,622	\$ 20,530,906	\$ 20,047,717	\$ 18,471,841	\$ 16,097,264	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	18.062%	15.531%	13.888%	11.847%	11.771%	N/A	N/A	N/A	N/A	N/A
Bond Portion:										
Contractually required contribution	\$ 97,235	\$ 85,680	\$ 89,576	\$ 67,346	\$ 64,292	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	(97,235)	(85,680)	(89,576)	(67,346)	(64,292)	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Bond's covered-employee payroll	\$ 538,340	\$ 551,671	\$ 644,988	\$ 568,464	\$ 546,190	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	18.062%	15.531%	13.888%	11.847%	11.771%	N/A	N/A	N/A	N/A	N/A

* This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full ten year trend is compiled, this schedule provides the information only for those years for which information is available.

See accompanying notes to required supplementary information

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

Schedule of Changes in the Bond's Proportionate Share of the Total OPEB Liability and Related Ratio-OPEB Plan
Last Ten Fiscal Years*

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District total OPEB liability:										
Service cost	\$ 2,379,289	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest	1,062,707	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Changes of assumptions	(244,107)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments, including refunds of employee contributions	(1,032,339)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	2,165,550	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability - beginning	29,392,965	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability - ending	<u>\$ 31,558,515</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Covered-employee payroll	\$ 54,295,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's OPEB liability as a percentage of covered employee payroll	58.12%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bond portion total OPEB liability:										
Service cost	\$ 17,654	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest	7,885	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Changes of assumptions	(1,811)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments, including refunds of employee contributions	(7,660)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	\$ 16,068	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability - beginning	218,096	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability - ending	<u>\$ 234,164</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Covered-employee payroll	\$ 402,870	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bond portion total OPEB liability as a percentage of covered employee payroll	58.12%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full ten year trend is compiled, this schedule provides the information only for those years for which information is available.

See accompanying notes to required supplementary information

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

Notes to Required Supplementary Information
Year Ended June 30, 2019

Schedule of District's Proportionate Share - California State Teachers' Retirement System

1) Benefit Changes: In 2015, 2016, 2017, 2018, and 2019 there were no changes to benefits

2) Changes in Assumptions: In 2015, 2016, 2017, and 2019 there were no changes in assumptions. In 2018 there was a change in discount rate from 7.60% to 7.10%

Schedule of District's Contributions - California State Teachers' Retirement System

The total pension liability for California State Teachers' Retirement System was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2013, 2014, 2015, 2016, and 2017 and rolling forward the total pension liabilities to the June 30, 2014, 2015, 2016, 2017 and 2018 (measurement dates). In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

<u>Reporting Period</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>
Measurement Date	06/30/14	06/30/15	06/30/16
Valuation date	06/30/13	06/30/14	06/30/15
Experience Study	07/01/06-06/30/10	07/01/06-06/30/10	07/01/06-06/30/10
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.60%	7.60%	7.60%
Consumer Price Inflation	3.00%	3.00%	3.00%
Wage Growth (Average)	3.75%	3.75%	3.75%
Post-Retirement Benefit Increase	2.00% Simple	2.00% Simple	2.00% Simple

<u>Reporting Period</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>
Measurement Date	06/30/17	06/30/18
Valuation date	06/30/16	06/30/17
Experience Study	07/01/10-06/30/15	07/01/10-06/30/15
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.10%	7.10%
Consumer Price Inflation	2.75%	2.75%
Wage Growth (Average)	3.50%	3.50%
Post-Retirement Benefit Increase	2.00% Simple	2.00% Simple

CalSTRS changed the mortality assumptions based on the July 1, 2010 through June 30, 2015 experience study adopted by the CalSTRS board in February 2017. CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among CalSTRS members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table issued by the Society of Actuaries. Additional information can be obtained by reviewing the CalSTRS Actuarial Experience Study on CalSTRS website.

Schedule of District's Proportionate Share - California Public Employees' Retirement System

1) Benefit Changes: In 2015, 2016, 2017, 2018, and 2019 there were no changes to benefits

2) Changes in Assumptions: In 2015 & 2017 there were no changes in assumptions. In 2016 the discount rate was changed from 7.50% to 7.65%. In 2018 the discount rate was changed from 7.65% to 7.15%. In 2019, demographic assumptions and inflation rate were changed in accordance with CalPERS experience study and review of Actuarial Assumptions December 2017, there were no changes to the discount rate in the period.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

Notes to Required Supplementary Information
Year Ended June 30, 2019

Schedule of District's Contributions - California Public Employees' Retirement System

The total pension liability was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2013, 2014, 2015, 2016, and 2017 and rolling forward the total pension liabilities to June 30, 2014, 2015, 2016, 2017, and 2018 (measurement dates). The financial reporting actuarial valuation as of June 30, 2014, June 30, 2015, June 30, 2016, June 30, 2017 and June 30, 2018 (measurement dates) used the following actuarial methods and assumptions, applied to all prior periods included in the measurement.

<u>Reporting Period</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>
Measurement Date	06/30/14	06/30/15	06/30/16
Valuation date	06/30/13	06/30/14	06/30/15
Experience Study	07/01/97-06/30/11	07/01/97-06/30/11	07/01/97-06/30/11
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.50%	7.65%	7.65%
Consumer Price Inflation	2.75%	2.75%	2.75%
Wage Growth (Average)	3.00%	3.00%	3.00%
Post-Retirement Benefit Increase	2.00% Simple	2.00% Simple	2.00% Simple

<u>Reporting Period</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>
Measurement Date	06/30/17	06/30/18
Valuation date	06/30/16	06/30/17
Experience Study	07/01/97-06/30/11	07/01/97-06/30/15
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.15%	7.50%
Consumer Price Inflation	2.75%	2.50%
Wage Growth (Average)	3.00%	3.00%
Post-Retirement Benefit Increase	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 April 2014 experience study report (based on demographic data from 1997 to 2011) available on CalPERS website.

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

- 1) Benefit Changes: In 2018, and 2019 there were no changes to benefits
- 2) Changes in Assumptions: In 2018 there were no changes in assumptions. Changes in assumptions for the fiscal year ended June 30, 2019 included an increase in the discount rate from 3.40% to 3.50% based on a change in bond buyer 20 bond index rate.
- 3) The following are the discount rates used for each period:

<u>Year</u>	<u>Discount Rate</u>
2018	3.40%
2019	3.50%

ITEM 10b

SUPPLEMENTARY INFORMATION

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

General Obligation Bonds Project List
Year Ended June 30, 2019

Bond proceeds will be expended to modernize, replace, renovate, construct, acquire, equip, furnish and otherwise improve the facilities of the District located at the following locations:

Canyon Crest Academy	Carmel Valley Middle School
Diegueño Middle School	Earl Warren Middle School
La Costa Canyon High School	La Costa Valley Site
Pacific Trails Middle School	Oak Crest Middle School
San Dieguito Academy	Sunset High School
Torrey Pines High School	

<u>Project Name</u>	<u>Location of Project</u>	<u>Status of Project</u>
Building B Landscape/Pathway Enhancement	Canyon Crest Academy	Complete
Performing Arts Center, Drama Classroom Modernization, and New Music Classroom Building	Carmel Valley Middle School	Complete
Buildings B & G Modernization Phase 1	Diegueno Middle School	Complete
New Building P Phase 2	Diegueno Middle School	In Progress
Campus Reconstruction Phase 2	Earl Warren Middle School	Complete
200's Building Renovation	La Costa Canyon High School	Complete
Science Classrooms/Quad	Oak Crest Middle School	In Progress
Administration Building Reconstruction	Oak Crest Middle School	In Progress
2nd Classroom Building	Pacific Trails Middle School	Complete
Arts and Humanities Building	San Dieguito Academy	In Progress
Performing Arts Center Complex	Torrey Pines High School	Complete

ITEM 10b

OTHER INDEPENDENT AUDITOR'S REPORTS

P. Robert Wilkinson, CPA
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***

**Governing Board Members and
Citizens' Oversight Committee
San Dieguito Union High School District
Encinitas, California**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Proposition AA Building Fund (21-39) of San Dieguito Union High School District, which comprise the balance sheet as of June 30, 2019, and the related statement of revenues, expenditures, and changes in fund balance for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 9, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered San Dieguito Union High School District's internal control over financial reporting (internal control) to determine the 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 San Dieguito Union High School District's internal control. Accordingly, we do not express an opinion on the effectiveness of San Dieguito Union High School District's internal control.

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

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

Compliance and Other Matters

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

ITEM 10b

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

William Arvelly King & Co, LLP

El Cajon, California
March 9, 2020

P. Robert Wilkinson, CPA
Brian K. Hadley, CPA



Aubrey W. Mann, CPA
Kevin A. Sproul, CPA

Independent Auditor's Report on Performance

Governing Board Members and Citizens' Oversight Committee San Dieguito Union High School District Encinitas, California

We were engaged to conduct a performance audit of the San Dieguito Union High School District Proposition AA Building Fund (21-39) for the year ended June 30, 2019.

Management's Responsibility for Performance Compliance

Our audit was limited to the objectives listed with the report which includes the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. Management is responsible for the District's compliance with those requirements.

Auditor's Responsibility

We conducted this performance audit in accordance with the standards applicable to performance audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusions based on our audit objectives.

In planning and performing our performance audit, we obtained an understanding of the Fund's internal control in order to determine if the internal controls were adequate to help ensure the Fund's compliance with the requirements of Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution, but not for the purpose of expressing an opinion on the effectiveness of the Proposition AA Building Fund (21-39) San Dieguito Union High School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

In connection with our performance audit, we performed an audit for compliance as required in the performance requirements for the Proposition AA General Obligation Bond for the fiscal year ended June 30, 2019. The objective of the audit of compliance applicable to San Dieguito Union High School District is to determine with reasonable assurance that:

- The proceeds from the sale of the Proposition AA Bonds were only used for the purposes set forth in the ballot measure and not for any other purpose, such as teacher and administrative salaries.
- The Governing Board of the District, in establishing the approved projects set forth in the ballot measure to modernize, replace, renovate, construct, acquire, equip, furnish, and otherwise improve facilities of the District as noted in the bond project list.

ITEM 10b

In performing our audit of compliance, we performed procedures including but not limited to those listed as follows:

Internal Control Evaluation

Procedure Performed

Inquiries were made of management regarding internal controls to:

- Prevent fraud, waste, or abuse regarding Proposition AA resources
- Prevent material misstatement in the Proposition AA Building Fund (21-39) financial statements
- Ensure all expenditures are properly allocated
- Ensure adequate separation of duties exists in the accounting of Proposition AA funds. All purchase requisitions are reviewed for proper supporting documentation. The Project Manager or the Executive Director of Planning Services gives directions and submits documentation to the Construction and Facilities Coordinator to initiate a purchase requisition. The budget is verified by the Facilities Planning Analyst (Budget) and supporting documents are reviewed by a second Facilities Planning Analyst (Contracts). This requisition is first forwarded to the Executive Director of Planning Services for an initial review and then forwarded to the finance office where the Budget Analyst verifies the budget string and the requisition is subsequently reviewed and approved by the Chief Financial Officer, Chief Facilities Officer, and the Director of Purchasing to ensure the requested purchase is an allowable project cost in accordance with the Proposition AA ballot measure initiative approved by local voters as well as the board approved budget, and by the Accounting Specialist that all expenditures are properly recorded by the project and expense category. Once the purchase requisition has gone through the approval process, the Facilities Planning Analyst (Contracts) creates a purchase order, which is provided to the vendor, who proceeds to provide the requested services or goods. Other copies of the purchase order are also submitted to the finance office, purchasing office, and the Facilities Planning Analyst (Budget) for monitoring and review.

When the invoice is received the Executive Director of Planning Services and Facilities Planning Analyst (Budget) verify that the charges are consistent with the amounts on the approved contract/purchase order, then the invoice is subsequently signed and approved by the Project Manager and Chief Facilities Officer and either e-mailed or scanned to the finance office for subsequent approval. Invoices are approved by the Accounting Technician and monitored by the Chief Financial Officer in the finance office and subsequently processed through the accounts payable system of the District for payment. The invoices and support documents are submitted to the San Diego County Office of Education's Commercial Warrant Unit for audit to ensure compliance with procurement regulations and business practices before payment is released. The commercial warrants are routed back to the District finance office where they are signed by the Chief Financial Officer and then forwarded to the Facilities Planning and Construction Office for appropriate distribution.

Results of Procedures Performed

The results of our audit determined the internal control procedures as implemented are sufficient to meet the financial and compliance objectives required by generally accepted accounting principles and applicable laws and regulations.

Tests of Expenditures

Procedures Performed

We tested expenditures to determine whether Proposition AA funds were spent solely on voter and Board approved school facilities projects as set forth in the Bond Project Lists and language of the Proposition AA ballot measure language. Our testing included \$42,521,331 of expenditures which was 97.8% of total bond expenditures for the year.

Results of Procedures Performed

We found no instances where expenditures tested were not in compliance with the terms of the Proposition AA ballot measure and applicable state laws and regulations.

Tests of Contracts and Bid Procedures

Procedures Performed

We reviewed the District's board minutes for approval of construction contracts and change orders, if any, to determine compliance with the District's policy and Public Contract Code provisions related to biddings and contracting.

Results of Procedures Performed

We noted no instances where the District was out of compliance with respect to contracts and bidding procedures.

Facilities Site Review

Procedures Performed

We reviewed the Independent Citizens' Oversight Committee minutes and agenda, before and after project photographs, and other pertinent information on Proposition AA designated projects and determined the Proposition AA funds expended for the year ended June 30, 2019 were for valid facilities acquisition and construction purposes as stated in the Bond Project List. Auditors performed review of significant bond projects.

Results of Procedures Performed:

Based on our review of the minutes and agenda of the Independent Citizens' Oversight Committee, the documentation and pertinent information of the Proposition AA designated projects, and review of project sites, it appears the construction work performed was consistent with the Bond Project List.

Citizens' Oversight Committee

Procedures Performed

We have reviewed the minutes of the Independent Citizens' Oversight Committee meetings to verify compliance with Education Code Sections 15278 through 15282.

Results of Procedures Performed

We have determined the San Dieguito Union High School District's Proposition AA Building Fund (21-39) Citizens' Oversight Committee and its involvement is in compliance with Education Code Sections 15278 through 15282.

Our audit of compliance made for the purposes set forth in the second and third paragraphs of this report above would not necessarily disclose all instances of noncompliance.

ITEM 10b

Opinion on Performance

In our opinion, the District complied, in all material respects, with the compliance requirements of Proposition 39 outlined in Article XIII A, Section 1(b)(3)(c) of the California Constitution, and with Proposition AA approved by the voters in the San Dieguito Union High School District on November 9, 2013.

Purpose of the Report

This report is intended solely for the information and use of the District's Governing Board, the Proposition AA Citizens' Oversight Committee, management, others within the entity, and the taxpayers of San Dieguito Union High School District and is not intended to be and should not be used by anyone other than these specified parties.

William A. King & Co., LLP

El Cajon, California
March 9, 2020

ITEM 10b

AUDITOR'S RESULTS, FINDINGS AND RECOMMENDATIONS

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

Schedule of Findings and Responses
Year Ended June 30, 2019

There were no findings to report.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

There were no audit findings noted for the fiscal year ended June 30, 2018.

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: April 23, 2020

BOARD MEETING DATE: May 21, 2020

PREPARED BY: Independent Citizens Oversight Committee
Tina Douglas, Associate Superintendent,
Business Services

SUBMITTED BY: Robert A. Haley, Ed.D., Superintendent

SUBJECT: ACCEPTANCE OF THE PROPOSITION AA
INDEPENDENT CITIZENS OVERSIGHT
COMMITTEE 2019 ANNUAL REPORT

EXECUTIVE SUMMARY

Following the passage of Proposition AA in November, 2012, the Board of Trustees appointed nine members to an Independent Citizens Oversight Committee (ICOC). The ICOC held its first meeting on April 16, 2013 and has met quarterly over the last six years. This past term the ICOC consisted of nine members that reviewed project budgets, timelines, change orders and management processes. ICOC members tour project sites and hold meetings at school sites so they can observe classroom conditions or work in progress. The 2019 Prop AA Independent Audit Report was scheduled to be reviewed by the committee at a special meeting on March 17, 2020. Due to COVID-19 the meeting was cancelled and committee members were asked to review the audit and direct any questions to staff or Wilkinson Hadley King & Co. LLP.

The ICOC is required to complete an annual report on its activities which will be posted on the District website. The report, which covers the 2019 calendar year, was drafted and approved by the committee at their regular meeting on April 23, 2020. The ICOC 2019 Annual Report is being presented to the Board of Trustees for consideration and acceptance.

RECOMMENDATION:

It is recommended that the Board accept the Proposition AA Independent Citizens Oversight Committee 2019 Annual Report.

FUNDING SOURCE:

Not applicable.



**Proposition AA Independent Citizens Oversight
Committee 2019 Annual Report**

April 23, 2020

San Dieguito Union High School

**District 710 Encinitas Blvd.
Encinitas, California 92024**

(760) 753-6491

<http://www.sduhsd.net>

ITEM 10c



**Campus Reconstruction - Requeza Educational Center
Sunset High School & COAST Academy**



**Groundbreaking Ceremony – September, 2019
Requeza Educational Center**

Dear Community Members,

The Independent Citizens Oversight Committee (ICOC) of the San Dieguito Union High School District (District) is pleased to present our sixth annual report. The 2019 Annual report covers activity for the period ending December 31, 2019.

Building on the commitment from the voters in 2012, the District has issued \$364,040,000¹ in general obligation bonds and has expended or contracted \$358,451,638² on projects through December 31, 2019.

The ICOC wishes to thank the District staff and project management team for their support, their detailed updates and transparency of information, not only to the Committee, but also to the public.

We welcome your questions and comments. You will find ICOC members' e-mail addresses within this report.

For more information about Proposition AA and the ICOC, please visit:

www.sduhsd.net/PropAA

www.sduhsd.net/ICOC

Sincerely,

Robin Duveen

President,

San Dieguito Union High School District Independent Citizens Oversight Committee



Requeza Educational Center – November, 2019

¹ Bond Series Issued: Series A, issued 2013 for \$160,000,000, Series B, issued 2015 for \$117,040,000, Series C, issued 2016 for \$62,000,000 and Series D, issued 2018 for \$25,000,000 for a total of \$364,040,000.

² This \$ amount represents funds expended to date on completed projects, on projects currently under construction (partial), and projects that are currently in the planning phases (partial).

INTRODUCTION

Proposition AA is a \$449 million bond initiative approved by over 55% of District voters in November 2012. The Abbreviation section of the Proposition AA Bond Measure stated that Proposition AA is to "provide safe, modern schools and prepare students for success in college and careers by repairing and upgrading outdated classrooms and schools, construction and upgrading school facilities, including classrooms, science labs, and libraries, improving safety and security, and supporting career training and math, science, and technology instruction with 21st Century instructional technology and facilities." See "Full Text of Measure" in **Exhibit A**.

Proposition AA was passed under the rules of California Proposition 39 (passed in November 2000). California Assembly Bill 1908 (executed July 2000) required school Districts that passed Proposition 39 bonds to appoint an Independent Citizens Oversight Committee (ICOC) "to assure that funds are spent only on school and classroom improvements and for no other purposes." The purpose of the ICOC is "to inform the public concerning the expenditure of bond revenues."

For additional information about the ICOC and Proposition AA projects, visit the ICOC page at www.sduhsd.net/ICOC and the Proposition AA page at www.sduhsd.net/PropAA.

The projects mentioned in this annual report, including the Performance Audit, Project Status, Master Plans, and ICOC actions can be located at the ICOC page.



Oak Crest Middle School / Administration Building



Diegueño Middle School / Building P Phase 2

DISTRICT AWARDS & RECOGNITION

An awards ceremony was held at the Hilton San Diego Bayfront on November 5, 2019 by the Associated General Contractors (AGC) for the recognition of excellence in construction. The Torrey Pines High School Performing Arts Center was nominated for an award in the Building Construction – Public Work category.



INDEPENDENT CITIZENS OVERSIGHT COMMITTEE (ICOC)

Members of the ICOC are listed below:

Name	Affiliation	Email Address
Diane Chau	At-Large Member	diane.chau@sduhsd.net
Peter Chu	At-Large Member	Peter.chu@sduhsd.net
Robin Duveen, President	Taxpayer Association Member	robin.duveen@sduhsd.net
Amy Flicker	Parent Active in Teacher-Parent Organization	amy.flicker@sduhsd.net
Jerilyn Larson, Representative	At-Large Member	jerilyn.larson@sduhsd.net
Kristina Leyva, Secretary	Parent of SDUHSD Student Member	Kristina.leyva@sduhsd.net
Lucienne McCauley	Senior Organization Member	Lucienne.c.mccauley@sduhsd.net
Adam Peck	Business Organization Member	adam.peck@sduhsd.net
John Wood	At-Large Member	john.wood@sduhsd.net

To fulfill its duty, the ICOC will:

- Understand the District's priority setting process for Proposition AA projects.
- Compare the initiative's language with the District's project plans to verify compliance with voter approved Proposition AA improvements.
- Maintain trust with District representatives and verify the appropriateness of District bond expenditures.
- Ensure that the District's information is transparent and open to the public.
- Review the annual independent performance and financial audit of Proposition AA funds.
- Remain current on all matters pertaining to the District's implementation of the Proposition AA projects.

ROLE OF THE ICOC

The ICOC provides only after-the-fact review and monitoring of how the District spends bond funds. The ICOC does not have the authority to approve or determine how the bonds funds are spent, the rate of taxes collected, bond financing, or the contracting process (requirements definition, contract modeling and strategy, bid solicitation, contractor or consultant selection, contract negotiations, authorizing contract changes, etc.).

The ICOC is required to advise the public on the District's compliance with the requirements of Article 13A, Section 1(b)(3) of the California Constitution, including:

- Expenditure of bond funds only for the construction, reconstruction, rehabilitation, or replacement of school facilities;
- Prohibiting the expenditure of bond funds for any teacher or administrative salaries or other school operating expenses;
- Requiring annual independent performance audits to ensure that bond funds have been expended only on the specific projects listed; and
- Requiring annual independent financial audits of the proceeds from the sale of the bonds until all those proceeds have been expended for the school facilities projects.



**San Dieguito High School Academy
Arts & Humanities Building**



**San Dieguito High School Academy
Arts & Humanities Classroom**

INDEPENDENT PERFORMANCE AND FINANCIAL AUDIT

California Senate Bill 1473 (SB 1473), signed September 22, 2010, requires that the financial and performance audits required by Article 13A, Section 1(b)(3)(c) of the California Constitution for bond funds approved under Proposition 39 be conducted in accordance with the Generally Accepted Government Auditing Standards (GAGAS), also known as the Yellow Book, issued by the Comptroller General of the United States.

The required independent performance audit and independent financial audit for Proposition AA was conducted by WILKINSON HADLEY KING & CO. LLP (Independent Auditor) for the year ending June 30, 2019. The complete report is included as **EXHIBIT**

B. The report included no findings of noncompliance by the Independent Auditor for the use of Proposition AA bond funds during the review period. This report and all prior audit reports are available on the District's Proposition AA page at www.sduhsd.net/PropAA.

It should also be noted that the District received a perfect score in the San Diego Taxpayers Association's 2019 Annual School Bond Transparency Report, in which all of San Diego County's current school bond programs are evaluated on transparency and performance.

ICOC AUDIT REVIEW

California Senate Bill 581 (SB 581), signed August 12, 2013, requires that independent performance and financial audits for the preceding year be conducted and submitted to the ICOC no later than March 31 of each year for its review. SB 581 also requires that the District provide the ICOC with responses, within three months, to any finding, recommendation, or concern addressed in the annual independent performance and financial audits.

The ICOC scheduled a special meeting on March 17, 2020, to receive and review the 2019 Proposition AA Annual Audit report. Due to the unfortunate circumstances of COVID-19 and the District's participation with the San Diego County Office of Education and the County of San Diego, Health and Human Services Agency, to close schools, the special meeting was cancelled. The audit was posted as part of the agenda and members were asked to review the audit online and to forward any questions and/or approval of the 2019 Prop AA Audit via email to the Business Services office or to call Wilkinson Hadley King & Co. LLP directly. On the basis of this review, the ICOC concurred with the Independent Auditor's conclusion of no findings of noncompliance and that the District complied with the requirements of Article 13A, Section 1(b)(3) of the California Constitution as it pertains to Proposition AA.

PROPOSITION AA FINANCING

To date, \$364,040,000 of financing has been secured by the District for Proposition AA.

• Series A (Issued in 2013)		\$160,000,000
• Series B (Issued in 2015)		\$117,040,000
• Series C (Issued in 2016)		\$ 62,000,000
• Series D (Issued in 2018)		<u>\$ 25,000,000</u>
	TOTAL:	\$364,040,000

The District anticipates the following future bond issuances:

• Series E (Anticipated 2021)	Estimated Draw:	\$24,000,000
• Series F (Anticipated 2024)	Estimated Draw:	\$23,000,000
• Series G (Anticipated 2035)	Estimated Draw:	<u>\$37,960,000</u>
	TOTAL:	\$84,960,000

Bond Amount Grand Total (Issued & Anticipated): \$449,000,000

PROPOSITION AA BASELINE BUDGETS

Since its inception, the ICOC has been working with the District to adjust project status reports to reflect the budget baselines for each project based on the estimates that existed when the voters passed Proposition AA in 2012. The baseline budgets established for authorized Proposition AA, summarized by project sites, are summarized later in this report.

The original baseline budget for Proposition AA was \$449 million. The revised estimated budget through 2019 will be \$543,357,006.30. The estimated program completion costs are represented below:

• Proposition AA 2012 Baseline Budget	\$449,000,000.00
• Additional Project Funding (Non-Bond Funding + Estimated Interest Earned)	\$ 25,593,871.00
• Additional Escalation & Project Administration Costs	<u>\$ 68,763,135.31</u>
TOTAL:	\$543,357,006.30

This results in an estimated total program shortfall of \$94,357,006.30.

The chart below demonstrates the forecasted added escalation (significant) and administration costs for projects that have yet to be commenced. It is estimated by the District that the remaining projects to complete would cost \$84,960,000.00. However, with the estimated escalation (\$58,880,443.75) and administration costs (\$9,882,691.56), an additional \$68,763,135.31 has been added to the 2011-2012 initial baseline year estimate (excluding projects to be completed in 2019-2020), resulting in a revised projected cost to complete in the amount of \$153,723,135.31.

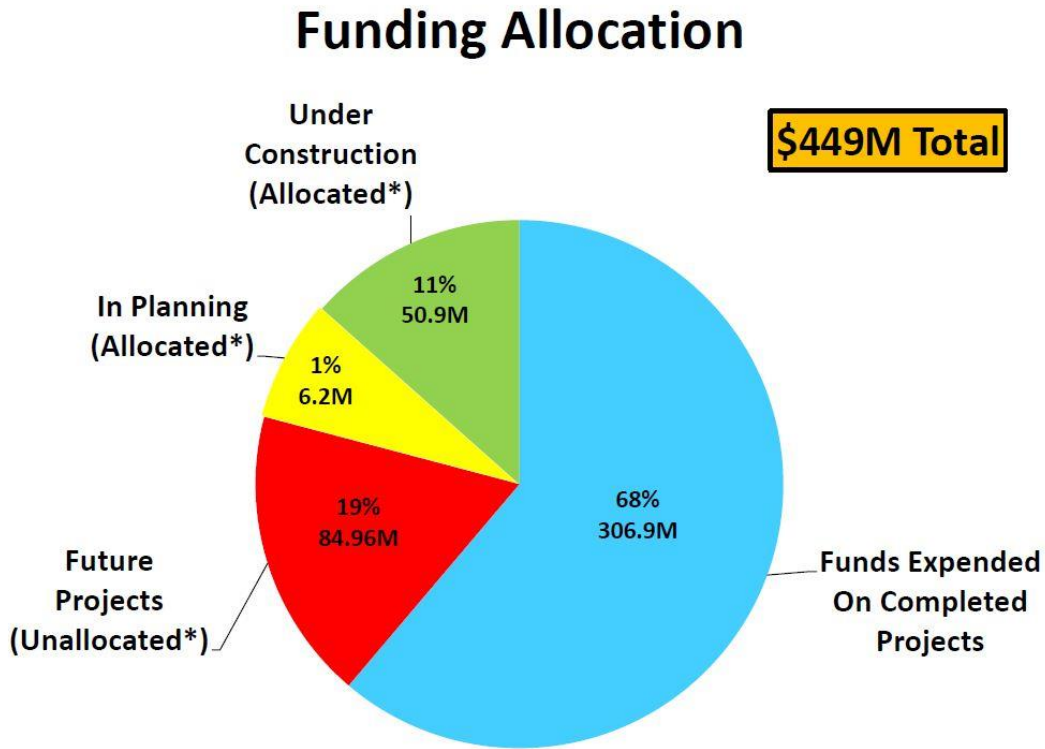
PROJECT ESCALATION COSTS – REMAINING PROJECTS

Project List	Initial Year of Estimate (Baseline Year)	Estimated Cost of Remaining Projects	Projected Year of Construction	Added Escalation	Revised Estimated Cost
Canyon Crest Academy					
New Black Box Theater, Convert Existing Black Box Theater to Engineering/Robotics, New Spin Area, and Modernization of Media Center (Balance of)	2011/2012	\$ 3,263,674.00	2021/2022	\$ 1,130,955.10	\$ 4,394,629.10
Carmel Valley MS					
New Student Entry at Gym/Food Service Area	2011/2012	\$ 200,846.00	2024/2025	\$ 94,848.52	\$ 295,694.52
Student Quad Reconfiguration	2011/2012	\$ 1,117,428.00	2024/2025	\$ 527,699.80	\$ 1,645,127.80
Diegueno MS					
Modernization of History (D) Building	2011/2012	\$ 1,886,256.00	2021/2022	\$ 653,640.91	\$ 2,539,896.91
Modernization of Math (C) Building	2011/2012	\$ 1,886,256.00	2021/2022	\$ 653,640.91	\$ 2,539,896.91
Modernization of Administration Building	2011/2012	\$ 1,025,055.00	2024/2025	\$ 484,077.11	\$ 1,509,132.11
Modernization of Locker Room Building	2011/2012	\$ 2,261,250.00	2024/2025	\$ 1,067,864.04	\$ 3,329,114.04
Modernization of English (K) and Science (F) Buildings, Cougar Hall, New Music Classroom, and Parking Lot Improvements	2011/2012	\$ 4,159,669.00	2024/2025	\$ 1,964,382.94	\$ 6,124,051.94
Modernization of Lunch Shelter	2011/2012	\$ 135,000.00	2024/2025	\$ 63,753.08	\$ 198,753.08
La Costa Canyon HS					
New Weight Room Building	2011/2012	\$ 1,722,980.00	2021/2022	\$ 597,061.17	\$ 2,320,041.17
New Field House (Balance of)	2011/2012	\$ 4,896,339.00	2035/2036	\$ 5,103,397.86	\$ 9,999,736.86
New 2 Story Classroom Building	2011/2012	\$ 6,716,250.00	2035/2036	\$ 7,000,270.18	\$ 13,716,520.18
New Science Building	2011/2012	\$ 2,514,375.00	2035/2036	\$ 2,620,704.16	\$ 5,135,079.16
Modernization of Administration Building, New M&O Building	2011/2012	\$ 877,500.00	2035/2036	\$ 914,608.16	\$ 1,792,108.16
La Costa Valley-San Dieguito Sports Complex					
New Multi-Purpose Building	2011/2012	\$ 6,610,247.00	2035/2036	\$ 6,889,784.47	\$ 13,500,031.47
Oak Crest MS					
New Multi-Purpose Building - Athletics	2011/2012	\$ 3,654,880.00	2035/2036	\$ 3,809,439.41	\$ 7,464,319.41
San Dieguito HS Academy					
Parking Lot Restoration	2011/2012	\$ 275,127.00	2021/2022	\$ 95,339.27	\$ 370,466.27
Modernization of Industrial Arts Building	2011/2012	\$ 1,502,145.00	2021/2022	\$ 520,535.61	\$ 2,022,680.61
Modernization A&B Buildings	2011/2012	\$ 1,165,117.00	2021/2022	\$ 403,745.91	\$ 1,568,862.91
Modernization of Mosaic Café	2011/2012	\$ 1,675,980.00	2024/2025	\$ 791,473.20	\$ 2,467,453.20
Baseball Fields (New Bullpen, Batting Cages & Concessions)	2011/2012	\$ 1,986,309.00	2024/2025	\$ 938,024.52	\$ 2,924,333.52
Gym Renovation, Locker & Team Rooms, Dance, Wrestling, Weight Room & Outdoor Basketball Courts	2011/2012	\$ 8,776,688.00	2024/2025	\$ 4,144,747.14	\$ 12,921,435.14
Torrey Pines HS					
New Art Classroom Building, New Campus Green and Parking Lot	2011/2012	\$ 11,513,346.00	2021/2022	\$ 3,989,699.15	\$ 15,503,045.15
Modernization of Administration Building	2011/2012	\$ 1,381,050.00	2024/2025	\$ 652,193.98	\$ 2,033,243.98
Modernization of Gym	2011/2012	\$ 7,897,500.00	2035/2036	\$ 8,231,473.47	\$ 16,128,973.47
New Field House (Balance of)	2011/2012	\$ 5,312,429.00	2035/2036	\$ 5,537,083.68	\$ 10,849,512.68
District Wide					
Project Administration	2019/2020	\$ 546,304.00	2035/2036	\$ 9,882,691.56	\$ 10,428,995.56
Totals		\$ 84,960,000.00		\$ 68,763,135.31	\$ 153,723,135.31

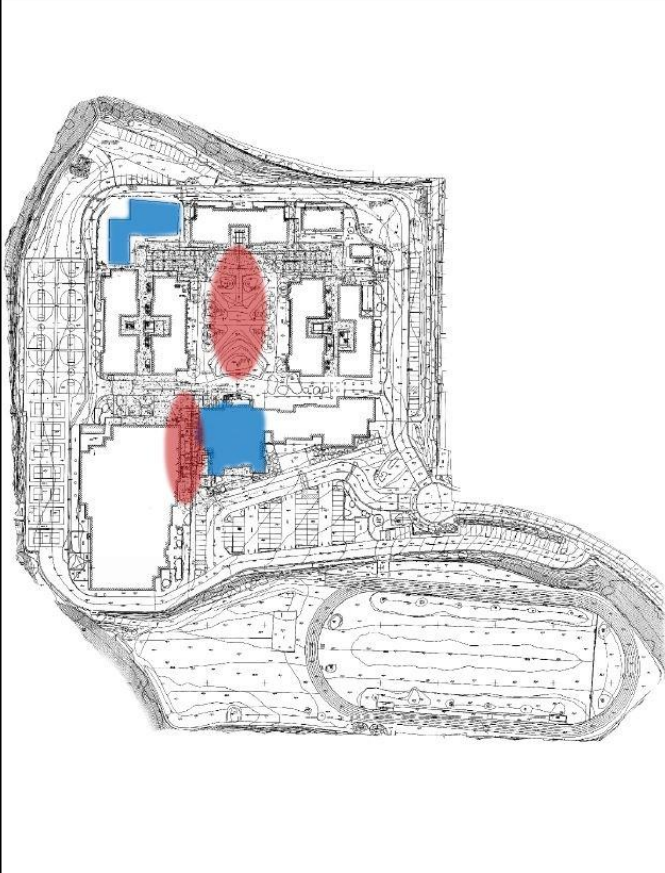


With state legislative constraints, factors beyond the control of the District and economic effects of inflation due to the lengthening of the bond program from six to twenty-three years, the remaining projects as originally identified in 2012 may not occur as originally timed or conceived under Prop AA. However, it is the Committee’s understanding that it is the District’s intent to continue, as it has since 2013, to seek other funding sources and partnerships to offset future escalation.

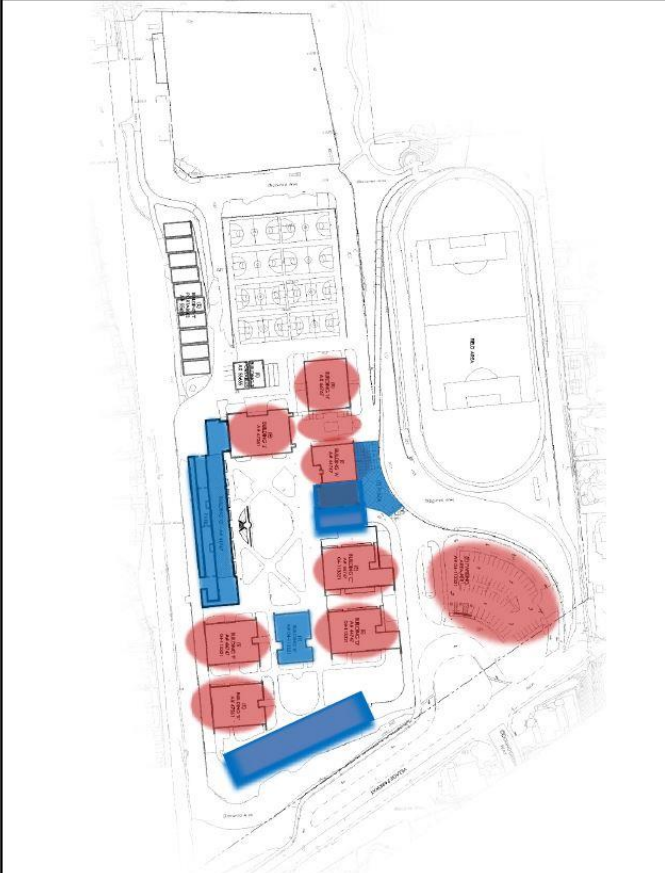


PROJECT FUNDING STATUS

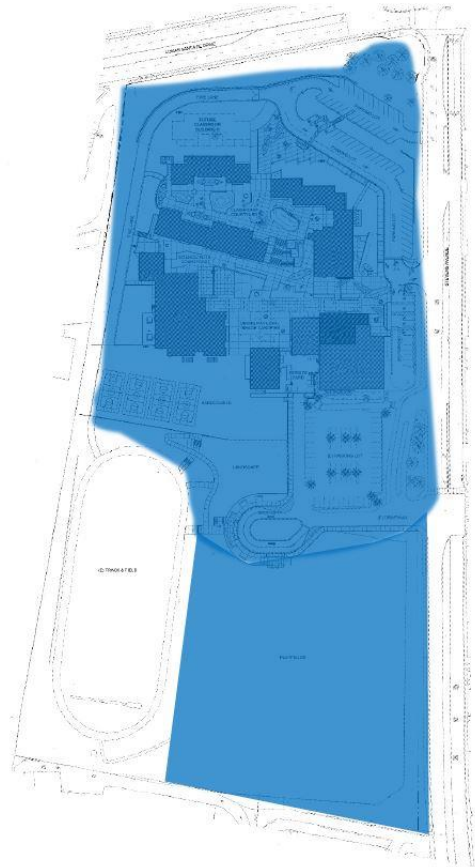


Prop AA planned for \$449 million of capital improvements within the District. Of those funds, the District has completed 48 of 74 projects and spent \$306.9 million through 2019 to complete highest priority projects. In addition, \$50.9 million is committed to projects currently under construction with \$6.2 million being committed to projects in the design and planning phases. There remains \$84.96 million of the original funds to be allocated. The chart below demonstrates the current overall project status.






**Allocated* - resource \$'s that have been budgeted
 **Unallocated* - resource \$'s that have not yet been budgeted

	<p>Completed - \$2.2M</p> <ul style="list-style-type: none"> • Drama & Music Classrooms • Technology Upgrades • Media Center Upgrade 	<p>Carmel Valley Middle School</p>  
	<p>In Planning - \$0.9M</p> <ul style="list-style-type: none"> • AV Technology Improvements 	
	<p>To Do - \$1.3M</p> <ul style="list-style-type: none"> • 2024 • New Student Entry at Gym/Food Service Area • Student Quad Reconfiguration 	
<p><i>Costs exclude administration, payments on the lease bonds (QSCB), and technology expenses that are categorized as District wide</i></p>		

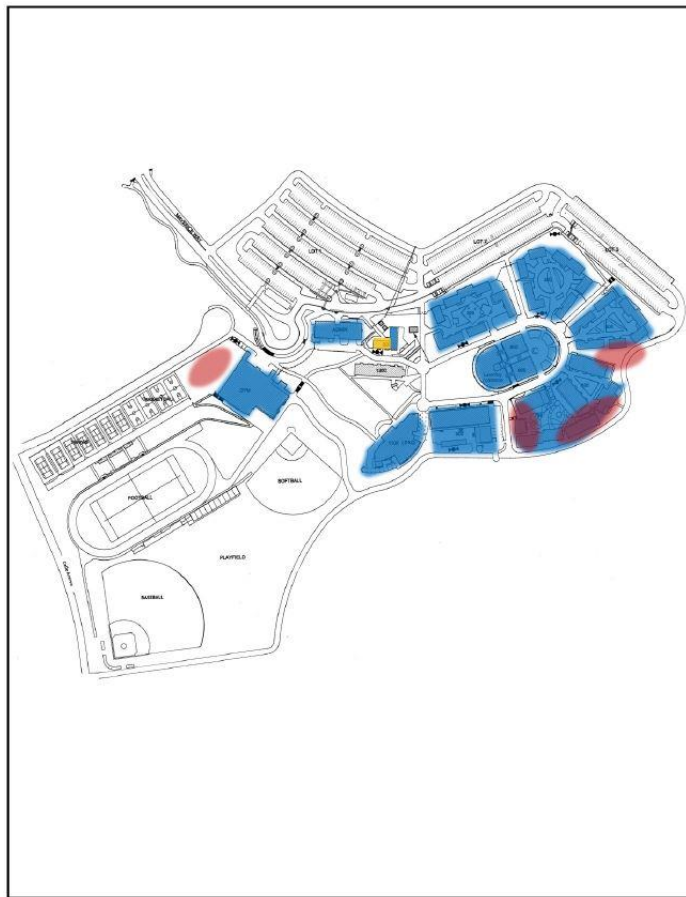


	<p>Completed and in Progress - \$ 15.2M</p> <ul style="list-style-type: none"> • Buildings B & G Modernization – Phase 1 • Admin and Building B Front Entry Improvements • Media Center Modernization • Technology Infrastructure • New Building P – Phase 2 	<p>Diegueno Middle School</p>  
	<p>In Planning - \$0.5M</p> <ul style="list-style-type: none"> • AV Technology Improvements • Modernization of History (D) and Math (C) Buildings (Preliminary Design) 	
	<p>To Do - \$11.2M</p> <ul style="list-style-type: none"> • 2021 • Modernization of History (D) and Math (C) Building • 2024 • Modernization of Administration Building • Modernization of Locker Room Building • Modernization of English (K) and Science (F) Buildings, Cougar Hall, New Music Classroom, and Parking Lot Improvements • Modernization of Lunch Shelter 	
<p><i>Costs exclude administration, payments on the lease bonds (QSCB), and technology expenses that are categorized as District wide</i></p>		

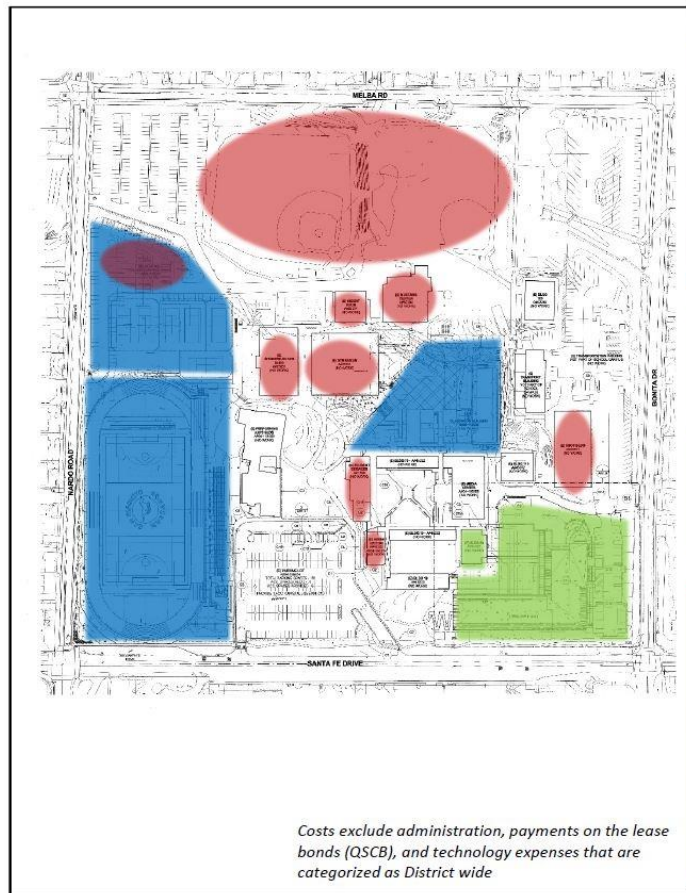


	<p>Completed - \$52.8</p> <ul style="list-style-type: none"> • Campus Re-Construction Phase 1 • Interim Housing • Data Center • Campus Re-Construction Phase 2 	<p>Earl Warren Middle School</p>  
<p><i>Costs exclude administration, payments on the lease bonds (QSCB), and technology expenses that are categorized as District wide</i></p>		

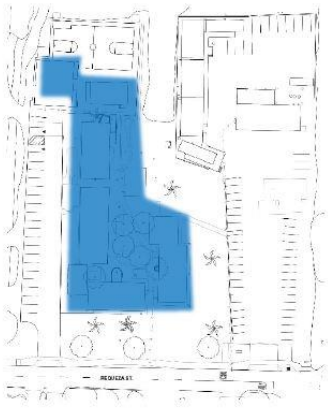
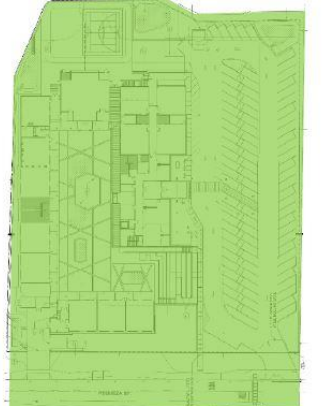


	<p>Completed - \$23.8M</p> <ul style="list-style-type: none"> • Interim Housing • Technology Infrastructure • Landscape and Balour Street Improvements • Learning Commons Remodel – Phase 1 • Field Access/Path of Travel • C-Smart and Art Classrooms Modernization • New Science Classroom Building/Quad • Administration Building Reconstruction and Courtyard Improvements <p>In Planning - \$0.2M</p> <ul style="list-style-type: none"> • Modernization of C Building (Balance of) and K Building • Modernization of Crest Hall <p>To Do - \$3.7M</p> <ul style="list-style-type: none"> • 2035 • Multipurpose Bldg. - Athletics 	<p>Oak Crest Middle School</p>  
<p><i>Costs exclude administration, payments on the lease bonds (QSCB), and technology expenses that are categorized as District wide</i></p>		

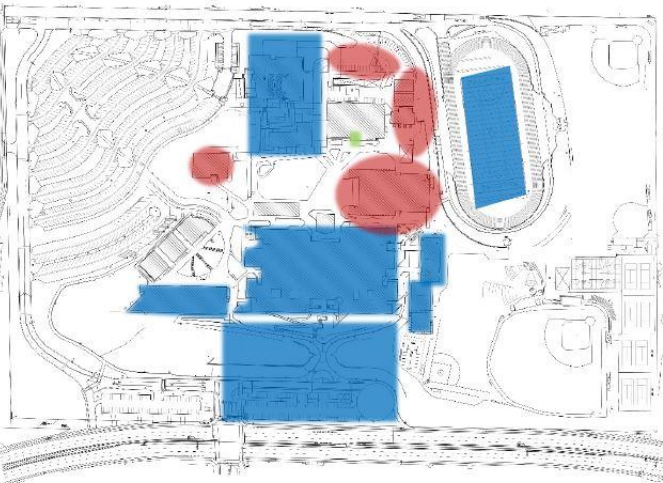


	<p>Completed - \$64.4M</p> <ul style="list-style-type: none"> • Main Campus Phase 1 and 2 • 2nd Classroom Building (incl. Marquee and Stage Lighting at Gym Bldg.) <p><i>Costs exclude administration, payments on the lease bonds (QSCB), and technology expenses that are categorized as District wide</i></p>	<p>Pacific Trails Middle School</p>
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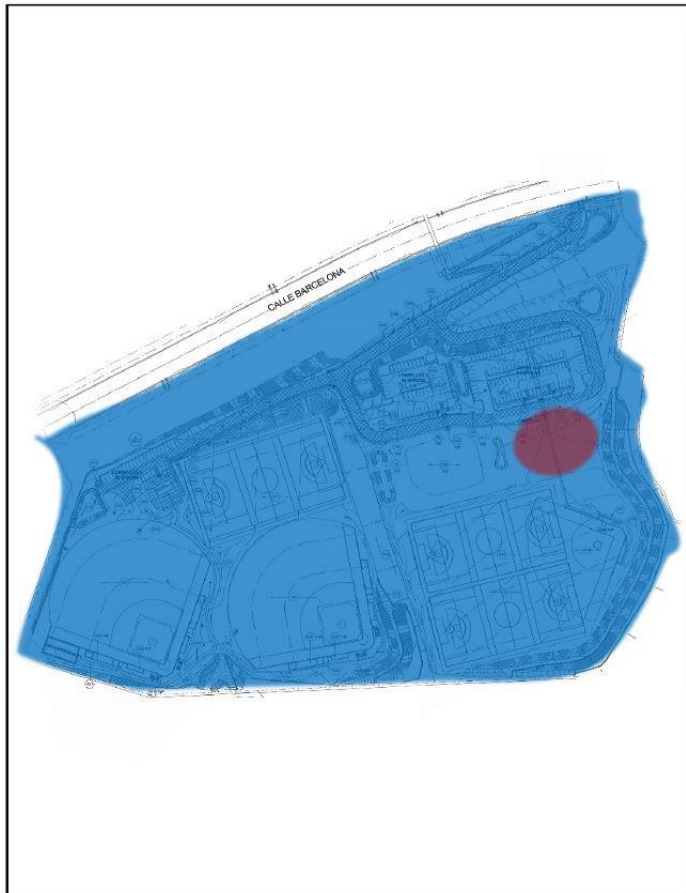
	<p>Completed - \$30M</p> <ul style="list-style-type: none"> • Bldg. B Landscape & Pathway Enhancements • Building B • Stadium Improvements • Track and Field Improvements & Rough Grade • Technology Infrastructure • Media Center Upgrades – Phase 1 <p>In Planning - \$0.5M</p> <ul style="list-style-type: none"> • AV Technology Improvements • New Black Box Theater (Planning) • Convert Existing Black Box Theater to Engineering/Robotics (Planning) • New Spin Area (Planning) • Modernization of Media Center – Phase 2 (Planning) <p>To Do - \$3.3M</p> <ul style="list-style-type: none"> • 2021 • New Black-Box Theater • Convert existing Black-Box Theater to Engineering/Robotics • New Spin Area • Modernization of Media Center – Phase 2 <p><i>Costs exclude administration, payments on the lease bonds (QSCB), and technology expenses that are categorized as District wide</i></p>	<p>Canyon Crest Academy</p>
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	<p>Completed - \$11.8M</p> <ul style="list-style-type: none"> • 200 Building Courtyard Renovation • Media Center Landscaping • Gym, Performing Arts Center, 200 Building HVAC Improvements – Phase 2 • Media Center and Building 800 Modernization • Technology Upgrades • Classroom HVAC Improvements – Phase 1 	<p style="text-align: center;">La Costa Canyon High School</p>  
	<p>In Planning – \$2.6M</p> <ul style="list-style-type: none"> • Culinary Arts Modernization • New Weight Room Building (Planning) 	
<p>To Do - \$16.7M</p> <ul style="list-style-type: none"> • 2021 <ul style="list-style-type: none"> • New Weight Room Building • 2035 <ul style="list-style-type: none"> • New Field House (Balance of) • New 2 Story Classroom Building • New Science Building • New M&O Building 	<p><i>Costs exclude administration, payments on the lease bonds (QSCB), and technology expenses that are categorized as District wide</i></p>	

	<p>Completed - \$30.3M</p> <ul style="list-style-type: none"> • Building 40 East Modernization - Culinary Arts Classroom • New Math & Science Building • Technology Infrastructure • Tennis Courts & Interim Housing • Stadium Press Box, Bleachers and Restroom Building • Track and Field Improvements 	<p style="text-align: center;">San Diegoito High School Academy</p>  
	<p>Under Construction - \$29.2M</p> <ul style="list-style-type: none"> • Arts and Humanities Building 	
<p>In Planning - \$0.1M</p> <ul style="list-style-type: none"> • Modernization of Industrial Arts Building and A&B Buildings, and Parking Lot Restoration (Planning) 	<p><i>Costs exclude administration, payments on the lease bonds (QSCB), and technology expenses that are categorized as District wide</i></p>	
<p>To Do - \$15.4M</p> <ul style="list-style-type: none"> • 2021 <ul style="list-style-type: none"> • Parking Lot Restoration • Modernization of Industrial Arts Building • Modernization of A & B Buildings • 2024 <ul style="list-style-type: none"> • Modernization of Mosaic Café • Baseball Fields (New Bullpen, Batting Cages & Concessions) • Gym Renovation, Locker & Team Rooms, Dance, Wrestling, Weight Room & Outdoor Basketball Courts 		

	<p>Completed - \$0.2M</p> <ul style="list-style-type: none"> • Multi Media Upgrade 	<p>Sunset High School Adult Transition Program</p>
	<p>Under Construction - \$21.7M</p> <ul style="list-style-type: none"> • Campus Re-Construction <p><i>Costs exclude administration, payments on the lease bonds (QSCB), and technology expenses that are categorized as District wide</i></p>	 

	<p>Completed - \$52.7M</p> <ul style="list-style-type: none"> • New Performing Arts Center • Innovation Building Modernization - Culinary Arts • Building B Modernization Student Center Modernization and Front Entry • Technology Infrastructure • New Building J Chemistry Classrooms • Stadium Lighting Improvements • New Weight Room Building • Building E HVAC Improvements • Stadium Field Replacement <p>In Planning - \$0.1M</p> <ul style="list-style-type: none"> • New Art Classroom Building, New Campus Green and Parking Lot (Planning) <p>To Do - \$26.1M</p> <ul style="list-style-type: none"> • 2021 • New Art Classroom Building, New Campus Green and Parking Lot • 2024 • Modernization of Administration Building • 2035 • Modernization of Gym • New Field House (Balance of) <p><i>Costs exclude administration, payments on the lease bonds (QSCB), and technology expenses that are categorized as District wide</i></p>	<p>Torrey Pines High School</p>  
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	<p>Completed - \$10.7M</p> <ul style="list-style-type: none">•Fields and Parking lot	<p>San Dieguito Sports Complex</p>
	<p>To Do - \$6.6M</p> <ul style="list-style-type: none">•2035•New Multi-Purpose Building	
	<p><i>Costs exclude administration, payments on the lease bonds (QSCB), and technology expenses that are categorized as District wide</i></p>	

BOND SERIES A – D DRAW BUDGET AND COMMITMENTS SUMMARY

Project Sites	Budget 12/26/18	Budget 12/20/19	Commitments 12/20/19	Delta 12/20/19
Pacific Trails Middle School	\$ 65,715,833.84	\$ 64,494,338.64	\$ 64,494,338.64	\$ -
Carmel Valley Middle School	\$ 7,419,974.39	\$ 7,271,282.21	\$ 7,271,282.21	\$ -
Earl Warren Middle School	\$ 54,992,759.22	\$ 55,254,316.88	\$ 55,268,199.42	\$ (13,882.54)
La Costa Valley Site	\$ 10,679,955.04	\$ 10,675,747.04	\$ 10,675,747.04	\$ -
Diegueno Middle School	\$ 14,627,921.75	\$ 14,627,921.75	\$ 14,819,638.89	\$ (191,717.14)
Oak Crest Middle School	\$ 24,564,173.22	\$ 24,399,679.22	\$ 23,733,134.20	\$ 666,545.02
Canyon Crest Academy	\$ 31,444,989.34	\$ 31,434,157.87	\$ 31,434,157.87	\$ -
Torrey Pines High School	\$ 58,781,604.61	\$ 58,722,078.16	\$ 58,516,634.98	\$ 205,443.18
San Dieguito High School Academy	\$ 58,588,512.83	\$ 58,236,268.16	\$ 57,807,650.91	\$ 428,617.25
La Costa Canyon High School	\$ 12,205,104.03	\$ 12,194,212.53	\$ 9,812,690.14	\$ 2,381,522.39
Sunset High School	\$ 16,700,000.00	\$ 21,660,884.50	\$ 20,946,645.60	\$ 714,238.90
District Wide (DW) Tech Infrastructure	\$ 11,511,231.88	\$ 11,511,231.88	\$ 9,785,887.65	\$ 1,725,344.23
Qualified School Construction Bond (QSCB) - 8 yr. option	\$ 7,655,890.28	\$ 6,124,712.00	\$ 4,593,534.00	\$ 1,531,178.00
Administration	\$ 10,107,210.81	\$ 9,769,079.02	\$ 8,209,517.86	\$ 1,559,561.16
Subtotal Expense Budget	\$ 384,995,161.24	\$ 386,375,909.86	\$ 377,369,059.41	\$ 9,006,850.45
PROJECT FUNDING				
Prop AA Project Funding				
Prop AA Project Fund	\$ 361,437,755.50	\$ 361,437,755.50		
Non-Prop AA Project Funding				
North City West Funding	\$ 5,586,098.00	\$ 5,586,098.00		
2016 Community Facilities District (CFD) Bond Funding	\$ 9,819,548.67	\$ 9,223,648.24		
State School Building Fund	\$ -	\$ -		
County of San Diego/Friends Of The Library (FOTL)	\$ 427,738.41	\$ 449,348.73		
Carmel Valley Middle School Parent Teacher Student Association (PTSA)	\$ 20,722.00	\$ 20,722.00		
Building Fund 21-09	\$ 3,499,155.76	\$ 2,619,063.43		
Solana Beach School District	\$ 461,718.43	\$ 701,665.77		
Insurance Funds	\$ 698,394.00	\$ 761,218.52		
San Dieguito Academy Foundation	\$ -	\$ 5,000.00		
Capital Facilities Fund 25-19	\$ -	\$ 12,593.00		
Estimated Interest Earnings	\$ 3,844,176.23	\$ 6,214,513.13		
Subtotal Funding Budget	\$ 385,795,307.00	\$ 387,031,626.32		
Excess/Shortage of Funding	\$ 800,145.76	\$ 655,716.46		

COMPLETED PROJECTS 2019

Project	Delivery Method	Budget	Actual Expended	Estimated Savings*
Diegueno Middle School B&G Buildings Modernization/New Building P Project	CM-MP	\$9,568,602.77	\$8,308,873.80	\$188,173.86
Earl Warren Middle School Campus Re-Construction (Including Phase 2)	LLB	\$46,541,128.84	\$46,555,011.38	\$1,117.46
Oak Crest Middle School New Science Classroom Building/Quad	CM-MP	\$13,001,223.25	\$11,020,633.15	\$227,318.52
Administration Building Re-Construction	LLB	\$3,237,055.52	\$2,836,899.11	\$196,919.11
Pacific Trails Middle School 2nd Classroom Building (Including Marquee and Stage Lighting at Gym Building)	LLB	\$19,403,133.55	\$16,952,704.69	\$2,509,736.75
Torrey Pines High School Culinary Arts Classroom and Performing Arts Center Building Project	LLB	\$27,862,891.98	\$27,105,095.97	\$180,443.18
Subtotal:		\$119,614,035.91	\$112,779,218.10	\$3,303,708.88

Updated December 20, 2019

*Estimated Savings are projected savings due to closing out and finalizing contracts.

LEGEND:

DELIVERY METHOD:
CM-MP – Construction Manager – Multi Prime
LLB – Lease/Leaseback

2019 AMENDMENTS AND CHANGE ORDERS TO CONSTRUCTION CONTRACTS

Below are the 2019 amendments and change orders to construction contracts approved by the Board and included in the Board minutes.

Board Meeting	Site & Project	Contractor	Original Contract Amount	Current Amendments *Unforeseen Conditions	Current Change Order**	Revised Contract Amount
1/17/2019	Carmel Valley Middle School Music Classroom Building	Southwest Construction Services, Inc.	\$951,569.00	\$74,863.00	(\$907.00)	\$1,025,525.00
1/17/2019	Oak Crest Middle School Science Classroom	Sylvester Roofing	\$375,707.00	-	(\$48,703.00)	\$327,004.00
1/17/2019	Oak Crest Middle School Science Classroom	WR Robbins	\$583,500.00	-	(\$130,825.00)	\$452,675.00
1/17/2019	Pacific Trails Middle School 2nd Classroom Building	Baker Electric	\$1,199,000.00	-	(\$61,529.00)	\$1,249,426.78
1/17/2019	Pacific Trails Middle School 2nd Classroom Building	A&A Flooring	\$189,979.00	-	(\$37,596.00)	\$152,383.00
1/17/2019	Pacific Trails Middle School 2nd Classroom Building	Standard Drywall	\$2,574,400.00	-	(\$173,371.00)	\$2,401,029.00
1/17/2019	Pacific Trails Middle School 2nd Classroom Building	Western Rim	\$1,909,099.00	-	(\$11,759.00)	\$1,897,340.00
1/17/2019	Pacific Trails Middle School 2nd Classroom Building	SD Steel	\$1,524,983.00	\$133,539.00	(\$27,104.00)	\$1,631,418.00
2/7/2019	La Costa Canyon High School 200's Quad Site Work	GEM Industrial	\$324,215.00	-	(\$2,654.47)	\$321,560.53
2/7/2019	Oak Crest Middle School Science Classroom	EC Constructors	\$858,316.00	-	(\$165,900.00)	\$692,416.00
2/7/2019	Pacific Trails Middle School 2nd Classroom Building	Centex Glazing	\$954,451.00	-	(\$57,495.00)	\$896,956.00
2/7/2019	Pacific Trails Middle School 2nd Classroom Building	Inland Pacific Tile	\$253,000.00	-	(\$7,966.00)	\$245,034.00
3/7/2019	Oak Crest Middle School Science Classroom	Peltzer Plumbing	\$939,841.00	\$108,752.00	\$8,549.00	\$1,057,142.00
3/7/2019	Pacific Trails Middle School 2nd Classroom Building	Southwest Construction Services, Inc.	\$207,118.00	-	(\$9,879.00)	\$197,239.00

ITEM 10c

Board Meeting	Site & Project	Contractor	Original Contract Amount	Current Amendments *Unforeseen Conditions	Current Change Order**	Revised Contract Amount
4/4/2019	Torrey Pines High School Performing Arts Center	Buxcon Sheet Metal	\$519,750.00	-	\$13,557.00	\$533,307.00
5/9/2019	Oak Crest Middle School Science Classroom	JG Tate	\$156,789.00	-	(\$14,237.00)	\$142,552.00
5/9/2019	Pacific Trails Middle School 2nd Classroom Building	Baker Electric	\$1,199,000.00	-	(\$3,980.00)	\$1,245,446.78
6/6/2019	Earl Warren Middle School Campus Reconstruction	McCarthy Builders	\$37,307,665.00	-	(\$32,700.70)	\$40,835,009.47
6/6/2019	Torrey Pines High School Performing Arts Center	Buxcon Sheet Metal	\$519,750.00	-	(\$6,393.00)	\$526,914.00
6/6/2019	Torrey Pines High School Performing Arts Center	Elljay Acoustics	\$459,657.00	-	(\$19,492.00)	\$440,165.00
6/6/2019	Torrey Pines High School Performing Arts Center	Peltzer Plumbing	\$360,349.00	-	(\$20,807.00)	\$339,542.00
6/6/2019	Torrey Pines High School Performing Arts Center	RAP Engineering	\$230,586.79	-	(\$37,792.37)	\$192,794.42
6/6/2019	Torrey Pines High School Performing Arts Center	Rocky Coast	\$2,610,582.00	\$57,790.00	(\$5,230.00)	\$2,663,142.00
6/6/2019	Torrey Pines High School Performing Arts Center	K&Z Cabinets	\$115,960.00	-	(\$5,522.00)	\$110,438.00
6/20/2019	Torrey Pines High School Performing Arts Center	A&S Flooring	\$457,974.00	-	(\$71,723.60)	\$386,250.40
6/20/2019	Torrey Pines High School Performing Arts Center	Best Interiors	\$2,008,732.00	-	(\$1,583.00)	\$2,007,149.00
6/20/2019	Torrey Pines High School Performing Arts Center	Bradshaw Engineering	\$194,283.00	-	(\$1,269.00)	\$193,014.00
6/20/2019	Torrey Pines High School Performing Arts Center	Bravo Concrete	\$692,820.00	-	\$6,606.00	\$699,426.00
6/20/2019	Torrey Pines High School Performing Arts Center	Dreamscape	\$372,123.00	-	(\$9,904.00)	\$362,219.00

ITEM 10c

Board Meeting	Site & Project	Contractor	Original Contract Amount	Current Amendments *Unforeseen Conditions	Current Change Order**	Revised Contract Amount
6/20/2019	Torrey Pines High School Performing Arts Center	HPS Mechanical	\$496,146.00	\$49,175.00	-	\$545,321.00
6/20/2019	Torrey Pines High School Performing Arts Center	Queen City Glass	\$530,550.00	-	(\$9,863.00)	\$520,687.00
6/20/2019	Torrey Pines High School Performing Arts Center	Southwest Construction Services, Inc.	\$133,893.00	-	(\$7,280.00)	\$126,613.00
6/20/2019	Torrey Pines High School Performing Arts Center	Sierra Pacific	\$1,014,231.00	-	(\$13,272.06)	\$1,000,958.94
6/20/2019	Torrey Pines High School Performing Arts Center	WR Robbins	\$727,560.00	-	(\$8,466.00)	\$719,094.00
6/20/2019	Torrey Pines High School Performing Arts Center	Williams & Sons	\$1,986,304.00	-	(\$22,077.00)	\$1,964,227.00
8/22/2019	Oak Crest Middle School Science Classroom	EC Constructors	\$2,184,223.00	-	(\$310,218.00)	\$1,874,005.00
8/22/2019	Oak Crest Middle School Science Classroom	Ace Electric	\$1,103,200.00	-	(\$82,871.00)	\$1,020,329.00
11/7/2019	Oak Crest Middle School Science Classroom	EC Constructors	\$3,041,214.00	-	(\$431,166.00)	\$2,610,048.00
11/7/2019	Oak Crest Middle School Science Classroom	Peltzer Plumbing	\$1,057,142.00	-	(\$13,876.00)	\$1,043,266.00
11/7/2019	Torrey Pines High School Performing Arts Center	Ace Electric	\$3,536,925.00	-	(\$28,970.77)	\$3,507,954.23
11/7/2019	Torrey Pines High School Performing Arts Center	LVH Entertainment	\$667,189.00	-	(\$17,046.37)	\$650,142.63
12/17/2019	San Dieguito High School Academy Arts & Humanities Building	Sierra Pacific	\$789,000.00	-	(\$156,576.00)	\$632,424.00
12/17/2019	San Dieguito High School Academy Arts & Humanities Building	Vulcan Steel	\$2,459,200.00	-	(\$169,560.00)	\$2,289,640.00

ITEM 10c

Board Meeting	Site & Project	Contractor	Original Contract Amount	Current Amendments *Unforeseen Conditions	Current Change Order**	Revised Contract Amount
12/17/2019	San Dieguito High School Academy Arts & Humanities Building	Roof Construction	\$675,035.00	-	(\$87,377.00)	\$587,658.00
12/17/2019	San Dieguito High School Academy Arts & Humanities Building	JD Tate	\$234,567.00	-	(\$28,229.00)	\$206,338.00
12/17/2019	San Dieguito High School Academy Arts & Humanities Building	ACH Mechanical	\$1,585,000.00	-	(\$100,309.00)	\$1,484,691.00
12/17/2019	San Dieguito High School Academy Arts & Humanities Building	Fredricks Electric	\$1,950,000.00	-	(\$203,068.00)	\$1,746,932.00
12/17/2019	San Dieguito High School Academy Arts & Humanities Building	Interpipe Contracting	\$737,000.00	-	(\$42,862.00)	\$694,138.00
12/17/2019	San Dieguito High School Academy Arts & Humanities Building	Southwest Construction Services, Inc.	\$2,638,762.00	-	(\$265,741.00)	\$2,373,021.00
12/17/2019	San Dieguito High School Academy Arts & Humanities Building	Southwest Construction Services, Inc.	\$2,317,018.00	-	(\$3,209.00)	\$2,313,809.00
Subtotal:				\$424,119.00	(\$2,939,647.34)	

*Amendments (Unforeseen Condition) – For example: repair a piece of conduit damaged during the course of construction not previously discovered or noted prior to bidding the project.

**Change Order (Owner Directed) – For example: installing an additional or deleting a piece of conduit beyond what was described in the plans at the time of bidding the project.

ONGOING PROJECTS AS OF DECEMBER 31, 2019

Project	Delivery Method	Bond Series	Start Date	Current Project Status	Budget
San Dieguito High School Academy Arts/Humanities Building	CM-MP	C	1/29/18	Under Construction/Final Punch List	\$29,217,814.00
Sunset High School Reconstruction	LLB	C/D	7/1/2019	Under Construction	\$21,660,884.50
Canyon Crest Academy AV Technology Improvements	CMAS/PEPPM	A	4/1/2020	Planning	\$700,000.00
Canyon Crest Academy New Black Box Theater, Convert Existing Black Box Theater to Engineering/Robotics, New Spin Area, and Modernization of Media Center	TBD	D/Future E	6/14/2021	Planning	\$3,263,674.00
Carmel Valley Middle School AV Technology Improvements	CMAS/PEPPM	A	4/1/2020	Planning	\$500,000.00
Diegueno Middle School AV Technology Improvements	CMAS/PEPPM	A	4/1/2020	Planning	\$500,000.00
Diegueno Middle School Modernization of History (D) and Math (C) Buildings	TBD	D/Future E	6/14/2021	Planning	\$3,772,512.00
Oak Crest Middle School Modernization of C Building (Balance of) and K Building	TBD	C/D/Fund 40	6/17/2020	Planning	\$1,911,145.00
Oak Crest Middle School Modernization of Crest Hall	TBD	C/D/Fund 40	6/14/2021	Planning	\$1,143,864.00
La Costa Canyon High School Culinary Arts Modernization	TBD	D	5/26/2020	Planning	\$2,574,000.00
La Costa Canyon High School New Weight Room Building	TBD	D/Future E	6/30/2021	Planning	\$1,722,980.00
Torrey Pines High School - New Art Classroom Building, New Campus Green and Parking Lot	TBD	D/Future E	6/30/2021	Planning	\$11,513,346.00

Project	Delivery Method	Bond Series	Start Date	Current Project Status	Budget
San Dieguito High School Academy - Parking Lot Restoration	TBD	D/Future E	10/1/2020	Planning	\$275,127.00
San Dieguito High School Academy - Modernization of Industrial Arts Building and A&B Buildings	TBD	D/Future E	6/14/2021	Planning	\$2,667,262.00

LEGEND:

DELIVERY METHOD:	FUNDING SOURCE:
LLB - Lease/Leaseback CM-MP – Construction Manager - Multi Prime CMAS/PEPPM – California Multiple Awards Schedules/Pennsylvania Education Purchasing Program for Microcomputers	Fund 40 – Capital Building Fund

OVERVIEW OF 2019 PROJECTS BY SCHOOL

The following represents the status of the projects under ICOC oversight upon publication of this annual report.

For more information about each site's projects, and to view photos from 2019 work, visit [here](#).

CANYON CREST ACADEMY

- AV Technology Improvements – **Planning**
- New Black Box Theater, Convert Existing Black Box Theater to Engineering/Robotics, New Spin Area, and Modernization of Media Center - **Planning**

CARMEL VALLEY MIDDLE SCHOOL

- AV Technology Improvements – **Planning**

DIEGUENO MIDDLE SCHOOL

- New Building P – **Complete**
- AV Technology Improvements – **Planning**
- Modernization of History (D) and Math (C) Buildings - **Planning**

EARL WARREN MIDDLE SCHOOL

- Campus Re-Construction (Phase II) - **Complete**

LA COSTA CANYON HIGH SCHOOL

- Culinary Arts Modernization – **Planning**
- New Weight Room Building - **Planning**

PACIFIC TRAILS MIDDLE SCHOOL

- New Classroom Building (including Marquee and Stage Lighting at Gym Building) - **Complete**

OAK CREST MIDDLE SCHOOL

- New Science Classroom Building (including Quad) – **Complete**
- Administration Building and Building F Reconstruction – **Complete**
- Modernization of C Building (Balance of) and K Building – **Planning**
- Modernization of Crest Hall - **Planning**

SAN DIEGUITO HIGH SCHOOL ACADEMY

- New Arts and Humanities Building – **Under Construction/Final Punch List**
- Parking Lot Restoration – **Planning**
- Modernization of Industrial Arts Building and A&B Buildings - **Planning**

SUNSET HIGH SCHOOL

- Campus reconstruction – **Under Construction**

TORREY PINES HIGH SCHOOL

- New Performing Arts Complex – **Complete**
- New Art Classroom, New Campus Green & Parking Lot - **Planning**

ICOC ACTIVITIES IN 2019

The ICOC reviews the progress of the Prop AA Bond Program in the planning and construction of projects in 2019, as well as timelines, budgets, change orders, and management processes as a standing practice at each meeting.

The first meeting of the year was held on **January 15, 2019**, at the District Office. The ICOC members received information about the online School Bonds Course for new ICOC members. Mike Coy, Chief Facilities Officer, provided an overview of completed and current Prop AA projects. The committee members asked that replacement costs for Oak Crest MS fire damage be separated out to reflect insurance vs. Prop AA budgets and discussed the impact construction has on existing neighborhoods. John Addleman, Executive Director, Planning Services, reviewed and discussed current change orders and emphasized the accumulation of a net deduct for all change orders. Director of Planning, Dan Young, discussed upcoming projects for 2019 & 2020, as well as issues and timelines. Staff and committee members discussed the new Lease/Leaseback project at Sunset High School and impact and timelines of residential development surrounding that campus. Mr. Addleman also reviewed the Projects budget update, the bidding process for Oak Crest's administration building and answered the committee's questions regarding revisions made to regulations affecting Lease/Leaseback projects. It was suggested that an ad hoc committee address how new legislative regulations have influenced projects in the 2018 annual report. Tina Douglas, Associate Superintendent of Business Services, offered to advise committee members on the timeline of when those changes occurred and their Board approval. Ms. Douglas also reviewed the forming of the ad hoc committee and their responsibilities in drafting the 2018 annual report. The process, timeline and replacement of members whose terms will expire in April 2019 was also discussed.

On **March 19, 2019**, the ICOC met at the District Office for a special meeting to review the 2018 Proposition AA Annual Audit report with Mr. Mears from Wilkinson Hadley King & Co. The audit reported no findings for the 2018 year with no instances where expenditures were not in compliance with terms of Proposition AA ballot measure and applicable state laws and regulations.

The ICOC met on **April 2, 2019** at the District Office for a special meeting to review the ad hoc committee's presentation of the draft 2018 ICOC Annual Report. The ICOC's 2018 Annual Report was approved.

On **April 23, 2019**, the ICOC met at the District Office for a regular meeting. New committee members and staff introduced themselves and reviewed committee responsibilities and protocol. Mr. Addleman presented financial budget slides and explained the differences between owner directed and unforeseen conditions for change orders. The Lease/Leaseback method of Prop AA building projects was discussed and each project's architect, construction manager and delivery method were also discussed with the new committee members. Upcoming projects were discussed, as well as the processes used for Request For Qualifications (RFQs) and the selection/approvals for Prop AA projects. Committee members nominated and elected Robin Duveen to serve as President, Jerilyn Larson to serve as Representative and Kristina Leyva to serve as Secretary. The meeting schedule for 2019/2020 was discussed and decided by committee members.

On **May 1, 2019**, Torrey Pines High School held a ribbon cutting ceremony for the Performing Arts Center (PAC). The ceremony was attended by committee member Adam Peck.

At the **July 16, 2019** meeting, held at Torrey Pines High School, District staff discussed ideas on how committee members can familiarize themselves with the projects and functions of the previous years' committees. It was suggested that members review the annual reports located on the District's ICOC webpage or reach out directly to Ms. Douglas, Mr. Addleman or Mr. Young with any questions. Mr. Young reviewed the completed and current Prop AA projects and discussed upcoming projects for 2020. Mr. Addleman reviewed Change Orders and discussed escalation costs and timeline of projects and how costs of future projects will be affected. Recycling of building materials, design of culinary arts classrooms and owner directed/unforeseen deductive change orders were items of discussion. Committee members requested District staff to produce an overview of Prop AA progress from inception to present.

On **September 9, 2019** – Groundbreaking Ceremony for Sunset High School.

On **September 11, 2019** – Ribbon Cutting Ceremony for San Dieguito High School Academy's Arts and Humanities Building during back-to-school night.

On **September 25, 2019** – Ribbon Cutting Ceremony for Oak Crest Middle School Administration Building.

On **October 15, 2019**, ICOC committee members Jerilyn Larson, Kristina Levya, Lucienne McCauley and Adam Peck joined the Board and District staff for a tour of Proposition AA projects. The tour included review of construction work at San Dieguito High School Academy, Oak Crest Middle School – Administration Building, Diegueño Middle School – "P" Building and a drive by of Sunset Educational Center.

EXHIBIT A

PROPOSITION AA BALLOT MEASURE

The San Dieguito Union High School District Proposition AA Ballot Measure follows. The Proposition AA ballot measure can also be located at www.sduhsd.net/ICOC.

EXHIBIT A

I. ABBREVIATION OF THE MEASURE

To provide safe, modern schools and prepare students for success in college and careers by repairing and upgrading outdated classrooms and schools, constructing and upgrading school facilities, including classrooms, science labs, and libraries, improving safety and security, and supporting career training and math, science, and technology instruction with 21st Century instructional technology and facilities, shall San Dieguito Union High School District issue \$449 million in bonds with independent oversight, no money for administrator salaries, and all money staying local?

II. FULL TEXT OF THE MEASURE

BEGINNING OF FULL TEXT OF MEASURE----->>>>>

BOND AUTHORIZATION

By approval of this proposition by at least 55% of the registered voters voting on the proposition, the San Dieguito Union High School District (the “District”) shall be authorized to issue and sell bonds of up to \$449,000,000 in aggregate principal amount to provide financing for the specific school facilities projects listed in the Bond Project List below, and in order to qualify to receive State matching grant funds, subject to all of the accountability safeguards specified below.

ACCOUNTABILITY SAFEGUARDS

The provisions in this section are specifically included in this proposition in order that the District’s voters and taxpayers may be assured that their money will be spent wisely to address specific facilities needs of the District, all in compliance with the requirements of Article XIII A, Section 1(b)(3) of the State Constitution, and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at Education Code Sections 15264 and following).

Evaluation of Needs. The Board of Trustees hereby certifies that it has evaluated the facilities needs of the District, and the priority of addressing each of these needs. In the course of its evaluation, the Board of Trustees took safety, class size reduction and information technology needs into consideration while developing the Bond Project List.

Limitation on Use of Bond Proceeds. The State of California does not have the power to take locally approved school district bond funds for any State purposes. The Constitution allows proceeds from the sale of bonds authorized by this proposition to be used only for the construction, reconstruction, rehabilitation, or replacement of school facilities listed in this proposition, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses. Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff only when performing work on or necessary and incidental to the bond projects.

Independent Citizens’ Oversight Committee. The Board of Trustees shall establish an independent Citizens’ Oversight Committee (pursuant to Education Code Section 15278 and following), to ensure bond proceeds are spent only for the school facilities projects listed in the Bond Project List. The committee shall be established within 60 days of the date on which the Board of Trustees enters the election results on its minutes.

Annual Performance Audits. The Board of Trustees shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects listed in the Bond Project List.

Annual Financial Audits. The Board of Trustees shall conduct an annual, independent financial audit of the bond proceeds (which shall be separate from the District’s regular annual

financial audit) until all of those proceeds have been spent for the school facilities projects listed in the Bond Project List.

Special Bond Proceeds Account; Annual Report to Board. Upon approval of this proposition and the sale of any bonds approved, the Board of Trustees shall take actions necessary pursuant to Government Code Section 53410 and following to establish an account in which proceeds of the sale of bonds will be deposited. As long as any proceeds of the bonds remain unexpended, the Superintendent or the Associate Superintendent, Business Services of the District (or such other employee as may perform substantially similar duties) shall cause a report to be filed with the Board no later than December 31 of each year, commencing December 31, 2012, stating (1) the amount of bond proceeds received and expended in that year, and (2) the status of any project funded or to be funded from bond proceeds. The report may relate to the calendar year, fiscal year, or other appropriate annual period as such officer shall determine, and may be incorporated into the annual budget, audit, or other appropriate routine report to the Board.

FURTHER SPECIFICATIONS

Specific Purposes. All of the purposes enumerated in this proposition shall be united and voted upon as one single proposition, pursuant to Education Code Section 15100, and shall constitute the specific purposes of the bonds, and proceeds of the bonds shall be spent only for such purposes, pursuant to Government Code Section 53410.

Joint Use. The District may enter into agreements with the County of San Diego or other public agencies or nonprofit organizations for joint use of school facilities financed with the proceeds of the bonds in accordance with Education Code Section 17077.42 (or any successor provision). The District may seek State grant funds for eligible joint-use projects as permitted by law, and this proposition hereby specifies and acknowledges that bond funds will or may be used to fund all or a portion of the local share for any eligible joint-use projects identified in the Bond Project List or as otherwise permitted by California State regulations, as the Board of Trustees shall determine.

Rate of Interest. The bonds shall bear interest at a rate per annum not exceeding the statutory maximum, payable at the time or times permitted by law.

Term of Bonds. The number of years the whole or any part of the bonds are to run shall not exceed the legal limit, though this shall not preclude bonds from being sold which mature prior to the legal limit.

BOND PROJECT LIST

The Bond Project List below describes the specific projects the San Dieguito Union High School District proposes to finance with proceeds of the bonds. Listed projects will be completed as needed at a particular school site according to Board-established priorities, and the order in which such projects appear on the Bond Project List is not an indication of priority for funding or completion. The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed. Certain construction funds expected from non-bond sources, including State grant funds for eligible projects, have not yet been secured. Until all project costs and funding sources are known, the Board of Trustees cannot determine the amount of bond proceeds available to be spent on each project, nor guarantee that the bonds will provide sufficient

funds to allow completion of all listed projects. Completion of some projects may be subject to further government approvals by State officials and boards, to local environmental review, and to input from the public. For these reasons, inclusion of a project on the Bond Project List is not a guarantee that the project will be funded or completed. The Board of Trustees may make changes to the Bond Project List in the future consistent with the projects specified in the proposition.

Part I - Site-specific Authorization. the following projects are authorized at the specific sites indicated below (and are supplemental to, and do not limit, the authorization set forth in Part II, below):

Canyon Crest Academy

- Increase school capacity to accommodate growing student enrollment;
- Consolidate under-utilized space to improve classrooms and science labs;
- Repurpose the existing temporary Black Box Theater for engineering/robotics;
- Add new physical education/athletics facilities.

Carmel Valley Middle School

- Repair, rehabilitate, reconstruct or modernize science and technology labs and other classrooms;
- Reconfigure instructional spaces and labs to create larger instruction spaces.

Diegueño Middle School

- Repair, reconstruct, rehabilitate or replace existing modular or portable classroom buildings;
- Reconfigure classrooms or labs to support instruction;
- Improve traffic circulation;
- Reconfigure quad area.

Earl Warren Middle School

- Repair, replace, reconstruct, or modernize outdated, aging school classrooms and buildings including constructing new classrooms and buildings if necessary;
- Repair, replace, reconstruct or modernize multi-use facility (Warren Hall) to allow for group learning, and expanded joint-use partnership with the County of San Diego;
- Construct new facilities for athletics and performing arts.

La Costa Canyon High School

- Repair, replace, reconstruct or modernize existing modular or portable classroom buildings with 2-story classroom buildings that include labs for science, including physics;
- Construct new classrooms and media center;
- Reconfigure existing classrooms and labs to support instruction;
- Repair, replace, reconstruct or modernize labs and other classrooms;
- Add new web-based learning center for online/distance learning;
- Reconfigure quad area;
- Construct physical education/athletics facilities;
- Make necessary site improvements including grading, infrastructure, and roads.

La Costa Valley Site

- Construct new flexible meeting and instructional space for district and community use;
- Construct new gymnasium multi-purpose building for district and community use;
- Construct new play fields and hard courts to allow community access, as well as to support the athletic program at La Costa Canyon High School.

New Middle School at Pacific Highlands Ranch

- Add new classrooms and instructional spaces to prevent overcrowding at neighboring facilities;
- Add new multi-use instructional facility and media center;
- Add new physical education/athletics facilities;
- Make necessary site improvements including grading, infrastructure, and roads;
- Construct school facilities including buildings necessary for non-instructional purposes.

Oak Crest Middle School

- Repair, reconstruct, rehabilitate or reconfigure classrooms and labs to support instruction;
- Repair, reconstruct, rehabilitate or reconfigure Crest Hall to improve functionality;

- Repair, reconstruct, rehabilitate or reconfigure media center and reconfigure spaces for group instruction;
- Add new physical education/athletics facilities;
- Add a new science quad.

San Dieguito Academy

- Expand total campus space, including space for engineering technology, science and physics labs, and classroom space;
- Add 2-story math and science building with math classrooms, science classrooms, and science labs;
- Add 2-story arts/English/social science/adult education building with new classrooms;
- Repair, reconstruct, rehabilitate or reconfigure industrial arts building;
- Add new physical education/athletics facilities.

Sunset High School/North Coast Alternative

- Construct new classrooms;
- Repair, reconstruct, rehabilitate or reconfigure classrooms and labs to support instruction;
- Repair, reconstruct, rehabilitate or reconfigure school facilities to ensure they are accessible for students, parents, teachers and staff with disabilities by repairing, constructing, reconstructing, rehabilitating or reconfiguring schools and classrooms to be compliant with Americans with Disabilities Act.

Torrey Pines High School

- Repair, construct, reconstruct, rehabilitate or reconfigure old and outdated buildings, labs, classrooms and technologies.
- Repair, construct, reconstruct, rehabilitate or reconfigure student commons area;
- Repair, construct, reconstruct, rehabilitate or reconfigure arts and education spaces, and industrial arts classrooms, labs and shop facilities;
- Add new physical education/athletics facilities.

Part II - District-wide Authorization. The following projects are authorized at each or any of the District’s sites, as shall be approved by the Board of Trustees:

- Enable 21st Century learning in science, engineering, technology and related subjects by providing modern equipment, including instructional equipment, technology, servers, wiring, and data systems;
- Construct, reconstruct, rehabilitate or repair utility infrastructure, heating and cooling systems, and building infrastructure to improve functionality and efficiency, including adding solar and other renewable technology;
- Ensure schools, classrooms and facilities meet current fire, earthquake and other safety codes;
- Repair, reconstruct, rehabilitate or modernize science and technology labs and other classrooms;
- Improve traffic safety and parking at and around each school;
- Acquire or lease facilities;
- Construct, reconstruct, rehabilitate or repair school facilities, including science laboratories, instructional classrooms, playgrounds, athletic fields, playfields, multi-use facilities, and performing arts spaces.

Each project listed is assumed to include its share of costs of the election and bond issuance and other construction-related costs, such as construction management, architectural, engineering, inspection and other planning costs, legal, accounting and similar fees, independent annual financial and performance audits, a customary construction contingency, and other costs incidental to and necessary for completion of the listed projects (whether work is performed by the District or by third parties), including:

Remove, dispose of, and otherwise remediate hazardous materials, including asbestos, lead, etc., where necessary.

Address unforeseen conditions revealed by construction/modernization (including plumbing or gas line breaks, dry rot, seismic, structural, etc.).

Site preparation/restoration in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms, including ingress and egress, demolition of existing structures, removing, replacing, or installing irrigation and drainage, utility lines (such as gas lines, water lines, electrical lines, sewer lines, and communication lines), trees and landscaping, relocating fire access roads, traffic lights and mitigation, and acquiring any necessary easements, licenses, or rights of way to the property.

Rental or construction of storage facilities and other space on an interim basis, as needed to accommodate construction materials, equipment, and personnel, and interim classrooms (including relocatables) for students and school functions or other storage for classroom materials displaced during construction.

Acquisition of any of the facilities on the Bond Project List through temporary lease or lease-purchase arrangements, or execute purchase option under a lease for any of these authorized facilities.

Furnishing and equipping of existing and newly constructed, modernized or rehabilitated classrooms and facilities on an ongoing basis, including replacing worn, broken, or out-of-date furniture and equipment for all classrooms, athletic facilities and other facilities, as needed.

For any project involving renovation, modernization, remodeling or rehabilitation of a building or the major portion of a building, the District may proceed with new replacement construction instead (including any necessary demolition), if the Board of Trustees determines that replacement and new construction is more practical than rehabilitation and renovation, considering the building's age, condition, expected remaining life, comparative cost, and other relevant factors.

The Bond Project List shall be considered a part of this ballot proposition, and shall be reproduced in any official document required to contain the full statement of the bond proposition.

<<<<<-----END OF FULL TEXT OF MEASURE.

EXHIBIT B

2019 AUDIT REPORT

The San Dieguito Union High School District Proposition AA Building Fund General Obligation Bonds Audit Report, dated June 30, 2019, follows. The report can also be found at www.sdhusd.net/PropAA.

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA
BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS
FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2019

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA
BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS
Financial Statements and Supplemental Information
Year Ended June 30, 2019**

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INTRODUCTION

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

Introduction and Citizens' Oversight Committee Member Listing

On November 6, 2012 the San Dieguito Union High School District was successful under Proposition AA in obtaining District voters to issue up to \$449,000,000 in General Obligation Bonds pursuant to a 55% vote in a bond election. The General Obligation Bonds are considered Proposition 39 bonds. The passage of Proposition 39 in November 2000 amended the California Constitution to include accountability measures. Specifically, the District must conduct an annual, independent performance audit to ensure that funds have been expended only on the specific projects listed as well as an annual, independent audit of the proceeds from the sale of the bonds until all of the proceeds have been expended.

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

The San Dieguito Union High School District Proposition AA Independent Citizens' Oversight Committee as of June 30, 2019 was comprised of the following members:

Name	Position	Term Expiration
Robin Duveen	President-Taxpayer Association Member	April 2021
Jerilyn Larson	Representative-Member-At-Large	April 2021
Kristina Leyva	Secretary-Parent of SDUHSD Student	April 2021
Adam Peck	Member-Business Organization	April 2021
Lucienne McCauley	Member-Senior Citizen Organization	April 2021
Amy Flicker	Member-Teacher-Parent Organization	April 2021
John Wood	Member-At-Large	April 2021
Diane Chau	Member-At-Large	April 2021
Peter Chu	Member-At-Large	April 2021



P. Robert Wilkinson, CPA
Brian K. Hadley, CPA

Aubrey W. Mann, CPA
Kevin A. Sproul, CPA

Independent Auditor's Report

**Governing Board Members and
Citizens' Oversight Committee
San Dieguito Union High School District
Encinitas, California**

Report on the Financial Statements

We have audited the accompanying financial statements of Proposition AA Building Fund (21-39) of San Dieguito Union High School District, which comprise the balance sheet as of June 30, 2019, and the related statement of revenues, expenditures, and changes in fund balance for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

As discussed in Note B, the financial statements present only the Building Fund (21-39) which is specific to Proposition AA and is not intended to present fairly the financial position and results of operations of San Dieguito Union High School District in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Proposition AA Building Fund (21-39) of San Dieguito Union High School District as of June 30, 2019, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

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, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, as required by the *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 is presented for purposes of additional analysis and is 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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 March 9, 2020, on our consideration of San Dieguito Union High School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering San Dieguito Union High School District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of Proposition 39, as incorporated in California Constitution Article 13A, we have also issued our performance audit report dated March 9, 2020 on our consideration of the District's compliance with the requirements of Proposition 39 with regards to the Proposition AA Building Fund (21-39). That report is an integral part of our audit of the District's Proposition AA Building Fund (21-39) for the fiscal year ended June 30, 2019 and should be considered in assessing the results of our financial audit.

William A. King & Co., LLP

El Cajon, California
March 9, 2020

FINANCIAL STATEMENTS

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)

This section of San Dieguito Union High School District's (District) Proposition AA Building Fund annual financial and performance audit report presents management's discussion and analysis of the Proposition AA Bond Program during the year ending June 30, 2019. Readers should also review the financial statements and notes to the basic financial statements included in the audit report to enhance their understanding of the Proposition AA Bond Program's financial and program performance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's Proposition AA Building Fund basic financial statements. The Fund's financial statements comprise three components: 1) management's discussion and analysis; 2) the Proposition AA Building Fund's financial statements; and 3) the performance audit required by law.

The District accounts for Proposition AA General Obligation Bond activity in the District's Building Fund. The Building Fund is a governmental fund type accounted for on a modified accrual basis of accounting that does not include fixed assets or long-term liabilities.

On November 6, 2012, the voters of the San Dieguito Union High School District community voted to approve Proposition AA to authorize the District to issue up to \$449 million of general obligation bonds to finance certain specified capital projects and facilities. In April 2013, the district issued the first series of those bonds in the amount of \$160 million to fund projects. The second series of those bonds were issued in April 2015, in the amount of \$117 million. The third series of those bonds were issued in July 2016, in the amount of \$62 million. The latest series of bonds, in the amount of \$25 million, were issued in May 2018. The District currently has \$349.1 million outstanding in general obligation bonds, as of June 30, 2019.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2019 are as follows:

- The fund balance for Proposition AA Building Fund is \$39.8 million, as of June 30, 2019, which is \$41.5 million lower than June 2018 as projects continue.
- Revenues consisted of other state income, interest earned, and other local income (including reimbursements and settlements). Revenue totaled \$2.8 million as of June 30, 2019, as compared to \$5.4 million as of June 30, 2018.
- Expenditures and other outgo as of June 30, 2019, totaled \$43.5 million, as compared to \$49.2 million in June 2018.

FINANCIAL ANALYSIS OF THE PROPOSITION AA BUILDING FUND

Balance Sheet

The District's Proposition AA Building Fund balance as of June 30, 2019 was \$39.8 million (see Table A-1 below).

Table A-1

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND
GENERAL OBLIGATION BONDS
JUNE 30, 2019**

	Building Fund		Total % Change over 17-18
	2017-18	2018-19	
Cash	87,238,548	41,434,007	-52.5%
Accounts Receivable	365,549	570,585	56.1%
Total Assets	\$ 87,604,097	\$ 42,004,592	-52.1%
Accounts Payable	6,372,837	2,242,205	-64.8%
Due to Other Funds	-	2,298	n/a
Total Liabilities	\$ 6,372,837	\$ 2,244,503	-64.8%
Fund Balance	81,231,260	39,760,089	-51.1%
Total Liabilities and Fund Balance	\$ 87,604,097	\$ 42,004,592	-52.1%

Fund Balance

The interest income reported represents funds earned on the cash held by the San Diego County Treasurer. The total expenditures of \$43.5 million are only for Proposition AA voter authorized expenses (see Table A-2 below).

Table A-2

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND
GENERAL OBLIGATION BONDS
JUNE 30, 2019**

	Building Fund		Total % Change over 17-18
	2017-18	2018-19	
Revenues			
Other State Income	12,990	65,218	402.1%
Interest Income	1,309,003	1,339,596	2.3%
Reimbursement - CVMS Expansion		1,193,907	
Insurance Settlement		144,776	
Other Reimbursement Costs		21,610	
Rebates and Refunds		25,799	
Other Local Income	4,097,084	-	
Total Revenues	\$ 5,419,077	\$ 2,790,906	-48.5%
Expenditures			
Classified Salaries	723,649	724,445	0.1%
Employee Benefits	243,993	301,422	23.5%
Operating Expenses	195,524	-	
Computer Licensing		20,855	
Capital Outlay:		-	
Land Improvements	83,339	-	
New Construction	46,897,648	40,860,274	-12.9%
Construction Improvement	103,571	328,611	217.3%
Equipment	1,003,845	1,260,881	25.6%
Equipment Replacement	32,630	-	
Total Expenditures	\$ 49,284,199	\$ 43,496,488	-11.7%
Other Financing Sources (Uses)			
Proceeds from Sales of Bonds	25,000,000	-	
Bond Premium	939,590	-	
Cost of Issuance	(788,062)	-	
Interfund Transfer to General Fund	(765,589)	(765,589)	
	\$ 24,385,939	\$ (765,589)	
Net Change in Fund Balance	(19,479,183)	(41,471,171)	-112.9%
Fund Balance, Beginning	100,710,443	81,231,260	-19.3%
Fund Balance, Ending	\$ 81,231,260	\$ 39,760,089	-51.1%

Long-Term Debt: At the end of the year, San Dieguito Union High School District had \$333,920,000 in long-term debt outstanding. This is a decrease of \$3,035,000 from the prior year.

<i>General Obligation Bonds Payable</i>	Building Fund		% Change over 17-18
	2017-18	2018-19	
Due within one year	3,035,000	3,590,000	18.3%
Due in more than one year	333,920,000	330,330,000	-1.1%
Total General Obligation Bonds Payable	\$ 336,955,000	\$ 333,920,000	-0.9%

PROPOSITION AA BUILDING FUND PLANNING AND CONSTRUCTION YEAR IN REVIEW

The 2018-2019 fiscal year began with the following nine school construction projects underway throughout the San Dieguito Union High School District:

- Canyon Crest Academy – Building B Landscape & Pathway Enhancements
- Carmel Valley Middle School – Performing Arts Center and Drama Classroom Modernization and New Music Classroom Building
- Diegueno Middle School – Buildings B & G Renovation
- Earl Warren Middle School – Campus Re-Construction, Phase 2
- La Costa Canyon – 200s Building and Courtyard Renovation
- Oak Crest Middle School – New Science Classrooms/Quad
- Pacific Trails Middle School – Second Classroom Building
- San Dieguito High School Academy – Arts and Humanities Building
- Torrey Pines High School – Performing Arts Center Complex

In addition, planning was nearing completion at the start of 2018-2019 for construction of the upcoming school projects:

- Oak Crest Middle School – Administration Building Reconstruction
- Diegueno Middle School – New Building P

By the end of fall of 2018-2019, four of the nine construction projects were complete or nearly complete:

- Canyon Crest Academy – Building B Landscape & Pathway Enhancements
- Carmel Valley Middle School – Performing Arts Center and Drama Classroom Modernization and New Music Classroom Building
- Diegueno Middle School – Buildings B & G Renovation
- La Costa Canyon High School – 200s Building and Courtyard Renovation

Also in the fall, construction had begun on Oak Crest Middle School – Administration Building Reconstruction.

Planning also began in the fall of 2018-19 on the Sunset High School – Campus Reconstruction project.

Over the winter of 2018-2019, the Pacific Trails Middle School – Second Classroom Building project was nearly completed, and construction on the Diegueno Middle School – New Building P project had begun.

In early spring of 2018-2019, planning began on:

- La Costa Canyon High School – Culinary Arts Modernization
- La Costa Canyon High School – Weight Room Renovation

At the close of 2018-2019, two of the six construction projects were complete or nearly complete:

- Earl Warren Middle School – Campus Re-Construction, Phase 2
- Torrey Pines High School – Performing Arts Center Complex

Leaving the remaining four construction projects still underway:

- Diegueno Middle School – New Building P
- Oak Crest Middle School – New Science Classrooms/Quad
- Oak Crest Middle School – Administration Building Reconstruction
- San Dieguito High School Academy – Arts and Humanities Building

In looking forward to the 2019-2020 year, the Sunset High School – Campus Reconstruction project was preparing for construction start in the summer.

Planning was progressing on the La Costa Canyon High School – Culinary Arts Modernization for a spring 2020 construction start.

Planning that began in 2018-2019 was still underway for two school projects with anticipated 2020-2021 construction starts:

- La Costa Canyon High School – Weight Room
- Torrey Pines High School – the Balance of the I Building project: New Art Classroom Building, Campus Green and Parking Lot

Overall, the seven school construction projects completed in 2018-2019 were delivered on time and under budget, with a projected savings of \$2.1 million to be used towards other voter-approved Prop AA projects.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of the existing circumstances that could affect its financial health in the future:

- Possible increases in building costs during construction

Requests for Information

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the San Dieguito Union High School District's Proposition AA Building Fund finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Associate Superintendent of Business Services, San Dieguito Union High School District, 710 Encinitas Blvd., Encinitas, CA 92024.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
 PROPOSITION AA BUILDING FUND (21-39)
 GENERAL OBLIGATION BONDS**

Balance Sheet
 June 30, 2019

ASSETS

Current Assets

Cash and cash equivalents	\$ 41,434,007
Accounts receivable	570,585
Total Current Assets	<u>42,004,592</u>

TOTAL ASSETS

\$ 42,004,592

LIABILITIES AND FUND BALANCE

Current Liabilities

Accounts payable	\$ 2,242,205
Due to other funds	2,298
Total Current Liabilities	<u>2,244,503</u>

Fund Balance

Restricted for capital projects	<u>39,760,089</u>
Total Fund Balance	<u>39,760,089</u>

TOTAL LIABILITIES AND FUND BALANCE

\$ 42,004,592

The accompanying notes are an integral part of this statement.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2019

REVENUES

Other state income	\$ 65,218
Interest income	1,339,596
Reimbursement - CVMS expansion	1,193,907
Insurance settlement	144,776
Other reimbursement costs	21,610
Rebates and refunds	<u>25,799</u>
TOTAL REVENUES	<u><u>2,790,906</u></u>

EXPENDITURES

Classified salaries	724,445
Employee benefits and taxes	301,422
Computer licensing	20,855
Capital Outlay:	
New construction	40,860,274
Construction improvement	328,611
Equipment	<u>1,260,881</u>
TOTAL EXPENDITURES	<u><u>43,496,488</u></u>

EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(40,705,582)
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OTHER FINANCING SOURCES (USES):

Interfund transfer to General Fund	<u>(765,589)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u><u>(765,589)</u></u>

NET CHANGE IN FUND BALANCE	(41,471,171)
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FUND BALANCE, BEGINNING OF YEAR	<u>81,231,260</u>
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FUND BALANCE, END OF YEAR	<u><u>\$ 39,760,089</u></u>
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The accompanying notes are an integral part of this statement.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

Notes to the Financial Statements
Year Ended June 30, 2019

A. Definition of the Fund

The Building Fund (21-39) was formed to account for property acquisition and construction of new schools as well as renovation of current schools for San Dieguito Union High School District (District), through expenditures of general obligation bonds issued under Proposition AA General Obligation Bonds Election of 2012. Fund (21-39) is one of the Building Funds of the District.

B. Summary of Significant Policies

Basis of Presentation

The District accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's School Accounting Manual. The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB) and *Audits of State and Local Governmental Units* issued by the American Institute of Certified Public Accountants.

Fund Structure

The accompanying financial statements are used to account for the transactions of the Building Fund (21-39) specific to Proposition AA as defined in Note A and are not intended to present fairly the financial position and results of operations of San Dieguito Union High School District in conformity with accounting principles generally accepted in the United States of America.

Basis of Accounting

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

The Building Fund (21-39) is maintained on the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered). With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

Budgets and Budgetary Accounting

The Board of Trustees adopts an operating budget no later than July 1 in accordance with state law. This budget is revised by the Board of Trustees during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS
Notes to the Financial Statements
Year Ended June 30, 2019

Encumbrances

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated at June 30 since they do not constitute expenditures or liabilities.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Cash in County Treasury

In accordance with Education Code §41001, the District maintains a substantial amount of 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 fair value, in accordance with the requirements of GASB Statement No. 31.

Interest earned is deposited quarterly into participating funds. 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.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables/payables. Accounts receivable are recorded net of estimated uncollectible amounts. There were no significant receivables that are not scheduled for collection within one year of year end.

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 insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS

Notes to the Financial Statements
Year Ended June 30, 2019

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. 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 conveys 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.

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. At June 30, 2019 the Districts Proposition AA Building Fund (21-39) did not have any deferred inflows or deferred outflows of resources.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, 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.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

Notes to the Financial Statements
Year Ended June 30, 2019

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined time frames. For this report, the following time frames are used:

Valuation Date (VD)	June 30, 2017
Measurement Date (MD)	June 30, 2018
Measurement Period (MP)	July 1, 2017 to June 30, 2018

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 for an asset or liability.

C. Fair Value Measurements

The District's investments attributed to Proposition AA Building Fund (21-39) at June 30, 2019, categorized within the fair value hierarchy established by generally accepted accounting principles were as follows:

	Amounts	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				
Imperial County Treasury	\$ 41,434,007	\$ -	\$ 41,434,007	\$ -
Total investments by fair value level	<u>\$ 41,434,007</u>	<u>\$ -</u>	<u>\$ 41,434,007</u>	<u>\$ -</u>

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 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.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

Notes to the Financial Statements
Year Ended June 30, 2019

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

Cash in County Treasury

The District maintains significantly all of its cash in the San Diego County Treasury as part of the common investment pool. As of June 30, 2019, the portion of cash in the San Diego County Treasury attributed to Building Fund (21-39) was \$41,434,007. The fair value of Building Fund (21-39)'s portion of this pool as of that date, as provided by the pool sponsor, was \$41,434,007. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

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 is restricted by Government Code Section 53635 pursuant to Section 53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end the District was not exposed to credit risk.

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. 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 year end, the District's Building Fund (21-39) 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. At year end the District's Building Fund (21-39) was not exposed to concentration of credit risk.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

Notes to the Financial Statements
Year Ended June 30, 2019

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 manages its exposure to interest rate risk by investing in the county pool.

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's Building Fund (21-39) was not exposed to foreign currency risk.

E. Accounts Receivable

As of June 30, 2019 accounts receivable consisted of:

	Accounts Receivable
Local Sources:	
Interest	\$ 545,119
Solar rebate	15,000
Other local sources	10,466
Total Accounts Receivable	\$ 570,585

All receivables are expected to be collected within one year and as such, no allowance for doubtful accounts has been established.

F. Accounts Payable

As of June 30, 2019 accounts payable consisted of:

	Accounts Payable
Vendors payable	\$ 2,230,414
Payroll and related liabilities	94
Pension related benefits	10,450
Use tax payable	1,247
Total Accounts Payable	\$ 2,242,205

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS
Notes to the Financial Statements
Year Ended June 30, 2019**

G. Interfund Balances and Activities

Interfund transfers to and from other funds at June 30, 2019 are as follows:

Transfer to General Fund	<u>\$ 765,589</u>
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The amount transferred to the General Fund represents the portion of lease principal payment due on the solar facilities project in accordance with the authorized purpose under the facility lease agreement with the San Dieguito Public Facilities Financing Authority in conjunction with the Bond Project List as listed in the full text of the Proposition AA Ballot Measure.

Due to and due from other funds at June 30, 2019 are as follows:

Due to Self Insurance Fund	<u>\$ 22,298</u>
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The amount due to the Self Insurance Fund represents the portion of OPEB contribution attributed to Building Fund (21-39).

H. General Obligation Bonds

2013 General Obligation Bonds

In April 2013, the District issued \$2,320,000 taxable, 2012 Election, Series A-1, General Obligation Bonds and \$157,680,000 tax-exempt, 2012 Election, Series A-2 General Obligation Bonds. The issue consisted of \$93,035,000 of current interest bonds with interest rates ranging from 1.00% to 5.00% with annual maturities from August 2014 through August 2033 and \$66,965,000 in a term bond with an interest rate of 4.00% with an annual maturity date of August 1, 2038. Interest on the bonds accrues from the date of delivery and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2014. The bonds were authorized at an election of the registered voters held on November 6, 2012 at which 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of bonds in order to finance specific construction, acquisition and modernization projects approved by the voters including lease payments with respect to such facilities in addition to purchasing the San Dieguito Public Facilities Authority's interest in, and pay and prepay lease payments due on the Torrey Pines High School Projects.

2015 General Obligation Bonds

In April 2015, the District issued \$7,010,000 taxable, 2012 Election, Series B-1, General Obligation Bonds and \$110,030,000 tax-exempt, 2012 Election, Series B-2 General Obligation Bonds. The issue consisted of \$61,050,000 of current interest bonds with interest rates ranging from 0.60% to 4.50% with annual maturities from August 2016 through August 2036 and \$55,990,000 in a term bond with an interest rate of 4.00% with an annuity maturity date of February 1, 2040. Interest on the bonds accrues from the date of delivery and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2016. The bonds were authorized at an election of the registered voters held on November 6, 2012 at which 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of the bonds in order to finance specific construction, acquisition and modernization projects approved by the voters including lease payments with respect to such facilities in addition to purchasing the San Dieguito Public Facilities Authority's interest in and pay and prepay lease payments due on the Torrey Pines High School Projects.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS
Notes to the Financial Statements
Year Ended June 30, 2019**

2016 General Obligation Bonds

In July 2016, the District issued \$795,000 taxable, 2012 Election, Series C-1, General Obligation Bonds and \$61,205,000 tax-exempt, 2012 Election, Series C-2 General Obligation Bonds. The issue consisted of \$14,000,000 of current interest bonds with interest rates ranging from 0.80% to 4.75% with annual maturities from August 2017 through August 2036 and \$48,000,000 in a term bond with an interest rate of 4.00% with an annuity maturity date of February 1, 2041. Interest on the bonds accrues from the date of delivery and is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2017. The bonds were authorized at an election of the registered voters held on November 6, 2012 at which 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of the bonds in order to finance specific construction, acquisition and modernization projects approved by the voters including lease payments with respect to such facilities in addition to purchasing the San Dieguito Public Facilities Authority's interest in and pay and prepay lease payments due on the Torrey Pines High School Projects.

2018 General Obligation Bonds

In May 2018, the District issued \$3,100,000 taxable, 2012 Election, Series D-1, General Obligation Bonds and \$21,900,000 tax-exempt, 2012 Election, Series D-2 General Obligation Bonds. The issue consisted of \$25,000,000 of current interest bonds with interest rates ranging from 2.59% to 4.00% with annual maturities from August 2019 through August 2042. Interest on the bonds accrues from the date of delivery and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2019. The bonds were authorized at an election of the registered voters held on November 6, 2012 at which 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of the bonds in order to finance specific construction, acquisition and modernization projects approved by the voters including lease payments with respect to such facilities in addition to purchasing the San Dieguito Public Facilities Authority's interest in and pay and prepay lease payments due on the Torrey Pines High School Projects.

The outstanding bonded debt of Proposition AA Building Fund (21-39) is as follows:

Description	Date of Issuance	Interest Rate	Maturity Date	Original Issue Amount	Beginning Balance	Increases	Decreases	Ending Balance
Election 2012 Series A	03/27/13	1.00-5.00%	08/01/38	\$ 160,000,000	\$ 144,220,000	\$ -	\$ 935,000	\$ 143,285,000
2012 A Premium	03/27/13		08/01/38	8,336,717	6,733,502	-	320,643	6,412,859
Total 2012 Series A				\$ 168,336,717	\$ 150,953,502	\$ -	\$ 1,255,643	\$ 149,697,859
Election 2012 Series B	04/15/15	3.00-4.50%	08/01/40	\$ 117,040,000	\$ 106,530,000	\$ -	\$ 2,100,000	\$ 104,430,000
2012 B Premium	04/15/15		08/01/40	6,379,386	5,550,067	-	255,175	5,294,892
Total 2012 Series B				\$ 123,419,386	\$ 112,080,067	\$ -	\$ 2,355,175	\$ 109,724,892
Election 2012 Series C	06/28/16	0.80-4.75%	08/01/41	\$ 62,000,000	\$ 61,205,000	\$ -	\$ -	\$ 61,205,000
2012 C Premium	06/28/16		08/01/41	2,970,848	2,733,180	-	118,834	2,614,346
Total 2012 Series C				\$ 64,970,848	\$ 63,938,180	\$ -	\$ 118,834	\$ 63,819,346
Election 2012 Series D	05/16/18	2.59-4.00%	08/01/42	\$ 25,000,000	\$ 25,000,000	\$ -	\$ -	\$ 25,000,000
2012 D Premium	05/16/18		08/01/42	939,590	939,590	-	39,150	900,440
Total 2012 Series D				\$ 25,939,590	\$ 25,939,590	\$ -	\$ 39,150	\$ 25,900,440
TOTAL				\$ 356,726,951	\$ 352,911,339	\$ -	\$ 3,768,802	\$ 349,142,537

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS
Notes to the Financial Statements
Year Ended June 30, 2019**

The annual requirements to amortize the general obligation bonds payable outstanding as of June 30, 2019 is as follows:

Year Ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 3,590,000	\$ 13,228,794	\$ 16,818,794
2021	3,835,000	12,947,441	16,782,441
2022	4,645,000	12,808,225	17,453,225
2023	2,685,000	12,599,100	15,284,100
2024	3,245,000	12,450,850	15,695,850
2025-2029	35,825,000	58,161,500	93,986,500
2030-2034	67,665,000	47,575,300	115,240,300
2035-2039	107,490,000	30,128,725	137,618,725
2040-2044	<u>104,940,000</u>	<u>7,200,600</u>	<u>112,140,600</u>
Total	<u>\$ 333,920,000</u>	<u>\$ 207,100,535</u>	<u>\$ 541,020,535</u>

I. Bond Premium

Bond premium arises when the market rate of interest is lower 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.

The District has issued bonds at a premium. The premiums are being amortized over the life of the debt using the straight-line method.

Premiums issued on the debt resulted in an effective interest rate as follows:

	2013 Series A Bonds	2015 Series B Bonds	2016 Series C Bonds	2018 Series D Bonds
Total Interest Payments on Bonds	\$113,607,493	\$ 88,265,753	\$ 42,624,776	\$ 18,093,285
Less Bond Premium	<u>(8,336,717)</u>	<u>(6,379,386)</u>	<u>(2,852,014)</u>	<u>(939,590)</u>
Net Interest Payments	<u>\$105,270,776</u>	<u>\$ 81,886,367</u>	<u>\$ 39,772,762</u>	<u>\$ 17,153,695</u>
Par Amount of Bonds	\$160,000,000	\$117,040,000	\$ 62,000,000	\$ 25,000,000
Periods	25	25	25	25
Effective Interest Rate	2.630%	2.790%	2.560%	2.740%

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS
Notes to the Financial Statements
Year Ended June 30, 2019**

J. Construction Commitments

As of June 30, 2019 the Building Fund (21-39) had the following commitments with respect to unfinished capital projects:

<u>Project</u>	<u>Commitment</u>	<u>*Expected Date of Final Completion</u>	<u>Percentage Complete</u>
Canyon Crest Academy Stadium Lights Improvements	\$ 1,068,245	10/31/19	3%
Carmel Valley Middle School Field Improvements	1,838,500	10/15/19	25%
Carmel Valley Middle School Solar Improvements	1,136,198	09/30/19	36%
Diegueno Middle School Building P	9,488,424	12/15/19	52%
Earl Warren Middle School New Campus	46,555,011	07/31/19	99%
Oak Crest MS Administration Building	3,182,247	08/26/19	69%
Oak Crest MS Science Classroom Building and Quad	12,473,631	11/30/19	90%
San Dieguito HSA New Arts and Humanities Building	29,664,632	08/26/19	86%
Torrey Pines High School Performing Arts Center	27,667,193	08/23/19	99%

*Expected date of final completion subject to change.

K. Pension Plans

The following information presented below is the District’s government-wide pension plan amounts for CalPERS and CalSTRS. As of June 30, 2019, the Building Fund (21-39) or bond fund was 0.84% of the District’s total State Teachers’ Retirement System expenditures and 2.36% of the District’s total Public Employee’s Retirement System expenditures.

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.

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b. Benefits Provided

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 age 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, 2019 are summarized as follows:

	CalSTRS	
	Before Jan. 1, 2013	On or After Jan. 1, 2013
Hire Date		
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 (at June 30, 2019)	10.250%	10.205%
Required Employer Contribution Rates (at June 30, 2019)	16.280%	16.280%
Required State Contribution Rates (at June 30, 2019)	14.772%	14.772%

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

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

	CalPERS	
	Before Jan. 1, 2013	On or After Jan. 1, 2013
Hire Date		
Benefit Formula	2% at 55	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 (at June 30, 2019)	7.000%	7.000%
Required Employer Contribution Rates (at June 30, 2019)	18.062%	18.062%

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c. Contributions

CalSTRS

For the fiscal year ended June 30, 2019 (measurement date June 30, 2018), Section 22950 of the California Education Code requires members to contribute monthly to the system 10.205% (if hired on or after January 1, 2013) or 10.250% (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 16.280% of creditable compensation for the measurement period ended June 30, 2018 and for the fiscal year ended June 30, 2019. Rates are defined in Section 22950.5 through measurement period ending June 30, 2021. Beginning in the fiscal year 2021-22 and for each fiscal year thereafter, 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.

CalPERS

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the 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 employees. For the fiscal year ended June 30, 2019 (measurement date June 30, 2018), the employee contribution rate was 7.00% and employer contribution rate was 18.062% of covered payroll.

On Behalf Payments

Consistent with Section 22955.1 of the California Education Code, the State of California makes contributions to CalSTRS on behalf of employees working for the District. For the fiscal year ended June 30, 2019 (measurement date June 30, 2018) the State contributed 14.772% of salaries creditable to CalSTRS. The contributions made by the State during the fiscal year ended June 30, 2019 included amounts resulting from Senate Bill (SB) 90 settlement in which the State contributed an additional \$2.2 Billion to CalSTRS on behalf of the Districts during the 2018-19 fiscal year in order to reduce contribution rates for Districts in 2019-20 and 2020-21. The contribution resulting from SB 90 made up 42% of the total contributions made by the State on behalf of the District. Consistent with the requirements of GASB 85, 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 State's contribution for the fiscal year.

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Contributions made by the State on behalf of the District's Building Fund (21-39) for the past three fiscal years is as follows:

CalSTRS			
Year Ended June 30,	On Behalf Contribution Rate	On Behalf Contribution Amount	On Behalf Pension Expense
2017	7.470%	\$ 11,857	\$ 11,965
2018	8.292%	22,309	5,681
2019	15.465%	28,217	(8,819)

CalPERS			
Year Ended June 30,	On Behalf Contribution Rate	On Behalf Contribution Amount	On Behalf Pension Expense
2019	6.873%	\$ 37,001	\$ -

d. Contributions Recognized

For the fiscal year ended June 30, 2019 (measurement period June 30, 2018), the contributions recognized for each plan were:

	District Share of CalSTRS	Bond Share of CalSTRS
Contributions - Employer	\$ 11,404,127	\$ 29,704
Contributions - State On Behalf Payments	10,833,090	28,217
Total Contributions	\$ 22,237,217	\$ 57,921
	District Share of CalPERS	Bond Share of CalPERS
Contributions - Employer	\$ 3,682,051	\$ 97,235
Contributions - State On Behalf Payments	1,367,933	37,001
Total Contributions	\$ 5,049,984	\$ 134,236

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

As of June 30, 2019, the District reported net pension liabilities for its proportionate shares of the net pension liability of each plan as follows:

	District Proportionate Share of Net Pension Liability	Bond Proportionate Share of Net Pension Liability
CalSTRS	\$ 117,757,677	\$ 465,968
CalPERS	39,913,666	1,103,054
Total Net Pension Liability	\$ 157,671,343	\$ 1,569,022

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2018, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 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, actuarially determined.

The District's proportionate share of the net pension liability for each Plan as of June 30, 2018 and June 30, 2019 were as follows:

	District Share for CalSTRS			Bond Share for CalSTRS		
	District's Proportionate Share	State's Proportionate Share	Total For District Employees	Bond Proportionate Share	State's Proportionate Share	Total For Bond Employees
Proportion - June 30, 2018	0.1294%	0.0768%	0.2062%	0.0003%	0.0002%	0.0005%
Proportion - June 30, 2019	0.1281%	0.0736%	0.2017%	0.0005%	0.0003%	0.0008%
Change in Proportion	-0.0013%	-0.0032%	-0.0045%	0.0002%	0.0001%	0.0003%

	District's Share CalPERS	Bond Share CalPERS
Proportion - June 30, 2018	0.1562%	0.0050%
Proportion - June 30, 2019	0.1497%	0.0041%
Change in Proportion	-0.0065%	-0.0009%

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a. Pension Expense

For the measurement period ended June 30, 2018 (fiscal year June 30, 2019), pension expense was recognized as follows:

Pension expense for the CalSTRS plan was as follows:

	District Share of CalSTRS	Bond Share of CalSTRS
Change in Net Pension Liability (Asset)	\$ (1,917,312)	\$ 188,528
State on Behalf Pension Expense	(2,053,391)	(8,119)
Employer Contributions to Pension Expense	11,404,127	29,704
Increase/(Decrease) in Deferred Outflows of Resources		
Employer contributions subsequent to measurement date	(1,475,717)	8,518
Differences between actual and expected experience	103,266	382
Changes in assumptions	5,173,134	19,126
Changes in proportionate share	1,547,406	(121,281)
Net difference between projected and actual earnings	7,829	19
Increase/(Decrease) in Deferred Inflows of Resources		
Differences between actual and expected experience	89,025	365
Changes in proportionate share	170,525	(2,969)
Net difference between projected and actual earnings	1,170,000	5,365
Total Pension Expense	\$ 14,218,892	\$ 119,638

Pension expense for the CalPERS plan was as follows:

	District Share of CalPERS	Bond Share of CalPERS
Change in Net Pension Liability (Asset)	\$ 2,635,107	\$ (95,830)
Employer Contributions to Pension Expense	3,682,051	97,235
Increase/(Decrease) in Deferred Outflows of Resources		
Employer contributions subsequent to measurement date	(493,396)	(11,375)
Differences between actual and expected experiences	(1,602,828)	(41,182)
Changes in assumptions	913,050	31,803
Changes in proportionate share	372,472	16,783
Net difference between projected and actual earnings	2,096,111	66,823
Increase/(Decrease) in Deferred Inflows of Resources		
Changes in assumptions	(352,606)	(11,965)
Changes in proportionate share	1,170,166	160,481
Net difference between projected and actual earnings	(1,202,752)	(42,366)
Total Pension Expense	\$ 7,217,375	\$ 170,407

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b. Deferred Outflows and Inflows of Resources

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	District Share of Deferred Outflows of Resources			Bond Share of Deferred Outflows of Resources		
	CalSTRS	CalPERS	Total	CalSTRS	CalPERS	Total
Pension contributions subsequent to measurement date	\$ 11,404,127	\$ 3,682,051	\$ 15,086,178	\$ 29,704	\$ 97,235	\$ 126,939
Differences between actual and expected experience	309,798	3,289,397	3,599,195	1,145	96,162	97,307
Changes in assumptions	15,519,403	4,895,078	20,414,481	57,377	154,987	212,364
Changes in employer's proportionate share	4,468,377	887,858	5,356,235	248,722	46,512	295,234
Net difference between projected and actual earnings	11,732	3,316,151	3,327,883	27	105,716	105,743
Total Deferred Outflows of Resources	\$ 31,713,437	\$ 16,070,535	\$ 47,783,972	\$ 336,975	\$ 500,612	\$ 837,587

	District Share of Deferred Inflows of Resources			Bond Share of Deferred Inflows of Resources		
	CalSTRS	CalPERS	Total	CalSTRS	CalPERS	Total
Differences between actual and expected experience	\$ (100,702)	\$ -	\$ (100,702)	\$ (392)	\$ -	\$ (392)
Changes in assumptions	-	(352,606)	(352,606)	-	(11,964)	(11,964)
Changes in employer's proportionate share	(1,721,990)	(1,297,310)	(3,019,300)	(2,969)	(177,554)	(180,523)
Net difference between projected and actual earnings	(12,496,648)	(3,060,876)	(15,557,524)	(47,241)	(94,175)	(141,416)
Total Deferred Inflows of Resources	\$ (14,319,340)	\$ (4,710,792)	\$ (19,030,132)	\$ (50,602)	\$ (283,693)	\$ (334,295)

Pension contributions made subsequent to measurement date reported as deferred outflows of resources will be recognized as a portion of pension expense in the year ended June 30, 2020. 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:

Year Ended	District Share of Deferred Outflows of Resources		District Share of Deferred Inflows of Resources		Net Effect On Expenses
	CalSTRS	CalPERS	CalSTRS	CalPERS	
June 30					
2020	\$ 18,235,762	\$ 8,908,304	\$ (4,872,157)	\$ (1,666,376)	\$ 20,605,533
2021	6,827,710	4,022,201	(4,093,388)	(1,250,198)	5,506,325
2022	6,649,965	2,450,542	(4,092,731)	(1,250,199)	3,757,577
2023	-	689,488	(1,261,064)	(544,019)	(1,115,595)
Total	\$ 31,713,437	\$ 16,070,535	\$ (14,319,340)	\$ (4,710,792)	\$ 28,753,840

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Year Ended June 30	Bond Share of Deferred Outflows of Resources		Bond Share of Deferred Inflows of Resources		Net Effect On Expenses
	CalSTRS	CalPERS	CalSTRS	CalPERS	
2020	\$ 119,383	\$ 266,734	\$ (17,502)	\$ (91,977)	\$ 276,638
2021	89,669	130,784	(14,525)	(71,477)	134,451
2022	89,637	84,040	(14,524)	(71,476)	87,677
2023	38,286	19,054	(4,051)	(48,763)	4,526
Total	\$ 336,975	\$ 500,612	\$ (50,602)	\$ (283,693)	\$ 503,292

c. Actuarial Assumptions

The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

	CalSTRS	CalPERS
Fiscal Year	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2018	June 30, 2018
Valuation Date	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount Rate	7.10%	7.15%
Inflation	2.75%	2.50%
Wage Growth	3.50%	(3)
Investment Rate of Return	7.10%	7.15%
Post Retirement Increase	(1)	(4)
Mortality	(2)	(5)

- (1) CalSTRS post retirement benefit increases assumed at 2% simple for DB annually maintaining 85% purchasing power level for DB. Increases are not applicable for DBS/CBB.
- (2) CalSTRS projects mortality by setting the projection scale equal to 100% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table issued by the Society of Actuaries.
- (3) Wage growth is a component of inflation for CalPERS assumptions.
- (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 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) 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 7.15% for CalPERS. The projection of cash flows used to determine the discount rate assumed the contributions from plan members, employers, and state contributing agencies 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 District bond rate calculation is not necessary for either plan. The stress test results are presented in a detailed report that can be obtained from the CalPERS and CalSTRS websites.

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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.

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 valuations 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 all actuarial assumptions as part of their regular Asset Liability Management (ALM) review cycle. The last ALM completed by CalSTRS was conducted in 2015. CalSTRS is in process of completing the next ALM and expects to complete the process by November 2019. CalPERS completed their ALM in 2018 with new policies in effect on July 1, 2018. 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 reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

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CalSTRS

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Global Equity	47.00%	6.30%
Fixed Income	12.00%	0.30%
Real Estate	13.00%	5.20%
Private Equity	13.00%	9.30%
Risk Mitigating Strategies	9.00%	2.90%
Inflation Sensitive	4.00%	3.80%
Cash/Liquidity	2.00%	-1.00%

*20 year average

CalPERS

<u>Asset Class*</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10**</u>	<u>Real Return Years 11+***</u>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

*In the Basic Financial Statements, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments, Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

**An expected inflation of 2.00% is used for this period.

***An expected inflation of 2.92% is used for this period.

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

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

	<u>District Share</u>		<u>Bond Share</u>	
	<u>CalSTRS</u>	<u>CalPERS</u>	<u>CalSTRS</u>	<u>CalPERS</u>
1% Decrease	6.10%	6.15%	6.10%	6.15%
Net Pension Liability	\$ 172,501,219	\$ 58,112,390	\$ 682,589	\$ 1,605,995
Current Discount Rate	7.10%	7.15%	7.10%	7.15%
Net Pension Liability	\$ 117,757,677	\$ 39,913,666	\$ 465,968	\$ 1,103,054
1% Increase	8.10%	8.15%	8.10%	8.15%
Net Pension Liability	\$ 72,369,982	\$ 24,815,220	\$ 286,369	\$ 685,794

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

<u>CalSTRS - District Share</u>	<u>Increase (Decrease)</u>				
	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, 2018	\$ 624,469,482	\$ 433,727,123	\$ 190,742,359	\$ 71,067,369	\$ 119,674,990
Changes for the year:					
CalSTRS auditor adjustment	-	(1,026,943)	1,026,943	374,777	652,166
Change in proportionate share	(13,609,518)	(9,452,531)	(4,156,987)	(2,974,165)	(1,182,822)
Service cost	14,409,485	-	14,409,485	5,258,655	9,150,830
Interest	43,369,685	-	43,369,685	15,827,505	27,542,180
Differences between expected and actual experience	(189,652)	-	(189,652)	(69,212)	(120,440)
Contributions - Employer	-	9,818,830	(9,818,830)	(3,583,323)	(6,235,507)
Contributions - Employee	-	7,053,919	(7,053,919)	(2,574,285)	(4,479,634)
Contributions - State On Behalf	-	5,642,484	(5,642,484)	(2,059,190)	(3,583,294)
Net investment income	-	37,675,168	(37,675,168)	(13,749,325)	(23,925,843)
Other income	-	212,135	(212,135)	(77,418)	(134,717)
Benefit payments, including refunds of employee contributions	(29,328,802)	(29,328,802)	-	-	-
Administrative expenses	-	(435,963)	435,963	159,102	276,861
Borrowing costs	-	(190,154)	190,154	69,396	120,758
Other expenses	-	(3,385)	3,385	1,236	2,149
Net Changes	<u>14,651,198</u>	<u>19,964,758</u>	<u>(5,313,560)</u>	<u>(3,396,247)</u>	<u>(1,917,313)</u>
Balance at June 30, 2019	<u>\$ 639,120,680</u>	<u>\$ 453,691,881</u>	<u>\$ 185,428,799</u>	<u>\$ 67,671,122</u>	<u>\$ 117,757,677</u>

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<u>CalSTRS - Bond Share</u>	Increase (Decrease)				
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	State's Share of Net Pension Liability (c)	Bond's Share of Net Pension Liability (a) - (b) - (c)
Balance at June 30, 2018	\$ 1,447,241	\$ 1,005,186	\$ 442,055	\$ 164,614	\$ 277,441
Changes for the year:					
CalSTRS auditor adjustment	-	(4,062)	4,062	1,481	2,581
Change in proportionate share	968,864	672,928	295,936	104,503	191,433
Service cost	56,993	-	56,993	20,783	36,210
Interest	171,538	-	171,538	62,553	108,985
Differences between expected and actual experience	(750)	-	(750)	(274)	(476)
Contributions - Employer	-	38,836	(38,836)	(14,162)	(24,674)
Contributions - Employee	-	27,900	(27,900)	(10,174)	(17,726)
Contributions - State on Behalf	-	22,317	(22,317)	(8,138)	(14,179)
Net investment income	-	149,015	(149,015)	(54,340)	(94,675)
Other income	-	839	(839)	(306)	(533)
Benefit payments, including refunds of employee contributions	(116,003)	(116,003)	-	-	-
Administrative expenses	-	(1,724)	1,724	629	1,095
Borrowing costs	-	(752)	752	274	478
Other expenses	-	(13)	13	5	8
Net Changes	<u>1,080,642</u>	<u>789,281</u>	<u>291,361</u>	<u>102,834</u>	<u>188,527</u>
Balance at June 30, 2019	<u>\$ 2,527,883</u>	<u>\$ 1,794,467</u>	<u>\$ 733,416</u>	<u>\$ 267,448</u>	<u>\$ 465,968</u>

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS
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Year Ended June 30, 2019**

<u>CalPERS - District Share</u>	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2018	\$ 132,531,199	\$ 95,252,642	\$ 37,278,557
Changes for the year:			
Change in proportionate share	(5,482,668)	(3,940,496)	(1,542,172)
Service cost	3,252,439	-	3,252,439
Interest	9,229,829	-	9,229,829
Differences between expected and actual experience	2,773,720	-	2,773,720
Changes in assumptions	673,728	-	673,728
Contributions - Employer	-	3,099,952	(3,099,952)
Contributions - Employee	-	1,426,572	(1,426,572)
Net plan to plan resource movement	-	2	(2)
Net investment income	-	7,627,107	(7,627,107)
Benefit payments, including refunds of employee contributions	(6,067,357)	(6,067,357)	-
Administrative expenses	-	(138,391)	138,391
Other expenses	-	(262,807)	262,807
Net Changes	<u>4,379,691</u>	<u>1,744,582</u>	<u>2,635,109</u>
Balance at June 30, 2019	<u>\$ 136,910,890</u>	<u>\$ 96,997,224</u>	<u>\$ 39,913,666</u>
<u>CalPERS - Bond Share</u>	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2018	\$ 4,262,223	\$ 3,063,340	\$ 1,198,883
Changes for the year:			
Change in proportionate share	(751,109)	(539,836)	(211,273)
Service cost	89,884	-	89,884
Interest	255,076	-	255,076
Differences between expected and actual experience	76,655	-	76,655
Changes in assumptions	18,619	-	18,619
Contributions - Employer	-	85,670	(85,670)
Contributions - Employee	-	39,425	(39,425)
Net plan to plan resource movement	-	-	-
Net investment income	-	210,783	(210,783)
Benefit payments, including refunds of employee contributions	(167,678)	(167,678)	-
Administrative expenses	-	(3,825)	3,825
Other expenses	-	(7,263)	7,263
Net Changes	<u>(478,553)</u>	<u>(382,724)</u>	<u>(95,829)</u>
Balance at June 30, 2019	<u>\$ 3,783,670</u>	<u>\$ 2,680,616</u>	<u>\$ 1,103,054</u>

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

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**
Notes to the Financial Statements
Year Ended June 30, 2019

L. Compensated Absences

As of June 30, 2019, the District had a compensated absences liability associated with employees charged to Proposition AA Building Fund (21-39) as follows:

	Proposition AA Building Fund (21-39)

Accrued Vacation Balances	\$ 144,053

M. Postemployment Benefits Other Than Pension Benefits

The following information presented below is the District’s government-wide liability for OPEB. The bond fund had 0.7420% of the District’s total OPEB expense.

1. General Information about the OPEB Plan

Plan Description

The District’s defined benefit OPEB plan, San Dieguito Union High 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 District’s board of directors. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.

Plan Eligibility

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

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

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

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS
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Year Ended June 30, 2019**

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

Employees Covered by Benefit Terms

At June 30, 2019, the following retirees were covered by the benefit terms:

Inactive plan members of beneficiaries currently receiving benefit payments	63
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	950
Total number of participants	1,013

2. Total OPEB Liability

The District's Total OPEB liability of \$31,558,515 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability on the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75% per annum
Salary Increases	3.00% per annum, in aggregate
Discount Rate	3.50% per annum
Healthcare Cost Trend Rates	6.50% decreasing to 5.00%
Retiree's Share of Costs	0.00%

The discount rate is the average, rounded to 5 basis points, of the range of 3-20 year municipal bond rate indices; S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO Index, and Fidelity GO 20 Year Bond Index.

Mortality rates are based on the most recent rates used by CalPERS and CalSTRS for pension valuations. The CalPERS mortality table was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB. The CalSTRS mortality table was developed based on CalSTRS specific data. The table includes mortality improvements set at 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
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Notes to the Financial Statements
Year Ended June 30, 2019

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of CalPERS actuarial experience study for the period July 1, 1997 through June 30, 2011 and the CalSTRS experience study for the period July 1, 2010 through June 30, 2015.

Changes in Total OPEB Liability

	<u>District</u>	<u>Building Fund</u>
	<u>Total OPEB</u>	<u>(21-39)</u>
	<u>Liability</u>	<u>Total OPEB</u>
		<u>Liability</u>
Balance at June 30, 2018	\$ 29,392,965	\$ 218,096
Changes for the year:		-
Service Cost	2,379,289	17,654
Interest	1,062,707	7,885
Changes in assumptions or other inputs	(244,107)	(1,811)
Benefit payments	<u>(1,032,339)</u>	<u>(7,660)</u>
Net changes	<u>2,165,550</u>	<u>16,068</u>
Balance at June 30, 2019	<u>\$ 31,558,515</u>	<u>\$ 234,164</u>

There were no changes in benefit terms or assumptions and other inputs for the fiscal year ended June 30, 2019.

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	<u>(2.50%)</u>	<u>(3.50%)</u>	<u>(4.50%)</u>
District's Total OPEB Liability	\$ 34,064,295	\$ 31,558,515	\$ 29,200,766
Building Fund (21-39) Share Total Liability	\$ 252,757	\$ 234,164	\$ 216,670

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**
Notes to the Financial Statements
Year Ended June 30, 2019

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point-lower (5.50% decreasing to 4.00% per year) or 1-percentage-point higher (7.50% decreasing to 6.00% per year) than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
	5.50%	6.50%	7.50%
	decreasing to	decreasing to	decreasing to
	<u>4.00%</u>	<u>5.00%</u>	<u>6.00%</u>
District's Total OPEB Liability	\$ 27,953,181	\$ 31,558,515	\$ 35,721,840
Building Fund (21-39) Share Total Liability	\$ 207,413	\$ 234,164	\$ 265,056

3. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019 the District recognized OPEB expense of \$3,272,604 (\$24,283 of which is associated with employees paid from Building Fund (21-39)). At June 30, 2019 the District reported deferred outflows of resources and deferred inflows related to the following sources:

	<u>District Deferred Outflows of Resources OPEB Related</u>	<u>Building Fund (21-39) Deferred Outflows of Resources OPEB Related</u>
Contributions subsequent to measurement date	<u>\$ 924,940</u>	<u>\$ 6,863</u>
	<u>District Deferred Inflows of Resources OPEB Related</u>	<u>Building Fund (21-39) Deferred Inflows of Resources OPEB Related</u>
Changes in assumptions	<u>\$ (1,212,867)</u>	<u>\$ (8,999)</u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense during the fiscal year ending June 30, 2020.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

**Schedule of the Bond's Proportionate Share of the Net Pension Liability
California State Teachers' Retirement System (CalSTRS)
Last Ten Fiscal Years***

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the net pension liability (asset)	0.1281%	0.1294%	0.1209%	0.1196%	0.1263%	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset)	\$ 117,757,677	\$ 119,674,988	\$ 97,797,306	\$ 80,535,333	\$ 73,782,939	N/A	N/A	N/A	N/A	N/A
State's proportion of the net pension liability (asset) associated with the District Total	<u>67,671,121</u>	<u>71,067,638</u>	<u>60,499,140</u>	<u>50,492,934</u>	<u>46,983,210</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
	<u>\$ 185,428,798</u>	<u>\$ 190,742,626</u>	<u>\$ 158,296,446</u>	<u>\$ 131,028,267</u>	<u>\$ 120,766,149</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 68,044,491	\$ 68,421,216	\$ 68,951,765	\$ 60,074,753	\$ 55,280,293	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	173.06%	174.91%	141.83%	134.06%	133.47%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	70.99%	69.46%	70.04%	74.02%	76.52%	N/A	N/A	N/A	N/A	N/A
Bond's proportion of the net pension liability (asset)	0.0005%	0.0005%	0.0003%	0.0003%	0.0003%	N/A	N/A	N/A	N/A	N/A
Bond's proportionate share of the net pension liability (asset)	\$ 465,968	\$ 442,453	\$ 227,743	\$ 189,457	\$ 179,292	N/A	N/A	N/A	N/A	N/A
State's proportion of the net pension liability (asset) associated with the Bond Total	<u>267,449</u>	<u>164,850</u>	<u>161,762</u>	<u>134,648</u>	<u>-</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
	<u>\$ 733,417</u>	<u>\$ 607,303</u>	<u>\$ 389,505</u>	<u>\$ 324,105</u>	<u>\$ 179,292</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Bond's covered-employee payroll	\$ 269,037	\$ 158,712	\$ 158,712	\$ 139,897	\$ 130,045	N/A	N/A	N/A	N/A	N/A
Bond's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	173.20%	178.78%	143.49%	135.43%	137.87%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	70.99%	69.46%	70.04%	74.02%	76.52%	N/A	N/A	N/A	N/A	N/A

* This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full ten year trend is compiled, this schedule provides the information only for those years for which information is available.

See accompanying notes to required supplementary information

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
 PROPOSITION AA BUILDING FUND (21-39)
 GENERAL OBLIGATION BONDS**
 Schedule of Bond's Contributions
 California State Teachers' Retirement System (CalSTRS)
 Last Ten Fiscal Years*

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District:										
Contractually required contribution	\$ 11,404,127	\$ 9,928,410	\$ 8,674,132	\$ 6,446,021	\$ 4,908,890	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	(11,404,127)	(9,928,410)	(8,674,132)	(6,446,021)	(4,908,890)	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 70,049,920	\$ 68,803,950	\$ 68,951,765	\$ 60,074,756	\$ 55,280,293	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	16.28%	14.43%	12.58%	10.73%	8.88%	N/A	N/A	N/A	N/A	N/A
Bond Portion:										
Contractually required contribution	\$ 29,704	\$ 38,222	\$ 19,966	\$ 9,549	\$ 7,536	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	(29,704)	(38,222)	(19,966)	(9,549)	(7,536)	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond's covered-employee payroll	\$ 182,457	\$ 264,879	\$ 158,712	\$ 88,990	\$ 84,861	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	16.28%	14.43%	12.58%	10.73%	8.88%	N/A	N/A	N/A	N/A	N/A

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See accompanying notes to required supplementary information

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

Schedule of the Bond's Proportionate Share of the Net Pension Liability
California Public Employee Retirement System (CalPERS)
Last Ten Fiscal Years*

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the net pension liability (asset)	0.1497%	0.1562%	0.1525%	0.1448%	0.1476%	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset)	\$ 39,913,666	\$ 37,278,559	\$ 30,126,345	\$ 21,336,448	\$ 16,750,628	N/A	N/A	N/A	N/A	N/A
District's covered-employee payroll	\$ 19,959,745	\$ 20,056,300	\$ 20,047,717	\$ 18,471,841	\$ 16,097,264	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	199.97%	185.87%	150.27%	115.51%	104.06%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	70.85%	71.87%	73.90%	79.43%	83.38%	N/A	N/A	N/A	N/A	N/A
Bond's proportion of the net pension liability (asset)	0.0041%	0.0050%	0.0047%	0.0049%	0.0047%	N/A	N/A	N/A	N/A	N/A
Bond's proportionate share of the net pension liability (asset)	\$ 1,103,054	\$ 1,198,884	\$ 927,127	\$ 723,958	\$ 531,976	N/A	N/A	N/A	N/A	N/A
Bond's covered-employee payroll	\$ 551,671	\$ 644,988	\$ 568,464	\$ 546,190	\$ 492,711	N/A	N/A	N/A	N/A	N/A
Bond's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	199.95%	185.88%	163.09%	132.55%	107.97%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	70.85%	71.87%	73.90%	79.43%	83.38%	N/A	N/A	N/A	N/A	N/A

* This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full ten year trend is compiled, this schedule provides the information only for those years for which information is available.

See accompanying notes to required supplementary information

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

Schedule of the Bond's Proportionate Share of the Net Pension Liability
California Public Employee Retirement System (CalPERS)
Last Ten Fiscal Years*

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District:										
Contractually required contribution	\$ 3,682,051	\$ 3,188,655	\$ 2,784,227	\$ 2,188,359	\$ 1,894,809	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	(3,682,051)	(3,188,655)	(2,784,227)	(2,188,359)	(1,894,809)	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 20,385,622	\$ 20,530,906	\$ 20,047,717	\$ 18,471,841	\$ 16,097,264	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	18.062%	15.531%	13.888%	11.847%	11.771%	N/A	N/A	N/A	N/A	N/A
Bond Portion:										
Contractually required contribution	\$ 97,235	\$ 85,680	\$ 89,576	\$ 67,346	\$ 64,292	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	(97,235)	(85,680)	(89,576)	(67,346)	(64,292)	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Bond's covered-employee payroll	\$ 538,340	\$ 551,671	\$ 644,988	\$ 568,464	\$ 546,190	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	18.062%	15.531%	13.888%	11.847%	11.771%	N/A	N/A	N/A	N/A	N/A

* This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full ten year trend is compiled, this schedule provides the information only for those years for which information is available.

See accompanying notes to required supplementary information

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

Schedule of Changes in the Bond's Proportionate Share of the Total OPEB Liability and Related Ratio-OPEB Plan
Last Ten Fiscal Years*

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District total OPEB liability:										
Service cost	\$ 2,379,289	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest	1,062,707	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Changes of assumptions	(244,107)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments, including refunds of employee contributions	(1,032,339)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	2,165,550	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability - beginning	29,392,965	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability - ending	\$ 31,558,515	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered-employee payroll	\$ 54,295,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's OPEB liability as a percentage of covered employee payroll	58.12%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bond portion total OPEB liability:										
Service cost	\$ 17,654	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest	7,885	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Changes of assumptions	(1,811)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments, including refunds of employee contributions	(7,660)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	\$ 16,068	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability - beginning	218,096	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability - ending	\$ 234,164	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered-employee payroll	\$ 402,870	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bond portion total OPEB liability as a percentage of covered employee payroll	58.12%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full ten year trend is compiled, this schedule provides the information only for those years for which information is available.

See accompanying notes to required supplementary information

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

Notes to Required Supplementary Information
Year Ended June 30, 2019

Schedule of District's Proportionate Share - California State Teachers' Retirement System

- 1) Benefit Changes: In 2015, 2016, 2017, 2018, and 2019 there were no changes to benefits
- 2) Changes in Assumptions: In 2015, 2016, 2017, and 2019 there were no changes in assumptions. In 2018 there was a change in discount rate from 7.60% to 7.10%

Schedule of District's Contributions - California State Teachers' Retirement System

The total pension liability for California State Teachers' Retirement System was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2013, 2014, 2015, 2016, and 2017 and rolling forward the total pension liabilities to the June 30, 2014, 2015, 2016, 2017 and 2018 (measurement dates). 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
Measurement Date	06/30/14	06/30/15	06/30/16
Valuation date	06/30/13	06/30/14	06/30/15
Experience Study	07/01/06-06/30/10	07/01/06-06/30/10	07/01/06-06/30/10
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.60%	7.60%	7.60%
Consumer Price Inflation	3.00%	3.00%	3.00%
Wage Growth (Average)	3.75%	3.75%	3.75%
Post-Retirement Benefit Increase	2.00% Simple	2.00% Simple	2.00% Simple

Reporting Period	June 30, 2018	June 30, 2019
Measurement Date	06/30/17	06/30/18
Valuation date	06/30/16	06/30/17
Experience Study	07/01/10-06/30/15	07/01/10-06/30/15
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.10%	7.10%
Consumer Price Inflation	2.75%	2.75%
Wage Growth (Average)	3.50%	3.50%
Post-Retirement Benefit Increase	2.00% Simple	2.00% Simple

CalSTRS changed the mortality assumptions based on the July 1, 2010 through June 30, 2015 experience study adopted by the CalSTRS board in February 2017. CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among CalSTRS members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table issued by the Society of Actuaries. Additional information can be obtained by reviewing the CalSTRS Actuarial Experience Study on CalSTRS website.

Schedule of District's Proportionate Share - California Public Employees' Retirement System

- 1) Benefit Changes: In 2015, 2016, 2017, 2018, and 2019 there were no changes to benefits
- 2) Changes in Assumptions: In 2015 & 2017 there were no changes in assumptions. In 2016 the discount rate was changed from 7.50% to 7.65%. In 2018 the discount rate was changed from 7.65% to 7.15%. In 2019, demographic assumptions and inflation rate were changed in accordance with CalPERS experience study and review of Actuarial Assumptions December 2017, there were no changes to the discount rate in the period.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

Notes to Required Supplementary Information
Year Ended June 30, 2019

Schedule of District's Contributions - California Public Employees' Retirement System

The total pension liability was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2013, 2014, 2015, 2016, and 2017 and rolling forward the total pension liabilities to June 30, 2014, 2015, 2016, 2017, and 2018 (measurement dates). The financial reporting actuarial valuation as of June 30, 2014, June 30, 2015, June 30, 2016, June 30, 2017 and June 30, 2018 (measurement dates) used the following actuarial methods and assumptions, applied to all prior periods included in the measurement.

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

Reporting Period	June 30, 2018	June 30, 2019
Measurement Date	06/30/17	06/30/18
Valuation date	06/30/16	06/30/17
Experience Study	07/01/97-06/30/11	07/01/97-06/30/15
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.15%	7.50%
Consumer Price Inflation	2.75%	2.50%
Wage Growth (Average)	3.00%	3.00%
Post-Retirement Benefit Increase	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 April 2014 experience study report (based on demographic data from 1997 to 2011) available on CalPERS website.

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

- 1) Benefit Changes: In 2018, and 2019 there were no changes to benefits
- 2) Changes in Assumptions: In 2018 there were no changes in assumptions. Changes in assumptions for the fiscal year ended June 30, 2019 included an increase in the discount rate from 3.40% to 3.50% based on a change in bond buyer 20 bond index rate.
- 3) The following are the discount rates used for each period:

Year	Discount Rate
2018	3.40%
2019	3.50%

SUPPLEMENTARY INFORMATION

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS
General Obligation Bonds Project List
Year Ended June 30, 2019**

Bond proceeds will be expended to modernize, replace, renovate, construct, acquire, equip, furnish and otherwise improve the facilities of the District located at the following locations:

Canyon Crest Academy	Carmel Valley Middle School
Diegueño Middle School	Earl Warren Middle School
La Costa Canyon High School	La Costa Valley Site
Pacific Trails Middle School	Oak Crest Middle School
San Dieguito Academy	Sunset High School
Torrey Pines High School	

<u>Project Name</u>	<u>Location of Project</u>	<u>Status of Project</u>
Building B Landscape/Pathway Enhancement	Canyon Crest Academy	Complete
Performing Arts Center, Drama Classroom Modernization, and New Music Classroom Building	Carmel Valley Middle School	Complete
Buildings B & G Modernization Phase 1	Diegueno Middle School	Complete
New Building P Phase 2	Diegueno Middle School	In Progress
Campus Reconstruction Phase 2	Earl Warren Middle School	Complete
200's Building Renovation	La Costa Canyon High School	Complete
Science Classrooms/Quad	Oak Crest Middle School	In Progress
Administration Building Reconstruction	Oak Crest Middle School	In Progress
2nd Classroom Building	Pacific Trails Middle School	Complete
Arts and Humanities Building	San Dieguito Academy	In Progress
Performing Arts Center Complex	Torrey Pines High School	Complete

OTHER INDEPENDENT AUDITOR'S REPORTS



P. Robert Wilkinson, CPA
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***

**Governing Board Members and
Citizens' Oversight Committee
San Dieguito Union High School District
Encinitas, California**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Proposition AA Building Fund (21-39) of San Dieguito Union High School District, which comprise the balance sheet as of June 30, 2019, and the related statement of revenues, expenditures, and changes in fund balance for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 9, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered San Dieguito Union High School District's internal control over financial reporting (internal control) to determine the 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 San Dieguito Union High School District's internal control. Accordingly, we do not express an opinion on the effectiveness of San Dieguito Union High School District's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

William Arvelly King & Co., LLP

El Cajon, California
March 9, 2020

P. Robert Wilkinson, CPA
Brian K. Hadley, CPA



Aubrey W. Mann, CPA
Kevin A. Sproul, CPA

Independent Auditor's Report on Performance

Governing Board Members and Citizens' Oversight Committee San Dieguito Union High School District Encinitas, California

We were engaged to conduct a performance audit of the San Dieguito Union High School District Proposition AA Building Fund (21-39) for the year ended June 30, 2019.

Management's Responsibility for Performance Compliance

Our audit was limited to the objectives listed with the report which includes the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. Management is responsible for the District's compliance with those requirements.

Auditor's Responsibility

We conducted this performance audit in accordance with the standards applicable to performance audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusions based on our audit objectives.

In planning and performing our performance audit, we obtained an understanding of the Fund's internal control in order to determine if the internal controls were adequate to help ensure the Fund's compliance with the requirements of Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution, but not for the purpose of expressing an opinion on the effectiveness of the Proposition AA Building Fund (21-39) San Dieguito Union High School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

In connection with our performance audit, we performed an audit for compliance as required in the performance requirements for the Proposition AA General Obligation Bond for the fiscal year ended June 30, 2019. The objective of the audit of compliance applicable to San Dieguito Union High School District is to determine with reasonable assurance that:

- The proceeds from the sale of the Proposition AA Bonds were only used for the purposes set forth in the ballot measure and not for any other purpose, such as teacher and administrative salaries.
- The Governing Board of the District, in establishing the approved projects set forth in the ballot measure to modernize, replace, renovate, construct, acquire, equip, furnish, and otherwise improve facilities of the District as noted in the bond project list.

In performing our audit of compliance, we performed procedures including but not limited to those listed as follows:

Internal Control Evaluation

Procedure Performed

Inquiries were made of management regarding internal controls to:

- Prevent fraud, waste, or abuse regarding Proposition AA resources
- Prevent material misstatement in the Proposition AA Building Fund (21-39) financial statements
- Ensure all expenditures are properly allocated
- Ensure adequate separation of duties exists in the accounting of Proposition AA funds. All purchase requisitions are reviewed for proper supporting documentation. The Project Manager or the Executive Director of Planning Services gives directions and submits documentation to the Construction and Facilities Coordinator to initiate a purchase requisition. The budget is verified by the Facilities Planning Analyst (Budget) and supporting documents are reviewed by a second Facilities Planning Analyst (Contracts). This requisition is first forwarded to the Executive Director of Planning Services for an initial review and then forwarded to the finance office where the Budget Analyst verifies the budget string and the requisition is subsequently reviewed and approved by the Chief Financial Officer, Chief Facilities Officer, and the Director of Purchasing to ensure the requested purchase is an allowable project cost in accordance with the Proposition AA ballot measure initiative approved by local voters as well as the board approved budget, and by the Accounting Specialist that all expenditures are properly recorded by the project and expense category. Once the purchase requisition has gone through the approval process, the Facilities Planning Analyst (Contracts) creates a purchase order, which is provided to the vendor, who proceeds to provide the requested services or goods. Other copies of the purchase order are also submitted to the finance office, purchasing office, and the Facilities Planning Analyst (Budget) for monitoring and review.

When the invoice is received the Executive Director of Planning Services and Facilities Planning Analyst (Budget) verify that the charges are consistent with the amounts on the approved contract/purchase order, then the invoice is subsequently signed and approved by the Project Manager and Chief Facilities Officer and either e-mailed or scanned to the finance office for subsequent approval. Invoices are approved by the Accounting Technician and monitored by the Chief Financial Officer in the finance office and subsequently processed through the accounts payable system of the District for payment. The invoices and support documents are submitted to the San Diego County Office of Education's Commercial Warrant Unit for audit to ensure compliance with procurement regulations and business practices before payment is released. The commercial warrants are routed back to the District finance office where they are signed by the Chief Financial Officer and then forwarded to the Facilities Planning and Construction Office for appropriate distribution.

Results of Procedures Performed

The results of our audit determined the internal control procedures as implemented are sufficient to meet the financial and compliance objectives required by generally accepted accounting principles and applicable laws and regulations.

Tests of Expenditures

Procedures Performed

We tested expenditures to determine whether Proposition AA funds were spent solely on voter and Board approved school facilities projects as set forth in the Bond Project Lists and language of the Proposition AA ballot measure language. Our testing included \$42,521,331 of expenditures which was 97.8% of total bond expenditures for the year.

Results of Procedures Performed

We found no instances where expenditures tested were not in compliance with the terms of the Proposition AA ballot measure and applicable state laws and regulations.

Tests of Contracts and Bid Procedures

Procedures Performed

We reviewed the District's board minutes for approval of construction contracts and change orders, if any, to determine compliance with the District's policy and Public Contract Code provisions related to biddings and contracting.

Results of Procedures Performed

We noted no instances where the District was out of compliance with respect to contracts and bidding procedures.

Facilities Site Review

Procedures Performed

We reviewed the Independent Citizens' Oversight Committee minutes and agenda, before and after project photographs, and other pertinent information on Proposition AA designated projects and determined the Proposition AA funds expended for the year ended June 30, 2019 were for valid facilities acquisition and construction purposes as stated in the Bond Project List. Auditors performed review of significant bond projects.

Results of Procedures Performed:

Based on our review of the minutes and agenda of the Independent Citizens' Oversight Committee, the documentation and pertinent information of the Proposition AA designated projects, and review of project sites, it appears the construction work performed was consistent with the Bond Project List.

Citizens' Oversight Committee

Procedures Performed

We have reviewed the minutes of the Independent Citizens' Oversight Committee meetings to verify compliance with Education Code Sections 15278 through 15282.

Results of Procedures Performed

We have determined the San Dieguito Union High School District's Proposition AA Building Fund (21-39) Citizens' Oversight Committee and its involvement is in compliance with Education Code Sections 15278 through 15282.

Our audit of compliance made for the purposes set forth in the second and third paragraphs of this report above would not necessarily disclose all instances of noncompliance.

Opinion on Performance

In our opinion, the District complied, in all material respects, with the compliance requirements of Proposition 39 outlined in Article XIII A, Section 1(b)(3)(c) of the California Constitution, and with Proposition AA approved by the voters in the San Dieguito Union High School District on November 9, 2013.

Purpose of the Report

This report is intended solely for the information and use of the District's Governing Board, the Proposition AA Citizens' Oversight Committee, management, others within the entity, and the taxpayers of San Dieguito Union High School District and is not intended to be and should not be used by anyone other than these specified parties.

William A. King & Co., LLP

El Cajon, California
March 9, 2020

AUDITOR'S RESULTS, FINDINGS AND RECOMMENDATIONS

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

Schedule of Findings and Responses
Year Ended June 30, 2019

There were no findings to report.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
PROPOSITION AA BUILDING FUND (21-39)
GENERAL OBLIGATION BONDS**

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

There were no audit findings noted for the fiscal year ended June 30, 2018.

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: May 7, 2020

BOARD MEETING DATE: May 21, 2020

PREPARED BY: John Addleman, Exec. Director Planning Services
Tina Douglas, Associate Superintendent Business

SUBMITTED BY: Robert A. Haley, Ed.D., Superintendent

SUBJECT: ADOPTION OF RESOLUTION TO CONVEY
FIRST AMENDMENT TO GRANT OF EASEMENT /
TORREY PINES HIGH SCHOOL

EXECUTIVE SUMMARY

The Board of Trustees, at the March 19, 2020 meeting, adopted a Resolution of Intent to Convey First Amendment to Grant of Easement to Celco Partnership dba Verizon Wireless, a Delaware general partnership and successor-in-interest to Verizon Wireless (VAW), LLC., for the purpose of improving and maintaining their cellular project located at Torrey Highlands Park.

Since the March 19, 2020 action, the necessary posting and publication of the Board's intent has been accomplished in order for the Board of Trustees to hold a public hearing regarding the dedication and subsequent vote on the Resolution to Convey First Amendment to Grant of Easement.

RECOMMENDATION:

It is recommended that the Board:

- a) Hold a public hearing, allowing comments from the public on the Board's intention to convey First Amendment to Grant of Easement to Celco Partnership dba Verizon Wireless, a Delaware general partnership and successor-in-interest to Verizon Wireless (VAW), LLC.; and
- b) Adopt the Resolution of Intention to Convey First Amendment to Grant Of Easement at the Torrey Pines High School Campus, as described in the attachment supplements.

FUNDING SOURCE:

Not applicable.

Resolution Conveying)
First Amendment to Grant of Easement)

_____)

On motion of Member _____, seconded by Member _____, the following resolution is adopted:

WHEREAS, on March 19, 2020, this board adopted a Resolution of Intention to Convey First Amendment to Grant of Easement to Cellco Partnership dba Verizon Wireless, a Delaware general partnership and successor-in-interest to Verizon Wireless (VAW), LLC; and

WHEREAS, said Resolution of Intention provided that a public hearing on the request of making such dedication be held by this Board at 710 Encinitas Boulevard, Encinitas, California on May 21, 2020 at 5:00 o'clock p.m., at which time and place all persons interested therein might appear and show cause why said dedication should not be made; and

WHEREAS, notice of adoption of said Resolution of Intention was duly given as provided by law, all of which appears by the affidavits of posting and publication on file in the office of this Board; and

WHEREAS, this Board formally convened at the time and place set forth in said Resolution of Intention, and no persons appeared to object to or protest either verbally or in writing against the dedication of the property described in said resolution; and

WHEREAS, in the judgement of this Board it is expedient and for the best interests of this District that said dedication be made;

NOW, THEREFORE BE IT RESOLVED AND ORDERED by the Governing Board of the San Dieguito Union High School District of San Diego County that a First Amendment to Grant of Easement for the purposes described in the resolution adopted by this Board on March 19, 2020 be and is hereby conveyed to Cellco Partnership dba Verizon Wireless, a Delaware general partnership and successor-in-interest to Verizon Wireless (VAW), LLC.

BE IT FUTHER RESOLVED AND ORDERED that the Secretary of this Board be and is hereby authorized and directed to execute and deliver the First Amendment to Grant of Easement described in said Resolution of Intention to said applicant.

PASSED AND ADOPTED by the Governing Board of the San Dieguito Union High School District of San Diego County, California, this 21st day of May, 2020.

AYES:

NOES:

ABSENT:

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STATE OF CALIFORNIA)
) SS
COUNTY OF SAN DIEGO)

I, Robert A. Haley, Ed.D., Secretary of the Governing Board, do hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted by said Board at a regularly called and conducted meeting hold of said date.

Secretary of the Governing Board

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: May 15, 2020

BOARD MEETING DATE: May 21, 2020

PREPARED BY: Dawn Campbell, Director of Fiscal Services
Tina Douglas, Associate Superintendent,
Business Services

SUBMITTED BY: Robert A. Haley, Ed.D., Superintendent

SUBJECT: ADOPT RESOLUTION FOR TAX & REVENUE
ANTICIPATION NOTES (TRANS) FOR FISCAL
YEAR 2020-21

EXECUTIVE SUMMARY

BACKGROUND:

Tax and Revenue Anticipation Notes (TRANS) are short-term debt instruments issued by school districts to eliminate cash flow deficiencies, which result from fluctuations in revenue receipts and expenditure disbursements. Generally, TRANS are issued for 12 months and repaid out of revenues of the fiscal year in which the borrowing occurs. The TRANS will be issued through a pooled financing program of school districts located in San Diego County. The San Diego County Office of Education and the County of San Diego organize the pooled program.

CURRENT CONSIDERATION:

The purpose of the temporary borrowing is to increase available cash resources, which provide operating funds to cover cash shortfalls. Cash shortfalls arise because monthly cash receipts fluctuate throughout the year while monthly expenses are relatively constant. The borrowing may also provide an additional source of revenue because the cost of borrowing is less than reinvestment income, producing a net gain to the District. This has occurred in past years; however, weak market conditions are reducing the reinvestment spreads at the current time.

The attached resolution authorizes the issuance by the District of TRANS in an amount not to exceed \$20,000,000. This is the same amount as last year's resolution for the 2019-20 TRANS, however the actual amount of borrowing last year was significantly less. The final amount needed is based on our estimated cash flow projections. We are stating this sum while we work through our 2020-21 cash flow projections and estimate our final property tax revenue for the current and subsequent years.

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The resolution authorizes various financing documentation, including a Purchase Contract, Trust Agreement, Credit Agreement, Preliminary Official Statement and Financial Advisory Agreement, which will be on file in the District Office. The Credit Agreement will be entered into with a highly rated financial institution only if the use of credit enhancement provides an economic benefit to the District, based upon the advice of the District's financial advisor. The resolution authorizes the Superintendent or the Associate Superintendent of Business Services to sign financing documentation in connection with the issuance of the TRANS. The resolution also appoints the law firm of Hawkins, Delafield, & Wood, LLP as bond counsel to the District. Hawkins is a national law firm, which specializes in municipal bond law. Government Financial Strategies is the financial advisory firm assisting the District with the TRANS.

RECOMMENDATION:

It is recommended that the Board adopt the resolution for Tax and Revenue Anticipation Notes for fiscal year 2020-21.

FUNDING SOURCE:

General Fund/Unrestricted (01-00)

RESOLUTION NO. ____

RESOLUTION OF SAN DIEGUITO UNION HIGH SCHOOL DISTRICT AUTHORIZING THE BORROWING OF FUNDS FOR FISCAL YEAR 2020-2021 AND THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF 2020 TAX AND REVENUE ANTICIPATION NOTES THEREFOR IN AN AMOUNT NOT TO EXCEED \$20,000,000 AND PARTICIPATION IN THE SAN DIEGO COUNTY AND SCHOOL DISTRICT TAX AND REVENUE ANTICIPATION NOTE PROGRAM AND REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY TO ISSUE AND SELL SAID NOTES

WHEREAS, school districts and the County of San Diego (the “County”) are authorized by Sections 53850 to 53858, both inclusive, of the Government Code of the State of California (the “Act”) (being Article 7.6, Chapter 4, Part 1, Division 2, Title 5 of the Government Code) to borrow money by the issuance of temporary notes;

WHEREAS, the legislative body (the “Board”) of the school district specified in Section 22 hereof (the “District”) has determined that an amount not to exceed the maximum amount of borrowing specified in Section 22 hereof (the “Principal Amount”) is needed for the requirements of the District, a political subdivision situated in the County, for any of the purposes of the District, as authorized by the Act, and that it is necessary that said Principal Amount be borrowed for such purpose at this time by the issuance of one or more series of notes therefor in anticipation of the receipt of taxes, income, revenue, cash receipts and other moneys to be received, accrued or held by the District and provided for or attributable to its fiscal year ending June 30, 2021 (the “Repayment Fiscal Year”);

WHEREAS, the District hereby determines to borrow, for the purposes set forth above, the Principal Amount by the issuance of one or more series of its 2020 Tax and Revenue Anticipation Notes, with an appropriate series designation if more than one note is issued (collectively, the “Note”);

WHEREAS, to the extent required by law, the District requests the Board of Supervisors of the County to borrow, on the District’s behalf, the Principal Amount by the issuance of the Note;

WHEREAS, it appears, and this Board hereby finds and determines, that the Principal Amount, when added to the interest payable thereon, does not exceed 85% of the estimated amount of the uncollected taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys of the District provided for or attributable to the Repayment Fiscal Year, and available for the payment of the principal of the Note and the interest thereon which, at the time of receipt are not restricted to other purposes, except to the extent such other purposes have been funded from Note proceeds (exclusive of any moneys required to be used to repay a treasurer’s loan as described in Section 17 hereof);

WHEREAS, no money has heretofore been borrowed by or on behalf of the District through the issuance of tax and revenue anticipation notes or temporary notes in

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anticipation of the receipt of, or payable from or secured by, taxes, income, revenue, cash receipts or other moneys for the Repayment Fiscal Year;

WHEREAS, pursuant to Section 53856 of the Act, certain moneys which will be received or accrued by the District and provided for or attributable to the Repayment Fiscal Year can be pledged for the payment of the principal of the Note and the interest thereon (as hereinafter provided);

WHEREAS, the District has determined that it is in the best interests of the District to participate in the San Diego County and School District Tax and Revenue Anticipation Note Program (the "Program"), whereby participating school districts and the County (collectively, the "Issuers") will simultaneously issue tax and revenue anticipation notes, which will be marketed together with some or all of the notes issued by other school districts and the County participating in the Program upon the determination by a District Officer at that time that participation in such Program is in the best financial interests of the District, or alternatively, the District may issue its note on a stand-alone basis, depending on market conditions;

WHEREAS, the financial advisor to the participating school districts (the "Financial Advisor") appointed in Section 21 hereof, together with the underwriter and such co-underwriters, if any, identified in the Purchase Agreement hereinafter defined (the "Underwriter"), will structure one or more pools of notes (which may include a single note of one participating school district) or series of note participations (referred to herein as the "Note Participations," the "Series" and/or the "Series of Note Participations") as may be distinguished, which the District hereby authorizes the Financial Advisor to determine;

WHEREAS, the Program requires the Issuers participating in any particular Series to deposit their tax and revenue anticipation notes with a trustee, pursuant to a trust agreement (the "Trust Agreement") between such Issuers and the banking institution named therein as trustee (the "Trustee");

WHEREAS, the Trust Agreement provides, among other things, that for the benefit of owners of Note Participations, that the District shall provide notices of the occurrence of certain enumerated events, if deemed by the Districts to be material;

WHEREAS, the Program requires the Trustee, pursuant to the Trust Agreement, to execute and deliver the Note Participations evidencing and representing proportionate, undivided interests in the payments of principal of and interest on the tax and revenue anticipation notes issued by the Issuers comprising such Series;

WHEREAS, the District desires to have the Trustee execute and deliver a Series of Note Participations which evidence and represent interests of the owners thereof in its Note and the notes issued by other Issuers in such Series, if any; if the District Officer determines at the time of issuance of its Note that participation in such Program is in the best financial interests of the District;

WHEREAS, the net proceeds of the Note may be invested under an investment agreement with an investment provider to be determined on behalf of the Issuers by the County

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Officer, as hereinafter defined, in the Pricing Confirmation set forth in Exhibit A to the Purchase Agreement hereinafter defined;

WHEREAS, the Program requires that each participating Issuer approve the Trust Agreement, in substantially the form presented to the Board;

WHEREAS, pursuant to the Program, in the event that other Issuers participate with the District in a Series of notes sold into a pool, each participating Issuer will be responsible for its share of the fees of the Trustee and the costs of issuing the applicable Series of Note Participations;

WHEREAS, pursuant to the Program, the Note and the notes issued by other Issuers, if any, participating in the same Series (all as evidenced and represented by a Series of Note Participations) will be offered for sale through negotiation with the Underwriter or directly to a purchaser or purchasers under the terms of a placement or purchase agreement (the "Purchase Agreement") approved by an Authorized District Representative and the County Officer, as referred to in Section 4;

WHEREAS, the District has determined that it may be desirable to provide for the issuance of an additional parity note (the "Parity Note") during the Repayment Fiscal Year, the principal and interest on which are secured by Pledged Revenues, hereinafter defined, on a parity with the Note; and

WHEREAS, it is necessary to engage the services of certain professionals to assist the District in its participation in the Program;

NOW, THEREFORE, the Board hereby finds, determines, declares and resolves as follows:

Section 1. Recitals. All the above recitals are true and correct and this Board so finds and determines.

Section 2. Authorization of Issuance. This Board hereby determines to borrow, and, to the extent required by the Act, requests the Board of Supervisors of the County to borrow on behalf of the District, solely for the purpose of anticipating taxes, income, revenue, cash receipts and other moneys to be received, accrued or held by the District and provided for or attributable to the Repayment Fiscal Year, and not pursuant to any common plan of financing of the District, by the issuance by the Board of Supervisors of the County, in the name of the District, the Note, which may be issued in one or more series, in a combined amount not to exceed the Principal Amount under Sections 53850 *et seq.* of the Act, designated the District's "Tax and Revenue Anticipation Note Program Note Participations, Series 2020," with an appropriate series designation if more than one series is issued, to be issued in the form of fully registered notes, to be dated the date of delivery to the respective initial purchaser thereof, to mature (with or without option of prior redemption at the election of the District) not more than 15 months after each such delivery date on a date indicated on the face thereof and determined in the related Pricing Confirmation (as it pertains to each series, the "Maturity Date"), and to bear interest, payable on the respective Maturity Date, and, if such Maturity Date is more than 12 months from the date of

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issuance, the interim interest payment date set forth in the related Pricing Confirmation, and computed upon the basis of a 360-day year consisting of twelve 30-day months, at a rate or rates, if more than one Note is issued, not to exceed 12% per annum, as determined at the time of the sale of the respective Note (as it pertains to each series, the “Note Rate”).

If the respective Note as evidenced and represented by the Series of Note Participations is not fully paid at maturity, the unpaid portion thereof shall be deemed outstanding and shall continue to bear interest thereafter until paid at the Default Rate. In each case set forth in the preceding two sentences, the obligation of the District with respect to such Defaulted Note or unpaid Note shall not be a debt or liability of the District prohibited by Article XVI, Section 18 of the California Constitution and the District shall not be liable thereon except to the extent of any available revenues provided for or attributable to the Repayment Fiscal Year, as provided in Section 8 hereof. Both the principal of and interest on the Note shall be payable in lawful money of the United States of America.

Each Note may be issued in conjunction with the note or notes of one or more other Issuers, if any, as part of the Program and within the meaning of Section 53853 of the Act, upon the determination of the District Officer at the time of issuance of the Note that participation in such Program is in the best financial interests of the District.

Section 3. Form of Note. The Note shall be issued in fully registered form without coupons and shall be substantially in the form and substance set forth in Exhibit A, as attached hereto and by reference incorporated herein, the blanks in said form to be filled in with appropriate words and figures to be inserted or determined at closing.

Section 4. Sale of Note; Delegation. The Note as evidenced and represented by the Note Participations may be sold to the Underwriter pursuant to the terms and provisions of the Purchase Agreement. The form of the Purchase Agreement, including the form of the Pricing Confirmation set forth as Exhibit A thereto, presented to this meeting is hereby approved; provided, however, in the event one or more Authorized District Representatives identified in Section 22 hereof decides it is in the best interest of the District to sell the Note pursuant to a private placement, an Authorized District Representative may approve a different form of one or more Purchase Agreements and/or Pricing Confirmation. The Auditor and Controller, or in the absence of such officer, his or her assistant, the County Treasurer-Tax Collector, or, in the absence of such officer, his or her assistant and the Debt Finance Manager (each a “County Officer”) are each hereby individually authorized and directed to execute and deliver the Purchase Agreement by executing and delivering the Pricing Confirmation, each in substantially said form, with such changes thereto as such County Officer executing the same shall approve, such approval to be conclusively evidenced by his or her execution and delivery thereof; *provided, however*, that the Note Rate shall not exceed 12% per annum, and that the District’s pro rata share of Underwriter’s discount on the Note, when added to the District’s share of the costs of issuance of the Note Participations, shall not exceed 1.0% of the amount of the Note; *provided further*, that there shall be no Underwriter’s discount in the event of a private placement of the Series of Note Participations, but such private placement will be subject to a placement fee to be approved by an Authorized District Representative. Delivery of an executed copy of the Pricing Confirmation by fax or telecopy shall be deemed effective execution and delivery for all purposes.

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Section 5. Program Approval. The Note may be combined with notes of other Issuers, if any, into a Series as set forth in the Preliminary Official Statement, hereinafter mentioned, and shall be evidenced and represented by the Note Participations which shall evidence and represent proportionate, undivided interests in the in the proportion that the face amount of the Note which the Series of Note Participations represents bears to the total aggregate face amount of such respective Note and the notes issued by other Issuers which the Series of Note Participations represent. Such Note Participations may be delivered in book-entry form.

The form of Trust Agreement presented to this meeting or otherwise to the Board, is hereby approved, and the President or Chairperson of the Board of the District, the Superintendent or the Chief Business Official of the District, as the case may be, or, in the absence of any such officer, his or her assistant (each a "District Officer") is hereby authorized and directed to execute and deliver the Trust Agreement, which shall be identified in the Pricing Confirmation, in substantially one or more of said forms, such approval of this Board and such officer to be conclusively evidenced by the execution of the Trust Agreement. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement. The District Officer is hereby authorized and directed to comply with and carry out all of the provisions of the Trust Agreement with respect to continuing disclosure; *provided however*, that failure of the District to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default hereunder. The proposed form of preliminary offering document, which may be a preliminary official statement, preliminary private offering memorandum or preliminary limited offering memorandum (the "Preliminary Official Statement") relating to the Series of Note Participations, in substantially the form presented to this meeting or otherwise to the Board, is hereby approved with such changes, additions, completion and corrections as any Authorized District Representative may approve, and the Underwriter is hereby authorized and directed to cause to be mailed to prospective bidders the Preliminary Official Statement in connection with the offering and sale of the Series of Note Participations. Such Preliminary Official Statement, together with any supplements thereto, shall be in form "deemed final" by the District for purposes of Rule 15c2-12, promulgated by the Securities and Exchange Commission (the "Rule"), unless otherwise exempt, but is subject to revision, amendment and completion in a final official statement, private offering memorandum or limited offering memorandum (the "Official Statement"). The Official Statement in substantially said form is hereby authorized and approved, with such changes therein as any Authorized District Representative may approve. The Authorized District Representative is hereby authorized and directed, at or after the time of the sale of any Series of Note Participations, for and in the name and on behalf of the District, to execute a final Official Statement in substantially the form of the Preliminary Official Statement presented to this meeting, with such additions thereto or changes therein as the Authorized District Representative may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

The District Officer is hereby authorized and directed to provide the Financial Advisor and the Underwriter with such information relating to the District as they shall reasonably request for inclusion in the Preliminary Official Statement. Upon inclusion of the information relating to the District therein, the Preliminary Official Statement is, except for certain omissions permitted by the Rule, hereby deemed final within the meaning of the Rule; *provided* that no representation is made as to the information contained in the Preliminary Official Statement relating to the other Issuers, if any. If, at any time prior to the execution of the Pricing

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Confirmation, any event occurs as a result of which the information contained in the Preliminary Official Statement relating to the District might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the District shall promptly notify the Financial Advisor and the Underwriter.

The Trustee is authorized and directed to execute Note Participations on behalf of the District pursuant to the terms and conditions set forth in the Trust Agreement, in the aggregate principal amount specified in the Trust Agreement, and substantially in the form and otherwise containing the provisions set forth in the form of the Note Participations contained in the Trust Agreement. When so executed, the Note Participations shall be delivered by the Trustee to the purchaser upon payment of the purchase price thereof, pursuant to the terms of the Trust Agreement.

Subject to Section 8 hereof, the District hereby agrees that if its Note as evidenced and represented by the Series of Note Participations shall become a Defaulted Note, the unpaid portion thereof shall be deemed outstanding and shall not be deemed to be paid until the holders of the Series of the Note Participations which evidence and represent the Note are paid the full principal amount represented by the unsecured portion of the Note plus interest accrued thereon (calculated at the Default Rate) to the date of deposit of such aggregate required amount with the Trustee. For purposes of clause (ii) of the preceding sentence, holders of the Series of Note Participations will be deemed to have received such principal amount upon deposit of such moneys with the Trustee.

The District agrees to pay or cause to be paid, in addition to the amounts payable under the Note, any fees or expenses of the Trustee.

Section 6. No Joint Obligation; Owners' Rights. The Note shall be marketed and sold on either a stand-alone basis or simultaneously with the notes of other Issuers, if any, and aggregated and combined with notes of such other Issuers participating in the Program into a Series of Note Participations evidencing and representing an interest in several, and not joint, obligations of each such Issuer. The obligation of the District to Owners is a several and not a joint obligation and is strictly limited to the District's repayment obligation under this Resolution, the resolution of the County providing for the issuance of the Note, and the Note as evidenced and represented by such Series of Note Participations.

Owners of Note Participations, to the extent of their interest in the Note, shall be treated as owners of the Note and shall be entitled to all the rights and security thereof; including the right to enforce the obligations and covenants contained in this Resolution and the Note. The District hereby recognizes the right of the Owners acting directly or through the Trustee to enforce the obligations and covenants contained in the Note, this Resolution and the Trust Agreement. The District shall be directly obligated to each Owner for the principal and interest payments on the Note evidenced and represented by the Note Participations without any right of counterclaim or offset arising out of any act or failure to act on the part of the Trustee.

The provisions of this Section 6 apply equally to a Parity Note, if any, as if referred to herein, in the event that the District Officer determines at the time of issuance of the Parity Note

that participation in a similar Program to pool the Parity Note with the notes of other issuers is in the best financial interests of the District.

Section 7. Disposition of Proceeds of Note. The moneys received from the sale of the Note allocable to the District's costs related to the issuance of the Note, if sold on a stand-alone basis or the District's share of the costs of issuance if issued in a pool with other Issuers, shall be deposited in the Costs of Issuance Fund held and invested by the Trustee under the Trust Agreement and expended on costs of issuance as provided in the Trust Agreement. The moneys received from the sale of the Note (net of the District's costs related to the issuance of the Note if sold on a stand-alone basis or the District's share of the costs of issuance if issued in a pool with other Issuers) shall be deposited in the District's Proceeds Subaccount within the Proceeds Fund hereby authorized to be created pursuant to, and held and invested by the Trustee under, the Trust Agreement for the District and said moneys may be used and expended by the District for any purpose for which it is authorized to expend funds upon requisition from the Proceeds Subaccount as specified in the Trust Agreement. Amounts in the Proceeds Subaccount are hereby pledged to the payment of the Note.

The Trustee will not create separate accounts within the Proceeds Fund, but will keep records to account separately for proceeds of the Note Participations allocable to the District's Note on deposit in the Proceeds Fund which shall constitute the District's Proceeds Subaccount.

The provisions of this Section 7 apply equally to a Parity Note, if any, as if referred to herein, in the event that the District Officer determines at the time of issuance of the Parity Note that participation in a similar Program to pool the Parity Note with the notes of other issuers is in the best financial interests of the District.

Section 8. Source of Payment. The Principal Amount of the Note, together with the interest thereon, shall be payable from taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys which are received, accrued or held by the District and are provided for or attributable to the Repayment Fiscal Year and which are available for payment thereof. As security for the payment of the principal of and interest on the Note, the District hereby pledges certain Unrestricted Revenues (as hereinafter provided, the "Pledged Revenues") which are received, accrued or held by the District and are provided for or attributable to the Repayment Fiscal Year, and the principal of the Note and the interest thereon shall constitute a first lien and charge thereon and shall be payable from the first moneys received by the District from such Pledged Revenues, and, to the extent not so paid, shall be paid from any other taxes, income, revenue, cash receipts and other moneys of the District lawfully available therefor (all as provided for in Sections 53856 and 53857 of the Act). The term "Unrestricted Revenues" shall mean all taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts, and other moneys, which are generally available for the payment of current expenses and other obligations of the District. The Noteholders and Owners shall have a first lien and charge on such Unrestricted Revenues as herein provided which are received, accrued or held by the District and are provided for or attributable to the Repayment Fiscal Year. Notwithstanding the foregoing, the terms "Unrestricted Revenue" and "Pledged Revenues" shall exclude moneys which, when received by the District, will be encumbered for a special purpose unless an equivalent amount of the proceeds of the Note is set aside and used for said special purpose; and provided further, the terms

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“Unrestricted Revenues” and “Pledged Revenues” shall exclude any moneys required to be used to repay a treasurer’s loan as described in Section 17 hereof. The District may incur indebtedness secured by a pledge of its Pledged Revenues subordinate to the pledge of Pledged Revenues hereunder and may issue subordinate tax and revenue anticipation notes.

In order to effect the pledge referred to in the preceding paragraph, the District agrees to the establishment and maintenance of the Payment Account as a special fund of the District (the “Payment Account”) by the Trustee as the responsible agent to maintain such fund until the payment of the principal of the Note and the interest thereon, and the District agrees to cause to be deposited (and shall request specific amounts from the District’s funds on deposit with the County Treasurer-Tax Collector for such purpose) directly therein on the dates specified in the related Pricing Confirmation for each series of the Note as sequentially numbered Repayment Dates (each individual date a “Repayment Date” and collectively “Repayment Dates”) (and any amounts received thereafter provided for or attributable to the Repayment Fiscal Year) until the amount on deposit in such fund, is equal on the respective Repayment Dates identified in the Pricing Confirmation to the percentages of the principal of the Note and interest due on the Note, as specified in the related Pricing Confirmation. Any such deposit may take into consideration anticipated investment earnings on amounts invested in a Permitted Investment, as defined in the Trust Agreement, with a fixed rate of return through the Maturity Date.

The District Officer is hereby authorized to approve the determination of the Repayment Dates and percentages of the principal and interest due on the Note at maturity required to be on deposit in the Payment Account on each Repayment Date, all as specified in the related Pricing Confirmation. The execution and delivery of the Pricing Confirmation by the County Officer shall be conclusive evidence of approval by this Board and such District Officer; *provided, however*, that the maximum number of Repayment Dates for each Note shall be six. In the event that on each such Repayment Date, the District has not received sufficient Unrestricted Revenues to permit the deposit into the Payment Account of the full amount of Pledged Revenues to be deposited in the Payment Account from said Unrestricted Revenues, then the amount of any deficiency shall be satisfied and made up from any other moneys of the District lawfully available for the payment of the principal of the Note and the interest thereon, as and when such other moneys are received or are otherwise legally available; and in connection therewith, the District authorizes the County Treasurer-Tax Collector to transfer any District funds then held or later received by the County Treasurer-Tax Collector, to the Trustee for deposit into the District’s Payment Account to make up any such deficiency.

Any moneys placed in the Payment Account shall be for the benefit of the owner of the Note. The moneys in the Payment Account shall be applied only for the purposes for which the Payment Account is created until the principal of the Note and all interest thereon are paid or until provision has been made for the payment of the principal of the Note at maturity with interest to maturity.

The moneys in the Payment Account shall be used by the Trustee, to the extent necessary, to pay the principal of and interest on the Note. In the event that moneys in the Payment Account are insufficient to pay the principal of and interest on the Note in full, such moneys shall be applied in accordance with the priority set forth in the Trust Agreement. Any moneys remaining in or accruing to the Payment Account after the principal of the Note and the interest thereon, shall

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be transferred by the Trustee to the District, subject to any other disposition required by the Trust Agreement. Nothing herein shall be deemed to relieve the District from its obligation to pay its Note in full on the Maturity Date.

Moneys in the Proceeds Subaccount and the Payment Account shall be invested by the Trustee pursuant to the Trust Agreement in investment agreement(s) and/or other Permitted Investments as described in and under the terms of the Trust Agreement and as designated in the Pricing Confirmation. In the event the County Officer designates an investment agreement or investment agreements as the investments in the related Pricing Confirmation, the District hereby directs the Trustee to invest such funds pursuant to the investment agreement or investment agreements (which shall be with a provider rated in one of the two highest long-term rating categories by the rating agency or agencies then rating the Note Participations, and the particulars of which pertaining to interest rate and investment provider will be set forth in the Pricing Confirmation) and authorizes the Trustee to enter into such investment agreement on behalf of the District. The District's funds shall be accounted for separately and the obligation of the provider of the Investment Agreement with respect to the District under the Investment Agreement shall be severable. Any such investment by the Trustee shall be for the account and risk of the District and the District shall not be deemed to be relieved of any of its obligations with respect to the Note by reason of such investment of the moneys in its Proceeds Subaccount and Payment Account.

The District shall promptly file with the Trustee such financial reports at the times and in the forms required by the Trust Agreement.

Anything herein to the contrary notwithstanding, the District may at any time during the Repayment Fiscal Year issue or provide for the issuance of a Parity Note by the County on its behalf, secured by a first lien and charge on Pledged Revenues; provided that (i) the District shall have received confirmation from each rating agency rating the outstanding Note or Series of Note Participations related to the Note, that the issuance of such Parity Note (or related series of note participation if sold into a pool) will not cause a reduction or withdrawal of such rating agency's rating on the outstanding Note or Series of Note Participations related to the Note and (ii) the maturity date of any such Parity Note shall be later than the outstanding Note. In the event that the District issues a Parity Note, or provides for the issuance of a Parity Note by the County on its behalf, the District shall make appropriate deposits into the Payment Account with respect to such Parity Note, and in such event, the Payment Account shall also be held for the benefit of the holders of the Parity Note.

Section 9. Execution of Note. The County Officer shall be authorized to execute the Note by manual or facsimile signature and the Clerk of the Board of Supervisors of the County or any Deputy Clerk shall be authorized to countersign the Note by manual or facsimile signature and to affix the seal of the County to the Note either manually or by facsimile impression thereof. Said officers of the County are hereby authorized to cause the blank spaces of the Note to be filled in as may be appropriate pursuant to the related Pricing Confirmation. In case any officer whose signature shall appear on any Note shall cease to be such officer before the delivery of such Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

Section 10. Representations and Covenants.

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(A) The District is a political subdivision duly organized and existing under and by virtue of the laws of the State of California and has all necessary power and authority to (i) adopt the Resolution and enter into and perform its obligations under the Purchase Agreement and (ii) authorize the County to issue the Note on its behalf.

(B) (i) Upon the issuance of the Note, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Note and the performance of its obligations thereunder and (ii) the District has full legal right, power and authority to request the County to issue and deliver the Note on behalf of the District and to perform its obligations as provided herein and therein.

(C) The issuance of the Note, the adoption of the Resolution and the execution and delivery of the Purchase Agreement and the Trust Agreement and compliance with the provisions hereof and thereof will not conflict with or violate any law, administrative regulation, court decree, resolution, charter, by-laws or other agreement to which the District is subject or by which it is bound.

(D) Except as may be required under blue sky or other securities law of any state, there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the District required for the issuance and sale of the Note or the consummation by the District of the other transactions contemplated by this Resolution except those the District shall obtain or perform prior to or upon the issuance of the Note.

(E) The District has (or will have prior to the issuance of the Note) duly, regularly and properly adopted a preliminary budget for the Repayment Fiscal Year setting forth expected revenues and expenditures and has complied with all statutory and regulatory requirements with respect to the adoption of such budget. The District hereby covenants that it will (i) duly, regularly and properly prepare and adopt its final budget for the Repayment Fiscal Year, (ii) provide to the Financial Advisor and the Underwriter (or owner of the Series of Note Participations in the event of a private placement), promptly upon adoption, copies of such final budget and of any subsequent revisions, modifications or amendments thereto and (iii) comply with all applicable law pertaining to its budget.

(F) The sum of the principal amount of the District's Note plus the interest payable thereon, on the date of its issuance, will not exceed 85% of the estimated amounts of the District's uncollected taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts, and other moneys to be received or accrued by the District for the general fund of the District provided for or attributable to the Repayment Fiscal Year all of which will be legally available to pay principal of and interest on the Note (exclusive of any moneys required to be used to repay a treasurer's loan as described in Section 17 hereof).

(G) The County has experienced an *ad valorem* property tax collection rate of not less than 85% of the average aggregate amount of *ad valorem* property taxes levied within the District in each of the last five fiscal years for which information is available, and the District, as of the date of adoption of this Resolution and on the date of issuance of the Note, reasonably expects the County to collect at least 85% of such amount for the Repayment Fiscal Year.

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(H) The District (i) is not currently in default on any debt obligation and (ii) to the best knowledge of the District, has never defaulted on any debt obligation.

(I) The District's most recent audited financial statements present fairly the financial condition of the District as of the date thereof and the results of operation for the period covered thereby. Except as has been disclosed to the Financial Advisor and the Underwriter and in the Preliminary Official Statement and to be set forth in the final Official Statement, there has been no change in the financial condition of the District since the date of such audited financial statements that will in the reasonable opinion of the District materially impair its ability to perform its obligations under this Resolution and the Note. The District agrees to furnish to the Financial Advisor, the Underwriter (or owners of the Series of Note Participations in the event of a private placement) and the Trustee, promptly, from time to time, such information regarding the operations, financial condition and property of the District as such party may reasonably request.

(J) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, arbitrator, governmental or other board, body or official, pending or, to the best knowledge of the District, threatened against or affecting the District questioning the validity of any proceeding taken or to be taken by the District in connection with the Note, the Purchase Agreement, the Trust Agreement or this Resolution, or seeking to prohibit, restrain or enjoin the execution, delivery or performance by the District of any of the foregoing, or wherein an unfavorable decision, ruling or finding would have a materially adverse effect on the District's financial condition or results of operations or on the ability of the District to conduct its activities as presently conducted or as proposed or contemplated to be conducted, or would materially adversely affect the validity or enforceability of, or the authority or ability of the District to perform its obligations under, the Note, the Purchase Agreement, the Trust Agreement or this Resolution.

(K) The District will not directly or indirectly amend, supplement, repeal, or waive any portion of this Resolution in any way that would materially adversely affect the interests of the Note holders or Note Participation Owners.

(L) Upon issuance of the Note, the Note and this Resolution will constitute legal, valid and binding agreements of the District, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy or other laws affecting creditors' rights, the application of equitable principles if equitable remedies are sought, the exercise of judicial discretion in appropriate cases and the limitations on legal remedies against public entities, as applicable, in the State of California.

(M) It is hereby covenanted and warranted by the District that all representations and recitals contained in this Resolution are true and correct, and that the District and its appropriate officials have duly taken, or will take, all proceedings necessary to be taken by them, if any, for the levy, receipt, collection and enforcement of the Pledged Revenues in accordance with law for carrying out the provisions of this Resolution and the Note.

(N) Except for a Parity Note, if any, pursuant to Section 8 hereof, the District shall not incur any indebtedness secured by a pledge of its Unrestricted Revenues unless such pledge is subordinate in all respects to the pledge of Unrestricted Revenues hereunder.

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(O) As a condition to the issuance of the Notes, the District will either (1) then not have a negative or qualified certification applicable to Fiscal Year 2018-2019 or Fiscal Year 2019-2020 within the meaning of Section 42133 of the Education Code of the State of California or (2) if the District does then have a negative or qualified certification applicable to Fiscal Year 2018-2019 or Fiscal Year 2019-2020 within the meaning of Section 42133 of the Education code of the State of California, the District shall provide to the Financial Advisor and Bond Counsel the written determination by the County Superintendent of Schools that the repayment of the Notes is probable within the meaning of Section 42133 of the Education Code of the State of California.

(P) The District funded its Reserve for Economic Uncertainties for Fiscal Year 2019-2020 in at least the minimum amount recommended, and will fund its Reserve for Economic Uncertainties for Fiscal Year 2020-2021 in at least the minimum amount recommended by the State Superintendent of Public Instruction.

(Q) The District will maintain a positive general fund balance in the Repayment Fiscal Year.

Section 11. Tax Covenants. The District will not take any action or fail to take any action if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Note under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Without limiting the generality of the foregoing, the District will not make any use of the proceeds of the Note or any other funds of the District which would cause the Note to be "arbitrage bonds" within the meaning of Section 148 of the Code, a "private activity bond" within the meaning of Section 141(a) of the Code, or an obligation the interest on which is subject to federal income taxation because it is "federally guaranteed" as provided in Section 149(b) of the Code. The District, with respect to the proceeds of the Note, will comply with all requirements of such sections of the Code and all regulations of the United States Department of the Treasury issued or applicable thereunder to the extent that such requirements are, at the time, applicable and in effect.

Notwithstanding any other provision of this Resolution to the contrary, upon the District's failure to observe, or refusal to comply with, the covenants contained in this Section 11, no one other than the holders or former holders of the Note, the Owners or the Trustee on their behalf shall be entitled to exercise any right or remedy under this Resolution on the basis of the District's failure to observe, or refusal to comply with, such covenants.

The covenants contained in this Section 11 shall survive the payment of the Note.

Section 12. Events of Default and Remedies.

If any of the following events occur, it is hereby defined as and declared to be and to constitute an "Event of Default":

(a) Failure by the District to make or cause to be made the deposits to the Payment Account or any other payment required to be paid hereunder on or before the date on which such deposit or other payment is due and payable;

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(b) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Resolution, for a period of fifteen (15) days after written notice, specifying such failure and requesting that it be remedied, is given to the District by the Trustee, unless the Trustee shall agree in writing to an extension of such time prior to its expiration;

(c) Any warranty, representation or other statement by or on behalf of the District contained in this Resolution or the Purchase Agreement (including the Pricing Confirmation) or in any instrument furnished in compliance with or in reference to this Resolution or the Purchase Agreement or in connection with the Note, is false or misleading in any material respect;

(d) A petition is filed against the District under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect and is not dismissed within 30 days after such filing, but the Trustee shall have the right to intervene in the proceedings prior to the expiration of such 30 days to protect its and the Owners' interests;

(e) The District files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under such law;

(f) The District admits insolvency or bankruptcy or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including without limitation a receiver, liquidation or trustee) of the District or any of its property is appointed by court order or takes possession thereof and such order remains in effect or such possession continues for more than 30 days, but the Trustee shall have the right to intervene in the proceedings prior to the expiration of such 30 days to protect its and the Owners' interests;

(g) An "Event of Default" under the terms of the resolution, if any, of the County providing for the issuance of the Note.

Whenever any Event of Default referred to in this Section 12 shall have happened and be continuing, the Trustee shall, in addition to any other remedies provided herein or by law or under the Trust Agreement, have the right, at its option without any further demand or notice, to take one or any combination of the following remedial steps:

(a) Without declaring the Note to be immediately due and payable, require the District to pay to the Trustee, for deposit into the Payment Account of the District, an amount equal to the principal of the Note and interest thereon to maturity, plus all other amounts due hereunder, and upon notice to the

District the same shall become immediately due and payable by the District without further notice or demand; and

(b) Take whatever other action at law or in equity (except for acceleration of payment on the Note) which may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce any other of its rights hereunder.

Section 13. Trustee. The Trustee is hereby appointed as paying agent, registrar and authenticating agent for the Note. The District hereby directs and authorizes the payment by the Trustee of the interest on and principal of the Note when such become due and payable, from the Payment Account held by the Trustee in the name of the District in the manner set forth herein. The District hereby covenants to deposit funds in such account at the time and in the amount specified herein to provide sufficient moneys to pay the principal of and interest on the Note on the day on which it matures. Payment of the Note shall be in accordance with the terms of the Note and this Resolution.

The District hereby agrees to maintain the Trustee as paying agent, registrar and authenticating agent of the Note.

Section 14. Approval of Actions. The officers of the County mentioned in Section 9 hereof are hereby authorized and directed to execute the Note and cause the Trustee to authenticate and accept delivery of the Note, pursuant to the terms and conditions of this Resolution. All actions heretofore taken by the officers and agents of the County, the District or this Board with respect to the sale and issuance of the Note and participation in the Program are hereby approved, confirmed and ratified and the officers and agents of the County and the officers of the District are hereby authorized and directed, for and in the name and on behalf of the District, to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Note in accordance with, and related transactions contemplated by, this Resolution. The officers of the District referred to above in Section 4 hereof are hereby designated as "Authorized Issuer Representatives" under the Trust Agreement.

Section 15. Proceedings Constitute Contract. The provisions of the Note and of this Resolution shall constitute a contract between the District and the registered owner of the Note, and such provisions shall be enforceable by mandamus or any other appropriate suit, action or proceeding at law or in equity in any court of competent jurisdiction, and shall be irreparable.

Section 16. Limited Liability. Notwithstanding anything to the contrary contained herein or in the Note or in any other document mentioned herein, the District shall not have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby except to the extent payable from moneys available therefor as set forth in Section 8 hereof and the County is not liable for payment of the Note or any other obligation of the District hereunder.

ITEM 10e

Section 17. Treasurer's Loans. To the extent necessary in the judgment of the District Officer, the District Officer is hereby authorized to enter into borrowings pursuant to Section 6 of Article XVI of the California Constitution (and statutes implementing such Article); provided, however, that such amounts shall only be borrowed to the extent that such borrowings, when added to the amount of the Note and interest owed thereon, and to other items of indebtedness issued pursuant to the Government Code, shall not at the time of such borrowings exceed 85% of the estimated remaining uncollected taxes, income, revenue, cash receipts and other moneys to be received or accrued by the District during the Repayment Fiscal Year which will be available for payment of such borrowings, the Note and other items of indebtedness issued pursuant to the Government Code and the interest thereon.

Section 18. Submittal of Resolution to County. To the extent required by law, the Secretary of the governing board of the District is hereby directed to submit one certified copy each of this Resolution to the Clerk of the Board of Supervisors of the County, to the Treasurer-Tax Collector of the County and to the County Superintendent of Schools.

Section 19. Indemnification of County. The District shall indemnify and hold harmless, to the extent permitted by law, the County and its officers and employees ("Indemnified Parties"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Parties may become subject because of action or inaction related to the adoption of a resolution by the Board of Supervisors providing for the issuance and sale of the Note, or related to the proceedings for sale, award, issuance and delivery of the Note in connection with the Program, or in connection with any information pertaining to the District included in (or omitted from but required to be stated in) the Preliminary Official Statement or the final Official Statement. The District shall also reimburse any such Indemnified Parties for any legal or other expenses incurred in connection with investigating or defending any such claims or actions.

Section 20. Appointment of Bond Counsel. The law firm of Hawkins Delafield & Wood LLP, Los Angeles, California is hereby appointed Bond Counsel for the District. The District acknowledges that Bond Counsel regularly performs legal services for many private and public entities in connection with a wide variety of matters, and that Bond Counsel has represented, is representing or may in the future represent other public entities, underwriters, trustees, rating agencies, insurers, credit enhancement providers, lenders, financial and other consultants who may have a role or interest in the proposed financing or that may be involved with or adverse to District in this or some other matter. Given the special, limited role of Bond Counsel described above, the District acknowledges that no conflict of interest exists or would exist, waives any conflict of interest that might appear to exist, and consents to any and all such relationships.

Section 21. Appointment of Financial Advisor. Any District Officer is hereby authorized, in consultation with the San Diego County Office of Education, to appoint Government Financial Strategies Inc. to serve as Financial Advisor for the District in connection with the Program, and to execute an agreement for financial advisory services with such firm.

Section 22. Resolution Parameters.

(a) Name of District: San Dieguito Union High School District

ITEM 10e

- (b) Maximum Amount of Borrowing: \$20,000,000
- (c) Authorized District Representatives:
 - (1) Superintendent
 - (2) Associate Superintendent, Business Services
 - (3) Director of Purchasing

Section 23. Severability. In the event any provision of this Resolution shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 24. Effective Date. This Resolution shall take effect from and after its date of adoption.

EXHIBIT A

FORM OF NOTES

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

COUNTY OF SAN DIEGO, CALIFORNIA

2020 TAX AND REVENUE ANTICIPATION NOTE

<u>Interest Rate</u>	<u>Maturity Date</u>	Date of <u>Original Issue</u>
%	June 30, 2021	July __, 2020

--	--	--	--

REGISTERED OWNER:

PRINCIPAL AMOUNT: \$

FOR VALUE RECEIVED, the above identified school district (the “District”), located in the County of San Diego, California (the “County”), acknowledges itself indebted to and promises to pay to the registered owner identified above, or registered assigns, on the maturity date set forth above, the principal sum specified above in lawful money of the United States of America, and to pay interest thereon on each Interest Payment Date, as defined in the Trust Agreement, at the rate of interest specified above (the “Interest Rate”). Principal of and interest on this Note are payable in such coin or currency of the United States as at the time of payment is legal tender for payment of private and public debts, such principal to be paid upon surrender hereof at the principal corporate trust office of Wilmington Trust, N.A., in Los Angeles, California, or its successor in trust (the “Trustee”). Interest is payable as specified in the Trust Agreement. Interest shall be calculated on the basis of a 360-day year, consisting of twelve 30-day months, in like lawful money from the date hereof until the maturity date specified above and, if funds are not provided for payment at maturity, thereafter on the basis of a 360-day year for actual days elapsed until payment in full of said principal sum. Both the principal of and interest on this Note shall be payable only to the registered owner hereof upon surrender of this Note as the same shall fall due; *provided, however*, no interest shall be payable for any period after maturity during which the holder hereof fails to properly present this Note for payment. If the District fails to pay this Note when due, this Note shall become a Defaulted Note (as defined and with the consequences set forth in the Resolution).

It is hereby certified, recited and declared that this Note (the “Note”) represents the authorized issue of the Note in the aggregate principal amount made, executed and given pursuant to and by authority of certain resolutions of the governing boards of the District and the County duly passed and adopted heretofore, under and by authority of Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code (collectively, the “Resolution”), to all of the provisions and limitations of which the owner of this Note, by acceptance hereof, assents and agrees.

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The principal of the Note, together with the interest thereon, shall be payable from taxes, income, revenue, cash receipts and other moneys which are received or accrued by the District for the general fund of the District and are provided for or attributable to the Fiscal Year ending June 30, 2021 (the "Repayment Fiscal Year"). As security for the payment of the principal of and interest on the Note, the District has pledged certain Unrestricted Revenues of the District (the "Pledged Revenues") received, accrued or held by the District and provided for or attributable to the Repayment Fiscal Year, and the principal of the Note and the interest thereon shall constitute a first lien and charge thereon and shall be payable from the Pledged Revenues, and to the extent not so paid shall be paid from any other moneys of the District lawfully available therefor as set forth in the Resolution. Notwithstanding the foregoing, the terms "Unrestricted Revenues" and "Pledged Revenues" exclude any moneys required to be used to repay a treasurer's loan, as more particularly described in the Resolution. The County is not liable for payment of this Note. The full faith and credit of the District is not pledged to the payment of the principal or interest on this Note.

The County, the District and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the County, the District and the Trustee shall not be affected by any notice to the contrary.

It is hereby certified that all of the conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of California and that the amount of this Note, together with all other indebtedness of the District, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

IN WITNESS WHEREOF, the Board of Supervisors of the County has caused this Note to be executed by the manual or facsimile signature of a duly authorized officer of the County and countersigned by the manual or facsimile signature of its duly authorized officer.

COUNTY OF SAN DIEGO

By: _____
County Officer

Countersigned

By: _____
Clerk of the Board of Supervisors

SECRETARY'S CERTIFICATE

I, Robert A. Haley, Secretary of the Board, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board duly and regularly held at the regular meeting place thereof on the 21st day of May, 2020, of which meeting all of the members of said had due notice and at which a majority thereof were present; and at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 710 Encinitas Blvd., Encinitas, California, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office; the foregoing resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: May 21, 2020

Secretary of the Board

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: May 5, 2020

BOARD MEETING DATE: May 21, 2020

PREPARED BY: Cindy Frazee,
Associate Superintendent/Human Resources

SUBMITTED BY: Robert A. Haley, Ed.D.
Superintendent

SUBJECT: APPROVAL OF DECLARATION OF NEED
FOR FULLY QUALIFIED EDUCATORS

EXECUTIVE SUMMARY

According to the 1994 California Commission on Teacher Credentialing (CCTC) requirement, in order to hire teachers on emergency credentials a "Declaration of Need" must be approved by the Board of Trustees and forwarded to the Commission. The attached form covers the anticipated 2020-21 school year.

RECOMMENDATION:

It is recommended that the Board approve the attached "Declaration of Need for Fully Qualified Educators."

FUNDING SOURCE:

Not Applicable.

Attachment: Declaration of Need for Fully Qualified Educators

ITEM 10f

Email: credentials@ctc.ca.gov
Website: www.ctc.ca.gov



State of California
Commission on Teacher Credentialing
Certification Division
1900 Capitol Avenue
Sacramento, CA 95811-4213

DECLARATION OF NEED FOR FULLY QUALIFIED EDUCATORS

Original Declaration of Need for year: 2020-21

Revised Declaration of Need for year: _____

FOR SERVICE IN A SCHOOL DISTRICT

Name of District: San Dieguito Union High School District District CDS Code: 68346

Name of County: San Diego County CDS Code: 37

By submitting this annual declaration, the district is certifying the following:

- A diligent search, as defined below, to recruit a fully prepared teacher for the assignment(s) was made
- If a suitable fully prepared teacher is not available to the school district, the district will make a reasonable effort to recruit based on the priority stated below

The governing board of the school district specified above adopted a declaration at a regularly scheduled public meeting held on 05 / 21 / 2020 certifying that there is an insufficient number of certificated persons who meet the district's specified employment criteria for the position(s) listed on the attached form. The attached form was part of the agenda, and the declaration did NOT appear as part of a consent calendar.

► **Enclose a copy of the board agenda item**

With my signature below, I verify that the item was acted upon favorably by the board. The declaration shall remain in force until June 30, 2021.

Submitted by (Superintendent, Board Secretary, or Designee):

Robert A. Haley Superintendent

Name

Signature

Title

(760) 943-3505

(760) 753-6491

05/21/2020

Fax Number

Telephone Number

Date

710 Encinitas Blvd, Encinitas, CA 92024

Mailing Address

robert.haley@sduhsd.net

EMail Address

FOR SERVICE IN A COUNTY OFFICE OF EDUCATION, STATE AGENCY OR NONPUBLIC SCHOOL OR AGENCY

Name of County _____ County CDS Code _____

Name of State Agency _____

Name of NPS/NPA _____ County of Location _____

ITEM 10f

The Superintendent of the County Office of Education or the Director of the State Agency or the Director of the NPS/NPA specified above adopted a declaration on ___/___/___, at least 72 hours following his or her public announcement that such a declaration would be made, certifying that there is an insufficient number of certificated persons who meet the county's, agency's or school's specified employment criteria for the position(s) listed on the attached form.

The declaration shall remain in force until June 30, _____.

► **Enclose a copy of the public announcement**

Submitted by Superintendent, Director, or Designee:

Name	Signature	Title
Fax Number	Telephone Number	Date
Mailing Address		
EMail Address		

► *This declaration must be on file with the Commission on Teacher Credentialing before any emergency permits will be issued for service with the employing agency*

AREAS OF ANTICIPATED NEED FOR FULLY QUALIFIED EDUCATORS

Based on the previous year's actual needs and projections of enrollment, please indicate the number of emergency permits the employing agency estimates it will need in each of the identified areas during the valid period of this Declaration of Need for Fully Qualified Educators. This declaration shall be valid only for the type(s) and subjects(s) identified below.

This declaration must be revised by the employing agency when the total number of emergency permits applied for exceeds the estimate by ten percent. Board approval is required for a revision.

Type of Emergency Permit	Estimated Number Needed
CLAD/English Learner Authorization (applicant already holds teaching credential)	8
Bilingual Authorization (applicant already holds teaching credential)	1
List target language(s) for bilingual authorization: _____	
Resource Specialist	3
Teacher Librarian Services	0

LIMITED ASSIGNMENT PERMITS

Limited Assignment Permits may only be issued to applicants holding a valid California teaching credential based on a baccalaureate degree and a professional preparation program including student teaching.

Based on the previous year's actual needs and projections of enrollment, please indicate the number of Limited Assignment Permits the employing agency estimates it will need in the following areas:

ITEM 10f

TYPE OF LIMITED ASSIGNMENT PERMIT	ESTIMATED NUMBER NEEDED
Multiple Subject	0
Single Subject	4
Special Education	6
TOTAL	10

EFFORTS TO RECRUIT CERTIFIED PERSONNEL

The employing agency declares that it has implemented in policy and practices a process for conducting a diligent search that includes, but is not limited to, distributing job announcements, contacting college and university placement centers, advertising in local newspapers, exploring incentives included in the Teaching as a Priority Block Grant (refer to www.cde.ca.gov for details), participating in state and regional recruitment centers and participating in job fairs in California.

If a suitable fully prepared teacher is not available to the school district, the district made reasonable efforts to recruit an individual for the assignment, in the following order:

- A candidate who qualifies and agrees to participate in an approved internship program in the region of the school district
- An individual who is scheduled to complete initial preparation requirements within six months

EFFORTS TO CERTIFY, ASSIGN, AND DEVELOP FULLY QUALIFIED PERSONNEL

Has your agency established a District Intern program? Yes No

If no, explain. _____

Does your agency participate in a Commission-approved college or university internship program? Yes No

If yes, how many interns do you expect to have this year? 3

If yes, list each college or university with which you participate in an internship program.

CSUSM, SDSU, National University, USD

If no, explain why you do not participate in an internship program.

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: May 15, 2020

BOARD MEETING DATE: May 21, 2020

PREPARED AND SUBMITTED BY: Robert A. Haley, Ed.D., Superintendent

SUBJECT: ACCEPTANCE OF GIFTS AND DONATIONS

EXECUTIVE SUMMARY

The district administration is requesting acceptance of gifts and donations to the district, as shown on the following report.

RECOMMENDATION:

It is recommended that the Board accept the gifts and donations to the district, as shown on the attached report.

FUNDING SOURCE:

Not applicable

GIFTS AND DONATIONS
SDUHSD BOARD MEETING
May,21, 2020

ITEM 10g

Item #	Donation	Description	Donor	Department	School Site
1	\$100.00	Miscellaneous Donation	Your Cause-ABBVIE employee engagement fund	TPHS	TPHS
2	\$655.00	Donation	Oak Crest Middle School PTSA	Spanish	OCMS
3	\$100.00	Miscellaneous Donation	S. Rao	OCMS	OCMS
4	\$200.00	Donation for Blankets and Mats	Oak Crest Middle School PTSA	OCMS	OCMS
5	\$300.00	Donation for English and History	Oak Crest Middle School PTSA	English/History	OCMS
6	\$700.00	Donation- Wave Buddies	Oak Crest Middle School PTSA	Special Ed	OCMS
7	\$1,000.00	Donation- Art	Oak Crest Middle School PTSA	Art	OCMS
8	\$1,150.00	Donation- Ipod Touches	Oak Crest Middle School PTSA	Art	OCMS
9	\$200.00	Miscellaneous Donation	Diane and R.A. Debolt	PTMS	PTMS
10	\$1,952.93	Music Support Costs- Music Coaches	San Dieguito Academy Music Council	Music	SDHSA
11	\$443.68	Math Support Costs- After School Math Tutors	San Dieguito Academy Foundation	Math	SDHSA
12	\$2,440.98	English Support Costs - Writing Lab Tutor	San Dieguito Academy Foundation	English	SDHSA
13	\$35,462.71	Athletic Support Costs- Winter Floater Coaches	San Dieguito Academy Athletic Foundation	Athletics	SDHSA
14	\$7,401.24	Support Costs- Community Day, Study Hall, Conservatories, Custodial: Foundation Events	Canyon Crest Academy Foundation	CCA	CCA
15	\$13,229.03	Support Costs- Envision Program Guest Artists	Canyon Crest Academy Foundation	CCA	CCA
16	\$62,170.31	Support Costs- Envision Program Guest Artists; Custodial for Foundation Events,Furniture, Chromebooks, Airbike Performance Monitor, Weight Room Equipment Maintenance	Canyon Crest Academy Foundation	CCA	CCA
17	\$9,150.02	Support Costs- Envision Program Guest Artists	Canyon Crest Academy Foundation	CCA	CCA
18	\$18,839.87	Donation- Chromebooks, Anywhere Carts, Furniture, World Language Conference	Canyon Crest Academy Foundation	CCA	CCA
19	\$12.00	Miscellaneous Donation	Your Cause- AT&T employee engagement fund	EWMS	EWMS
20	\$12.00	Miscellaneous Donation	Your Cause- AT&T employee engagement fund	EWMS	EWMS
21	\$44,677.93	Athletic Support Costs- Winter Floater Coaches	La Costa Canyon High School Foundation	Athletics	LCCHS
22	\$2,024.39	Support Costs- Theater Tech for Foundation Events	La Costa Canyon High School Foundation	LCCHS	LCCHS
23	\$1,172.44	Music Support Costs- Music Coaches and Color Guard Coach	La Costa Canyon High School Foundation	Music	LCCHS
24	\$60,054.83	Athletic Support Costs- Winter Floater Coaches	Canyon Crest Academy Foundation	Athletics	CCA
25	\$8,888.14	Support Costs- Envision Program Conservatories; Custodial for Foundation Events, Clubs, Study Hall, Conferences & Workshops, Weight Room Equipment Maintenance	Canyon Crest Academy Foundation	CCA	CCA
26	\$380.08	Field Trip: Chemistry Class to UCSD Pacific Hall	Canyon Crest Academy Foundation	Science	CCA
27	\$479.18	Field Trip: Adv Engineering Tech Class to DRS Daylight Solutions	Canyon Crest Academy Foundation	Science	CCA
28	\$165,000.00	Maverick Park Project	La Costa Canyon High School Foundation	LCCHS	LCCHS
		*Donated Items:			
	\$7,500.00	Vehicle	V&A Consulting Engineers	Auto Shop	SDHSA
	\$438,196.76	Monetary Donations			
	\$7,500.00	*Value of Donated Items			
	\$445,696.76	TOTAL VALUE			

San Dieguito Union High School District

INFORMATION FOR BOARD OF TRUSTEES

TO: BOARD OF TRUSTEES
DATE OF REPORT: May 12, 2020
BOARD MEETING DATE: May 21, 2020
PREPARED BY: John Addleman, Exec. Dir. of Planning Services
SUBMITTED BY: Robert A. Haley, Superintendent
SUBJECT: 2020 GENERAL OBLIGATION REFUNDING BONDS

EXECUTIVE SUMMARY

On April 24, 2020, the District was able to successfully price the San Dieguito Union High School District 2020 General Obligation Refunding Bonds. As a result of the financing team's hard work, the District was able to secure total taxpayer savings of \$11.36 million (\$7.5 million present value savings) at a true interest cost of 2.47 percent taking into account the underwriter's cost of \$383,212.50, and an all-in true interest cost of 2.49 percent adding in cost of issuance expense of \$301,787.50.

Upon successfully closing the transaction today, pursuant to Board Policy 7214, the following table lists the final cost of issuance associated with the bonds.

<u>Services</u>	<u>Interested Party</u>	<u>Total</u>
Bond Counsel	Orrick Herrington & Sutcliffe	55,000.00
Bond Counsel - Expenses	Orrick Herrington & Sutcliffe	2,500.00
Disclosure Counsel	Stradling Yocca Carlson & Rauth	35,000.00
Financial Advisor (incl. expenses)	Fieldman, Rolapp & Associates, Inc.	38,500.00
Reimbursement for Calmuni Data	Fieldman, Rolapp & Associates, Inc.	1,500.00
Rating Agency	Moody's Investors Service	70,000.00
Rating Agency	S&P Global Ratings	79,000.00
District Counsel	Laura Romano	1,000.00
COI Custodian Services	U.S. Bank	800.00
Paying Agent	San Diego County	2,000.00
Escrow Agent	U.S. Bank	1,650.00
Verification Agent	Causey Demgen & Moore P.C.	10,000.00
Printer	AVIA	1,995.99
Contingency	-	2,841.51
Total Cost of Issuance		\$ 301,787.50

RECOMMENDATION:

This item is being submitted as an information item for review.