



Financial Statements  
June 30, 2024

# Vista Unified School District

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## Independent Auditor's Report

To the Governing Board  
Vista Unified School District  
Vista, California

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Vista Unified School District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Vista Unified School District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the District's total OPEB liability and related ratios, schedule of the District's proportionate share of the net OPEB liability - MPP program, schedule of the District's proportionate share of the net pension liability - CalSTRS, schedule of the District's proportionate share of the net pension liability - CalPERS, schedule of the District's contributions - CalSTRS, and schedule of the District's contributions - CalPERS, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, combining non-major governmental fund financial statements, and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards, combining non-major governmental fund financial statements, and other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Rancho Cucamonga, California  
April 29, 2025



EXCELLENCE ★ INNOVATION

Superintendent: Matt Doyle, Ed.D.

Board Members: Martha Alvarado, Julie Kelly, Rena Marrocco, Rosemary Smithfield, and Cipriano Vargas

This section of Vista Unified School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2024, with comparative information for the year ending June 30, 2023. Please read it in conjunction with the District's financial statements, which immediately follow this section.

## OVERVIEW OF THE FINANCIAL STATEMENTS

### The Financial Statements

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

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

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

The *Fund Financial Statements* include statements for each of the two categories of activities: governmental and proprietary.

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

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

The purpose of Vista Unified School District is to inspire every student to persevere as a critical thinker who collaborates to solve real world problems.

## REPORTING THE DISTRICT AS A WHOLE

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

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

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

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

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

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

**Business-Type Activities** – The District charges fees to help cover the costs of certain services it provides. The District has a fee-based child care program that is included here.

## REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

### Fund Financial Statements

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

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

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

**Proprietary Funds** - When the District charges users for the services it provides, whether to outside customers or to other departments within the District, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Fund Net Position. In fact, the District's enterprise funds are the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds. In addition, we use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the District's other programs and activities, such as the District's Self-Insurance Fund. The internal service funds are reported with governmental activities in the government-wide financial statements.

## FINANCIAL HIGHLIGHTS

- The increase in Local Control Funding Formula (LCFF) sources from 2022-2023 to 2023-2024 was \$6.82 million. The increase in LCFF revenues was due to the 8.22% statutory cost of living adjustment (COLA) and LCFF augmentation. The District's LCFF was funded on a three prior-year average ADA of 18,328. The District's Unduplicated Pupil Percentage was 65.708%, which generated \$41 million in Supplemental and Concentration dollars.
- The General Fund expenditures increased by \$32.4 million or 10% over the previous year amount primarily due to the use of COVID-19 relief funds, including for capital projects such as the heat, ventilation and air conditioning (HVAC) upgrade and continued expansion of our learning recovery programs.
- Total General Fund revenues and other sources exceeded expenditures and other uses by \$21.2 million.
- The General Fund ended the fiscal year with 11.56% reserves in the unrestricted fund balance.

## THE DISTRICT AS A WHOLE

### Net Position

The District's net position was \$125,352,952 for the fiscal year ended June 30, 2024. Of this amount, \$(190,008,168) was unrestricted (deficit). Restricted net position is reported separately to show legal constraints from debt covenants, grantors, constitutional provisions, and enabling legislation that limit the Governing Board's ability to use that net position for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1 - Net Position) and change in net position (Table 2 - Changes in Net Position) of the District's governmental and business-type activities.

**Table 1**

|   | Governmental Activities |                | Business-Type Activities |              | Total          |                |
|---|-------------------------|----------------|--------------------------|--------------|----------------|----------------|
|   | 2024                    | 2023           | 2024                     | 2023         | 2024           | 2023           |
| <b>Assets</b>                                     |                         |                |                          |              |                |                |
| Current and other assets                          | \$ 373,232,595          | \$ 391,177,619 | \$ 4,083,412             | \$ 1,746,650 | \$ 377,316,007 | \$ 392,924,269 |
| Capital assets                                    | 318,080,802             | 287,528,221    | -                        | -            | 318,080,802    | 287,528,221    |
| Total assets                                      | 691,313,397             | 678,705,840    | 4,083,412                | 1,746,650    | 695,396,809    | 680,452,490    |
| Deferred outflows of resources                    | 81,684,070              | 65,924,284     | 605,436                  | 843,155      | 82,289,506     | 66,767,439     |
| <b>Liabilities</b>                                |                         |                |                          |              |                |                |
| Current liabilities                               | 44,616,837              | 52,877,747     | 79,356                   | 128,762      | 44,696,193     | 53,006,509     |
| Long-term liabilities other than OPEB and pension | 286,559,826             | 305,013,588    | -                        | -            | 286,559,826    | 305,013,588    |
| Other postemployment benefits liability           | 34,878,002              | 28,919,836     | -                        | -            | 34,878,002     | 28,919,836     |
| Aggregate net pension liability                   | 248,508,510             | 237,213,260    | 2,539,744                | 2,675,571    | 251,048,254    | 239,888,831    |
| Total liabilities                                 | 614,563,175             | 624,024,431    | 2,619,100                | 2,804,333    | 617,182,275    | 626,828,764    |
| Deferred inflows of resources                     | 35,012,193              | 46,952,596     | 138,895                  | 116,381      | 35,151,088     | 47,068,977     |
| <b>Net Position</b>                               |                         |                |                          |              |                |                |
| Net investment in capital assets                  | 180,398,172             | 161,605,533    | -                        | -            | 180,398,172    | 161,605,533    |
| Restricted  | 134,962,948             | 122,625,355    | -                        | -            | 134,962,948    | 122,625,355    |
| Unrestricted (deficit)                            | (191,939,021)           | (210,577,791)  | 1,930,853                | (330,909)    | (190,008,168)  | (210,908,700)  |
| Total net position (deficit)                      | \$ 123,422,099          | \$ 73,653,097  | \$ 1,930,853             | \$ (330,909) | \$ 125,352,952 | \$ 73,322,188  |

The \$(191,939,021) in unrestricted (deficit) of governmental activities represents the accumulated results of all past years' operations, which also includes the District's long-term pension and OPEB obligations. Unrestricted (deficit) - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – decreased by 8.85% from \$(210,577,791) in 2023 to \$(191,939,021) in 2024.

**Changes in Net Position**

The results of this year's operations for the District as a whole are reported in the *Statement of Activities* on pages 18 and 19. Table 2 takes the information from the statement and rearranges them slightly so you can see our total revenues for the year.

**Table 2**

|                                      | Governmental Activities |                      | Business-Type Activities |                   | Total                |                      |
|--------------------------------------|-------------------------|----------------------|--------------------------|-------------------|----------------------|----------------------|
|                                      | 2024                    | 2023                 | 2024                     | 2023              | 2024                 | 2023                 |
| <b>Revenues</b>                      |                         |                      |                          |                   |                      |                      |
| Program revenues                     |                         |                      |                          |                   |                      |                      |
| Charges for services and sales       | \$ 4,534,645            | \$ 3,400,621         | \$ 3,190,008             | \$ 3,233,740      | \$ 7,724,653         | \$ 6,634,361         |
| Operating grants and contributions   | 136,134,433             | 148,452,641          | -                        | -                 | 136,134,433          | 148,452,641          |
| Capital grants and contributions     | 11,897                  | -                    | -                        | -                 | 11,897               | -                    |
| General revenues                     |                         |                      |                          |                   |                      |                      |
| Federal and State aid not restricted | 153,283,448             | 150,484,206          | -                        | -                 | 153,283,448          | 150,484,206          |
| Property taxes                       | 130,225,092             | 126,189,411          | -                        | -                 | 130,225,092          | 126,189,411          |
| Other general revenues               | 15,832,575              | 9,186,527            | 59,715                   | (23,768)          | 15,892,290           | 9,162,759            |
| Total revenues                       | <u>440,022,090</u>      | <u>437,713,406</u>   | <u>3,249,723</u>         | <u>3,209,972</u>  | <u>443,271,813</u>   | <u>440,923,378</u>   |
| <b>Expenses</b>                      |                         |                      |                          |                   |                      |                      |
| Instruction-related                  | 272,858,212             | 243,071,043          | -                        | -                 | 272,858,212          | 243,071,043          |
| Pupil services                       | 43,117,206              | 35,518,885           | -                        | -                 | 43,117,206           | 35,518,885           |
| Administration                       | 18,004,215              | 16,279,759           | -                        | -                 | 18,004,215           | 16,279,759           |
| Plant services                       | 30,216,094              | 30,668,614           | -                        | -                 | 30,216,094           | 30,668,614           |
| All other services                   | 26,057,361              | 22,924,180           | 987,961                  | 2,246,125         | 27,045,322           | 25,170,305           |
| Total expenses                       | <u>390,253,088</u>      | <u>348,462,481</u>   | <u>987,961</u>           | <u>2,246,125</u>  | <u>391,241,049</u>   | <u>350,708,606</u>   |
| Change in net position               | <u>\$ 49,769,002</u>    | <u>\$ 89,250,925</u> | <u>\$ 2,261,762</u>      | <u>\$ 963,847</u> | <u>\$ 52,030,764</u> | <u>\$ 90,214,772</u> |

**Governmental Activities**

As reported in the *Statement of Activities* on pages 18 and 19, the cost of all of our governmental activities this year was \$390,253,088. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only \$130,225,092 because the cost was paid by those who benefited from the programs (\$4,534,645) or by other governments and organizations who subsidized certain programs with grants and contributions (\$136,146,330). We paid for the remaining “public benefit” portion of our governmental activities with \$169,116,023 in State funds, and with other revenues, like interest and general entitlements.

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

**Table 3**

|                     | Total Cost of Services |                       | Net Cost of Services    |                         |
|---------------------|------------------------|-----------------------|-------------------------|-------------------------|
|                     | 2024                   | 2023                  | 2024                    | 2023                    |
| Instruction-related | \$ 272,858,212         | \$ 243,071,043        | \$ (189,223,892)        | \$ (141,112,251)        |
| Pupil services      | 43,117,206             | 35,518,885            | (12,812,177)            | (10,076,816)            |
| Administration      | 18,004,215             | 16,279,759            | (13,757,909)            | (7,494,832)             |
| Plant services      | 30,216,094             | 30,668,614            | (20,943,652)            | (27,273,360)            |
| All other services  | 26,057,361             | 22,924,180            | (12,834,483)            | (10,651,960)            |
| <b>Total</b>        | <b>\$ 390,253,088</b>  | <b>\$ 348,462,481</b> | <b>\$ (249,572,113)</b> | <b>\$ (196,609,219)</b> |

**THE DISTRICT'S FUNDS**

As the District completed this year, our governmental funds reported a combined fund balance of \$327,313,346, which is a decrease of \$9,891,591 from last year (Table 4 - Governmental Funds).

**Table 4**

| Governmental Fund                                   | Balances and Activity |  |   |                       |
|---|-----------------------|--|---|-----------------------|
|   | July 1, 2023          | Revenues and<br>Other Financing<br>Sources | Expenditures and<br>Other Financing<br>Uses | June 30, 2024         |
| General   | \$ 121,548,964        | \$ 377,284,957                             | \$ 355,717,477                              | \$ 143,116,444        |
| Adult Education                                     | 2,993,070             | 11,505,573                                 | 10,775,227                                  | 3,723,416             |
| Student Activity                                    | 1,501,643             | 1,822,065                                  | 1,946,750                                   | 1,376,958             |
| Cafeteria   | 11,324,704            | 16,595,721                                 | 13,423,668                                  | 14,496,757            |
| Building  | 113,446,816           | 5,307,828                                  | 32,973,021                                  | 85,781,623            |
| Capital Facilities                                  | 11,375,946            | 1,908,591                                  | 254,603                                     | 13,029,934            |
| County School Facilities                            | 314                   | 1,365,744                                  | 1,379,753                                   | (13,695)              |
| Special Reserve Fund for<br>Capital Outlay Projects | 49,005,877            | 8,880,936                                  | 11,455,745                                  | 46,431,068            |
| Bond Interest and Redemption                        | 26,007,603            | 18,442,124                                 | 25,078,886                                  | 19,370,841            |
| <b>Total</b>  | <b>\$ 337,204,937</b> | <b>\$ 443,113,539</b>                      | <b>\$ 453,005,130</b>                       | <b>\$ 327,313,346</b> |

The primary reasons for these increases/decreases are:

1. Our General Fund is our principal operating fund. The fund balance in the General Fund increased by \$21.5 million to \$143.1 million. This increase is due to:
  - a. Recognition of State and Federal COVID-19 relief funds that were used to support students' safety, learning loss, social and emotional supports, and the receiving of COHORT 2 of Community Schools Grant These funds are one time in nature, and available to spend down over multiple years.
2. Adult Education revenues exceed expenditures by \$730,346.
3. Student Activity Fund expenses exceeded revenues (fundraising activities) by \$124,685.
4. Cafeteria Fund ending fund balance increased by \$3.2 million due to the universal free meals revenue model. The District has plans to implement much needed facilities modernizations to absorb some of the reserves and has started modernization of the child nutrition headquarters in the 2024-2025 school year.
5. Building Fund decreased \$27.7 million as we continue with the construction projects approved under Measure LL GO Bond Program.
6. Capital Facilities Fund received a positive influx of developer fees, in the amount of \$1.7 million.
7. County School Facilities Fund shows a negative balance due to the Fair Market Value entry required by GASB standard 31. The District has reversed the entry in the current year, bringing the fund balance close to zero.
8. Special Reserve Fund for Capital Outlay Projects – revenue from redevelopment funds and issuance of the 2022 certificates of participation. The District utilizes the funds for facilities projects outside of Measure LL.
9. Bond Interest and Redemption is used for the repayment of General Obligation Bonds. This fund is controlled by the county auditor and principal and interest on the bond is paid by the county treasurer from taxes levied by the county auditor. At unaudited actuals, ebbs and flows of the taxes levied and payments made during the year are recognized on the District's financial report.

### **General Fund Budgetary Highlights**

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was adopted on June 20, 2024. (A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 72.)

- Budget revisions to the adopted budget required after approval of the State budget (45 Day Revision)
- Budget revisions to update revenues to actual enrollment information and to update expenditures for staffing adjustments related to actual enrollments.
- Other budget revisions are routine in nature, including adjustments to categorical revenues and expenditures based on final awards, and adjustments between expenditure categories for school and department budgets.

The final revised budget for the General Fund reflected a net decrease to the ending balance of \$(5.6 million). However, the District ended the year with a \$21.2 million increase to the actual general fund ending balance, reflecting an improvement of \$26.8 million compared to the estimated budget. The District realized the improvement through a combination of State and Federal COVID-19 Relief funds, use of Federal Special Education funding carryover and other one-time revenues. The State recommends minimum reserves of three percent of District expenditures be maintained for economic uncertainties and the District surpassed this compliance with reserves of five percent as required by our Board Policy 3100.

**CAPITAL ASSETS AND LONG-TERM LIABILITIES**

**Capital Assets**

At June 30, 2024, the District had \$318,080,802 in a broad range of capital assets (net of depreciation and amortization), including land and construction in progress, land improvements, buildings and improvements, furniture and equipment, right-to-use leased assets, and right-to-use subscription IT assets. This amount represents a net increase (including additions, deductions, depreciation, and amortization) of \$30,552,581, or 10.63%, from last year.

|                                     | Governmental Activities |                |
|-------------------------------------|-------------------------|----------------|
|                                     | 2024                    | 2023           |
| Land and construction in progress   | \$ 60,004,892           | \$ 109,639,243 |
| Land improvements                   | 25,037,297              | 24,614,189     |
| Buildings and improvements          | 219,930,979             | 146,155,739    |
| Furniture and equipment             | 13,014,018              | 6,806,369      |
| Right-to-use leased assets          | 38,838                  | 137,515        |
| Right-to-use subscription IT assets | 54,778                  | 175,166        |
| Total                               | \$ 318,080,802          | \$ 287,528,221 |

The District continues to use Measure LL, Series B of 2022 and the 2022 Certificates of Participation (COP) to fund the several capital projects are planned for the 2024-2025 and 2025-2026 years. We anticipate capital additions to be \$54.2 million for the 2024-2025 year.

We present more detailed information about our capital assets in the notes to financial statements.

### Long-Term Liabilities

At the end of this year, the District had \$572,486,082 in long-term liabilities outstanding versus \$573,822,255 last year, a decrease of \$1,336,173, or 0.23%. Those long-term liabilities consisted of:

**Table 6**

|                                    | Governmental Activities |                | Business-Type Activities |              | Total          |                |
|------------------------------------|-------------------------|----------------|--------------------------|--------------|----------------|----------------|
|                                    | 2024                    | 2023           | 2024                     | 2023         | 2024           | 2023           |
| Long-Term Liabilities              |                         |                |                          |              |                |                |
| General obligation bonds           | \$ 231,546,571          | \$ 246,159,185 | \$ -                     | \$ -         | \$ 231,546,571 | \$ 246,159,185 |
| Unamortized premiums               | 14,556,983              | 15,560,346     | -                        | -            | 14,556,983     | 15,560,346     |
| Certificates of participation      | 35,555,000              | 36,615,000     | -                        | -            | 35,555,000     | 36,615,000     |
| Unamortized premiums               | 3,058,049               | 3,296,338      | -                        | -            | 3,058,049      | 3,296,338      |
| Finance purchase agreement         | -                       | -              | -                        | -            | -              | -              |
| Leases                             | 39,628                  | 139,373        | -                        | -            | 39,628         | 139,373        |
| Subscription-based IT arrangements | 25,369                  | 102,151        | -                        | -            | 25,369         | 102,151        |
| Supplemental early retirement plan | -                       | 1,736,438      | -                        | -            | -              | 1,736,438      |
| Compensated absences               | 1,778,226               | 1,404,757      | -                        | -            | 1,778,226      | 1,404,757      |
| OPEB liability                     | 34,878,002              | 28,919,836     | -                        | -            | 34,878,002     | 28,919,836     |
| Aggregate net pension liability    | 248,508,510             | 237,213,260    | 2,539,744                | 2,675,571    | 251,048,254    | 239,888,831    |
| Total                              | \$ 569,946,338          | \$ 571,146,684 | \$ 2,539,744             | \$ 2,675,571 | \$ 572,486,082 | \$ 573,822,255 |

Since 2022, the District maintained a general obligation bond rating, as per S&P Global Ratings as A+ (SPUR) rating which qualifies it as *stable*. The District is committed to maintaining sound financial practices to sustain or improve current rating. The State limits the amount of general obligation debt that districts can issue based on the assessed value of all taxable property within the District's boundaries. The District's outstanding general obligation debt is below the current statutorily-imposed limit.

Other liabilities include certificates of participation, finance purchase agreement, leases, subscription-based IT arrangements, a supplemental early retirement plan, compensated absences, other postemployment benefits (OPEB) liability (not including health benefits) and the aggregate net pension liability.

We present more detailed information regarding our long-term liabilities in the notes to financial statements.

## FACTORS BEARING ON THE DISTRICT'S FUTURE

The economic conditions of the State, along with federal regulations and mandates, significantly influence the District's future. The District's financial stability is largely dependent on the State's funding mechanism, known as the Local Control Funding Formula (LCFF).

Legislation passed in 2013 reformed California school district finance by creating the Local Control Funding Formula (LCFF). The LCFF is designed to provide a flexible funding mechanism that links student achievement to state funding levels. The LCFF provides a per-pupil base grant amount, by grade span, that is augmented by supplemental funding for targeted student groups in low-income brackets, those that are English language learners and foster youth. Factors related to LCFF that the District is monitoring include (1) estimates of funding in the next budget year and beyond; (2) the Local Control and Accountability Plan (LCAP) that aims to link student accountability measurements to funding allocations; (3) ensuring the integrity of reporting student data through the California Longitudinal Pupil Achievement Data System (CALPADS); and (4) meeting annual compliance and audit requirements.

Enrollment fluctuates due to population growth, competition from alternative school options, economic conditions and housing values. The District has projected a downward trend for enrollment for the next two school years which has a direct impact on the LCFF computation. Effective September 2022, Assembly Bill 185 amended *Education Code 42238.05* adding a third option for calculating funded average daily attendance (ADA), which benefits districts experiencing declining enrollment. Districts can now choose between current year, prior year or the average of the three most recent prior years ADA. The district benefited from this option for the 2023-2024 school year.

The District participates in state employee pension plans, California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) and both are historically underfunded. Employer rate contributions towards both retirement systems have been steadily increasing for the past several years, currently estimated at 19.10% and 26.68%, respectively, for the 2023-2024 school year.

The District's proportionate share of the liability is reported in the Statement of Net Position as of June 30, 2023. The amount of the liability is material to the financial position of the District. Despite reduction in the planned rate increases for CalSTRS, the projected increased pension costs to school employers remain a significant fiscal factor.

Addressing aging facilities remains a top priority for the District, with investments in the Deferred Maintenance Fund supported through Supplemental and Concentration grant allocations. The District is actively exploring additional funding opportunities to meet long-term facility needs. In preparation for the expiration of one-time COVID-19 relief funds in the 2023–2024 fiscal year, Vista Unified has been strategically planning for a smooth transition.

Those one-time dollars are represented in the table below.

In March 2021, the American Rescue Plan (ARP) was signed into law and provides California K-12 education with \$13.6 billion. Also, in March 2021, the State of California passed AB86, providing \$4.6 billion in Expanded Learning Opportunity (ELO) Grants and \$2.0 billion for In-Person Instruction (IPI) Grants. Other one-time allocations to LEAs to mitigate learning loss and teacher shortage were the Educator Effectiveness Grant and the Learning Recovery emergency Block Grant. Summary of the various aid and relief funding is below:

| Legislation                    | Use of Funds   | Expiration Date   | VUSD Amount    |
|--------------------------------|--|---|----------------|
| SB 117 – COVID-19              | Purchase of PPE & cleaning supplies  | No deadline   | \$0.3 million  |
| CARES – ESSER (LLMF)           | Coronavirus Response Activities  | September 30, 2022  | \$4.1 million  |
| CARES – GEER (LLMF)            | Student Learning; Health & Safety  | September 30, 2022  | \$1.5 million  |
| CARES – CRF (LLMF)             | Student Learning; Health & Safety  | May 31, 2021  | \$14.8 million |
| GF (LLMF)                      | Student Learning; Health & Safety  | June 30, 2021   | \$1.7 million  |
| CRRSA                          | Coronavirus Response Activities (aka ESSER II)   | September 30, 2023  | \$18.4 million |
| ARP                            | Coronavirus Response Activities (aka ESSER III)  | September 30, 2024  | \$41.3 million |
| AB 86 - ELO                    | Learning Recovery  | Partial September 30, 2023 and Partial September 30, 2024 | \$15.0 million |
| AB 86 - IPI                    | In-Person Health, Safety, & Learning   | September 30, 2024  | \$7.8 million  |
| AB27 – ARP                     | ARP-Homeless Children & Youth II   | September 30, 2024  | \$0.3 million  |
| AB130 - Educator Effectiveness | Professional learning for teachers and administrators  | June 30, 2026   | \$5.2 million  |
| AB181 – AMIMBG                 | Arts, Music, instructional materials and discretionary   | June 30, 2026   | \$11.2 million |
| AB182 - LREBG                  | Extended learning time, accelerating progress to close learning gaps and integrated pupil supports | June 30, 2028   | \$23.6 million |

Following a successful return to in-person learning, Vista Unified continues to offer independent study as a learning option for those students who otherwise would face learning loss.

Looking into the future requires the District's administration and its board of trustees to plan carefully and prudently on how to apply resources to meet student needs over the next several years. The District considers early and effective intervention, identifies appropriate personnel actions, and maintain proper fiscal oversight. Vista Unified School District maintains an excellent track record in meeting these challenges.

All of these factors were considered in preparing the Vista Unified School District budget for the 2024-2025 fiscal year. Currently, the District is engaged in developing its Blueprint and budget for the 2025-2026 school year.

#### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, parents, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Ana Machado, Executive Director, Fiscal Services, at Vista Unified School District, 1234 Arcadia Avenue, Vista, California 92084, or e-mail at [anamachado@vistausd.org](mailto:anamachado@vistausd.org).

Vista Unified School District  
Statement of Net Position  
June 30, 2024

|  | Governmental<br>Activities | Business-Type<br>Activities | Total                 |
|--|----------------------------|-----------------------------|-----------------------|
| <b>Assets</b>  |                            |                             |                       |
| Deposits and investments   | \$ 326,281,788             | \$ 3,165,975                | \$ 329,447,763        |
| Receivables  | 43,947,199                 | 141,034                     | 44,088,233            |
| Internal balances  | (776,403)                  | 776,403                     | -                     |
| Prepaid items  | 6,231                      | -                           | 6,231                 |
| Stores inventories   | 622,458                    | -                           | 622,458               |
| Lease receivables  | 3,151,322                  | -                           | 3,151,322             |
| Capital assets not depreciated or amortized                                  | 60,004,892                 | -                           | 60,004,892            |
| Capital assets, net of accumulated depreciation and amortization             | 258,075,910                | -                           | 258,075,910           |
| Total assets   | <u>691,313,397</u>         | <u>4,083,412</u>            | <u>695,396,809</u>    |
| <b>Deferred Outflows of Resources</b>  |                            |                             |                       |
| Deferred charge on refunding   | 717,850                    | -                           | 717,850               |
| Deferred outflows of resources related to OPEB                               | 8,195,361                  | -                           | 8,195,361             |
| Deferred outflows of resources related to pensions                           | 72,770,859                 | 605,436                     | 73,376,295            |
| Total deferred outflows of resources   | <u>81,684,070</u>          | <u>605,436</u>              | <u>82,289,506</u>     |
| <b>Liabilities</b>   |                            |                             |                       |
| Accounts payable   | 36,174,657                 | 79,356                      | 36,254,013            |
| Interest payable   | 3,931,829                  | -                           | 3,931,829             |
| Unearned revenue   | 4,335,409                  | -                           | 4,335,409             |
| Claims liability   | 174,942                    | -                           | 174,942               |
| <b>Long-term liabilities</b>   |                            |                             |                       |
| Long-term liabilities other than OPEB and pensions due within one year       | 11,994,997                 | -                           | 11,994,997            |
| OPEB liability due in one year   | 2,480,130                  | -                           | 2,480,130             |
| Long-term liabilities other than OPEB and pensions due in more than one year | 274,564,829                | -                           | 274,564,829           |
| Other postemployment benefit (OPEB) liability                                | 32,397,872                 | -                           | 32,397,872            |
| Aggregate net pension liability  | 248,508,510                | 2,539,744                   | 251,048,254           |
| Total liabilities  | <u>614,563,175</u>         | <u>2,619,100</u>            | <u>617,182,275</u>    |
| <b>Deferred Inflows of Resources</b>   |                            |                             |                       |
| Deferred charge on refunding   | 958,260                    | -                           | 958,260               |
| Deferred inflows of resources related to OPEB                                | 9,764,743                  | -                           | 9,764,743             |
| Deferred inflows of resources related to pensions                            | 21,217,477                 | 138,895                     | 21,356,372            |
| Deferred inflows of resources related to leases                              | 3,071,713                  | -                           | 3,071,713             |
| Total deferred inflows of resources  | <u>35,012,193</u>          | <u>138,895</u>              | <u>35,151,088</u>     |
| <b>Net Position</b>  |                            |                             |                       |
| Net investment in capital assets   | 180,398,172                | -                           | 180,398,172           |
| <b>Restricted for</b>  |                            |                             |                       |
| Debt service   | 15,439,012                 | -                           | 15,439,012            |
| Capital projects   | 13,029,934                 | -                           | 13,029,934            |
| Educational programs   | 89,109,745                 | -                           | 89,109,745            |
| Other restrictions - self-insurance  | 2,162,528                  | -                           | 2,162,528             |
| Other restrictions - other activities  | 15,221,729                 | -                           | 15,221,729            |
| Unrestricted (deficit)   | (191,939,021)              | 1,930,853                   | (190,008,168)         |
| Total net position   | <u>\$ 123,422,099</u>      | <u>\$ 1,930,853</u>         | <u>\$ 125,352,952</u> |

Vista Unified School District  
Statement of Activities  
Year Ended June 30, 2024

| Functions/Programs                              | Expenses              | Program Revenues                     |  | Capital<br>Grants and<br>Contributions | Net (Expenses) Revenues and<br>Changes in Net Position |                                 |                      |
|---|-----------------------|--------------------------------------|--|--|--|---------------------------------|----------------------|
|   |                       | Charges for<br>Services and<br>Sales | Operating<br>Grants and<br>Contributions |  | Governmental<br>Activities                             | Business-<br>Type<br>Activities | Total                |
| <b>Governmental Activities</b>                  |                       |                                      |  |  |  |                                 |                      |
| Instruction                                     | \$ 228,866,587        | \$ 807,160                           | \$ 62,939,791                            | \$ 11,897                              | \$ (165,107,739)                                       | \$ -                            | \$ (165,107,739)     |
| Instruction-related activities                  |                       |                                      |  |  |  |                                 |                      |
| Supervision of instruction                      | 16,155,162            | 119,592                              | 14,748,045                               | -                                      | (1,287,525)  | -                               | (1,287,525)          |
| Instructional library, media,<br>and technology | 2,671,600             | 10,177                               | 565,176                                  | -                                      | (2,096,247)  | -                               | (2,096,247)          |
| School site administration                      | 25,164,863            | 41,499                               | 4,390,983                                | -                                      | (20,732,381)   | -                               | (20,732,381)         |
| Pupil services                                  |                       |                                      |  |  |  |                                 |                      |
| Home-to-school transportation                   | 8,542,674             | 238,771                              | 756,371                                  | -                                      | (7,547,532)  | -                               | (7,547,532)          |
| Food services                                   | 12,921,622            | 454,268                              | 15,637,806                               | -                                      | 3,170,452  | -                               | 3,170,452            |
| All other pupil services                        | 21,652,910            | 97,316                               | 13,120,497                               | -                                      | (8,435,097)  | -                               | (8,435,097)          |
| Administration                                  |                       |                                      |  |  |  |                                 |                      |
| Data processing                                 | 4,070,521             | -                                    | 55,242                                   | -                                      | (4,015,279)  | -                               | (4,015,279)          |
| All other administration                        | 13,933,694            | 106,791                              | 4,084,273                                | -                                      | (9,742,630)  | -                               | (9,742,630)          |
| Plant services                                  | 30,216,094            | 2,004,806                            | 7,267,636                                | -                                      | (20,943,652)   | -                               | (20,943,652)         |
| Ancillary services                              | 5,781,287             | 37,858                               | 2,919,368                                | -                                      | (2,824,061)  | -                               | (2,824,061)          |
| Community services                              | 217,389               | 169                                  | 307                                      | -                                      | (216,913)  | -                               | (216,913)            |
| Enterprise services                             | 729,830               | 420                                  | 864,063                                  | -                                      | 134,653  | -                               | 134,653              |
| Interest on long-term liabilities               | 10,615,199            | -                                    | -  | -                                      | (10,615,199)   | -                               | (10,615,199)         |
| Other outgo                                     | 8,713,656             | 615,818                              | 8,784,875                                | -                                      | 687,037  | -                               | 687,037              |
| <b>Total governmental activities</b>            | <b>390,253,088</b>    | <b>4,534,645</b>                     | <b>136,134,433</b>                       | <b>11,897</b>                          | <b>(249,572,113)</b>                                   | <b>-</b>                        | <b>(249,572,113)</b> |
| <b>Business-Type Activities</b>                 |                       |                                      |  |  |  |                                 |                      |
| Child care enterprise services                  | 987,961               | 3,190,008                            | -  | -                                      | -  | 2,202,047                       | 2,202,047            |
| <b>Total primary government</b>                 | <b>\$ 391,241,049</b> | <b>\$ 7,724,653</b>                  | <b>\$ 136,134,433</b>                    | <b>\$ 11,897</b>                       | <b>(249,572,113)</b>                                   | <b>2,202,047</b>                | <b>(247,370,066)</b> |

Vista Unified School District  
Statement of Activities  
Year Ended June 30, 2024

| Functions/Programs  | Expenses | Program Revenues               |                                    |                                  | Net (Expenses) Revenues and Changes in Net Position |                          |                |
|---|----------|--------------------------------|------------------------------------|----------------------------------|---|--------------------------|----------------|
|   |          | Charges for Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                             | Business-Type Activities | Total          |
| General Revenues and Subventions                                    |          |                                |                                    |                                  |   |                          |                |
| Property taxes, levied for general purposes                         |          |                                |                                    |                                  | \$ 107,522,211                                      | \$ -                     | \$ 107,522,211 |
| Property taxes, levied for debt service                             |          |                                |                                    |                                  | 17,466,031  | -                        | 17,466,031     |
| Taxes levied for other specific purposes                            |          |                                |                                    |                                  | 5,236,850   | -                        | 5,236,850      |
| Federal and State aid not restricted to specific purposes           |          |                                |                                    |                                  | 153,283,448   | -                        | 153,283,448    |
| Interest, investment earnings, and change in fair market valuations |          |                                |                                    |                                  | 11,680,698  | 59,715                   | 11,740,413     |
| Miscellaneous   |          |                                |                                    |                                  | 4,151,877   | -                        | 4,151,877      |
| Subtotal, general revenues and subventions                          |          |                                |                                    |                                  | 299,341,115   | 59,715                   | 299,400,830    |
| Change in Net Position  |          |                                |                                    |                                  | 49,769,002  | 2,261,762                | 52,030,764     |
| Net Position (Deficit) - Beginning                                  |          |                                |                                    |                                  | 73,653,097  | (330,909)                | 73,322,188     |
| Net Position - Ending   |          |                                |                                    |                                  | \$ 123,422,099                                      | \$ 1,930,853             | \$ 125,352,952 |

Vista Unified School District  
Balance Sheet – Governmental Funds  
June 30, 2024

|  | General<br>Fund              | Building<br>Fund            | Special Reserve<br>Fund for Capital<br>Outlay Projects | Non-Major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|------------------------------|-----------------------------|--|------------------------------------|--------------------------------|
| <b>Assets</b>  |                              |                             |  |                                    |                                |
| Deposits and investments   | \$ 138,669,221               | \$ 91,476,447               | \$ 42,472,463  | \$ 51,594,370                      | \$ 324,212,501                 |
| Receivables  | 38,865,903                   | 579,760                     | 53,808   | 4,193,430                          | 43,692,901                     |
| Due from other funds   | 2,044,638                    | -                           | 6,978,382  | 50,269                             | 9,073,289                      |
| Prepaid expenditures   | 6,231                        | -                           | -  | -                                  | 6,231                          |
| Stores inventories   | 202,695                      | -                           | -  | 419,763                            | 622,458                        |
| Lease receivables  | 3,151,322                    | -                           | -  | -                                  | 3,151,322                      |
| <b>Total assets</b>  | <b><u>\$ 182,940,010</u></b> | <b><u>\$ 92,056,207</u></b> | <b><u>\$ 49,504,653</u></b>                            | <b><u>\$ 56,257,832</u></b>        | <b><u>\$ 380,758,702</u></b>   |
| <b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>       |                              |                             |  |                                    |                                |
| <b>Liabilities</b>   |                              |                             |  |                                    |                                |
| Accounts payable   | \$ 25,292,122                | \$ 6,273,622                | \$ 2,076,702   | \$ 1,864,366                       | \$ 35,506,812                  |
| Due to other funds   | 7,130,971                    | 962                         | 996,883  | 2,402,606                          | 10,531,422                     |
| Unearned revenue   | 4,328,760                    | -                           | -  | 6,649                              | 4,335,409                      |
| <b>Total liabilities</b>   | <b><u>36,751,853</u></b>     | <b><u>6,274,584</u></b>     | <b><u>3,073,585</u></b>                                | <b><u>4,273,621</u></b>            | <b><u>50,373,643</u></b>       |
| <b>Deferred Inflows of Resources</b>                                       |                              |                             |  |                                    |                                |
| Deferred inflows of resources related to leases                            | 3,071,713                    | -                           | -  | -                                  | 3,071,713                      |
| <b>Fund Balances</b>   |                              |                             |  |                                    |                                |
| Nonspendable   | 458,926                      | -                           | -  | 651,986                            | 1,110,912                      |
| Restricted   | 86,098,437                   | 85,781,623                  | 46,431,068   | 50,633,812                         | 268,944,940                    |
| Committed  | 15,409,125                   | -                           | -  | -                                  | 15,409,125                     |
| Assigned   | -                            | -                           | -  | 712,108                            | 712,108                        |
| Unassigned   | 41,149,956                   | -                           | -  | (13,695)                           | 41,136,261                     |
| <b>Total fund balances</b>   | <b><u>143,116,444</u></b>    | <b><u>85,781,623</u></b>    | <b><u>46,431,068</u></b>                               | <b><u>51,984,211</u></b>           | <b><u>327,313,346</u></b>      |
| <b>Total liabilities, deferred inflows of resources, and fund balances</b> | <b><u>\$ 182,940,010</u></b> | <b><u>\$ 92,056,207</u></b> | <b><u>\$ 49,504,653</u></b>                            | <b><u>\$ 56,257,832</u></b>        | <b><u>\$ 380,758,702</u></b>   |

Vista Unified School District  
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
 June 30, 2024

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Total Fund Balance - Governmental Funds \$ 327,313,346

Amounts Reported for Governmental Activities in the  
 Statement of Net Position are Different Because

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

|  |                      |
|--|----------------------|
| The cost of capital assets is                | \$ 681,777,685       |
| Accumulated depreciation and amortization is | <u>(363,696,883)</u> |

|                    |             |
|--------------------|-------------|
| Net capital assets | 318,080,802 |
|--------------------|-------------|

In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term liabilities is recognized when it is incurred. (3,931,829)

An internal service fund is used by management to charge the costs of the dental and workers' compensation insurance programs to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities in the statement of net position. 2,162,528

Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the governmental funds. Deferred outflows of resources amounted to and related to

|                                 |                   |
|---------------------------------|-------------------|
| Deferred charge on refunding    | 717,850           |
| OPEB liability                  | 8,195,361         |
| Aggregate net pension liability | <u>72,770,859</u> |

|                                      |            |
|--------------------------------------|------------|
| Total deferred outflows of resources | 81,684,070 |
|--------------------------------------|------------|

Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported in the governmental funds. Deferred inflows of resources amount to and related to

|                                 |                     |
|---------------------------------|---------------------|
| Deferred charge on refunding    | (958,260)           |
| OPEB liability                  | (9,764,743)         |
| Aggregate net pension liability | <u>(21,217,477)</u> |

|                                     |              |
|-------------------------------------|--------------|
| Total deferred inflows of resources | (31,940,480) |
|-------------------------------------|--------------|

Aggregate net pension liability is not due and payable in the current period, and is not reported as a liability in the funds. (248,508,510)

Vista Unified School District  
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
 June 30, 2024

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The District's OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds. \$ (34,878,002)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Long-term liabilities at year-end consist of

|                                     |                  |
|-------------------------------------|------------------|
| General obligation bonds            | \$ (216,419,882) |
| Unamortized premium on bonds        | (14,556,983)     |
| Certificates of participation (COP) | (35,555,000)     |
| Unamortized premium on COP          | (3,058,049)      |
| Leases                              | (39,628)         |
| Subscription-based IT arrangements  | (25,369)         |
| Compensated absences                | (1,778,226)      |

In addition, capital appreciation general obligation bonds were issued. The accretion of interest to date on the general obligation bonds is (15,126,689)

Total long-term liabilities (286,559,826)

Total net position - governmental activities \$ 123,422,099

**Vista Unified School District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds**  
**Year Ended June 30, 2024**

|  | General<br>Fund       | Building<br>Fund     | Special Reserve<br>Fund for Capital<br>Outlay Projects | Non-Major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|-----------------------|----------------------|--|------------------------------------|--------------------------------|
| <b>Revenues</b>                                      |                       |                      |  |                                    |                                |
| Local Control Funding Formula (LCFF)                 | \$ 252,317,183        | \$ -                 | \$ -   | \$ -                               | \$ 252,317,183                 |
| Federal sources                                      | 41,321,799            | -                    | -  | 11,182,176                         | 52,503,975                     |
| Other State sources                                  | 53,596,226            | -                    | -  | 17,498,269                         | 71,094,495                     |
| Other local sources                                  | 30,039,961            | 5,307,489            | 7,501,522  | 22,959,373                         | 65,808,345                     |
| Total revenues                                       | <u>377,275,169</u>    | <u>5,307,489</u>     | <u>7,501,522</u>                                       | <u>51,639,818</u>                  | <u>441,723,998</u>             |
| <b>Expenditures</b>                                  |                       |                      |  |                                    |                                |
| <b>Current</b>                                       |                       |                      |  |                                    |                                |
| Instruction  | 219,614,678           | -                    | -  | 1,595,921                          | 221,210,599                    |
| Instruction-related activities                       |                       |                      |  |                                    |                                |
| Supervision of instruction                           | 16,780,923            | -                    | -  | -                                  | 16,780,923                     |
| Instructional library, media,<br>and technology      | 2,753,147             | -                    | -  | -                                  | 2,753,147                      |
| School site administration                           | 24,876,894            | -                    | -  | 1,500,913                          | 26,377,807                     |
| Pupil services                                       |                       |                      |  |                                    |                                |
| Home-to-school<br>transportation                     | 11,136,152            | -                    | -  | -                                  | 11,136,152                     |
| Food services  | (25,804)              | -                    | -  | 12,956,423                         | 12,930,619                     |
| All other pupil services                             | 22,180,592            | -                    | -  | 315,745                            | 22,496,337                     |
| Administration                                       |                       |                      |  |                                    |                                |
| Data processing                                      | 4,269,383             | -                    | -  | -                                  | 4,269,383                      |
| All other administration                             | 13,393,094            | -                    | -  | 715,343                            | 14,108,437                     |
| Plant services                                       | 29,955,608            | 13,672               | 12,797   | 528,322                            | 30,510,399                     |
| Ancillary services                                   | 3,758,808             | -                    | -  | 1,946,750                          | 5,705,558                      |
| Community services                                   | 178,108               | -                    | -  | -                                  | 178,108                        |
| Other outgo  | 1,969,287             | -                    | -  | 6,744,369                          | 8,713,656                      |
| Enterprise services                                  | 745,361               | -                    | -  | -                                  | 745,361                        |
| Facility acquisition and<br>construction             | 3,937,303             | 32,959,349           | 8,732,536  | 96,462                             | 45,725,650                     |
| Debt service   |                       |                      |  |                                    |                                |
| Principal  | 176,527               | -                    | 1,060,000  | 15,920,000                         | 17,156,527                     |
| Interest and other                                   | 2,799                 | -                    | 1,650,412  | 9,158,886                          | 10,812,097                     |
| Total expenditures                                   | <u>355,702,860</u>    | <u>32,973,021</u>    | <u>11,455,745</u>                                      | <u>51,479,134</u>                  | <u>451,610,760</u>             |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>21,572,309</u>     | <u>(27,665,532)</u>  | <u>(3,954,223)</u>                                     | <u>160,684</u>                     | <u>(9,886,762)</u>             |
| <b>Other Financing Sources (Uses)</b>                |                       |                      |  |                                    |                                |
| Transfers in   | 9,788                 | 339                  | 1,379,414  | -                                  | 1,389,541                      |
| Transfers out  | (14,617)              | -                    | -  | (1,379,753)                        | (1,394,370)                    |
| Net Financing Sources (Uses)                         | <u>(4,829)</u>        | <u>339</u>           | <u>1,379,414</u>                                       | <u>(1,379,753)</u>                 | <u>(4,829)</u>                 |
| Net Change in Fund Balances                          | 21,567,480            | (27,665,193)         | (2,574,809)  | (1,219,069)                        | (9,891,591)                    |
| Fund Balance - Beginning                             | 121,548,964           | 113,446,816          | 49,005,877   | 53,203,280                         | 337,204,937                    |
| Fund Balance - Ending                                | <u>\$ 143,116,444</u> | <u>\$ 85,781,623</u> | <u>\$ 46,431,068</u>                                   | <u>\$ 51,984,211</u>               | <u>\$ 327,313,346</u>          |

Vista Unified School District  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental  
 Funds to the Statement of Activities  
 Year Ended June 30, 2024

Total Net Change in Fund Balances - Governmental Funds \$ (9,891,591)

Amounts Reported for Governmental Activities in the Statement of  
 Activities are Different Because

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

|                                       |                     |  |
|---------------------------------------|---------------------|--|
| Capital outlay                        | \$ 49,696,813       |  |
| Depreciation and amortization expense | <u>(19,144,232)</u> |  |

|                        |  |            |
|------------------------|--|------------|
| Net expense adjustment |  | 30,552,581 |
|------------------------|--|------------|

In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) and supplementary retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This is the difference between vacation and supplementary retirement benefits earned and used.

1,362,969

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

9,795,805

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

328,562

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

|   |  |           |
|---|--|-----------|
| Premium amortization                      |  | 1,241,652 |
| Deferred charge on refunding amortization |  | 81,881    |

Vista Unified School District  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental  
 Funds to the Statement of Activities  
 Year Ended June 30, 2024

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

|                                    |               |
|------------------------------------|---------------|
| General obligation bonds           | \$ 15,920,000 |
| Certificates of participation      | 1,060,000     |
| Leases                             | 99,745        |
| Subscription-based IT arrangements | 76,782        |

Interest on long-term liabilities in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the Statement of Activities is the result of two factors. First, accrued interest on the general obligation bonds decreased by \$180,751, and second, \$1,307,386 of additional accumulated interest was accreted on the District's "capital appreciation" general obligation bonds.

(1,126,635)

An internal service fund is used by management to charge the costs of the self insurance program to the individual funds. The net revenue of the Internal Service Fund is reported with governmental activities.

267,251

Change in net position of governmental activities

\$ 49,769,002

Vista Unified School District  
Statement of Net Position – Proprietary Funds  
June 30, 2024

|  | Business-Type<br>Activities<br>Child Care<br>Enterprise<br>Fund | Governmental<br>Activities<br><br>Internal<br>Service Fund |
|--|---|--|
| <b>Assets</b>                                      |   |  |
| Current assets                                     |   |  |
| Deposits and investments                           | \$ 3,165,975  | \$ 2,069,287   |
| Receivables  | 141,034   | 254,298  |
| Due from other funds                               | 831,636   | 681,730  |
| Total current assets                               | 4,138,645   | 3,005,315  |
| Deferred Outflows of Resources                     |   |  |
| Deferred outflows of resources related to pensions | 605,436   | -  |
| <b>Liabilities</b>                                 |   |  |
| Current liabilities                                |   |  |
| Accounts payable                                   | 79,356  | 667,845  |
| Due to other funds                                 | 55,233  | -  |
| Claims liability                                   | -   | 174,942  |
| Total current liabilities                          | 134,589   | 842,787  |
| Noncurrent liabilities                             |   |  |
| Net pension liability                              | 2,539,744   | -  |
| Total liabilities                                  | 2,674,333   | 842,787  |
| Deferred Inflows of Resources                      |   |  |
| Deferred inflows of resources related to pensions  | 138,895   | -  |
| <b>Net Position</b>                                |   |  |
| Restricted for self-insurance                      | -   | 2,162,528  |
| Unrestricted                                       | 1,930,853   | -  |
| Total net position                                 | \$ 1,930,853  | \$ 2,162,528   |

Vista Unified School District  
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds  
Year Ended June 30, 2024

|  | Business-Type<br>Activities<br><u>Child Care<br/>Enterprise<br/>Fund</u> | Governmental<br>Activities<br><u>Internal<br/>Service Fund</u> |
|--|--|--|
| Operating Revenues                       |  |  |
| Charges for services                     | \$ 3,190,008   | \$ 8,568,633   |
| Operating Expenses                       |  |  |
| Payroll costs                            | 841,475  | -  |
| Professional and contract services       | -  | 8,383,687  |
| Supplies and materials                   | 16,100   | -  |
| Other operating costs                    | 130,386  | -  |
| Total operating expenses                 | <u>987,961</u>   | <u>8,383,687</u>   |
| Operating Income                         | <u>2,202,047</u>   | <u>184,946</u>   |
| Nonoperating Revenues                    |  |  |
| Unrealized gain (loss) on investments    | (2,007)  | 22,921   |
| Interest income                          | 61,722   | 54,555   |
| Total nonoperating revenue               | <u>59,715</u>  | <u>77,476</u>  |
| Income before transfers                  | 2,261,762  | 262,422  |
| Transfers in                             | -  | 14,617   |
| Transfers out                            | -  | (9,788)  |
| Change in Net Position                   | 2,261,762  | 267,251  |
| Total Net Position (Deficit) - Beginning | <u>(330,909)</u>   | <u>1,895,277</u>   |
| Total Net Position - Ending              | <u>\$ 1,930,853</u>  | <u>\$ 2,162,528</u>  |

Vista Unified School District  
Statement of Cash Flows – Proprietary Funds  
Year Ended June 30, 2024

|   | Business-Type<br>Activities<br>Child Care<br>Enterprise<br>Fund | Governmental<br>Activities<br><br>Internal<br>Service Fund |
|---|---|--|
| <b>Operating Activities</b>   |   |  |
| Cash received from customers  | \$ 3,221,731  | \$ -   |
| Cash receipts from interfund services provided                                      | -   | 8,534,743  |
| Cash payments to suppliers of goods or services                                     | (65,506)  | (8,531,488)  |
| Cash payments to employees for services   | (1,569,865)   | -  |
| Other operating cash payments   | (130,386)   | -  |
| <b>Net Cash from Operating Activities</b>   | <b>1,455,974</b>  | <b>3,255</b>   |
| <b>Capital and Related Financing Activities</b>                                     |   |  |
| Transfers from other funds  | -   | 14,617   |
| Transfers to other funds  | -   | (9,788)  |
| <b>Net Cash from Capital and<br/>Related Financing Activities</b>                   | <b>-</b>  | <b>4,829</b>   |
| <b>Investing Activities</b>   |   |  |
| Interest on investments   | 53,469  | 77,159   |
| <b>Net Change in Cash and Cash Equivalents</b>                                      | <b>1,509,443</b>  | <b>85,243</b>  |
| Cash and Cash Equivalents, Beginning  | 1,656,532   | 1,984,044  |
| <b>Cash and Cash Equivalents, Ending</b>  | <b>\$ 3,165,975</b>   | <b>\$ 2,069,287</b>  |
| <b>Reconciliation of Operating Income to Net Cash<br/>From Operating Activities</b> |   |  |
| Operating income  | \$ 2,202,047  | \$ 184,946   |
| Adjustments to reconcile operating income<br>to net cash from operating activities  |   |  |
| Changes in assets and liabilities   |   |  |
| Receivables   | 31,723  | (244,144)  |
| Due from other fund   | (830,740)   | 210,254  |
| Deferred outflows of resources  | 237,719   | -  |
| Accrued liabilities   | (49,406)  | (147,801)  |
| Due to other fund   | (22,056)  | -  |
| Deferred inflows of resources   | (135,827)   | -  |
| Net pension liability   | 22,514  | -  |
| <b>Net Cash from Operating Activities</b>   | <b>\$ 1,455,974</b>   | <b>\$ 3,255</b>  |

## Note 1 - Summary of Significant Accounting Policies

### Financial Reporting Entity

The Vista Unified School District (the District) was organized in 1936 under the laws of the State of California. The District operates under a locally elected five-member Board form of government and provides educational services to grades Kindergarten - 12 as mandated by the State and/or Federal agencies. The District is currently operating fifteen elementary schools, five middle schools, three comprehensive high schools, two alternative high schools, one early childhood special education center, one blended learning/independent study middle/high school, an adult education school, and an adult transition center.

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

### Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. For financial reporting purposes, the component units described below have a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 80, *Blending Requirements For Certain component Units* and thus are included in the financial statements of the District. The component units, although legally separate entities, are reported in the financial statements as if they were part of the District's operations because the governing board of the component units is essentially the same as the governing board of the District and because their purpose is to finance the construction of facilities to be used for the benefit of the District.

The Vista Unified School District Improvement Corporation (the Corporation) has a financial and operational relationship with the Vista Unified School District which meet the reporting entity definition criteria of a component unit of Vista Unified School District. Certificates of participation (COPs) issued by the Corporation are included as long-term liabilities in the government-wide financial statements. The COP's financial activity is presented in the financial statements as the Debt Service Fund for Blended Component Units. Individually-prepared financial statements are not prepared for the Corporation.

### Other Related Entities

**Charter Schools** The District has approved Charters for Belle Mente Montessori Academy (Charter No. 1515), Guajome Park Academy (Charter No. 0050), Guajome Learning Center (Charter No. 1351), North County Trade Tech Charter High School (Charter No. 0884), and School for Integrated Academies and Technologies (Charter No. 0627) Charter Schools pursuant to *Education Code* Section 47605. The Charter Schools are independently operated by separate governing boards and not considered component units of the District.

### **Basis of Presentation - Fund Accounting**

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

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

#### **Major Governmental Funds**

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

**Building Fund** The Building Fund exists primarily to account separately for proceeds from sale of bonds and the acquisition of major governmental capital facilities and buildings.

**Special Reserve Fund for Capital Outlay Projects** The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (*Education Code* Section 42840). This fund also accounts for the proceeds received from the issuance of certificates of participation to be used for capital outlay purposes.

#### **Non-Major Governmental Funds**

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

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

- **Cafeteria Fund** The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).

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

- **Capital Facilities Fund** The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* Sections 17620-17626 and *Government Code* Section 65995 et seq.). Expenditures are restricted to the purposes specified in *Government Code* Sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).
- **County School Facilities Fund** The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), or the 2006 State School Facilities Fund (Proposition 1D). The fund is used primarily to account for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070.10 et seq.).

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

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

**Proprietary Funds** Proprietary Funds are used to account for activities that are more business-like than government-like in nature. Business-type activities include those for which a fee is charged to external users or to other organizational units of the local education agency, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting and are classified as enterprise or internal service. The District has the following proprietary funds:

- **Child Care Enterprise Fund** Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The only enterprise fund of the District accounts for the financial transactions related to fee-based child care services provided by the District to families.
- **Internal Service Fund** An Internal Service Fund may be used to account for goods or services provided to other funds of the District on a cost-reimbursement basis. The District operates a self-insured dental program that is accounted for in an Internal Service Fund. In addition, the District accounts for its workers' compensation program in the Internal Service Fund.

### **Basis of Accounting - Measurement Focus**

**Government-Wide Financial Statements** The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared.

The government-wide financial statement of activities presents a comparison between direct expenses and program revenues for each governmental program and excludes fiduciary activity. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the *Statement of Activities*, except for depreciation of capital assets and amortization of right-to-use leased assets and right-to-use subscription IT assets. Program revenues include charges paid by the recipients of the goods or services offered by the programs, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District. Eliminations have been made to minimize the double counting of internal activities. Net position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities result from special revenue funds and the restrictions on their use.

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

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

- **Proprietary Funds** Proprietary Funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net position. The statement of revenues, expenses and changes in net position presents increases (revenues) and decreases (expenses) in net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

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

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

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

**Operating Revenues and Expenses** Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are charges to other funds for self-insurance. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

### **Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

### **Investments**

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

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

### **Prepaid Expenditures (Expenses)**

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

### **Stores Inventories**

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental-type funds when consumed rather than when purchased.

### **Capital Assets, Depreciation, and Amortization**

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the District. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide statement of net position. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at acquisition value on the date donated.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 50 years; portable classrooms and structures, 25 years; equipment, five to 15 years; vehicles, 15 years.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2024.

The District records the value of intangible right-to-use assets based on the underlying leased asset in accordance with GASB Statement No. 87, *Leases*. The right-to-use intangible asset is amortized each year for the term of the contract or useful life of the underlying asset.

The District records the value of right-to-use subscription IT assets based on the underlying subscription asset in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The right-to-use subscription IT asset is amortized each year for the term of the contract or useful life of the underlying asset.

### **Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activities column of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

### **Compensated Absences**

Compensated absences are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide statement of net position. For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the accounts payable in the fund from which the employees who have accumulated leave are paid.

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Credit for unused sick leave is applicable to all certificated employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full-time.

### **Accrued Liabilities and Long-Term Liabilities**

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

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

#### **Debt Issuance Costs, Premiums, and Discounts**

In the government-wide financial statements and in the proprietary fund type financial statements, long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund Statement of Net Position. Debt premiums and discounts, as well as issuance costs, related to prepaid insurance costs are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

In the governmental fund financial statements, governmental funds recognize bond premiums and discounts as other financing sources and uses, respectively, and bond issuance costs and costs of refunding as debt service expenditures. Issuance costs, and costs of refunding, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the period the bonds are issued.

#### **Deferred Outflows/Inflows of Resources**

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

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

#### **Pensions**

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

### **Postemployment Benefits Other Than Pensions (OPEB)**

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

### **Leases**

The District recognizes a lease liability and an intangible right-to-use leased asset (leased asset) in the government-wide financial statements. At the commencement of the lease term, the District measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, plus certain initial direct costs. Subsequently, the leased asset is amortized on a straight-line basis over the lease term or useful life of the underlying asset.

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

### **Subscriptions**

The District recognizes a subscription liability and an intangible right-to-use subscription IT asset (subscription IT asset) in the government-wide financial statements. At the commencement of the subscription term, the District measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription IT asset is initially measured as the initial amount of the subscription liability, plus certain initial direct costs. Subsequently, the subscription IT asset is amortized on a straight-line basis over shorter of the subscription term or useful life of the underlying asset. The amortization period varies from two to three years.

### **Fund Balances - Governmental Funds**

As of June 30, 2024, fund balances of the governmental funds are classified as follows:

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

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

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

**Assigned** - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, Superintendent or designee may assign amounts for specific purposes.

**Unassigned** - all other spendable amounts.

### **Spending Order Policy**

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

### **Minimum Fund Balance Policy**

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

### **Net Position**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position net of investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$134,962,948 of net position restricted by enabling legislation.

### **Interfund Activity**

Transfers between governmental and business-type activities in the government-wide financial statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Interfund transfers are eliminated in the governmental and business-type activities columns of the Statement of Activities, except for the net residual amounts transferred between governmental and business-type activities.

### **Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

### **Property Tax**

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

**Note 2 - Deposits and Investments**

**Summary of Deposits and Investments**

Deposits and investments as of June 30, 2024, are classified in the accompanying financial statements as follows:

|                                |                              |
|--------------------------------|------------------------------|
| Governmental activities        | \$ 326,281,788               |
| Business-type activities       | <u>3,165,975</u>             |
| Total deposits and investments | <u><u>\$ 329,447,763</u></u> |

Deposits and investments as of June 30, 2024, consist of the following:

|                                |                              |
|--------------------------------|------------------------------|
| Cash on hand and in banks      | \$ 2,871,673                 |
| Cash with fiscal agent         | 226,848                      |
| Cash in revolving              | 253,492                      |
| Investments                    | <u>326,095,750</u>           |
| Total deposits and investments | <u><u>\$ 329,447,763</u></u> |

**Policies and Practices**

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

**Investment in County Treasury** - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

**General Authorizations**

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

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

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by primarily investing in the San Diego County Treasury Investment Pool and short-term money market funds.

**Specific Identification**

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuation is provided by the following schedule that shows the distribution of the District's investment by maturity:

| Investment Type                            | Reported<br>Amount    | Average Maturity<br>in Days |
|--|-----------------------|-----------------------------|
| San Diego County Treasury Investment Pool  | \$ 291,815,533        | 449                         |
| First American Government Obligations Fund | 34,280,217            | 20                          |
| <b>Total</b>                               | <b>\$ 326,095,750</b> |                             |

### **Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the San Diego County Treasury Investment Pool and First American Government Obligations Fund are rated AAA by Standard and Poor's.

### **Custodial Credit Risk – Deposits**

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does have a policy for custodial credit risk for deposits. The District's policy states that monies received and deposited with a financial institution shall be in accounts that are fully covered by Federal insurance. In addition, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2024, the District's bank balance of \$2,883,585 was exposed to custodial credit risk because it was uninsured, but collateralized with securities held by the pledging of financial institution's trust department or agent, but not in the name of the District.

### **Note 3 - Fair Value Measurements**

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

- Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.
- Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.
- Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

The District's fair value measurements are as follows at June 30, 2024:

| Investment Type                            | Reported Amount | Measurements Using Level 2 Inputs |
|--|-----------------|-----------------------------------|
| First American Government Obligations Fund | \$ 34,280,217   | \$ 34,280,217                     |

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

**Note 4 - Receivables**

Receivables at June 30, 2024, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

|                     | General Fund  | Building Fund | Special Reserve Fund for Capital Outlay Projects | Non-Major Governmental Funds | Internal Service Fund | Total Governmental Activities | Child Care Enterprise Fund |
|---------------------|---------------|---------------|--|------------------------------|-----------------------|-------------------------------|----------------------------|
| Federal Government  |               |               |  |                              |                       |                               |                            |
| Categorical aid     | \$ 15,488,903 | \$ -          | \$ -   | \$ 2,028,061                 | \$ -                  | \$ 17,516,964                 | \$ -                       |
| State Government    |               |               |  |                              |                       |                               |                            |
| Categorical aid     | 14,477,537    | -             | -  | 1,754,004                    | -                     | 16,231,541                    | -                          |
| Lottery             | 1,199,187     | -             | -  | -                            | -                     | 1,199,187                     | -                          |
| Local Government    |               |               |  |                              |                       |                               |                            |
| Interest            | 774,347       | 579,760       | 53,808   | 157,435                      | 10,154                | 1,575,504                     | 15,503                     |
| Other local sources | 6,925,929     | -             | -  | 253,930                      | 244,144               | 7,424,003                     | 125,531                    |
| Total               | \$ 38,865,903 | \$ 579,760    | \$ 53,808  | \$ 4,193,430                 | \$ 254,298            | \$ 43,947,199                 | \$ 141,034                 |

**Note 5 - Capital Assets**

Capital assets activity for the fiscal year ended June 30, 2024, was as follows:

|   | Balance<br>July 1, 2023 | Additions             | Deductions             | Balance<br>June 30, 2024 |
|---|-------------------------|-----------------------|------------------------|--------------------------|
| <b>Governmental Activities</b>                          |                         |                       |                        |                          |
| Capital assets not being depreciated or amortized       |                         |                       |                        |                          |
| Land  | \$ 51,419,666           | \$ 23,409             | \$ -                   | \$ 51,443,075            |
| Construction in progress                                | 58,219,577              | 41,995,666            | (91,653,426)           | 8,561,817                |
| Total capital assets not being depreciated or amortized | <u>109,639,243</u>      | <u>42,019,075</u>     | <u>(91,653,426)</u>    | <u>60,004,892</u>        |
| Capital assets being depreciated and amortized          |                         |                       |                        |                          |
| Land improvements                                       | 46,497,104              | 2,270,103             | -                      | 48,767,207               |
| Buildings and improvements                              | 428,107,099             | 89,426,469            | -                      | 517,533,568              |
| Furniture and equipment                                 | 46,766,963              | 7,634,592             | -                      | 54,401,555               |
| Right-to-use leased furniture and equipment             | 1,548,401               | -                     | (660,726)              | 887,675                  |
| Right-to-use subscription IT assets                     | 310,123                 | -                     | (127,335)              | 182,788                  |
| Total capital assets being depreciated and amortized    | <u>523,229,690</u>      | <u>99,331,164</u>     | <u>(788,061)</u>       | <u>621,772,793</u>       |
| Total capital assets                                    | <u>632,868,933</u>      | <u>141,350,239</u>    | <u>(92,441,487)</u>    | <u>681,777,685</u>       |
| Accumulated depreciation and amortization               |                         |                       |                        |                          |
| Land improvements                                       | (21,882,915)            | (1,846,995)           | -                      | (23,729,910)             |
| Buildings and improvements                              | (281,951,360)           | (15,651,229)          | -                      | (297,602,589)            |
| Furniture and equipment                                 | (39,960,594)            | (1,426,943)           | -                      | (41,387,537)             |
| Right-to-use leased furniture and equipment             | (1,410,886)             | (98,677)              | 660,726                | (848,837)                |
| Right-to-use subscription IT assets                     | (134,957)               | (120,388)             | 127,335                | (128,010)                |
| Total accumulated depreciation and amortization         | <u>(345,340,712)</u>    | <u>(19,144,232)</u>   | <u>788,061</u>         | <u>(363,696,883)</u>     |
| Net depreciable and amortizable capital assets          | <u>177,888,978</u>      | <u>80,186,932</u>     | <u>-</u>               | <u>258,075,910</u>       |
| Governmental activities capital assets, net             | <u>\$ 287,528,221</u>   | <u>\$ 122,206,007</u> | <u>\$ (91,653,426)</u> | <u>\$ 318,080,802</u>    |

Depreciation and amortization expense were charged as a direct expense to governmental functions as follows:

|   |                      |
|---|----------------------|
| <b>Governmental Activities</b>                                      |                      |
| Instruction   | \$ 17,576,371        |
| Instructional library, media, and technology                        | 6,252                |
| School site administration  | 19,279               |
| Home-to-school transportation                                       | 92,138               |
| Food services   | 511,408              |
| All other pupil services  | 4,865                |
| Data processing   | 136,734              |
| All other administration  | 137,583              |
| Plant services  | 377,312              |
| Community services  | 39,281               |
| Ancillary services  | 243,009              |
| Total depreciation and amortization expense governmental activities | <u>\$ 19,144,232</u> |

**Note 6 - Lease Receivables**

Lease receivables are recorded by the District at the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the District charges the lessee. The District has accrued a receivable for leasing a portion of its facilities to various lessees. These leases are non-cancelable for periods more than one year. During the fiscal year, the District recognized \$240,525 in lease revenue and \$99,554 in interest revenue related to these agreements. As of June 30, 2024, the District recorded \$3,151,322 in leases receivable and \$3,071,713 in deferred inflows of resources for these arrangements. The interest rates on these leases range from 2-5%.

**Note 7 - Interfund Transactions**

**Interfund Receivables/Payables (Due To/Due From)**

Interfund receivable and payable balances at June 30, 2024, between major funds, non-major governmental funds, the child care enterprise fund, and the internal service fund are as follows:

| Due To   | Due From            |               |  |                              |                            | Total                |
|--|---------------------|---------------|--|------------------------------|----------------------------|----------------------|
|  | General Fund        | Building Fund | Special Reserve Fund for Capital Outlay Projects | Non-Major Governmental Funds | Child Care Enterprise Fund |                      |
| General Fund                                     | \$ -                | \$ 453        | \$ 996,883                                       | \$ 995,648                   | \$ 51,654                  | \$ 2,044,638         |
| Special Reserve Fund for Capital Outlay Projects | 5,598,968           | -             | -  | 1,379,414                    | -                          | 6,978,382            |
| Non-Major Governmental Funds                     | 49,843              | -             | -  | 426                          | -                          | 50,269               |
| Child Care Enterprise Fund                       | 831,636             | -             | -  | -                            | -                          | 831,636              |
| Internal Service Fund                            | 650,524             | 509           | -  | 27,118                       | 3,579                      | 681,730              |
| Total  | <u>\$ 7,130,971</u> | <u>\$ 962</u> | <u>\$ 996,883</u>                                | <u>\$ 2,402,606</u>          | <u>\$ 55,233</u>           | <u>\$ 10,586,655</u> |

A balance of \$941,247 due from the Cafeteria Non-Major Governmental Fund to the General Fund resulted from reimbursement of salaries and benefit charges.

The balance of \$5,598,968 due from the General Fund to the Special Reserve Fund for Capital Outlay Projects Governmental Fund was for the RDA payment.

The balance of \$650,524 due from the General Fund to the Internal Service Fund resulted from workers' compensation and other postemployment benefit charges.

The balance of \$831,636 due from the General Fund to the Child Care Enterprise Fund resulted from reimbursement of payroll costs.

The balance of \$1,379,414 due from the County School Facilities Non-Major Governmental Fund to the Special Reserve Fund for Capital Outlay Projects was for reimbursement of project costs.

The balance of \$996,883 was due from the Special Reserve Fund for Capital Outlay Projects to the General Fund for project costs.

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

### Operating Transfers

Interfund transfers for the year ended June 30, 2024, consisted of the following:

| Transfer To                                      | Transfer From    |                              |                       | Total               |
|--|------------------|------------------------------|-----------------------|---------------------|
|  | General Fund     | Non-Major Governmental Funds | Internal Service Fund |                     |
| General Fund                                     | \$ -             | \$ -                         | \$ 9,788              | \$ 9,788            |
| Building Fund                                    | -                | 339                          | -                     | 339                 |
| Special Reserve Fund for Capital Outlay Projects | -                | 1,379,414                    | -                     | 1,379,414           |
| Internal Service Fund                            | 14,617           | -                            | -                     | 14,617              |
| Total  | <u>\$ 14,617</u> | <u>\$ 1,379,753</u>          | <u>\$ 9,788</u>       | <u>\$ 1,404,158</u> |

The County School Facilities Non-Major Governmental Fund transferred to the Special Reserve Fund for Capital Outlay Projects for reimbursement of project costs. \$ 1,379,414

The County School Facilities Non-Major Governmental Fund transferred to the Building Fund for qualifying project costs. 339

The General Fund transferred to the Internal Service Fund for workers' compensation and other postemployment benefit charges. 14,617

The Internal Service Fund transferred to the General Fund for dental and workers compensation coverage payment 9,788

Total \$ 1,404,158

**Note 8 - Accounts Payable**

Accounts payable at June 30, 2024, consisted of the following:

|                       | General<br>Fund      | Building<br>Fund    | Special Reserve<br>Fund for<br>Capital Outlay<br>Projects | Non-Major<br>Governmental<br>Funds | Internal<br>Service<br>Fund | Total<br>Governmental<br>Activities | Child Care<br>Enterprise<br>Fund |
|-----------------------|----------------------|---------------------|---|------------------------------------|-----------------------------|-------------------------------------|----------------------------------|
| Salaries and benefits | \$ 15,212,690        | \$ 7,584            | \$ -  | \$ 645,744                         | \$ -                        | \$ 15,866,018                       | \$ 65,826                        |
| LCFF apportionment    | 2,133,731            | -                   | -   | -                                  | -                           | 2,133,731                           | -                                |
| Due to other LEAs     | 482,994              | -                   | -   | 400,453                            | -                           | 883,447                             | -                                |
| Vendor payables       | 7,462,707            | 6,266,038           | 2,076,702   | 818,169                            | 667,845                     | 17,291,461                          | 13,530                           |
| <b>Total</b>          | <b>\$ 25,292,122</b> | <b>\$ 6,273,622</b> | <b>\$ 2,076,702</b>                                       | <b>\$ 1,864,366</b>                | <b>\$ 667,845</b>           | <b>\$ 36,174,657</b>                | <b>\$ 79,356</b>                 |

**Note 9 - Unearned Revenue**

Unearned revenue at June 30, 2024, consists of the following:

|                              | General<br>Fund     | Non-Major<br>Governmental<br>Funds | Total               |
|------------------------------|---------------------|------------------------------------|---------------------|
| Federal financial assistance | \$ 2,712,164        | \$ 6,649                           | \$ 2,718,813        |
| State categorical aid        | 1,605,851           | -                                  | 1,605,851           |
| Other local                  | 10,745              | -                                  | 10,745              |
| <b>Total</b>                 | <b>\$ 4,328,760</b> | <b>\$ 6,649</b>                    | <b>\$ 4,335,409</b> |

**Note 10 - Long-Term Liabilities Other than OPEB and Pensions**

**Summary**

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

|                                    | Balance<br>July 1, 2023      | Additions                  | Deductions                    | Balance<br>June 30, 2024     | Due in<br>One Year          |
|------------------------------------|------------------------------|----------------------------|-------------------------------|------------------------------|-----------------------------|
| <b>Long-Term Liabilities</b>       |                              |                            |                               |                              |                             |
| General obligation bonds           | \$ 246,159,185               | \$ 1,307,386               | \$ (15,920,000)               | \$ 231,546,571               | \$ 10,735,000               |
| Unamortized premium                | 15,560,346                   | -                          | (1,003,363)                   | 14,556,983                   | -                           |
| Certificates of participation      | 36,615,000                   | -                          | (1,060,000)                   | 35,555,000                   | 1,195,000                   |
| Unamortized premium                | 3,296,338                    | -                          | (238,289)                     | 3,058,049                    | -                           |
| Leases                             | 139,373                      | -                          | (99,745)                      | 39,628                       | 39,628                      |
| Subscription-based IT arrangements | 102,151                      | -                          | (76,782)                      | 25,369                       | 25,369                      |
| Supplemental early retirement plan | 1,736,438                    | -                          | (1,736,438)                   | -                            | -                           |
| Compensated absences               | 1,404,757                    | 373,469                    | -                             | 1,778,226                    | -                           |
| <b>Total</b>                       | <b><u>\$ 305,013,588</u></b> | <b><u>\$ 1,680,855</u></b> | <b><u>\$ (20,134,617)</u></b> | <b><u>\$ 286,559,826</u></b> | <b><u>\$ 11,994,997</u></b> |

Payments on the general obligation bonds are paid by the Bond Interest and Redemption Fund. Certificates of participation are paid by the Special Reserve Fund for Capital Outlay Projects. The leases, subscription-based IT assets, and the supplemental early retirement plan payments are made by the General Fund. The compensated absences will be paid by the General Fund, Adult Education Fund, and Cafeteria Fund.

**General Obligation Bonds**

The outstanding general obligation bonded debt is as follows:

| Issuance Date | Final Maturity Date | Interest Rate | Original Issue | Bonds Outstanding July 1, 2023 | Interest Accreted          | Redeemed                      | Bonds Outstanding June 30, 2024 |
|---------------|---------------------|---------------|----------------|--------------------------------|----------------------------|-------------------------------|---------------------------------|
| 5/30/2002     | 02/01/27            | 5.85-5.86%    | \$ 92,000,541  | \$ 13,309,927                  | \$ 905,327                 | \$ -                          | \$ 14,215,254                   |
| 1/7/2004      | 08/01/28            | 5.52%         | 20,359,341     | 5,069,258                      | 402,059                    | -                             | 5,471,317                       |
| 10/20/2015    | 08/01/28            | 2.00-5.00%    | 42,060,000     | 13,670,000                     | -                          | (1,750,000)                   | 11,920,000                      |
| 6/6/2019      | 08/01/48            | 3.00-5.00%    | 56,500,000     | 38,475,000                     | -                          | -                             | 38,475,000                      |
| 2/25/2021     | 08/01/28            | 0.187-1.521%  | 39,460,000     | 37,365,000                     | -                          | (8,250,000)                   | 29,115,000                      |
| 6/1/2022      | 08/01/48            | 4.125-5.25%   | 138,270,000    | 138,270,000                    | -                          | (5,920,000)                   | 132,350,000                     |
|               |                     |               |                | <b><u>\$ 246,159,185</u></b>   | <b><u>\$ 1,307,386</u></b> | <b><u>\$ (15,920,000)</u></b> | <b><u>\$ 231,546,571</u></b>    |

### **Election of 2002, Series 2002A**

In May 2002, the District issued \$92,000,541 of the Vista Unified School District, Election of 2002, Series 2002A General Obligation Bonds. The bonds issued included \$88,585,000 of current interest bonds and \$3,415,541 of capital appreciation bonds, with the capital appreciation bonds accreting to \$16,945,000. Proceeds from the sale of the bonds were used to fund construction, rehabilitation and repair of school facilities. The current interest bonds were refunded with the issuance of the 2012 General Obligation Refunding Bonds. The remaining bonds have a final maturity to occur on February 1, 2027, with interest rates of 5.85-5.86%. At June 30, 2024, the principal balance outstanding was \$14,215,254.

### **Election of 2002, Series 2003B**

In January 2004, the District issued \$20,359,341 of the Vista Unified School District, Election of 2002, Series 2003B General Obligation Bonds. The bonds issued included \$19,215,000 of current interest bonds and \$1,144,341 of capital appreciation bonds, with the capital appreciation bonds accreting to \$7,425,000. Proceeds from the sale of the bonds were used to fund construction, rehabilitation and repair of school facilities. The current interest bonds were refunded with the issuance of the 2012 General Obligation Refunding Bonds. The remaining bonds have a final maturity to occur on August 1, 2028, with an interest rate of 5.52%. At June 30, 2024, the principal balance outstanding was \$5,471,317.

### **2015 General Obligation Refunding Bonds**

In October 2015, the District issued \$42,060,000 of the Vista Unified School District, 2015 General Obligation Refunding Bonds. The bonds were issued as current interest bonds with a final maturity date of August 1, 2028 and with interest rates of 2.00 to 5.00%. Proceeds from sale of bonds were used to refund all of the District's outstanding General Obligation Refunding Bonds (2004), Series 2005, and a portion of the District's outstanding Election of 2002, General Obligation Bonds, Series C, and pay certain costs of issuance. At June 30, 2024, the principal balance outstanding was \$11,920,000.

### **2018 Election, 2019 Series A**

In June 2019, the District issued \$56,500,000 of the Vista Unified School District, 2018 Election, 2019 Series A General Obligation Bonds. The bonds were issued as current interest bonds with a final maturity date of August 1, 2048 and with interest rates of 3.00 to 5.00%. Proceeds from sale of bonds were used to finance the acquisition, construction, furnishing and equipping of District facilities and pay certain costs of issuance. At June 30, 2024, the principal balance outstanding was \$38,475,000.

### **2021 General Obligation Refunding Bonds**

In February 2021, the District issued \$39,460,000 of the Vista Unified School District, 2021 General Obligation Refunding Bonds. The bonds were issued as current interest bonds with a final maturity date of August 1, 2028 and with interest rates of 0.187-1.521%. Proceeds from sale of bonds were used to refund a portion of the outstanding 2012 General Obligation Refunding Bonds, and to pay costs certain of issuance. At June 30, 2024, the principal balance outstanding was \$29,115,000.

**2018 Election, 2022 Series B**

In June 2022, the District issued \$138,270,000 of the Vista Unified School District, 2018 Election, 2022 Series B General Obligation Bonds. The bonds were issued as current interest bonds with a final maturity date of August 1, 2048 and with interest rates of 4.125-5.25%. Proceeds from sale of bonds will be used to finance the acquisition, construction, furnishing and equipping of District facilities and pay certain costs of issuance. At June 30, 2024, the principal balance outstanding was \$132,350,000.

The general obligation bonds mature through 2049 as follows:

| Bonds Maturing<br>Fiscal Year | Principal<br>Including Accreted<br>Interest to Date | Accreted<br>Interest | Current<br>Interest to<br>Maturity | Total                 |
|-------------------------------|---|----------------------|------------------------------------|-----------------------|
| 2025                          | \$ 10,735,000                                       | \$ -                 | \$ 8,869,262                       | \$ 19,604,262         |
| 2026                          | 11,115,000  | -                    | 8,699,758                          | 19,814,758            |
| 2027                          | 17,910,253  | 2,729,747            | 8,536,432                          | 29,176,432            |
| 2028                          | 8,995,000   | -                    | 8,343,939                          | 17,338,939            |
| 2029                          | 14,226,318  | 1,953,682            | 8,089,508                          | 24,269,508            |
| 2030-2034                     | 12,255,000  | -                    | 38,519,500                         | 50,774,500            |
| 2035-2039                     | 27,635,000  | -                    | 33,876,700                         | 61,511,700            |
| 2040-2044                     | 49,225,000  | -                    | 25,260,225                         | 74,485,225            |
| 2045-2049                     | 79,450,000  | -                    | 10,590,037                         | 90,040,037            |
| <b>Total</b>                  | <b>\$ 231,546,571</b>                               | <b>\$ 4,683,429</b>  | <b>\$ 150,785,361</b>              | <b>\$ 387,015,361</b> |

**Certificates of Participation**

The District entered into a long-term lease-purchase agreement with the Vista Unified School District Improvement Corporation (the Corporation) for the acquisition, construction, and improvement of District facilities. The Corporation is a nonprofit public benefit corporation organized primarily to render financial assistance to the District by financing and constructing public school buildings and facilities in the District.

The outstanding certificates of participation are as follows:

| Issuance<br>Date | Final<br>Maturity<br>Date | Interest<br>Rate | Original<br>Issue | COPs<br>Outstanding<br>July 1, 2023 | Issued      | Redeemed              | COPs<br>Outstanding<br>June 30, 2024 |
|------------------|---------------------------|------------------|-------------------|-------------------------------------|-------------|-----------------------|--------------------------------------|
| 5/12/2022        | 10/1/2037                 | 4.00-5.00%       | \$ 38,585,000     | <u>\$ 36,615,000</u>                | <u>\$ -</u> | <u>\$ (1,060,000)</u> | <u>\$ 35,555,000</u>                 |

In May 2022, Certificates of Participation of \$38,585,000 were issued. The certificates have a final maturity of October 1, 2037, with interest rates of 4.00-5.00%. As of June 30, 2024, the principal balance outstanding was \$35,555,000.

The certificates mature through 2038 as follows:

| Year Ending<br>June 30, | Principal            | Interest             | Total                |
|-------------------------|----------------------|----------------------|----------------------|
| 2025                    | \$ 1,195,000         | \$ 1,597,475         | \$ 2,792,475         |
| 2026                    | 1,340,000            | 1,534,100            | 2,874,100            |
| 2027                    | 1,510,000            | 1,462,850            | 2,972,850            |
| 2028                    | 1,700,000            | 5,809,875            | 7,509,875            |
| 2029                    | 1,895,000            | -                    | 1,895,000            |
| 2030-2034               | 16,230,000           | -                    | 16,230,000           |
| 2035-2038               | 11,685,000           | -                    | 11,685,000           |
| Total                   | <u>\$ 35,555,000</u> | <u>\$ 10,404,300</u> | <u>\$ 45,959,300</u> |

### Leases

The District has entered into an agreement to lease vehicles. The District's liability on lease agreements is summarized below:

| Lease    | July 1, 2023      | Addition    | Payments           | June 30, 2024    |
|----------|-------------------|-------------|--------------------|------------------|
| Vehicles | <u>\$ 139,373</u> | <u>\$ -</u> | <u>\$ (99,745)</u> | <u>\$ 39,628</u> |

### Vehicles

The District entered into an agreement to lease vehicles for five years, beginning July 1, 2018. Under the terms of the lease, the District pays a monthly payment of \$16,125. The annual interest rate charged on the lease is 1.75%. At June 30, 2024, the District has recognized a right-to-use asset of \$38,838 and a lease liability of \$39,628 related to this agreement. During the fiscal year, the District recorded \$98,677 in amortization expense for the right-to-use the vehicles.

The remaining principal and interest payment requirements for the lease obligation debt as of June 30, 2024 are as follows:

| Year Ending<br>June 30, | Principal        | Interest      | Total            |
|-------------------------|------------------|---------------|------------------|
| 2025                    | <u>\$ 39,628</u> | <u>\$ 161</u> | <u>\$ 39,789</u> |

**Subscriptions-Based Information Technology Arrangements (SBITAs)**

The District entered into SBITAs for the use of various software. At June 30, 2024, the District has recognized a right-to-use subscriptions IT asset of \$54,778 and a SBITA liability of \$25,369 related to these agreements. During the fiscal year, the District recorded \$120,388 in amortization expense. The District is required to make annual principal and interest payments through June 2025. The subscriptions have interest rates averaging 2.157%.

The remaining principal and interest payment requirements for the SBITA obligation debt as of June 30, 2024 are as follows:

| Year Ending<br>June 30, | Principal | Interest | Total     |
|-------------------------|-----------|----------|-----------|
| 2025                    | \$ 25,369 | \$ 247   | \$ 25,616 |

**Supplemental Early Retirement Plan (SERP)**

In November 2018, the District adopted a supplemental early retirement plan incentive (Plan 2) whereby certain eligible employees are provided a retirement incentive supplementing the retirement benefits that they are entitled to through the California State Teachers' Retirement System (STRS) and the California Public Employees Retirement System (PERS). The incentive annuities require the District to pay each retiring employee 70% of the salary earned in 2018-2019 over a five-year period with an annual administrative fee of 4% for each premium paid. Eligible employees must have been active as of the first day of school on August 15, 2018, be age 55 or older and have a minimum five years of district service, resign from the District as of June 30, 2019 and retire from STRS/PERS on or before July 1, 2019. A total of 162 employees participated in the plan. Total cost of the plan was \$8,682,191 with an effective first date of payment as of July 10, 2019 in the amount of \$1,736,438. As of June 30, 2024, the debt was paid in full.

**Note 11 - Other Postemployment Benefit (OPEB) Liability**

For the fiscal year ended June 30, 2024, the District reported OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

| OPEB Plan                                 | OPEB<br>Liability | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources | OPEB<br>Expense |
|---|-------------------|-----------------------------------|----------------------------------|-----------------|
| District Plan                             | \$ 33,963,207     | \$ 8,195,361                      | \$ 9,764,743                     | \$ 2,265,504    |
| Medicare Premium Payment<br>(MPP) Program | 914,795           | -                                 | -                                | (113,936)       |
| Total                                     | \$ 34,878,002     | \$ 8,195,361                      | \$ 9,764,743                     | \$ 2,151,568    |

The details of each plan are as follows:

**District Plan**

**Plan Administration**

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

**Plan Membership**

At July 1, 2023, the valuation date, the Plan membership consisted of the following:

|   |                     |
|---|---------------------|
| Inactive employees or beneficiaries currently receiving benefits payments | 239                 |
| Active employees  | <u>2,301</u>        |
| Total   | <u><u>2,540</u></u> |

**Benefits Provided**

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

**Contributions**

The benefit payment requirements of the Plan members and the District are established and may be amended by the District, the Vista Teachers Association (VTA), the local California Service Employees Association (CSEA), and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, VTA, CSEA, and the unrepresented groups. For measurement period of June 30, 2023, the District paid \$2,544,519 in benefits.

**Total OPEB Liability of the District**

The District’s total OPEB liability of \$33,963,207 was measured as of June 30, 2023, and the total OPEB liability was determined by an actuarial valuation as of July 1, 2023.

**Actuarial Assumptions**

The total OPEB liability in the July 1, 2023 actuarial valuation was using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

|                             |                                     |
|-----------------------------|-------------------------------------|
| Inflation                   | 2.50%                               |
| Salary increases            | 2.80%, average, including inflation |
| Discount rate               | 4.13% for 2023                      |
| Healthcare cost trend rates | 4.50% for 2023                      |

The discount rate was based on the 20-year tax-exempt general obligation bond municipal bonds with an average rating of AA/As or higher (or equivalent quality on another rating scale) tax-exempt, high quality 20-year municipal bonds.

Mortality rates used were as follows:

- PERS Employees: SOA Pub-2010 General Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2021.
- STRS Employees: SOA Pub-2010 Teachers Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2021.
- Surviving Spouses: SOA Pub-2010 Contingent Survivors Total Dataset Headcount Weighted Mortality Table Fully generational using Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actual experience study for the period July 1, 2021 to June 30, 2023.

**Changes in the Total OPEB Liability**

|  | Total OPEB<br>Liability |
|--|-------------------------|
| Balance, June 30, 2022 (Measurement Date)          | \$ 27,891,105           |
| Service cost                                       | 1,333,624               |
| Interest   | 1,143,777               |
| Change of benefit terms                            | 579,465                 |
| Differences between expected and actual experience | 3,882,991               |
| Change of assumptions                              | 1,676,764               |
| Benefit payments                                   | (2,544,519)             |
| Net change in total OPEB liability                 | 6,072,102               |
| Balance, June 30, 2023 (Measurement Date)          | \$ 33,963,207           |

Change of assumptions reflect a change in the salary rate from 2.75% in 2022 to 2.80% in 2023, and a change in the discount rate from 4.09% in 2022 to 4.13% in 2023. Changes in benefit terms reflect an increase in the maximum contributions from \$475 per month to \$563.25 per month for Classified Employees retiring on or after July 1, 2023, and an increase in the maximum contributions from \$487.50 per month to \$500 per month for Certificated Employees retiring on or after July 1, 2022.

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

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

| <u>Discount Rate</u>          | <u>Total OPEB Liability</u> |
|-------------------------------|-----------------------------|
| 1% decrease (3.13%)           | \$ 35,964,430               |
| Current discount rate (4.13%) | 33,963,207                  |
| 1% increase (5.13%)           | 32,040,078                  |

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

The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percent lower or higher than the current healthcare costs trend rates:

| <u>Healthcare Cost Trend Rates</u>         | <u>Total OPEB Liability</u> |
|--|-----------------------------|
| 1% decrease (3.50%)                        | \$ 32,104,329               |
| Current healthcare cost trend rate (4.50%) | 33,963,207                  |
| 1% increase (5.50%)                        | 36,126,696                  |

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

For the year ended June 30, 2024, the District recognized OPEB expense of \$2,265,504. At June 30, 2024, the District reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

|   | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---------------------------------------|--------------------------------------|
| Amounts paid by the District for OPEB as the benefits come due subsequent to measurement date | \$ 2,480,130                          | \$ -                                 |
| Differences between expected and actual experience  | 3,560,083                             | 3,180,338                            |
| Change of assumptions   | 2,155,148                             | 6,584,405                            |
| Total   | <u>\$ 8,195,361</u>                   | <u>\$ 9,764,743</u>                  |

Amounts reported as deferred outflows of resources for amounts paid by the District for OPEB as benefits come due subsequent to measurement date will be reported as a reduction of the total OPEB liability in the subsequent fiscal year.

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

| Year Ended<br>June 30, | Deferred<br>Inflows<br>of Resources |
|------------------------|-------------------------------------|
| 2024                   | \$ (791,362)                        |
| 2025                   | (757,089)                           |
| 2026                   | (757,093)                           |
| 2027                   | (792,523)                           |
| 2028                   | (798,741)                           |
| Thereafter             | (152,704)                           |
| Total                  | <u>\$ (4,049,512)</u>               |

### Medicare Premium Payment (MPP) Program

#### Plan Description

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

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

#### Benefits Provided

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

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

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

**Net OPEB Liability and OPEB Expense**

At June 30, 2024, the District reported a liability of \$914,795 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The District’s proportion of the net OPEB liability was based on a projection of the District’s long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District’s proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively, was 0.3015%, and 0.3123%, resulting in a net decrease in the proportionate share of 0.0108%.

For the year ended June 30, 2024, the District recognized OPEB expense of \$(113,936).

**Actuarial Methods and Assumptions**

The June 30, 2023 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total OPEB liability to June 30, 2023, using the assumptions listed in the following table:

|   |                                       |                                       |
|---|---------------------------------------|---------------------------------------|
| Measurement Date                        | June 30, 2023                         | June 30, 2022                         |
| Valuation Date                          | June 30, 2022                         | June 30, 2021                         |
| Experience Study                        | July 1, 2015 through<br>June 30, 2018 | July 1, 2015 through<br>June 30, 2018 |
| Actuarial Cost Method                   | Entry age normal                      | Entry age normal                      |
| Investment Rate of Return               | 3.65%                                 | 3.54%                                 |
| Medicare Part A Premium Cost Trend Rate | 4.50%                                 | 4.50%                                 |
| Medicare Part B Premium Cost Trend Rate | 5.40%                                 | 5.40%                                 |

For the valuation as of June 30, 2022, 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 members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members’ age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 179 or an average of 0.13% of the potentially eligible population (138,780).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2023, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

**Discount Rate**

As the MPP Program is funded on a pay-as-you-go basis, the OPEB plan’s fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, the MPP Program used the Bond Buyer’s 20-Bond GO Index from Bondbuyer.com as of June 30, 2023, as the discount rate, which was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate as of June 30, 2023, was 3.65%, which is an increase of 0.11% from 3.54% as of June 30, 2022.

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

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

| <u>Discount Rate</u>          | <u>Net OPEB Liability</u> |
|-------------------------------|---------------------------|
| 1% decrease (2.65%)           | \$ 994,194                |
| Current discount rate (3.65%) | 914,795                   |
| 1% increase (4.65%)           | 845,757                   |

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

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

| <u>Medicare Costs Trend Rates</u>                                  | <u>Net OPEB Liability</u> |
|--|---------------------------|
| 1% decrease (3.50% Part A and 4.40% Part B)                        | \$ 841,702                |
| Current Medicare costs trend rates (4.50% Part A and 5.40% Part B) | 914,795                   |
| 1% increase (5.50% Part A and 6.40% Part B)                        | 997,314                   |

**Note 12 - Fund Balances**

Fund balances are composed of the following elements:

|                                    | General Fund          | Building Fund        | Special Reserve Fund for Capital Outlay Projects | Non-Major Governmental Funds | Total                 |
|------------------------------------|-----------------------|----------------------|--|------------------------------|-----------------------|
| <b>Nonspendable</b>                |                       |                      |  |                              |                       |
| Revolving cash                     | \$ 250,000            | \$ -                 | \$ -   | \$ 3,492                     | \$ 253,492            |
| Stores inventories                 | 202,695               | -                    | -  | 648,494                      | 851,189               |
| Prepaid expenditures               | 6,231                 | -                    | -  | -                            | 6,231                 |
| <b>Total nonspendable</b>          | <b>458,926</b>        | <b>-</b>             | <b>-</b>   | <b>651,986</b>               | <b>1,110,912</b>      |
| <b>Restricted</b>                  |                       |                      |  |                              |                       |
| Legally restricted programs        | 86,098,437            | -                    | -  | 4,388,266                    | 90,486,703            |
| Food service                       | -                     | -                    | -  | 13,844,771                   | 13,844,771            |
| Capital projects                   | -                     | 85,781,623           | 46,431,068                                       | 13,029,934                   | 145,242,625           |
| Debt service                       | -                     | -                    | -  | 19,370,841                   | 19,370,841            |
| <b>Total restricted</b>            | <b>86,098,437</b>     | <b>85,781,623</b>    | <b>46,431,068</b>                                | <b>50,633,812</b>            | <b>268,944,940</b>    |
| <b>Committed</b>                   |                       |                      |  |                              |                       |
| Future textbook adoptions          | 15,409,125            | -                    | -  | -                            | 15,409,125            |
| <b>Assigned</b>                    |                       |                      |  |                              |                       |
| Supplemental and concentration     | -                     | -                    | -  | 712,108                      | 712,108               |
| <b>Unassigned</b>                  |                       |                      |  |                              |                       |
| Reserve for economic uncertainties | 17,805,001            | -                    | -  | -                            | 17,805,001            |
| Remaining unassigned               | 23,344,955            | -                    | -  | (13,695)                     | 23,331,260            |
| <b>Total unassigned</b>            | <b>41,149,956</b>     | <b>-</b>             | <b>-</b>   | <b>(13,695)</b>              | <b>41,136,261</b>     |
| <b>Total</b>                       | <b>\$ 143,116,444</b> | <b>\$ 85,781,623</b> | <b>\$ 46,431,068</b>                             | <b>\$ 51,984,211</b>         | <b>\$ 327,313,346</b> |

**Note 13 - Risk Management**

**Description**

The District's risk management activities are recorded in the General Fund and Internal Service Fund. Employee life, health, and disability programs are administered by the General Fund through the purchase of commercial insurance, except for the dental program which is self-insured through the Internal Service Fund. The District participates in Southern California Regional Liability Excess Fund (SCRLEF) for property and liability coverage. The District participated in the Protected Insurance Program for Schools Joint Powers Authority (PIPS) for workers' compensation. Refer to Note 16 for additional information regarding the JPAs.

For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

**Claims Liability**

The District records an estimated liability for dental claims against the District. Claims liability are based on estimates of the ultimate cost of reported claims using a two-month lag based on program history and experience.

**Unpaid Claims Liability**

The following represent the changes in approximate aggregate liability for the District from July 1, 2022 to June 30, 2024:

|   | Dental<br>Program |
|---|-------------------|
| Liability Balance, July 1, 2022                 | \$ 170,000        |
| Claims and changes in estimates                 | 1,007,765         |
| Claims payments                                 | (1,007,698)       |
| Liability Balance, July 1, 2023                 | 170,067           |
| Claims and changes in estimates                 | 982,016           |
| Claims payments                                 | (977,141)         |
| Liability Balance, June 30, 2024                | \$ 174,942        |
| Assets available to pay claims at June 30, 2024 | \$ 3,005,315      |

**Note 14 - Employee Retirement Systems**

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

For the fiscal year ended June 30, 2024, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

| Pension Plan | Net<br>Pension Liability | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources | Pension Expense |
|--------------|--------------------------|-----------------------------------|----------------------------------|-----------------|
| CalSTRS      | \$ 155,232,215           | \$ 41,604,849                     | \$ 16,000,722                    | \$ 19,517,762   |
| CalPERS      | 95,816,039               | 31,771,446                        | 5,355,650                        | 12,087,890      |
| Total        | \$ 251,048,254           | \$ 73,376,295                     | \$ 21,356,372                    | \$ 31,605,652   |

The details of each plan are as follows:

### **California State Teachers' Retirement System (CalSTRS)**

#### **Plan Description**

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

#### **Benefits Provided**

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

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

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

The STRP provisions and benefits in effect at June 30, 2024, are summarized as follows:

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

### Contributions

Required member, District, and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the District's total contributions were \$27,787,658.

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

At June 30, 2024, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

|  |                       |
|--|-----------------------|
| Total net pension liability, including State share       |                       |
| Proportionate share of net pension liability             | \$ 155,232,215        |
| State's proportionate share of the net pension liability | <u>74,376,119</u>     |
| Total  | <u>\$ 229,608,334</u> |

The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively, was 0.2038% and 0.2081%, resulting in a net decrease in the proportionate share of 0.0043%.

For the year ended June 30, 2024, the District recognized pension expense of \$19,517,762. In addition, the District recognized pension expense and revenue of \$10,117,207 for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Pension contributions subsequent to measurement date  | \$ 27,787,658                     | \$ -                             |
| Change in proportion and differences between contributions made and District's proportionate share of contributions | 55,188                            | 7,695,011                        |
| Differences between projected and actual earnings on pension plan investments                                       | 664,457                           | -                                |
| Differences between expected and actual experience in the measurement of the total pension liability                | 12,198,695                        | 8,305,711                        |
| Change of assumptions   | 898,851                           | -                                |
| Total   | \$ 41,604,849                     | \$ 16,000,722                    |

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

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

| Year Ended<br>June 30, | Deferred<br>Outflows/(Inflows)<br>of Resources |
|------------------------|--|
| 2025                   | \$ (4,883,725)                                 |
| 2026                   | (7,653,654)                                    |
| 2027                   | 12,577,633                                     |
| 2028                   | 624,203  |
| Total                  | \$ 664,457                                     |

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

| Year Ended<br>June 30, | Deferred<br>Outflows/(Inflows)<br>of Resources |
|------------------------|--|
| 2025                   | \$ (1,913,350)                                 |
| 2026                   | (1,935,927)                                    |
| 2027                   | (1,238,989)                                    |
| 2028                   | (315,056)                                      |
| 2029                   | 883,108  |
| Thereafter             | 1,672,226                                      |
| Total                  | \$ (2,847,988)                                 |

#### Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

|                           |                                    |
|---------------------------|------------------------------------|
| Valuation date            | June 30, 2022                      |
| Measurement date          | June 30, 2023                      |
| Experience study          | July 1, 2015 through June 30, 2018 |
| Actuarial cost method     | Entry age normal                   |
| Discount rate             | 7.10%                              |
| Investment rate of return | 7.10%                              |
| Consumer price inflation  | 2.75%                              |
| Wage growth               | 3.50%                              |

CalSTRS uses a generational mortality assumption, which 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 its members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2023, are summarized in the following table:

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

#### Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments and administrative expense occurred midyear. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

| <u>Discount Rate</u>          | <u>Net Pension Liability</u> |
|-------------------------------|------------------------------|
| 1% decrease (6.10%)           | \$ 260,389,653               |
| Current discount rate (7.10%) | 155,232,215                  |
| 1% increase (8.10%)           | 67,886,706                   |

**California Public Employees Retirement System (CalPERS)**

**Plan Description**

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at:

<https://www.calpers.ca.gov/page/forms-publications>.

**Benefits Provided**

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

The CalPERS provisions and benefits in effect at June 30, 2024, are summarized as follows:

|   | School Employer Pool (CalPERS)    |                                |
|---|-----------------------------------|--------------------------------|
|   | On or before<br>December 31, 2012 | On or after<br>January 1, 2013 |
| Hire date   |                                   |                                |
| Benefit formula   | 2% at 55                          | 2% at 62                       |
| Benefit vesting schedule                                  | 5 years of service                | 5 years of service             |
| Benefit payments  | Monthly for life                  | Monthly for life               |
| Retirement age  | 55                                | 62                             |
| Monthly benefits as a percentage of eligible compensation | 1.1% - 2.5%                       | 1.0% - 2.5%                    |
| Required employee contribution rate                       | 7.00%                             | 8.00%                          |
| Required employer contribution rate                       | 26.680%                           | 26.680%                        |

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the total District contributions were \$13,489,393.

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

As of June 30, 2024, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$95,816,039. The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively, was 0.2647% and 0.2770%, resulting in a net decrease in the proportionate share of 0.0123%.

For the year ended June 30, 2024, the District recognized pension expense of \$12,087,890. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Pension contributions subsequent to measurement date  | \$ 13,489,393                     | \$ -                             |
| Change in proportion and differences between contributions made and District's proportionate share of contributions | 136,724                           | 3,884,056                        |
| Differences between projected and actual earnings on pension plan investments                                       | 10,234,523                        | -                                |
| Differences between expected and actual experience in the measurement of the total pension liability                | 3,496,599                         | 1,471,594                        |
| Change of assumptions   | 4,414,207                         | -                                |
| Total   | \$ 31,771,446                     | \$ 5,355,650                     |

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

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

| Year Ended<br>June 30, | Deferred<br>Outflows<br>of Resources |
|------------------------|--------------------------------------|
| 2025                   | \$ 1,909,138                         |
| 2026                   | 1,131,021                            |
| 2027                   | 6,875,857                            |
| 2028                   | 318,507                              |
| Total                  | \$ 10,234,523                        |

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

| Year Ended<br>June 30, | Deferred<br>Outflows<br>of Resources |
|------------------------|--------------------------------------|
| 2025                   | \$ 1,222,064                         |
| 2026                   | 1,204,081                            |
| 2027                   | 265,735                              |
| Total                  | \$ 2,691,880                         |

### Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022 and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

|                           |                                    |
|---------------------------|------------------------------------|
| Valuation date            | June 30, 2022                      |
| Measurement date          | June 30, 2023                      |
| Experience study          | July 1, 1997 through June 30, 2015 |
| Actuarial cost method     | Entry age normal                   |
| Discount rate             | 6.90%                              |
| Investment rate of return | 6.90%                              |
| Consumer price inflation  | 2.30%                              |
| Wage growth               | Varies by entry age and service    |

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

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

| <u>Asset Class</u>             | <u>Assumed Asset Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--------------------------------|---------------------------------|---|
| Global Equity - cap-weighted   | 30%                             | 4.54%   |
| Global Equity non-cap-weighted | 12%                             | 3.84%   |
| Private Equity                 | 13%                             | 7.28%   |
| Treasury                       | 5%                              | 0.27%   |
| Mortgage-backed Securities     | 5%                              | 0.50%   |
| Investment Grade Corporates    | 10%                             | 1.56%   |
| High Yield                     | 5%                              | 2.27%   |
| Emerging Market Debt           | 5%                              | 2.48%   |
| Private Debt                   | 5%                              | 3.57%   |
| Real Assets                    | 15%                             | 3.21%   |
| Leverage                       | (5%)                            | (0.59%)                                       |

### Discount Rate

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

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

| <u>Discount Rate</u>          | <u>Net Pension Liability</u> |
|-------------------------------|------------------------------|
| 1% decrease (5.90%)           | \$ 138,525,225               |
| Current discount rate (6.90%) | 95,816,039                   |
| 1% increase (7.90%)           | 60,517,868                   |

### **Alternative Retirement Program**

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use the Public Agency Retirement System (PARS) as its alternative plan. Contributions made by the District and an employee vest immediately. The District contributes 1.30% of an employee's gross earnings. An employee is required to contribute 6.20% of his or her gross earnings to the pension plan.

During the year, the District's required and actual contributions amounted to \$62,840, which represents 0.02% of its current year covered payroll.

### **On Behalf Payments**

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$11,896,591 (10.828% of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

## **Note 15 - Commitments and Contingencies**

### **Grants**

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2024.

### **Litigation**

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2024.

**Construction Commitments**

As of June 30, 2024, the District had the following commitments with respect to the unfinished capital projects:

| Capital Project  | Remaining<br>Construction<br>Commitment | Expected<br>Date of<br>Completion |
|--|---|-----------------------------------|
| Vista Magnet Middle School - Facade Improvement                | \$ 994,617                              | July 2024                         |
| Vista Magnet Roofing Entry                                     | 967,339                                 | January 2025                      |
| Rancho Buena Vista High School - CTE classrooms                | 424,792                                 | July 2024                         |
| Vista High School - New Classrooms                             | 5,847,036                               | October 2024                      |
| Vista High School - Building "N" Modernization                 | 1,882,802                               | November 2024                     |
| Foothill Elementary - Gutters                                  | 689,390                                 | October 2024                      |
| Bobier Elementary School - Replace/Demo Relocatable Classrooms | 10,751,881                              | December 2026                     |
| Rancho Minerva Middle School - Drainage and Paving             | 20,481                                  | Summer 2025                       |
| Rancho Minerva Middle School - Building Envelope               | 44,900                                  | Summer 2025                       |
| Fire Alarms - Various Sites                                    | 55,000                                  | November 2024                     |
| District Wide - Gutters  | 55,000                                  | Winter 2024                       |
| District Wide - Asphalt  | 147,313                                 | Ongoing                           |
|  | <u>147,313</u>                          |                                   |
| Total  | <u>\$ 21,880,551</u>                    |                                   |

**Note 16 - Participation in Public Entity Risk Pools, Joint Power Authorities, and other Related Party Transactions**

The District is a member of the Southern California Regional Liability Excess Fund (SCRLEF) and the Protected Insurance Program for Schools (PIPS) Joint Power Authority's (JPAs). The District pays an annual premium to SCRLEF and PIPS for its property and liability coverage and workers' compensation coverage. The relationships between the District and the JPAs are such that they are not component units of the District for financial reporting purposes.

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

During the year ended June 30, 2024, the District made payments of \$1,768,050 and \$6,698,739 to SCRLEF and PIPS, respectively, for services received.



Required Supplementary Information  
June 30, 2024

Vista Unified School District

Vista Unified School District  
 Budgetary Comparison Schedule – General Fund  
 Year Ended June 30, 2024

|  | Budgeted Amounts             |                              | Actual                       | Variances -<br>Positive<br>(Negative) |
|--|------------------------------|------------------------------|------------------------------|---------------------------------------|
|  | Original                     | Final                        |                              | Final<br>to Actual                    |
| <b>Revenues</b>                                      |                              |                              |                              |                                       |
| Local Control Funding Formula                        | \$ 253,722,573               | \$ 252,317,182               | \$ 252,317,183               | \$ 1                                  |
| Federal sources                                      | 29,813,837                   | 44,208,515                   | 41,321,799                   | (2,886,716)                           |
| Other State sources                                  | 41,375,591                   | 46,617,223                   | 53,596,226                   | 6,979,003                             |
| Other local sources                                  | 21,561,645                   | 30,820,108                   | 30,039,961                   | (780,147)                             |
| Total revenues                                       | <u>346,473,646</u>           | <u>373,963,028</u>           | <u>377,275,169</u>           | <u>3,312,141</u>                      |
| <b>Expenditures</b>                                  |                              |                              |                              |                                       |
| <b>Current</b>                                       |                              |                              |                              |                                       |
| Certificated salaries                                | 146,351,726                  | 139,536,954                  | 144,448,189                  | (4,911,235)                           |
| Classified salaries                                  | 58,284,669                   | 51,829,140                   | 51,872,309                   | (43,169)                              |
| Employee benefits                                    | 94,364,596                   | 90,312,925                   | 86,560,424                   | 3,752,501                             |
| Books and supplies                                   | 18,590,498                   | 27,607,914                   | 20,106,949                   | 7,500,965                             |
| Services and operating<br>expenditures               | 31,198,025                   | 48,817,764                   | 43,511,883                   | 5,305,881                             |
| Other outgo  | 1,085,477                    | 1,394,517                    | 1,508,546                    | (114,029)                             |
| Capital outlay                                       | 10,757,866                   | 13,766,838                   | 7,515,234                    | 6,251,604                             |
| Debt service   |                              |                              |                              |                                       |
| Debt service - principal                             | -                            | 176,528                      | 176,527                      | 1                                     |
| Debt service - interest and other                    | -                            | 2,799                        | 2,799                        | -                                     |
| Total expenditures                                   | <u>360,632,857</u>           | <u>373,445,379</u>           | <u>355,702,860</u>           | <u>17,742,519</u>                     |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>(14,159,211)</u>          | <u>517,649</u>               | <u>21,572,309</u>            | <u>21,054,660</u>                     |
| <b>Other Financing Sources (Uses)</b>                |                              |                              |                              |                                       |
| Transfers in   | 138,720                      | 9,788                        | 9,788                        | -                                     |
| Other sources - SBITAs                               | -                            | 352,497                      | -                            | (352,497)                             |
| Transfers out  | -                            | (14,617)                     | (14,617)                     | -                                     |
| Net Financing Sources (Uses)                         | <u>138,720</u>               | <u>347,668</u>               | <u>(4,829)</u>               | <u>(352,497)</u>                      |
| Net Change in Fund Balance                           | (14,020,491)                 | 865,317                      | 21,567,480                   | 20,702,163                            |
| Fund Balance - Beginning                             | <u>121,548,964</u>           | <u>121,548,964</u>           | <u>121,548,964</u>           | <u>-</u>                              |
| Fund Balance - Ending                                | <u><u>\$ 107,528,473</u></u> | <u><u>\$ 122,414,281</u></u> | <u><u>\$ 143,116,444</u></u> | <u><u>\$ 20,702,163</u></u>           |

Vista Unified School District  
Schedule of Changes in the District's Total OPEB Liability and Related Ratios  
Year Ended June 30, 2024

|   | 2024                   | 2023                   | 2022                   | 2021                   |
|---|------------------------|------------------------|------------------------|------------------------|
| Total OPEB Liability                                    |                        |                        |                        |                        |
| Service cost  | \$ 1,333,624           | \$ 1,847,953           | \$ 2,494,016           | \$ 2,319,115           |
| Interest  | 1,143,777              | 731,374                | 1,074,641              | 1,241,505              |
| Change of benefit terms                                 | 579,465                | -                      | 250,241                | -                      |
| Difference between expected and actual experience       | 3,882,991              | (2,123,239)            | (1,352,198)            | (1,160,561)            |
| Change of assumptions                                   | 1,676,764              | (2,986,204)            | (6,241,752)            | 1,210,312              |
| Benefit payments  | <u>(2,544,519)</u>     | <u>(2,241,446)</u>     | <u>(2,917,430)</u>     | <u>(2,677,188)</u>     |
| Net change in total OPEB liability                      | 6,072,102              | (4,771,562)            | (6,692,482)            | 933,183                |
| Total OPEB Liability - Beginning                        | <u>27,891,105</u>      | <u>32,662,667</u>      | <u>39,355,149</u>      | <u>38,421,966</u>      |
| Total OPEB Liability - Ending                           | <u>\$ 33,963,207</u>   | <u>\$ 27,891,105</u>   | <u>\$ 32,662,667</u>   | <u>\$ 39,355,149</u>   |
| Covered Payroll   | <u>N/A<sup>1</sup></u> | <u>N/A<sup>1</sup></u> | <u>N/A<sup>1</sup></u> | <u>N/A<sup>1</sup></u> |
| Total OPEB Liability as a Percentage of Covered Payroll | <u>N/A<sup>1</sup></u> | <u>N/A<sup>1</sup></u> | <u>N/A<sup>1</sup></u> | <u>N/A<sup>1</sup></u> |
| Measurement Date  | June 30, 2023          | June 30, 2022          | June 30, 2021          | June 30, 2020          |
|   |                        | <u>2020</u>            | <u>2019</u>            | <u>2018</u>            |
| Total OPEB Liability                                    |                        |                        |                        |                        |
| Service cost  |                        | \$ 2,240,185           | \$ 2,208,760           | \$ 2,136,132           |
| Interest  |                        | 1,333,485              | 1,267,401              | 1,226,930              |
| Change of benefit terms                                 |                        | -                      | -                      | -                      |
| Difference between expected and actual experience       |                        | 174,376                | -                      | -                      |
| Change of assumptions                                   |                        | 109,084                | (239,911)              | -                      |
| Benefit payments  |                        | <u>(2,589,087)</u>     | <u>(2,300,126)</u>     | <u>(2,190,596)</u>     |
| Net change in total OPEB liability                      |                        | 1,268,043              | 936,124                | 1,172,466              |
| Total OPEB Liability - Beginning                        |                        | <u>37,153,923</u>      | <u>36,217,799</u>      | <u>35,045,333</u>      |
| Total OPEB Liability - Ending                           |                        | <u>\$ 38,421,966</u>   | <u>\$ 37,153,923</u>   | <u>\$ 36,217,799</u>   |
| Covered Payroll   |                        | <u>N/A<sup>1</sup></u> | <u>N/A<sup>1</sup></u> | <u>N/A<sup>1</sup></u> |
| Total OPEB Liability as a Percentage of Covered Payroll |                        | <u>N/A<sup>1</sup></u> | <u>N/A<sup>1</sup></u> | <u>N/A<sup>1</sup></u> |
| Measurement Date  |                        | June 30, 2019          | June 30, 2018          | June 30, 2017          |

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

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

Vista Unified School District  
Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program  
Year Ended June 30, 2024

| Year ended June 30,  | 2024             | 2023             | 2022             |
|--|------------------|------------------|------------------|
| Proportion of the net OPEB liability   | 0.3015%          | 0.3123%          | 0.3125%          |
| Proportionate share of the net OPEB liability  | \$ 914,795       | \$ 1,028,371     | \$ 1,246,572     |
| Covered payroll  | N/A <sup>1</sup> | N/A <sup>1</sup> | N/A <sup>1</sup> |
| Proportionate share of the net OPEB liability<br>as a percentage of it's covered payroll | N/A <sup>1</sup> | N/A <sup>1</sup> | N/A <sup>1</sup> |
| Plan fiduciary net position as a percentage<br>of the total OPEB liability               | (0.96%)          | (0.94%)          | (0.80%)          |
| Measurement Date   | June 30, 2023    | June 30, 2022    | June 30, 2021    |

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

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

Vista Unified School District  
Schedule of the District's Proportionate Share of the Net Pension Liability - CalSTRS  
Year Ended June 30, 2024

| CalSTRS   | 2024                  | 2023                  | 2022                  | 2021                  | 2020                  |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Proportion of the net pension liability   | 0.2038%               | 0.2081%               | 0.2079%               | 0.2062%               | 0.2130%               |
| Proportionate share of the net pension liability  | \$ 155,232,215        | \$ 144,590,315        | \$ 94,618,156         | \$ 199,852,414        | \$ 192,336,873        |
| State's proportionate share of the net pension liability                                | 74,376,119            | 72,410,264            | 47,608,186            | 103,023,943           | 104,932,605           |
| Total   | <u>\$ 229,608,334</u> | <u>\$ 217,000,579</u> | <u>\$ 142,226,342</u> | <u>\$ 302,876,357</u> | <u>\$ 297,269,478</u> |
| Covered payroll   | <u>\$ 125,973,194</u> | <u>\$ 122,933,044</u> | <u>\$ 113,502,372</u> | <u>\$ 111,762,731</u> | <u>\$ 114,467,340</u> |
| Proportionate share of the net pension liability as a percentage of its covered payroll | 123.23%               | 117.62%               | 83.36%                | 178.82%               | 168.03%               |
| Plan fiduciary net position as a percentage of the total pension liability              | 81%                   | 81%                   | 87%                   | 72%                   | 73%                   |
| Measurement Date  | June 30, 2023         | June 30, 2022         | June 30, 2021         | June 30, 2020         | June 30, 2019         |
|   | 2019                  | 2018                  | 2017                  | 2016                  | 2015                  |
| Proportion of the net pension liability   | 0.2148%               | 0.2144%               | 0.2114%               | 0.2162%               | 0.1913%               |
| Proportionate share of the net pension liability  | \$ 197,397,120        | \$ 198,306,666        | \$ 170,952,455        | \$ 145,525,900        | \$ 111,784,971        |
| State's proportionate share of the net pension liability                                | 113,019,083           | 117,316,548           | 103,238,385           | 82,030,821            | 65,547,421            |
| Total   | <u>\$ 310,416,203</u> | <u>\$ 315,623,214</u> | <u>\$ 274,190,840</u> | <u>\$ 227,556,721</u> | <u>\$ 177,332,392</u> |
| Covered payroll   | <u>\$ 114,330,000</u> | <u>\$ 113,647,544</u> | <u>\$ 105,825,061</u> | <u>\$ 97,351,892</u>  | <u>87,401,455</u>     |
| Proportionate share of the net pension liability as a percentage of its covered payroll | 172.66%               | 174.49%               | 161.54%               | 149.48%               | 127.90%               |
| Plan fiduciary net position as a percentage of the total pension liability              | 71%                   | 69%                   | 70%                   | 74%                   | 77%                   |
| Measurement Date  | June 30, 2018         | June 30, 2017         | June 30, 2016         | June 30, 2015         | June 30, 2014         |

Vista Unified School District  
Schedule of the District's Proportionate Share of the Net Pension Liability - CalPERS  
Year Ended June 30, 2024

| CalPERS   | 204           | 2023          | 2022          | 2021          | 2020          |
|---|---------------|---------------|---------------|---------------|---------------|
| Proportion of the net pension liability   | 0.2647%       | 0.2770%       | 0.2860%       | 0.2842%       | 0.3036%       |
| Proportionate share of the net pension liability  | \$ 95,816,039 | \$ 95,298,516 | \$ 58,083,646 | \$ 87,191,395 | \$ 88,485,067 |
| Covered payroll   | \$ 46,026,665 | \$ 42,660,921 | \$ 41,419,304 | \$ 41,682,633 | \$ 42,053,161 |
| Proportionate share of the net pension liability as a percentage of its covered payroll | 208.18%       | 223.39%       | 140.23%       | 209.18%       | 210.41%       |
| Plan fiduciary net position as a percentage of the total pension liability              | 70%           | 70%           | 81%           | 70%           | 70%           |
| Measurement Date  | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 |
|   | 2019          | 2018          | 2017          | 2016          | 2015          |
| Proportion of the net pension liability   | 0.2974%       | 0.3135%       | 0.3195%       | 0.3199%       | 0.3013%       |
| Proportionate share of the net pension liability  | \$ 79,286,454 | \$ 74,851,254 | \$ 63,097,931 | \$ 47,158,218 | \$ 34,202,366 |
| Covered payroll   | \$ 39,222,091 | \$ 39,983,057 | \$ 39,222,580 | \$ 38,131,425 | 35,379,462    |
| Proportionate share of the net pension liability as a percentage of its covered payroll | 202.15%       | 187.21%       | 160.87%       | 123.67%       | 96.67%        |
| Plan fiduciary net position as a percentage of the total pension liability              | 71%           | 72%           | 74%           | 79%           | 83%           |
| Measurement Date  | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 |

Vista Unified School District  
Schedule of the District's Contributions - CalSTRS  
Year Ended June 30, 2024

| CalSTRS   | 2024                  | 2023                  | 2022                  | 2021                  | 2020                  |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Contractually required contribution                                       | \$ 27,787,658         | \$ 24,060,880         | \$ 20,800,271         | \$ 18,330,633         | \$ 19,111,427         |
| Less contributions in relation to the contractually required contribution | <u>27,787,658</u>     | <u>24,060,880</u>     | <u>20,800,271</u>     | <u>18,330,633</u>     | <u>19,111,427</u>     |
| Contribution deficiency (excess)  | <u>\$ -</u>           | <u>\$ -</u>           | <u>\$ -</u>           | <u>\$ -</u>           | <u>\$ -</u>           |
| Covered payroll   | <u>\$ 145,485,120</u> | <u>\$ 125,973,194</u> | <u>\$ 122,933,044</u> | <u>\$ 113,502,372</u> | <u>\$ 111,762,731</u> |
| Contributions as a percentage of covered payroll                          | <u>19.10%</u>         | <u>19.10%</u>         | <u>16.92%</u>         | <u>16.15%</u>         | <u>17.10%</u>         |
|   | 2019                  | 2018                  | 2017                  | 2016                  | 2015                  |
| Contractually required contribution                                       | \$ 18,635,283         | \$ 16,497,819         | \$ 14,296,861         | \$ 11,355,029         | \$ 8,644,848          |
| Less contributions in relation to the contractually required contribution | <u>18,635,283</u>     | <u>16,497,819</u>     | <u>14,296,861</u>     | <u>11,355,029</u>     | <u>8,644,848</u>      |
| Contribution deficiency (excess)  | <u>\$ -</u>           | <u>\$ -</u>           | <u>\$ -</u>           | <u>\$ -</u>           | <u>\$ -</u>           |
| Covered payroll   | <u>\$ 114,467,340</u> | <u>\$ 114,330,000</u> | <u>\$ 113,647,544</u> | <u>\$ 105,825,061</u> | <u>\$ 97,351,892</u>  |
| Contributions as a percentage of covered payroll                          | <u>16.28%</u>         | <u>14.43%</u>         | <u>12.58%</u>         | <u>10.73%</u>         | <u>8.88%</u>          |

Vista Unified School District  
Schedule of the District's Contributions - CalPERS  
Year Ended June 30, 2024

| CalPERS   | 2024                 | 2023                 | 2022                 | 2021                 | 2020                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Contractually required contribution                                       | \$ 13,489,393        | \$ 11,676,965        | \$ 9,773,617         | \$ 8,573,796         | \$ 8,220,232         |
| Less contributions in relation to the contractually required contribution | <u>13,489,393</u>    | <u>11,676,965</u>    | <u>9,773,617</u>     | <u>8,573,796</u>     | <u>8,220,232</u>     |
| Contribution deficiency (excess)  | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          |
| Covered payroll   | <u>\$ 50,559,944</u> | <u>\$ 46,026,665</u> | <u>\$ 42,660,921</u> | <u>\$ 41,419,304</u> | <u>\$ 41,682,633</u> |
| Contributions as a percentage of covered payroll                          | <u>26.680%</u>       | <u>25.370%</u>       | <u>22.910%</u>       | <u>20.700%</u>       | <u>19.721%</u>       |
|   | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 |
| Contractually required contribution                                       | \$ 7,595,642         | \$ 6,091,583         | \$ 5,552,847         | \$ 4,646,699         | \$ 4,488,450         |
| Less contributions in relation to the contractually required contribution | <u>7,595,642</u>     | <u>6,091,583</u>     | <u>5,552,847</u>     | <u>4,646,699</u>     | <u>4,488,450</u>     |
| Contribution deficiency (excess)  | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>          |
| Covered payroll   | <u>\$ 42,053,161</u> | <u>\$ 39,222,091</u> | <u>\$ 39,983,057</u> | <u>\$ 39,222,580</u> | <u>\$ 38,131,425</u> |
| Contributions as a percentage of covered payroll                          | <u>18.062%</u>       | <u>15.531%</u>       | <u>13.888%</u>       | <u>11.847%</u>       | <u>11.771%</u>       |

## **Note 1 - Purpose of Schedules**

### **Budgetary Comparison Schedules**

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

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

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

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

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

- *Change in Benefit Terms* – Changes in benefit terms reflect an increase in the maximum contributions from \$475 per month to \$563.25 per month for Classified Employees retiring on or after July 1, 2023, and an increase in the maximum contributions from \$487.50 per month to \$500 per month for Certificated Employees retiring on or after July 1, 2022.
- *Change of Assumptions* – The salary rate was changed from 2.75% in 2022 to 2.80% in 2023. Additionally, the discount rate was changed from 4.09% in 2022 to 4.13% in 2023.

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

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

- *Change in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 3.54% to 3.65% since the previous valuation.

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

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

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

### **Schedule of the District's Contributions**

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.



Supplementary Information  
June 30, 2024

Vista Unified School District

Vista Unified School District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

| Federal Grantor/Pass-Through<br>Grantor/Program or Cluster Title | Federal<br>Financial<br>Assistance<br>Listing | Pass-Through<br>Entity<br>Identifying<br>Number | Federal<br>Expenditures | Amounts<br>Passed<br>Through to<br>Subrecipients |
|--|---|---|-------------------------|--|
| U.S. Department of Education                                     |   |   |                         |  |
| Passed Through California Department of Education (CDE)          |   |   |                         |  |
| Passed Through North Coastal SELPA                               |   |   |                         |  |
| Special Education (IDEA) Cluster                                 |   |   |                         |  |
| Basic Local Assistance Entitlement, Part B                       | 84.027  | 13379   | \$ 8,003,690            | \$ -   |
| Local Assistance, Part B, Private School ISPs                    | 84.027  | 10115   | 77,200                  | -  |
| Mental Health Allocation Plan, Part B, Section 611               | 84.027A                                       | 15197   | 231,550                 | -  |
| Subtotal   |   |   | <u>8,312,440</u>        | <u>-</u>   |
| Preschool Grants, Part B, Section 619                            | 84.173  | 13430   | 164,111                 | -  |
| Preschool Staff Development, Part B, Sec 619                     | 84.173A                                       | 13431   | 2,938                   | -  |
| Subtotal   |   |   | <u>167,049</u>          | <u>-</u>   |
| Total Special Education (IDEA) Cluster                           |   |   | <u>8,479,489</u>        | <u>-</u>   |
| Passed Through California Department of Education (CDE)          |   |   |                         |  |
| Adult Education: Adult Basic Education & ELA                     | 84.002A                                       | 14508   | 674,053                 | 448,276  |
| Adult Secondary Education  | 84.002  | 13978   | 411,087                 | 234,572  |
| English Literacy & Civics Education                              | 84.002A                                       | 14109   | 90,705                  | 90,705   |
| Subtotal   |   |   | <u>1,175,845</u>        | <u>773,553</u>                                   |
| Title I, Part A, Basic Grants Low-Income and Neglected           | 84.010  | 14329   | 5,733,570               | -  |
| School Improvement Funding for LEAs                              | 84.010  | 15438   | 229,189                 | -  |
| Subtotal   |   |   | <u>5,962,759</u>        | <u>-</u>   |
| Education Stabilization Fund (ESF)                               |   |   |                         |  |
| COVID-19 Elementary and Secondary School Emergency               |   |   |                         |  |
| Relief III (ESSER III) Fund                                      | 84.425U                                       | 15559   | 13,512,816              | -  |
| COVID-19 Elementary and Secondary School Emergency               |   |   |                         |  |
| Relief III (ESSER III) Fund: Learning Loss                       | 84.425U                                       | 10155   | 7,275,493               | -  |
| ESSER III State Reserve Emergency Needs                          | 84.425U                                       | 15620   | 1,160,520               | -  |
| COVID-19 Expanded Learning Opportunities (ELO) Grant:            |   |   |                         |  |
| ESSER III State Reserve Learning Loss                            | 84.425U                                       | 15621   | 651,682                 | -  |
| COVID-19 21st Century Community Learning                         |   |   |                         |  |
| Centers (CCLC): ESSER III State Reserve Summer                   |   |   |                         |  |
| Learning Programs  | 84.425U                                       | 15650   | 239,939                 | -  |
| COVID-19 ESSER III State Reserve Summer                          |   |   |                         |  |
| Learning Programs  | 84.425U                                       | 15752   | 191,177                 | -  |
| COVID-19 American Rescue Plan - Homeless Children                |   |   |                         |  |
| and Youth II (ARP HCY II)  | 84.425W                                       | 15566   | 219,792                 | -  |
| Subtotal Education Stabilization Fund                            |   |   | <u>23,251,419</u>       | <u>-</u>   |
| Title III, English Learner Student Program                       | 84.365  | 14346   | 857,097                 | -  |
| Strengthening Career and Technical Education                     |   |   |                         |  |
| for the 21st Century (Perkins V): Secondary, Sec. 131            | 84.048  | 14894   | 111,016                 | -  |

Vista Unified School District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

| Federal Grantor/Pass-Through<br>Grantor/Program or Cluster Title           | Federal<br>Financial<br>Assistance<br>Listing | Pass-Through<br>Entity<br>Identifying<br>Number | Federal<br>Expenditures | Amounts<br>Passed<br>Through to<br>Subrecipients |
|--|---|---|-------------------------|--|
| Passed through CDE (continued)   |   |   |                         |  |
| Title II, Part A, Supporting Effective Instruction                         | 84.367  | 14341   | \$ 947,545              | \$ -   |
| Title IV, Part A, Student Support and Academic<br>Enrichment Grants        | 84.424  | 15396   | 798,550                 | -  |
| Passed through San Diego County Office of Education (SDCOE)                |   |   |                         |  |
| Title IV, Part B, 21st Century Community Learning Centers<br>Program       | 84.287  | 14603   | 823,654                 | -  |
| Passed through Department of Rehabilitation                                |   |   |                         |  |
| Workability II, Transition Partnership                                     | 84.126  | 10006   | 264,087                 | -  |
| Total U.S. Department of Education   |   |   | <u>42,671,461</u>       | <u>773,553</u>                                   |
| U.S. Department of Defense   |   |   |                         |  |
| Junior ROTC Program  | 12.000  | [1]   | 90,174                  | -  |
| Total U.S. Department of Defense   |   |   | <u>90,174</u>           | <u>-</u>   |
| U.S. Department of Agriculture   |   |   |                         |  |
| Passed Through CDE   |   |   |                         |  |
| Child Nutrition Cluster  |   |   |                         |  |
| School Lunch - Section 4   | 10.555  | 13523   | 921,219                 | -  |
| School Lunch - Section 11  | 10.555  | 13524   | 4,645,556               | -  |
| Commodities  | 10.555  | 13396   | 287,777                 | -  |
| Local Food for Schools   |   |   | 133,620                 | -  |
| Subtotal   |   |   | <u>5,988,172</u>        | <u>-</u>   |
| School Basic Breakfast Program   | 10.553  | 13525   | 5,727                   | -  |
| School Breakfast Program Severe Need                                       | 10.553  | 13526   | 2,107,692               | -  |
| Subtotal   |   |   | <u>2,113,419</u>        | <u>-</u>   |
| Total Child Nutrition Cluster  |   |   | <u>8,101,591</u>        | <u>-</u>   |
| Passed Through California Department of Social Services                    |   |   |                         |  |
| Child Care Food Program (CCFP) Claims-Centers and<br>Family Day Care Homes | 10.558  | 13529   | 974,211                 | -  |
| Child and Adult Care Food Program (Cash Advance)                           | 10.558  | 13534   | 67,622                  | -  |
| Subtotal   |   |   | <u>1,041,833</u>        | <u>-</u>   |
| Total U.S. Department of Agriculture                                       |   |   | <u>9,143,424</u>        | <u>-</u>   |
| Total Federal Financial Assistance   |   |   | <u>\$ 51,905,059</u>    | <u>\$ 773,553</u>                                |

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

Vista Unified School District  
Schedule of Average Daily Attendance  
Year Ended June 30, 2024

|   | Final Report                                   |                              |
|---|--|------------------------------|
|   | Revised<br>Second Period<br>Report<br>4788E9B0 | Annual<br>Report<br>93A0F92A |
| Regular ADA   |  |                              |
| Transitional kindergarten through third                                       | 5,488.87                                       | 5,498.32                     |
| Fourth through sixth  | 3,877.17                                       | 3,873.01                     |
| Seventh and eighth  | 2,368.69                                       | 2,358.83                     |
| Ninth through twelfth   | 5,500.19                                       | 5,449.00                     |
| Total Regular ADA   | 17,234.92                                      | 17,179.16                    |
| Extended Year Special Education   |  |                              |
| Transitional kindergarten through third                                       | 13.09  | 13.09                        |
| Fourth through sixth  | 6.31   | 6.31                         |
| Seventh and eighth  | 2.89   | 2.89                         |
| Ninth through twelfth   | 8.47   | 8.47                         |
| Total Extended Year Special Education   | 30.76  | 30.76                        |
| Special Education, Nonpublic, and Nonsectarian Schools                        |  |                              |
| Fourth through sixth  | -  | 0.08                         |
| Seventh and eighth  | 1.07   | 1.41                         |
| Ninth through twelfth   | 17.19  | 16.44                        |
| Total Special Education, Nonpublic,<br>and Nonsectarian Schools               | 18.26  | 17.93                        |
| Extended Year Special Education, Nonpublic,<br>and Nonsectarian Schools       |  |                              |
| Fourth through sixth  | 0.15   | 0.15                         |
| Seventh and eighth  | 0.17   | 0.17                         |
| Ninth through twelfth   | 3.24   | 3.24                         |
| Total Extended Year Special Education,<br>Nonpublic, and Nonsectarian Schools | 3.56   | 3.56                         |
| Total ADA   | 17,287.50                                      | 17,231.41                    |

Vista Unified School District  
 Schedule of Instructional Time  
 Year Ended June 30, 2024

| Grade Level   | 1986-1987<br>Minutes<br>Requirement | 2023-2024<br>Actual<br>Minutes | Number of<br>Minutes Credited<br>Form J-13A | Total<br>Minutes<br>Offered | Traditional Calendar        |  |                          | Multitrack Calendar         |  |                          | Status   |
|---------------|-------------------------------------|--------------------------------|---|-----------------------------|-----------------------------|--|--------------------------|-----------------------------|--|--------------------------|----------|
|               |                                     |                                |   |                             | Number of<br>Actual<br>Days | Number of<br>Days Credited<br>Form J-13A | Total<br>Days<br>Offered | Number of<br>Actual<br>Days | Number of<br>Days Credited<br>Form J-13A | Total<br>Days<br>Offered |          |
| Kindergarten  | 36,000                              | 53,360                         | -   | 53,360                      | 180                         | -  | 180                      | N/A                         | N/A                                      | N/A                      | Complied |
| Grades 1 - 3  | 50,400                              |                                |   |                             |                             |  |                          |                             |  |                          |          |
| Grade 1       |                                     | 55,160                         | -   | 55,160                      | 180                         | -  | 180                      | N/A                         | N/A                                      | N/A                      | Complied |
| Grade 2       |                                     | 55,160                         | -   | 55,160                      | 180                         | -  | 180                      | N/A                         | N/A                                      | N/A                      | Complied |
| Grade 3       |                                     | 55,160                         | -   | 55,160                      | 180                         | -  | 180                      | N/A                         | N/A                                      | N/A                      | Complied |
| Grades 4 - 8  | 54,000                              |                                |   |                             |                             |  |                          |                             |  |                          |          |
| Grade 4       |                                     | 55,160                         | -   | 55,160                      | 180                         | -  | 180                      | N/A                         | N/A                                      | N/A                      | Complied |
| Grade 5       |                                     | 55,160                         | -   | 55,160                      | 180                         | -  | 180                      | N/A                         | N/A                                      | N/A                      | Complied |
| Grade 6       |                                     | 58,869                         | -   | 58,869                      | 180                         | -  | 180                      | N/A                         | N/A                                      | N/A                      | Complied |
| Grade 7       |                                     | 58,869                         | -   | 58,869                      | 180                         | -  | 180                      | N/A                         | N/A                                      | N/A                      | Complied |
| Grade 8       |                                     | 58,869                         | -   | 58,869                      | 180                         | -  | 180                      | N/A                         | N/A                                      | N/A                      | Complied |
| Grades 9 - 12 | 64,800                              |                                |   |                             |                             |  |                          |                             |  |                          |          |
| Grade 9       |                                     | 65,020                         | -   | 65,020                      | 180                         | -  | 180                      | N/A                         | N/A                                      | N/A                      | Complied |
| Grade 10      |                                     | 65,020                         | -   | 65,020                      | 180                         | -  | 180                      | N/A                         | N/A                                      | N/A                      | Complied |
| Grade 11      |                                     | 65,020                         | -   | 65,020                      | 180                         | -  | 180                      | N/A                         | N/A                                      | N/A                      | Complied |
| Grade 12      |                                     | 65,020                         | -   | 65,020                      | 180                         | -  | 180                      | N/A                         | N/A                                      | N/A                      | Complied |

Vista Unified School District  
 Reconciliation of Annual Financial and Budget Report with Audited Financial Statements  
 Year Ended June 30, 2024

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Summarized below are the fund balance reconciliations between the Unaudited Actual Financial Report and the audited financial statements.

|  | Student<br>Activity<br>Fund | Adult<br>Education<br>Fund | Cafeteria<br>Fund    | Capital<br>Facilities<br>Fund |
|--|-----------------------------|----------------------------|----------------------|-------------------------------|
| Fund Balance   |                             |                            |                      |                               |
| Balance, June 30, 2024, Unaudited Actuals            | \$ 1,531,916                | \$ 3,742,173               | \$ 14,804,403        | \$ 13,085,312                 |
| Increase in  |                             |                            |                      |                               |
| Receivables  | -                           | -                          | 1,772,765            | -                             |
| Decrease in  |                             |                            |                      |                               |
| Cash   | (154,958)                   | (18,757)                   | (1,851,680)          | (55,378)                      |
| Inventory  | -                           | -                          | (228,731)            | -                             |
|  | <u>\$ 1,376,958</u>         | <u>\$ 3,723,416</u>        | <u>\$ 14,496,757</u> | <u>\$ 13,029,934</u>          |
| Balance, June 30, 2024, Audited Financial Statements | <u>\$ 1,376,958</u>         | <u>\$ 3,723,416</u>        | <u>\$ 14,496,757</u> | <u>\$ 13,029,934</u>          |

Vista Unified School District  
Schedule of Financial Trends and Analysis  
Year Ended June 30, 2024

|   | (Budget)<br>2025 <sup>1</sup> | 2024                  | 2023 <sup>1</sup>     | 2022 <sup>1</sup>     |
|---|-------------------------------|-----------------------|-----------------------|-----------------------|
| General Fund                                      |                               |                       |                       |                       |
| Revenues  | \$ 318,004,684                | \$ 377,275,169        | \$ 381,114,386        | \$ 316,718,271        |
| Other sources                                     | -                             | 9,788                 | 647,454               | 96,493                |
| Total revenues and other sources                  | <u>318,004,684</u>            | <u>377,284,957</u>    | <u>381,761,840</u>    | <u>316,814,764</u>    |
| Expenditures                                      | 348,914,797                   | 355,702,860           | 323,716,847           | 287,458,425           |
| Other uses  | -                             | 14,617                | -                     | -                     |
| Total expenditures and other uses                 | <u>348,914,797</u>            | <u>355,717,477</u>    | <u>323,716,847</u>    | <u>287,458,425</u>    |
| Increase/(Decrease) in Fund Balance               | <u>(30,910,113)</u>           | <u>21,567,480</u>     | <u>58,044,993</u>     | <u>29,356,339</u>     |
| Ending Fund Balance                               | <u>\$ 112,206,331</u>         | <u>\$ 143,116,444</u> | <u>\$ 121,548,964</u> | <u>\$ 63,503,971</u>  |
| Available Reserves <sup>2</sup>                   | <u>\$ 37,595,347</u>          | <u>\$ 41,149,956</u>  | <u>\$ 34,743,214</u>  | <u>\$ 23,452,113</u>  |
| Available Reserves as a Percentage of Total Outgo | <u>10.77%</u>                 | <u>11.57%</u>         | <u>10.73%</u>         | <u>8.16%</u>          |
| Long-Term Liabilities                             | <u>N/A</u>                    | <u>\$ 572,486,082</u> | <u>\$ 573,822,255</u> | <u>\$ 511,386,374</u> |
| K-12 Average Daily Attendance at P-2              | <u>16,989</u>                 | <u>17,288</u>         | <u>17,266</u>         | <u>17,298</u>         |

The General Fund balance has increased by \$79,612,473 over the past two years. The fiscal year 2024-2025 budget projects a decrease of \$30,910,113 (21.60%). For a district this size, the State recommends available reserves of at least three percent of total General Fund expenditures and other uses (total outgo).

The District has incurred operating surpluses in all of the past three years, but anticipates incurring an operating deficit during the 2024-2025 fiscal year. Total long-term liabilities have increased by \$61,099,708 over the past two years.

Average daily attendance has decreased by 10 over the past two years. An additional decrease of 299 ADA is anticipated during fiscal year 2024-2025.

<sup>1</sup> Financial information for 2025, 2023, and 2022 are included for analytical purposes only and has not been subjected to audit.

<sup>2</sup> Available reserves consist of all unassigned fund balances including all amounts reserved for economic uncertainties contained with the General Fund.

Vista Unified School District  
Schedule of Charter Schools  
Year Ended June 30, 2024

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| <u>Name of Charter School</u>                    | <u>Charter Number</u> | <u>Included in Audit Report</u> |
|--|-----------------------|---------------------------------|
| Bella Mente Montessori Academy                   | 1515                  | No                              |
| Guajome Park Academy                             | 0050                  | No                              |
| Guajome Learning Center                          | 1351                  | No                              |
| North County Trade Tech Charter High School      | 0884                  | No                              |
| School for Integrated Academies and Technologies | 0627                  | No                              |

Vista Unified School District  
Combining Balance Sheet – Non-Major Governmental Funds  
June 30, 2024

|  | Adult<br>Education<br>Fund | Student<br>Activity<br>Fund | Cafeteria<br>Fund    | Capital<br>Facilities<br>Fund | County School<br>Facilities<br>Fund | Bond<br>Interest and<br>Redemption<br>Fund | Total<br>Non-Major<br>Governmental<br>Funds |
|--|----------------------------|-----------------------------|----------------------|-------------------------------|-------------------------------------|--|---|
| <b>Assets</b>                                  |                            |                             |                      |                               |                                     |  |   |
| Deposits and investments                       | \$ 3,139,638               | \$ 1,385,476                | \$ 13,402,113        | \$ 12,937,171                 | \$ 1,359,131                        | \$ 19,370,841                              | \$ 51,594,370                               |
| Receivables                                    | 1,787,579                  | -                           | 2,281,803            | 117,460                       | 6,588                               | -  | 4,193,430                                   |
| Due from other funds                           | 5,867                      | -                           | 44,402               | -                             | -                                   | -  | 50,269                                      |
| Stores inventories                             | -                          | -                           | 419,763              | -                             | -                                   | -  | 419,763                                     |
| <b>Total assets</b>                            | <b>\$ 4,933,084</b>        | <b>\$ 1,385,476</b>         | <b>\$ 16,148,081</b> | <b>\$ 13,054,631</b>          | <b>\$ 1,365,719</b>                 | <b>\$ 19,370,841</b>                       | <b>\$ 56,257,832</b>                        |
| <b>Liabilities and Fund Balances</b>           |                            |                             |                      |                               |                                     |  |   |
| <b>Liabilities</b>                             |                            |                             |                      |                               |                                     |  |   |
| Accounts payable                               | \$ 1,146,911               | \$ 8,518                    | \$ 684,240           | \$ 24,697                     | \$ -                                | \$ -                                       | \$ 1,864,366                                |
| Due to other funds                             | 62,757                     | -                           | 960,435              | -                             | 1,379,414                           | -  | 2,402,606                                   |
| Unearned revenue                               | -                          | -                           | 6,649                | -                             | -                                   | -  | 6,649                                       |
| <b>Total liabilities</b>                       | <b>1,209,668</b>           | <b>8,518</b>                | <b>1,651,324</b>     | <b>24,697</b>                 | <b>1,379,414</b>                    | <b>-</b>                                   | <b>4,273,621</b>                            |
| <b>Fund Balances</b>                           |                            |                             |                      |                               |                                     |  |   |
| Nonspendable                                   | -                          | -                           | 651,986              | -                             | -                                   | -  | 651,986                                     |
| Restricted                                     | 3,011,308                  | 1,376,958                   | 13,844,771           | 13,029,934                    | -                                   | 19,370,841                                 | 50,633,812                                  |
| Assigned                                       | 712,108                    | -                           | -                    | -                             | -                                   | -  | 712,108                                     |
| Unassigned                                     | -                          | -                           | -                    | -                             | (13,695)                            | -  | (13,695)                                    |
| <b>Total fund balances</b>                     | <b>3,723,416</b>           | <b>1,376,958</b>            | <b>14,496,757</b>    | <b>13,029,934</b>             | <b>(13,695)</b>                     | <b>19,370,841</b>                          | <b>51,984,211</b>                           |
| <b>Total liabilities<br/>and fund balances</b> | <b>\$ 4,933,084</b>        | <b>\$ 1,385,476</b>         | <b>\$ 16,148,081</b> | <b>\$ 13,054,631</b>          | <b>\$ 1,365,719</b>                 | <b>\$ 19,370,841</b>                       | <b>\$ 56,257,832</b>                        |

Vista Unified School District

Combining Statement of Revenues, Expenditure, and Changes in Fund Balances - Non-Major Governmental Funds

Year Ended June 30, 2024

|  | Adult<br>Education<br>Fund | Student<br>Activity<br>Fund | Cafeteria<br>Fund    | Capital<br>Facilities<br>Fund | County School<br>Facilities<br>Fund | Bond<br>Interest and<br>Redemption<br>Fund | Total<br>Non-Major<br>Governmental<br>Funds |
|--|----------------------------|-----------------------------|----------------------|-------------------------------|-------------------------------------|--|---|
| <b>Revenues</b>  |                            |                             |                      |                               |                                     |  |   |
| Federal sources  | \$ 1,439,932               | \$ -                        | \$ 9,742,244         | \$ -                          | \$ -                                | \$ -                                       | \$ 11,182,176                               |
| Other State sources  | 9,832,794                  | -                           | 6,192,181            | -                             | 1,374,914                           | 98,380                                     | 17,498,269                                  |
| Other local sources  | 232,847                    | 1,822,065                   | 661,296              | 1,908,591                     | (9,170)                             | 18,343,744                                 | 22,959,373                                  |
| <b>Total revenues</b>  | <b>11,505,573</b>          | <b>1,822,065</b>            | <b>16,595,721</b>    | <b>1,908,591</b>              | <b>1,365,744</b>                    | <b>18,442,124</b>                          | <b>51,639,818</b>                           |
| <b>Expenditures</b>  |                            |                             |                      |                               |                                     |  |   |
| <b>Current</b>   |                            |                             |                      |                               |                                     |  |   |
| Instruction  | 1,595,921                  | -                           | -                    | -                             | -                                   | -  | 1,595,921                                   |
| Instruction-related activities                               |                            |                             |                      |                               |                                     |  |   |
| School site administration                                   | 1,500,913                  | -                           | -                    | -                             | -                                   | -  | 1,500,913                                   |
| Pupil services   |                            |                             |                      |                               |                                     |  |   |
| Food services  | -                          | -                           | 12,956,423           | -                             | -                                   | -  | 12,956,423                                  |
| All other pupil services                                     | 315,745                    | -                           | -                    | -                             | -                                   | -  | 315,745                                     |
| Administration   |                            |                             |                      |                               |                                     |  |   |
| All other administration                                     | 146,855                    | -                           | 313,885              | 254,603                       | -                                   | -  | 715,343                                     |
| Plant services   | 448,679                    | -                           | 79,643               | -                             | -                                   | -  | 528,322                                     |
| Ancillary services   | -                          | 1,946,750                   | -                    | -                             | -                                   | -  | 1,946,750                                   |
| Other outgo  | 6,744,369                  | -                           | -                    | -                             | -                                   | -  | 6,744,369                                   |
| Facility acquisition<br>and construction                     | 22,745                     | -                           | 73,717               | -                             | -                                   | -  | 96,462                                      |
| Debt service   |                            |                             |                      |                               |                                     |  |   |
| Principal  | -                          | -                           | -                    | -                             | -                                   | 15,920,000                                 | 15,920,000                                  |
| Interest and other   | -                          | -                           | -                    | -                             | -                                   | 9,158,886                                  | 9,158,886                                   |
| <b>Total expenditures</b>                                    | <b>10,775,227</b>          | <b>1,946,750</b>            | <b>13,423,668</b>    | <b>254,603</b>                | <b>-</b>                            | <b>25,078,886</b>                          | <b>51,479,134</b>                           |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <b>730,346</b>             | <b>(124,685)</b>            | <b>3,172,053</b>     | <b>1,653,988</b>              | <b>1,365,744</b>                    | <b>(6,636,762)</b>                         | <b>160,684</b>                              |
| <b>Other Financing Uses</b>                                  |                            |                             |                      |                               |                                     |  |   |
| Transfers out  | -                          | -                           | -                    | -                             | (1,379,753)                         | -  | (1,379,753)                                 |
| <b>Net Change in Fund Balances</b>                           | <b>730,346</b>             | <b>(124,685)</b>            | <b>3,172,053</b>     | <b>1,653,988</b>              | <b>(14,009)</b>                     | <b>(6,636,762)</b>                         | <b>(1,219,069)</b>                          |
| Fund Balance - Beginning                                     | 2,993,070                  | 1,501,643                   | 11,324,704           | 11,375,946                    | 314                                 | 26,007,603                                 | 53,203,280                                  |
| <b>Fund Balance - Ending</b>                                 | <b>\$ 3,723,416</b>        | <b>\$ 1,376,958</b>         | <b>\$ 14,496,757</b> | <b>\$ 13,029,934</b>          | <b>\$ (13,695)</b>                  | <b>\$ 19,370,841</b>                       | <b>\$ 51,984,211</b>                        |

## **Note 1 - Purpose of Schedules**

### **Schedule of Expenditures of Federal Awards (SEFA)**

#### Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the federal award activity of the Vista Unified School District (the District) under programs of the federal government for the year ended June 30, 2024. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the net position or changes in net position and fund balance, or cash flows of the District.

#### Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

#### Indirect Cost Rate

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

#### Food Donation

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. At June 30, 2024, the District did not report any inventory related to commodities.

### **Schedule of Average Daily Attendance (ADA)**

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

### **Schedule of Instructional Time**

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code* Sections 46200 through 46207.

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

### **Reconciliation of Annual Financial and Budget Report with Audited Financial Statements**

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

**Schedule of Financial Trends and Analysis**

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

**Schedule of Charter Schools**

This schedule lists all Charter Schools chartered by the District and displays information for each Charter School on whether or not the Charter School is included in the District audit.

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

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



Other Information  
June 30, 2024

Vista Unified School District

**Organization**

The Vista Unified School District was established in 1936 and is comprised of an area of approximately 38.7 square miles in Vista, California. The District is currently operating fifteen elementary schools, five middle schools, three comprehensive high schools, two alternative high schools, one early childhood special education center, one blended learning/independent study middle/high school, an adult education school, and an adult transition center. There were no changes in the boundaries of the District during the current fiscal year.

**Governing Board**

| <b>Member</b>       | <b>Office</b>  | <b>Term Expires</b> |
|---------------------|----------------|---------------------|
| Martha Alvarado     | President      | 2026                |
| Julie Kelly         | Vice President | 2024                |
| Rena Marrocco       | Clerk          | 2026                |
| Cipriano Vargas     | Member         | 2024                |
| Rosemary Smithfield | Member         | 2024                |

**Administration**

|                          |   |
|--------------------------|---|
| Mathew Doyle, Ed.D       | Superintendent  |
| Rachel D’Ambroso         | Assistant Superintendent, Human Relations                               |
| Ami Shackelford          | Assistant Superintendent, Business Services                             |
| Christine Olmstead, Ed.D | Assistant Superintendent, Educational, Excellence & Innovation Services |



Independent Auditor's Reports  
June 30, 2024

Vista Unified School District



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

To the Governing Board  
Vista Unified School District  
Vista, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Vista Unified School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated April 29, 2025.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 that we consider to be a material weakness.

## **Report on Compliance and Other Matters**

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

We noted certain matters that we reported to management of the District in a separate letter dated April 29, 2025.

### **District's Response to Findings**

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

### **Purpose of this Report**

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



Rancho Cucamonga, California  
April 29, 2025



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

To the Governing Board  
Vista Unified School District  
Vista, California

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

#### ***Opinion on Each Major Federal Program***

We have audited Vista Unified School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

#### ***Basis for Opinion on Each Major Federal Program***

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

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance

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

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

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

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

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

Rancho Cucamonga, California  
April 29, 2025



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

To the Governing Board  
Vista Unified School District  
Vista, California

### Report on Compliance

#### *Opinion on State Compliance*

We have audited Vista Unified School District's (the District) compliance with the requirements specified in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to the District's state program requirements identified below for the year ended June 30, 2024.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2024.

#### *Basis for Opinion*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

#### *Responsibilities of Management for Compliance*

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

**Auditor’s Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District’s compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District’s compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the District’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District’s compliance with the state laws and regulations applicable to the following items:

| 2023-2024 K-12 Audit Guide Procedures               | Procedures Performed |
|---|----------------------|
| Local Education Agencies Other Than Charter Schools |                      |
| Attendance  | Yes                  |
| Teacher Certification and Misassignments            | Yes                  |
| Kindergarten Continuance                            | Yes                  |
| Independent Study                                   | Yes                  |
| Continuation Education                              | Yes                  |
| Instructional Time                                  | Yes                  |
| Instructional Materials                             | Yes                  |
| Ratios of Administrative Employees to Teachers      | Yes                  |
| Classroom Teacher Salaries                          | Yes                  |
| Early Retirement Incentive                          | N/A                  |
| GANN Limit Calculation                              | Yes                  |

| 2023-2024 K-12 Audit Guide Procedures                                  | Procedures Performed |
|--|----------------------|
| School Accountability Report Card                                      | Yes                  |
| Juvenile Court Schools   | N/A                  |
| Middle or Early College High Schools                                   | N/A                  |
| K-3 Grade Span Adjustment  | Yes                  |
| Apprenticeship: Related and Supplemental Instruction                   | N/A                  |
| Comprehensive School Safety Plan                                       | Yes                  |
| District of Choice   | N/A                  |
| Home to School Transportation Reimbursement                            | Yes                  |
| <br>School Districts, County Offices of Education, and Charter Schools |                      |
| Proposition 28 Arts and Music in Schools                               | Yes                  |
| After/Before School Education and Safety Program                       | Yes                  |
| Proper Expenditure of Education Protection Account Funds               | Yes                  |
| Unduplicated Local Control Funding Formula Pupil Counts                | Yes                  |
| Local Control and Accountability Plan                                  | Yes                  |
| Independent Study - Course Based                                       | N/A                  |
| Immunizations  | Yes                  |
| Educator Effectiveness   | Yes                  |
| Expanded Learning Opportunities Grant (ELO-G)                          | Yes                  |
| Career Technical Education Incentive Grant                             | Yes                  |
| Expanded Learning Opportunities Program                                | Yes                  |
| Transitional Kindergarten  | Yes                  |
| <br>Charter Schools  |                      |
| Attendance   | N/A                  |
| Mode of Instruction  | N/A                  |
| Nonclassroom-Based Instruction/Independent Study                       | N/A                  |
| Determination of Funding for Nonclassroom-Based Instruction            | N/A                  |
| Annual Instructional Minutes - Classroom Based                         | N/A                  |
| Charter School Facility Grant Program                                  | N/A                  |

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

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

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying Schedule of Findings and Questioned Costs as items 2024-002 and 2024-003. Our opinion is not modified with respect to these matters.

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

### **Report on Internal Control over Compliance**

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2024-002 and 2024-003 to be significant deficiencies.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.



Rancho Cucamonga, California  
April 29, 2025



Schedule of Findings and Questioned Costs  
June 30, 2024

# Vista Unified School District

**Financial Statements**

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

**Federal Awards**

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

**Identification of major programs**

| Name of Federal Program or Cluster  | Federal Financial Assistance Listing |
|---|--------------------------------------|
| COVID-19 Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss             | 84.425U                              |
| COVID-19 Elementary and Secondary School Emergency Relief III (ESSER III) Fund                            | 84.425U                              |
| COVID-19 ESSER III State Reserve Emergency Needs  | 84.425U                              |
| COVID-19 ESSER III State Reserve Learning Loss  | 84.425U                              |
| COVID-19 21st Century Community Learning Centers (CCLC): ESSER III State Reserve Summer Learning Programs | 84.425U                              |
| COVID-19 ESSER III State Reserve Summer Learning Programs   | 84.425U                              |
| COVID-19 American Rescue Plan – Homeless Children and Youth II (ARP HCY II)                               | 84.425W                              |
| Child Nutrition Cluster   | 10.553, 10.555                       |
| Dollar threshold used to distinguish between type A and type B programs                                   | \$1,557,152                          |
| Auditee qualified as low-risk auditee?  | No                                   |

**State Compliance**

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

The following finding represents a material weakness related to the financial statements that is required to be reported in accordance with *Government Auditing Standards*. The finding has been coded as follows:

| Five Digit Code | AB 3627 Finding Type |
|-----------------|----------------------|
| 30000           | Internal Control     |

**2024-001      30000 – Internal Controls over Financial Reporting (Material Weakness)**

Criteria or Specific Requirements

Management is responsible for the design, implementation, and maintenance of internal controls to ensure the financial statements are free from material misstatement, whether due to error or fraud. Such internal controls should include a review of the year-end closing entries necessary to ensure the financial statements are fairly stated. The District should ensure that all applicable accounting principles are adhered to when preparing the financial statements.

Condition

During the course of the audit, we noted that audit adjustments were required to ensure the financial statements were materially stated. Adjustments were required to cash, receivables, and inventory.

Context

The conditions were identified as a result of our audit of the account balances as of June 30, 2024. During our review of available District records and audit procedures performed related to the various account balances, the errors were identified.

Cause

The cause of the misstatements appears to be due to inadequate review processes related to the preparation of the District’s year-end financial statements.

Effect

The effect of the errors noted resulted in a net decrease to fund balance of the aggregate remaining funds of \$536,739.

Repeat Finding

Yes, see prior year finding 2023-001.

#### Recommendation

A thorough review of the District's financial statements, including all closing entries should take place before the financial statements are finalized by the District's business department.

#### Corrective Action Plan and Views of Responsible Officials

The District has consistently, for the past two years exposed staff to training and professional development to increase knowledge and understanding of governmental accounting standards. We have also created a process for year-end closing which includes two sets of reviews to ensure proper classification, reconciliations and advanced our timeline to allow for a robust internal audit time.

None reported.

The following findings represent significant deficiencies and instances of noncompliance, including questioned costs that are required to be reported by the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. The findings have been coded as follows:

| Five Digit Code | AB 3627 Finding Type |
|-----------------|----------------------|
| 40000           | State Compliance     |

**2024-002      40000 - After/Before School Education and Safety Program**

Criteria or Specific Requirements

According to the California *Education Code* Section 8483a(2) related to the after-school program, it is the intent of the Legislature that elementary and middle school or junior high school pupils participate in the full day of the program every day during which pupils participate, except as allowed by the early release policy. Pupil attendance records must be maintained to verify and support the program’s compliance with this requirement.

Additionally, according to the California *Education Code* Section 8483.1a(2) related to the before-school program, it is the intent of the Legislature that elementary and middle school or junior high school pupils participate in the full day of the program every day during which pupils participate, except as allowed by the late arrival policy. Pupil attendance records must be maintained to verify and support the program’s compliance with this requirement.

Condition

While verifying the total students served in the after-school program at Casita Elementary, Hannalei Elementary and Roosevelt Middle School for the month of November 2023, the auditor noted instances where students were signed out early without documenting the reason for early release. Since the reason for early release was not documented, it could not be determined if the early release was consistent with the early release policy. A total of 36 students did not have a documented reason for early release across the three sites tested.

Additionally, while verifying the total students served in the after-school program at Hannalei Elementary for the month of November 2023, the auditor noted instances where the District miscalculated the number of students in attendance. A total of 7 students identified on the sign-in/sign-out sheets were not counted by the District. The District reported less students than identified on their sign-in/sign-out sheets.

While verifying the total students served in the before-school program at Bobier Elementary, Grapvine Elementary, and Maryland Elementary for the month of November 2023, the auditor noted instances where students were signed out early without documenting the reason for early release. Since the reason for early release was not documented, it could not be determined if the early release was consistent with the early release policy. A total of 62 students did not have a documented reason for early release across the three sites tested.

Additionally, while verifying the total students served in the before-school program at Bobier Elementary for the month of November 2023, the auditor noted instances where the District miscalculated the number of students in attendance. A total of 4 students identified on the sign-in/sign-out sheets were not counted by the District. The District reported less students than identified on their sign-in/sign-out sheets.

Additionally, when verifying the total number of students served reported to the California Department of Education (CDE) for the 1st Half of the Fiscal year (July 2023-December 2023), the auditor noted discrepancies from site attendance calculations to the CDE reporting numbers. The total attendance counts for Casita Elementary's after-school program for the 1<sup>st</sup> half of the Fiscal year was 5,377 students served, however the site reported 5,321 students served to the CDE. The total attendance counts for Hannalei Elementary's after-school program for the 1st half of the Fiscal year was 5,502 students served, however the site reported 5,498 students served to the CDE.

#### Effect

The District was not compliant with *Education Code* Sections 8483a(2) and 8483.1a(2) for the 2023-2024 fiscal year since pupil attendance documentation was not maintained to support the total reported pupil attendance counts and amounts reported to CDE did not reconcile to attendance records.

#### Cause

The cause of the conditions for both the after and before school programs appears to be a result of parents failing to record an early release code on the sign-out sheet when checking their children out of the program, and site personnel not adjusting the reported numbers for students with undocumented early release. There also appears to be a lack of sign-out sheet review procedures to verify the count is accurate.

Additionally, there appears to be a lack of appropriate review procedures to verify that attendance information recorded by site personnel reconciles to the amounts reported to CDE.

#### Questioned Costs

Under the provisions of the program, there are no questioned costs associated with this condition.

#### Repeat Finding

Yes, see prior year finding 2023-002.

#### Recommendation

We recommend the District to verify that all after-school and before-school program personnel are aware of documentation requirements related to pupil attendance and continue to enforce its early release/late arrival policy by communicating with parents the importance of documenting the reason for early release/late arrival. Also, prior to submission of attendance information to the State, the District should ensure the totals reported only include students who attended the full program time or properly documented their reason for not attending a full day. An individual from the District should review daily and monthly attendance numbers to verify that accurate information is being sent to the State for reporting.

#### Corrective Action Plan and Views of Responsible Officials

Since the issue was first brought up the year before, the District engaged in a comprehensive review process for the program which included retraining of all staff on attendance criteria, valid signatures, centralized oversight and discussion with the San Diego County Office of Education (SDCOE). We are implementing a per site system for early release/late arrival and we have invested in a new management system to add another layer of checks and balances. SDCOE has chosen our district to be recognized at the 2025 at the Expanded Learning Celebration.

### **2024-003      40000 – Expanded Learning Opportunities Grant (ELO-G)**

#### Criteria or Specific Requirements

California *Education Code* Section 43522 requires the District to use at least 85 percent of its apportionment for expenditures related to providing in-person services allowable to subdivision (b). These expenditures are required to be utilized for the purpose of closing learning gaps and addressing barriers to learning.

#### Condition

The District charged expenses that did not meet the required in person instruction criteria in the amount of \$59,727. The expenses were related to landscaping and construction and not for any of the purposes specified in *Education Code* Section 435322(b).

#### Effect

The District is not in compliance with California *Education Code* Section 43522.

#### Cause

The District used Expanded Learning Opportunity Grant funds for landscaping and construction in order to create outdoor learning spaces at various sites. There seemed to be a misunderstanding of California *Education Code* Section 43522(b)(4) regarding learning hubs. The District deemed it reasonable to allocate funds for the construction and landscaping of such learning centers.

#### Questioned Costs

As a result of the condition identified above, a total of \$59,727 in questioned costs were identified.

#### Repeat Finding

No.

#### Recommendation

The District should review all program expenditures throughout the year to ensure funds are only allocated to allowable expenditures.

#### Corrective Action Plan and Views of Responsible Officials

The District is aware of this finding and we have made entries to remove the costs as an adjustment in this year's books. The project was approved with the intention of creating an outdoor learning environment for the student which we presumed as allowed from this funding source. This has been corrected.

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's schedule of financial statement findings.

***Financial Statements Findings***

**2023-001      30000 – Internal Controls over Financial Reporting (Material Weakness)**

Criteria or Specific Requirements

Management is responsible for the design, implementation, and maintenance of internal controls to ensure the financial statements are free from material misstatement, whether due to error or fraud. Such internal controls should include a review of the year-end closing entries necessary to ensure the financial statements are fairly stated. The District should ensure that all applicable accounting principles are adhered to when preparing the financial statements.

Condition

During the course of the audit, we noted that audit adjustments were required to ensure the financial statements were materially stated. Adjustments were required to cash, receivables, due from other funds, inventory, claims liability, and fair market value of cash in county treasury within the aggregate remaining funds as detailed on page 88.

Context

The conditions were identified as a result of our audit of the account balances as of June 30, 2023. During our review of available District records and audit procedures performed related to the various account balances, the errors were identified.

Cause

The cause of the misstatements appears to be due to inadequate review processes related to the preparation of the District's year-end financial statements.

Effect

The effect of the errors noted are summarized on page 85.

Recommendation

A thorough review of the District's financial statements, including all closing entries should take place before the financial statements are finalized by the District's business department.

Current Status

Not implemented, see current year finding 2024-001.

**State Compliance Findings**

**2023-002      40000 – After/Before School Education and Safety Program**

Criteria or Specific Requirements

According to the California *Education Code* Section 8483a(2) related to the after school program, it is the intent of the Legislature that elementary and middle school or junior high school pupils participate in the full day of the program every day during which pupils participate, except as allowed by the early release policy. Pupil attendance records must be maintained to verify and support the program's compliance with this requirement.

Additionally, according to the California *Education Code* Section 8483.1a(2) related to the before school program, it is the intent of the Legislature that elementary and middle school or junior high school pupils participate in the full day of the program every day during which pupils participate, except as allowed by the late arrival policy. Pupil attendance records must be maintained to verify and support the program's compliance with this requirement.

Condition

While verifying the total students served in the after school program at Vista Innovation Design Academy for the month of October 2022, the auditor noted instances where students were signed out early without documenting the reason for early release. Since the reason for early release was not documented, it could not be determined if the early release was consistent with the early release policy. A total of 63 students did not have a documented reason for early release.

Additionally, while verifying the total students served in the after school program at Rancho Minerva Middle School for the month of October 2022, the auditor noted instances where students were signed out early without documenting the reason for early release. Since the reason for early release was not documented, it could not be determined if the early release was consistent with the early release policy. A total of five students did not have a documented reason for early release.

While verifying the total before school students served at Rancho Minerva Middle School for the month of October 2022, the auditor noted instances where students were signed in late without documenting the reason for late arrival. Since the reason for late arrival was not documented, it could not be determined if the late arrival was consistent with the late arrival policy. A total of five students did not have a documented reason for late arrival.

Additionally, when verifying the total number of students served reported to the California Department of Education (CDE) for the 1<sup>st</sup> Half of the Fiscal year (July 2022-December 2022), the auditor noted discrepancies from site attendance calculations to the CDE reporting numbers. The total attendance count for Rancho Minerva Middle School's Before school program for the month of December was 449 students served, however the site reported zero students served to the CDE.

#### Cause

The cause of the condition for the After School Program appears to be a result of parents failing to record an early release code on the sign-out sheet when checking their children out of the program and site personnel at Vista Innovation Design Academy and Rancho Minerva Middle School not adjusting the reported numbers for students with undocumented early release.

The cause of the condition for the Before School Program appears to be a result of failure to record a late arrival code on the sign-in sheet when checking children into the program and site personnel at Rancho Minerva Middle School not adjusting the reported numbers for students with undocumented late arrivals.

Additionally, there appears to be a lack of appropriate review procedures to verify that attendance information recorded by site personnel reconciles to the amounts reported to CDE.

#### Effect

The District was not compliant with *Education Code* Sections 8483a(2) and 8483.1a(2) for the 2022-2023 fiscal year since pupil attendance documentation was not maintained to support the total reported pupil attendance counts and amounts reported to CDE did not reconcile to attendance records.

#### Questioned Costs

Under the provisions of the program, there are no questioned costs associated with this condition.

#### Recommendation

We recommend the District to verify that all after school and before school program personnel are aware of documentation requirements related to pupil attendance and continue to enforce its early release/late arrival policy by communicating with parents the importance of documenting the reason for early release/late arrival. Also, prior to submission of attendance information to the State, the District should ensure the totals reported only include students who attended the full program time or properly documented their reason for not attending a full day. An individual from the District should review monthly attendance numbers to verify that accurate information is being sent to the State for reporting.

#### Current Status

Not implemented, see current year finding 2024-002.



Management  
Vista Unified School District  
Vista, California

In planning and performing our audit of the financial statements of Vista Unified School District (the District) for the year ended June 30, 2024, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted matters that are opportunities for strengthening internal controls and operating efficiency. The following items represent conditions noted by our audit that we consider important enough to bring to your attention. This letter does not affect our report dated April 29, 2025, on the government-wide financial statements of the District.

### **Associated Student Body (ASB)**

#### Vista Innovation and Design Academy

##### *Observations*

1. Based on the review of the cash receipting procedures, it was noted that 5 of 18 receipts tested were not deposited in a timely manner. The delay between the receipts and deposits ranged from 33-76 days.
2. Based on review of the cash disbursement procedures, it was noted that three disbursements tested did not contain explicitly receiving documentation to indicate goods had been received. Additionally, one of the three disbursements were not approved prior to the transactions taking place.

##### *Recommendations*

1. The ASB should, at a minimum, make their deposits once a week to minimize the amount of cash held at the sites. During weeks of high cash activity, there may be a need to make more than one deposit. The District should communicate specific guidelines for this procedure including the maximum cash on hand that should be maintained at the site.
2. All goods being ordered should be documented with explicit receiving documentation. Documentation should indicate the date that the goods have been received and documentation regarding whether or not the goods have been received intact, undamaged, and in the correct quantities. Payments for vendor invoices should only be made once the receiving documentation is available. Additionally, the site should ensure that all disbursement transactions are pre-approved by authorized administrative personnel and the student council. This would allow the reviewing administrator and/or student council to determine if the proposed activities are appropriate and to determine if sufficient funding is available to finance the activities or the purchases.

Mission Vista High School

*Observations*

1. Based on the review of the cash receipting procedures, it was noted that 15 of the 20 samples were not deposited in a timely manner. The delay between the receipts and deposits ranged from 8-31 days.
2. Based on review of the cash disbursement procedures, it was noted that three of 25 disbursements were not approved prior to the transaction taking place.

*Recommendations*

1. The ASB should, at a minimum, make their deposits once a week to minimize the amount of cash held at the sites. During weeks of high cash activity, there may be a need to make more than one deposit. The District should communicate specific guidelines for this procedure including the maximum cash on hand that should be maintained at the site.
2. The site should ensure that all disbursement transactions are pre-approved by authorized administrative personnel and the student council. This would allow the reviewing administrator and/or student council to determine if the proposed activities are appropriate and to determine if sufficient funding is available to finance the activities or the purchases.

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



Rancho Cucamonga, California  
April 29, 2025