

2023 / 2024

Continuing Disclosure Annual Report

Fiscal Year Ending June 30, 2024

Submitted March 31, 2025

Poway Unified School District Public Financing Authority

Special Tax Revenue Refunding Bonds, Series 2022A-1 (CFD No. 4)
Special Tax Revenue Refunding Bonds, Series 2022A-2 (CFD No. 12)
Special Tax Revenue Refunding Bonds, Series 2022A-3 (CFD No. 13)



A division of California Financial Services

\$6,870,000

**Poway Unified School District Public Financing Authority
Special Tax Revenue Refunding Bonds
Series 2022A-1 (Community Facilities District No. 4)**

**MATURITY
DATE**

CUSIP*

Term Bonds

09/01/2042

N/A ^[1]

[1] Private Placement, therefore there are no CUSIPs associated with this issuance.

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\$3,815,000

**Poway Unified School District Public Financing Authority
Special Tax Revenue Refunding Bonds
Series 2022A-2 (Community Facilities District No. 12)**

MATURITY DATE

CUSIP*

Term Bonds

09/01/2042

N/A ^[1]

[1] Private Placement, therefore there are no CUSIPs associated with this issuance.

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\$4,880,000

**Poway Unified School District Public Financing Authority
Special Tax Revenue Refunding Bonds
Series 2022A-3 (Community Facilities District No. 13)**

MATURITY DATE

CUSIP*

Term Bonds

09/01/2042

N/A ^[1]

[1] Private Placement, therefore there are no CUSIPs associated with this issuance.

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Exhibit A – Audited Financial Statements for Fiscal Year 2023/2024

Exhibit B – District CFD Rate and Method of Apportionments

Exhibit C – California Debt and Investment Advisory Commission Reports

I. Introduction

This Annual Report (“Report”) has been prepared pursuant to Section 6.13 of the Indenture of Trust (“Disclosure Covenant”) executed in connection with the issuance of the following debt by the Poway Unified School District Public Financing Authority (“Authority”):

- Special Tax Revenue Refunding Bonds, Series 2022A-1 (Community Facilities District No. 4) of the Authority issued on March 25, 2022, in the par amount of \$6,870,000 (“2022A-1 Bonds”);
- Special Tax Revenue Refunding Bonds, Series 2022A-2 (Community Facilities District No. 12) of the Authority issued on March 25, 2022, in the par amount of \$3,815,000 (“2022A-2 Bonds”); and
- Special Tax Revenue Refunding Bonds, Series 2022A-3 (Community Facilities District No. 13) of the Authority issued on March 25, 2022, in the par amount of \$4,880,000 (“2022A-3 Bonds”, collectively with the 2022A-1 Bonds and 2022A-2 Bonds, “Bonds”).

Under the Disclosure Covenant, the Poway Unified School District (“School District”) has agreed to annually provide certain information related to the security of the Bonds. This Report has been prepared by KeyAnalytics, a division of C. Financial Investments, Inc. (“KeyAnalytics”), at the direction of the School District to provide the required information.

Any information contained herein which involves estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representation of fact. The information set forth herein has been furnished by the School District, or other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Report nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the School District, each respective Community Facilities District, or the Authority since the date hereof.

Capitalized terms used herein which are not otherwise defined shall have the meaning given them in the respective financing documents.

If there are any questions regarding the information provided herein, please contact KeyAnalytics at (949) 282-1077.

II. Audited Financial Statements

The Authority does not prepare Audited Financial Statements; however, as of the date of this Report, the Board of Education of the Poway Unified School District (the "Board") has approved the final Audited Financial Statements of the School District for the Fiscal Year ending June 30, 2024. The School District's Audited Financial Statements have been attached as Exhibit A.

III. Special Taxes

The School District has covenanted to annually levy the Special Tax in accordance with the respective Rate and Method of Apportionment (“RMA”) for Community Facilities District (“CFD”) No. 4, CFD No. 12, and CFD No. 13, (collectively, “District CFDs”), attached as Exhibit B, so long as the Bonds are outstanding. The items below summarize information required by the Disclosure Covenant.

A. Special Tax Collections

Delinquent Special Taxes for the District CFDs, as of June 30, 2024, for Fiscal Year 2023/2024 and prior Fiscal Years are summarized in the tables below. There are no property owners whose delinquent Special Taxes represent more than 10% of the Special Tax levy within a District CFD.

Special Tax Levies and Collections CFD No. 4

Fiscal Year	Subject Fiscal Year					June 30, 2024	
	Assigned Special Tax Levy	Parcels Delinquent ^[1]	Amount Collected	Amount Delinquent	Delinquency Rate	Remaining Amount Delinquent	Remaining Delinquency Rate
2018/2019	\$1,619,825.00	N/A	\$1,585,193.00	\$34,632.00	2.14%	\$0.00	0.00%
2019/2020	1,685,472.00	N/A	1,633,685.00	51,787.00	3.07%	0.00	0.00%
2020/2021	1,726,331.00	N/A	1,688,868.00	37,463.00	2.17%	0.00	0.00%
2021/2022	1,767,868.00	N/A	1,722,475.00	45,393.00	2.57%	0.00	0.00%
2022/2023	1,787,597.84	8	1,767,592.83	20,005.01	1.12%	3,874.62	0.22%
2023/2024	1,823,342.62	12	1,808,379.16	14,963.46	0.82%	14,963.46	0.82%

[1] Information not provided by previous administrator for Fiscal Years 2018/2019 through 2021/2022.

Special Tax Levies and Collections CFD No. 12

Fiscal Year	Subject Fiscal Year					June 30, 2024	
	Assigned Special Tax Levy	Parcels Delinquent ^[1]	Amount Collected	Amount Delinquent	Delinquency Rate	Remaining Amount Delinquent	Remaining Delinquency Rate
2018/2019	\$1,391,283.00	N/A	\$1,352,885.00	\$38,398.00	2.76%	\$0.00	0.00%
2019/2020	1,427,534.00	N/A	1,382,193.00	45,341.00	3.18%	0.00	0.00%
2020/2021	1,485,204.00	N/A	1,458,111.00	27,093.00	1.82%	0.00	0.00%
2021/2022	1,511,766.00	N/A	1,479,024.00	32,742.00	2.17%	0.00	0.00%
2022/2023	1,541,998.80	3	1,531,077.36	10,921.44	0.71%	3,975.18	0.26%
2023/2024	1,572,836.50	3	1,565,278.90	7,557.60	0.48%	7,557.60	0.48%

[1] Information not provided by previous administrator for Fiscal Years 2018/2019 through 2021/2022.

Special Tax Levies and Collections CFD No. 13

Fiscal Year	Subject Fiscal Year					June 30, 2024	
	Assigned Special Tax Levy	Parcels Delinquent ^[1]	Amount Collected	Amount Delinquent	Delinquency Rate	Remaining Amount Delinquent	Remaining Delinquency Rate
2018/2019	\$851,742.00	N/A	\$832,749.00	\$18,993.00	2.23%	\$0.00	0.00%
2019/2020	1,340,628.00	N/A	1,317,769.00	22,859.00	1.71%	3,418.78	0.26%
2020/2021	1,559,402.00	N/A	1,515,566.00	43,836.00	2.81%	6,974.30	0.45%
2021/2022	1,590,588.00	N/A	1,558,693.00	31,895.00	2.01%	3,819.54	0.24%
2022/2023	1,623,665.22	5	1,603,695.72	19,969.50	1.23%	3,895.92	0.24%
2023/2024	1,656,137.90	7	1,632,299.47	23,838.43	1.44%	23,838.43	1.44%

[1] Information not provided by previous administrator for Fiscal Years 2018/2019 through 2021/2022.

B. Foreclosure Update

The District CFDs have covenanted that they will commence judicial foreclosure proceedings against (i) any single parcel with aggregate delinquent Special Taxes in the amount \$5,000 or (ii) any single parcel under common ownership with aggregate delinquent Special Taxes in the amount of \$10,000 or more by the August 30th following the close of each Fiscal Year in which such Special Taxes were due and will commence judicial foreclosure proceedings against all parcels with delinquent Special Taxes by the August 30th following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Tax levied; however, foreclosure proceedings may be deferred for this requirement if the Reserve Fund is fully funded and the Debt Service can be paid.

CFD No. 12 initiated foreclosure proceedings on one (1) parcel that was delinquent in excess of \$5,000 for Fiscal Year 2023/2024 and prior year Special Taxes and CFD No. 13 initiated foreclosure proceedings on one (1) parcel that was delinquent in excess of \$5,000 for Fiscal Year 2023/2024 and prior year Special Taxes. Foreclosure counsel continues to pursue foreclosure against the owners of the parcels. The School District's foreclosure counsel mailed a final demand letter in November 2024 to the delinquent property owners. On December 17, 2024, the School Board of Education of the School District approved the ordering of Judicial Foreclosure actions against the delinquent property owners.

The following table shows the status of the foreclosure actions taken by the School District.

Foreclosure Status

CFD	APN	Fiscal Year	Amount ^[1]	Status
12	312-300-10-00	2022/2023	\$3,975.18	Unresolved
12	312-300-10-00	2023/2024	4,054.68	Unresolved
13	267-430-28-00	2019/2020	1,835.62	Unresolved
13	267-430-28-00	2020/2021	3,744.66	Unresolved
13	267-430-28-00	2021/2022	3,819.54	Unresolved
13	267-430-28-00	2022/2023	3,895.92	Unresolved
13	267-430-28-00	2023/2024	3,973.84	Unresolved

[1] Amounts does not include interest, penalties, and attorney fees.

IV. Debt and Assessed Values

The items below summarize information required by the Disclosure Covenant regarding outstanding debt and Assessed Valuations.

A. Assessed Valuation

A summary of the assessed values, based on the Fiscal Year 2024/2025 equalized tax roll of the County of San Diego, of the property within each District CFDs are shown in the following tables. The total assessed value contains all parcels currently subject to the Special Tax and is distinguished between improved and unimproved parcels. Parcels are considered improved if there is an assessed value for improvements.

Assessed Value Summary

Poway Unified School District

CFD No. 4

Tax Class/ Land Use	Sq. Footage	Number of Units/Acres	Assessed Value Land	Assessed Value Improvement	Assessed Value Other	Assessed Value Total
Improved						
1	< 1,500 Sq. Ft.	28 Units	\$8,888,232.00	\$7,858,299.00	\$0.00	\$16,746,531.00
2	1,500 Sq. Ft. to 2,249 Sq. Ft.	118 Units	61,335,243.00	55,657,885.00	0.00	116,993,128.00
3	2,250 Sq. Ft. to 2,749 Sq. Ft.	53 Units	34,755,225.00	37,429,326.00	0.00	72,184,551.00
4	2,750 Sq. Ft. to 3,149 Sq. Ft.	98 Units	72,174,843.00	72,852,154.00	0.00	145,026,997.00
5	3,150 Sq. Ft. to 3,749 Sq. Ft.	85 Units	70,736,621.00	67,861,855.00	0.00	138,598,476.00
6	3,750 Sq. Ft. to 4,049 Sq. Ft.	97 Units	71,418,493.00	78,852,214.00	0.00	150,270,707.00
7	4,050 Sq. Ft. to 4,499 Sq. Ft.	39 Units	27,469,315.00	33,916,148.00	0.00	61,385,463.00
8	4,500 Sq. Ft. to 4,999 Sq. Ft.	54 Units	45,334,134.00	54,187,080.00	0.00	99,521,214.00
9	5,000 Sq. Ft. to 5,499 Sq. Ft.	23 Units	28,890,821.00	31,128,128.00	0.00	60,018,949.00
10	5,500 Sq. Ft. to 5,999 Sq. Ft.	20 Units	28,601,529.00	29,324,572.00	0.00	57,926,101.00
11	6,000 Sq. Ft. to 6,499 Sq. Ft.	1 Unit	5,000,000.00	2,400,000.00	0.00	7,400,000.00
12	≥ 6,500 Sq. Ft.	0 Units	0.00	0.00	0.00	0.00
13	Custom Unit	275 Units	472,489,864.00	545,972,897.00	0.00	1,018,462,761.00
14	Assigned Unit	119 Units	4,146,902.00	12,435,943.00	0.00	16,582,845.00
15	Excessss Companion Unit	0 Units	0.00	0.00	0.00	0.00
16	Excess Affordable Unit	70 Units	7,792,035.00	8,445,174.00	0.00	16,237,209.00
17	Senior Unit	0 Units	0.00	0.00	0.00	0.00
U	Undeveloped	0.00 Acres	0.00	0.00	0.00	0.00
Subtotal Improved		1,080 Units	\$939,033,257.00	\$1,038,321,675.00	\$0.00	\$1,977,354,932.00
Unimproved						
1	< 1,500 Sq. Ft.	0 Units	\$0.00	\$0.00	\$0.00	\$0.00
2	1,500 Sq. Ft. to 2,249 Sq. Ft.	0 Units	0.00	0.00	0.00	0.00
3	2,250 Sq. Ft. to 2,749 Sq. Ft.	0 Units	0.00	0.00	0.00	0.00
4	2,750 Sq. Ft. to 3,149 Sq. Ft.	0 Units	0.00	0.00	0.00	0.00
5	3,150 Sq. Ft. to 3,749 Sq. Ft.	0 Units	0.00	0.00	0.00	0.00
6	3,750 Sq. Ft. to 4,049 Sq. Ft.	0 Units	0.00	0.00	0.00	0.00
7	4,050 Sq. Ft. to 4,499 Sq. Ft.	0 Units	0.00	0.00	0.00	0.00
8	4,500 Sq. Ft. to 4,999 Sq. Ft.	0 Units	0.00	0.00	0.00	0.00
9	5,000 Sq. Ft. to 5,499 Sq. Ft.	0 Units	0.00	0.00	0.00	0.00
10	5,500 Sq. Ft. to 5,999 Sq. Ft.	0 Units	0.00	0.00	0.00	0.00
11	6,000 Sq. Ft. to 6,499 Sq. Ft.	0 Units	0.00	0.00	0.00	0.00
12	≥ 6,500 Sq. Ft.	0 Units	0.00	0.00	0.00	0.00
13	Custom Unit	0 Units	0.00	0.00	0.00	0.00
14	Assigned Unit	0 Units	0.00	0.00	0.00	0.00
15	Excessss Companion Unit	0 Units	0.00	0.00	0.00	0.00
16	Excess Affordable Unit	0 Units	0.00	0.00	0.00	0.00
17	Senior Unit	0 Units	0.00	0.00	0.00	0.00
U	Undeveloped	16.86 Acres	16,900,844.00	0.00	0.00	16,900,844.00
Subtotal Unimproved		16.86 Acres	\$16,900,844.00	\$0.00	\$0.00	\$16,900,844.00
Total		1,080 Units	\$955,934,101.00	\$1,038,321,675.00	\$0.00	\$1,994,255,776.00

Assessed Value Summary

Poway Unified School District

CFD No. 12

Tax Class/ Land Use	Sq. Footage/ Unit Type	Number of Units/Acres	Assessed Value Land	Assessed Value Improvement	Assessed Value Other	Assessed Value Total
Improved						
1	> 3,750 Sq. Ft.	224 Units	\$214,075,914.00	\$276,018,768.00	\$0.00	\$490,094,682.00
2	3,501 Sq. Ft. to 3,750 Sq. Ft.	61 Units	\$35,475,880.00	\$44,713,958.00	\$0.00	\$80,189,838.00
3	3,251 Sq. Ft. to 3,500 Sq. Ft.	25 Units	\$14,166,488.00	\$18,078,240.00	\$0.00	\$32,244,728.00
4	3,001 Sq. Ft. to 3,250 Sq. Ft.	79 Units	\$42,489,210.00	\$49,591,539.00	\$0.00	\$92,080,749.00
5	2,751 Sq. Ft. to 3,000 Sq. Ft.	46 Units	\$26,998,975.00	\$29,221,146.00	\$0.00	\$56,220,121.00
6	2,501 Sq. Ft. to 2,750 Sq. Ft.	44 Units	\$24,481,684.00	\$25,450,360.00	\$0.00	\$49,932,044.00
7	2,251 Sq. Ft. to 2,500 Sq. Ft.	0 Units	0.00	0.00	0.00	0.00
8	2,001 Sq. Ft. to 2,250 Sq. Ft.	0 Units	0.00	0.00	0.00	0.00
9	1,751 Sq. Ft. to 2,000 Sq. Ft.	0 Units	0.00	0.00	0.00	0.00
10	1,501 Sq. Ft. to 1,750 Sq. Ft.	0 Units	0.00	0.00	0.00	0.00
11	≤ 1,500 Sq. Ft.	0 Units	0.00	0.00	0.00	0.00
12	Attached	0 Units	0.00	0.00	0.00	0.00
13	Affordable	42 Units	\$3,092,180.00	\$5,803,078.00	\$0.00	\$8,895,258.00
14	Senior Citizen	0 Units	0.00	0.00	0.00	0.00
U	Undeveloped	0.00 Acres	0.00	0.00	0.00	0.00
Subtotal Improved		521 Units	\$360,780,331.00	\$448,877,089.00	\$0.00	\$809,657,420.00
Unimproved						
1	> 3,750 Sq. Ft.	0 Units	\$0.00	\$0.00	\$0.00	\$0.00
2	3,501 Sq. Ft. to 3,750 Sq. Ft.	0 Units	0.00	0.00	0.00	0.00
3	3,251 Sq. Ft. to 3,500 Sq. Ft.	0 Units	0.00	0.00	0.00	0.00
4	3,001 Sq. Ft. to 3,250 Sq. Ft.	0 Units	0.00	0.00	0.00	0.00
5	2,751 Sq. Ft. to 3,000 Sq. Ft.	0 Units	0.00	0.00	0.00	0.00
6	2,501 Sq. Ft. to 2,750 Sq. Ft.	0 Units	0.00	0.00	0.00	0.00
7	2,251 Sq. Ft. to 2,500 Sq. Ft.	0 Units	0.00	0.00	0.00	0.00
8	2,001 Sq. Ft. to 2,250 Sq. Ft.	0 Units	0.00	0.00	0.00	0.00
9	1,751 Sq. Ft. to 2,000 Sq. Ft.	0 Units	0.00	0.00	0.00	0.00
10	1,501 Sq. Ft. to 1,750 Sq. Ft.	0 Units	0.00	0.00	0.00	0.00
11	≤ 1,500 Sq. Ft.	0 Units	0.00	0.00	0.00	0.00
12	Attached	0 Units	0.00	0.00	0.00	0.00
13	Affordable	0 Units	0.00	0.00	0.00	0.00
14	Senior Citizen	0 Units	0.00	0.00	0.00	0.00
U	Undeveloped	0.80 Acres	5,576.00	0.00	0.00	5,576.00
Subtotal Unimproved		0 Units	\$5,576.00	\$0.00	\$0.00	\$5,576.00
Total		521 Units	\$360,785,907.00	\$448,877,089.00	\$0.00	\$809,662,996.00

Assessed Value Summary

Poway Unified School District

CFD No. 13

Tax Class/ Land Use	Sq. Footage/ Unit Type	Number of Units/Acres	Assessed Value Land	Assessed Value Improvement	Assessed Value Other	Assessed Value Total
Improved						
Zone 1						
1	< 4,000 Sq. Ft.	127 Units	\$94,995,043.00	\$94,637,840.00	\$0.00	\$189,632,883.00
2	4,000 Sq. Ft. to 4,300 Sq. Ft.	24 Units	19,463,764.00	27,769,935.00	0.00	47,233,699.00
3	4,301 Sq. Ft. to 4,600 Sq. Ft.	34 Units	29,802,331.00	35,552,502.00	0.00	65,354,833.00
4	4,601 Sq. Ft. to 4,900 Sq. Ft.	34 Units	34,346,590.00	35,432,728.00	0.00	69,779,318.00
5	4,901 Sq. Ft. to 5,200 Sq. Ft.	48 Units	51,601,434.00	71,368,179.00	0.00	122,969,613.00
6	> 5,200 Sq. Ft.	84 Units	80,043,280.00	128,793,181.00	0.00	208,836,461.00
Subtotal Zone 1		351 Units	\$310,252,442.00	\$393,554,365.00	\$0.00	\$703,806,807.00
Zone 2						
7	N/A	30 Units	\$27,024,418.00	\$32,585,333.00	\$0.00	\$59,609,751.00
Subtotal Zone 2		30 Units	\$27,024,418.00	\$32,585,333.00	\$0.00	\$59,609,751.00
Subtotal Improved		381 Units	\$337,276,860.00	\$426,139,698.00	\$0.00	\$763,416,558.00
Unimproved						
Unimproved	N/A	10.99 Acres	\$125,857.00	\$0.00	\$0.00	\$125,857.00
Subtotal Unimproved		10.99 Acres	\$125,857.00	\$0.00	\$0.00	\$125,857.00
Total		381 Units	\$337,402,717.00	\$426,139,698.00	\$0.00	\$763,542,415.00

B. Value-to-Lien Ratios for District CFDs

A summary of the value-to-debt ratios for the District CFDs are found in the following tables. The Assessed Values are based on the Fiscal Year 2024/2025 Equalized Tax Roll of the County of San Diego.

Assessed Value-to-Lien by Category CFD No. 4

Tax Class/ Land Use	Square Footage	Number of Units	Fiscal Year 2024/2025 Special Tax	Principal Amount of CFD No. 4 Bonds ^[1]	Total Assessed Value ^[2]	Value-to-Lien Ratio
Improved Property						
1	< 1,500 Sq. Ft.	28 Units	\$11,159.68	\$63,935.40	\$16,746,531.00	261.93:1
2	1,500 Sq. Ft. to 2,249 Sq. Ft.	118 Units	95,229.60	545,583.95	116,993,128.00	214.44:1
3	2,250 Sq. Ft. to 2,749 Sq. Ft.	53 Units	61,973.28	355,053.75	72,184,551.00	203.31:1
4	2,750 Sq. Ft. to 3,149 Sq. Ft.	98 Units	114,661.68	656,913.10	145,026,997.00	220.77:1
5	3,150 Sq. Ft. to 3,749 Sq. Ft.	85 Units	99,293.04	568,863.97	138,598,476.00	243.64:1
6	3,750 Sq. Ft. to 4,049 Sq. Ft.	97 Units	118,493.00	678,863.28	150,270,707.00	221.36:1
7	4,050 Sq. Ft. to 4,499 Sq. Ft.	39 Units	54,417.44	311,765.27	61,385,463.00	196.90:1
8	4,500 Sq. Ft. to 4,999 Sq. Ft.	54 Units	97,843.82	560,561.18	99,521,214.00	177.54:1
9	5,000 Sq. Ft. to 5,499 Sq. Ft.	23 Units	50,367.26	288,561.21	60,018,949.00	207.99:1
10	5,500 Sq. Ft. to 5,999 Sq. Ft.	20 Units	47,231.64	270,596.79	57,926,101.00	214.07:1
11	6,000 Sq. Ft. to 6,499 Sq. Ft.	1 Unit	3,145.12	18,018.84	7,400,000.00	410.68:1
12	> 6,500 Sq. Ft.	0 Units	0.00	0.00	0.00	NA
13	Custom Unit	275 Units	1,106,148.66	6,337,283.26	1,018,462,761.00	160.71:1
14	Assigned Unit	119 Units	0.00	0.00	16,582,845.00	NA
15	Excecsss Companion Unit	0 Units	0.00	0.00	0.00	NA
16	Excess Affordable Unit	70 Units	0.00	0.00	16,237,209.00	NA
17	Senior Unit	0 Units	0.00	0.00	0.00	NA
Developed Property		1,080 Units	\$1,859,964.22	\$10,656,000.00	\$1,977,354,932.00	185.56:1
Undeveloped Property		0.00 Acres	0.00	0.00	0.00	NA
Unimproved Property						
1	< 1,500 Sq. Ft.	0 Units	\$0.00	\$0.00	\$0.00	NA
2	1,500 Sq. Ft. to 2,249 Sq. Ft.	0 Units	0.00	0.00	0.00	NA
3	2,250 Sq. Ft. to 2,749 Sq. Ft.	0 Units	0.00	0.00	0.00	NA
4	2,750 Sq. Ft. to 3,149 Sq. Ft.	0 Units	0.00	0.00	0.00	NA
5	3,150 Sq. Ft. to 3,749 Sq. Ft.	0 Units	0.00	0.00	0.00	NA
6	3,750 Sq. Ft. to 4,049 Sq. Ft.	0 Units	0.00	0.00	0.00	NA
7	4,050 Sq. Ft. to 4,499 Sq. Ft.	0 Units	0.00	0.00	0.00	NA
8	4,500 Sq. Ft. to 4,999 Sq. Ft.	0 Units	0.00	0.00	0.00	NA
9	5,000 Sq. Ft. to 5,499 Sq. Ft.	0 Units	0.00	0.00	0.00	NA
10	5,500 Sq. Ft. to 5,999 Sq. Ft.	0 Units	0.00	0.00	0.00	NA
11	6,000 Sq. Ft. to 6,499 Sq. Ft.	0 Units	0.00	0.00	0.00	NA
12	> 6,500 Sq. Ft.	0 Units	0.00	0.00	0.00	NA
13	Custom Unit	0 Units	0.00	0.00	0.00	NA
14	Assigned Unit	0 Units	0.00	0.00	0.00	NA
15	Excecsss Companion Unit	0 Units	0.00	0.00	0.00	NA
16	Excess Affordable Unit	0 Units	0.00	0.00	0.00	NA
17	Senior Unit	0 Units	0.00	0.00	0.00	NA
Developed Property		0 Units	\$0.00	\$0.00	\$0.00	NA
Undeveloped Property		16.86 Acres	0.00	0.00	16,900,844.00	NA
Total		1,080 Units	\$1,859,964.22	\$10,656,000.00	\$1,994,255,776.00	187.15:1

[1] Principal amount of CFD No. 4 Bonds includes the Series 2016 Special Tax Refunding Bonds and the Series 2022 Special Tax Refunding Bonds.

[2] Fiscal Year 2024/2025 Assessed Value information provided by the County of San Diego, value as of January 1, 2024.

Assessed Value-to-Lien by Category CFD No. 12

Tax Class/ Land Use	Sq. Footage/ Unit Type	Number of Units	Fiscal Year 2024/2025 Special Tax	Principal Amount of CFD No. 12 Bonds ^[1]	Total Assessed Value ^[2]	Value-to-Lien Ratio
1	> 3,750 Sq. Ft.	224 Units	\$889,109.36	\$4,082,290.81	\$490,094,682.00	120.05:1
2	3,501 Sq. Ft. to 3,750 Sq. Ft.	61 Units	197,007.36	904,547.15	80,189,838.00	88.65:1
3	3,251 Sq. Ft. to 3,500 Sq. Ft.	25 Units	75,349.38	345,962.03	32,244,728.00	93.20:1
4	3,001 Sq. Ft. to 3,250 Sq. Ft.	79 Units	221,100.96	1,015,171.43	92,080,749.00	90.70:1
5	2,751 Sq. Ft. to 3,000 Sq. Ft.	46 Units	125,188.32	574,794.45	56,220,121.00	97.81:1
6	2,501 Sq. Ft. to 2,750 Sq. Ft.	44 Units	96,534.92	443,234.13	49,932,044.00	112.65:1
7	2,251 Sq. Ft. to 2,500 Sq. Ft.	0 Units	0.00	0.00	0.00	NA
8	2,001 Sq. Ft. to 2,250 Sq. Ft.	0 Units	0.00	0.00	0.00	NA
9	1,751 Sq. Ft. to 2,000 Sq. Ft.	0 Units	0.00	0.00	0.00	NA
10	1,501 Sq. Ft. to 1,750 Sq. Ft.	0 Units	0.00	0.00	0.00	NA
11	≤ 1,500 Sq. Ft.	0 Units	0.00	0.00	0.00	NA
12	Attached	0 Units	0.00	0.00	0.00	NA
13	Affordable	42 Units	0.00	0.00	8,895,258.00	NA
14	Senior Citizen	0 Units	0.00	0.00	0.00	NA
Developed Property		521 Units	\$1,604,290.30	\$7,366,000.00	\$809,657,420.00	109.92:1
Undeveloped Property		0.80 Acres	\$0.00	\$0.00	\$5,467.00	NA
Total		521 Units	\$1,604,290.30	\$7,366,000.00	\$809,662,887.00	109.92:1

[1] Principal amount of CFD No. 12 Bonds includes the Series 2016 Special Tax Refunding Bonds and the Series 2022 Special Tax Refunding Bonds.

[2] Fiscal Year 2024/2025 Assessed Value information provided by the County of San Diego, value as of January 1, 2024.

Assessed Value-to-Lien by Category CFD No. 13

Tax Class/ Land Use	Sq. Footage/ Unit Type	Number of Units	Fiscal Year 2024/2025 Special Tax	Principal Amount of CFD No. 13 Bonds	Total Assessed Value ^[1]	Value-to-Lien Ratio
Zone 1						
1	< 4,000 Sq. Ft.	127 Units	\$431,646.26	\$1,142,193.63	\$189,632,883.00	166.03
2	4,000 Sq. Ft. to 4,300 Sq. Ft.	24 Units	101,554.66	268,727.19	47,233,699.00	175.77
3	4,301 Sq. Ft. to 4,600 Sq. Ft.	34 Units	146,454.24	387,537.47	65,354,833.00	168.64
4	4,601 Sq. Ft. to 4,900 Sq. Ft.	34 Units	162,593.74	430,244.74	69,779,318.00	162.19
5	4,901 Sq. Ft. to 5,200 Sq. Ft.	48 Units	254,447.44	673,301.89	122,969,613.00	182.64
6	> 5,200 Sq. Ft.	84 Units	450,981.24	1,193,356.56	208,836,461.00	175.00
Subtotal Zone 1		351 Units	\$1,547,677.58	\$4,095,361.48	\$703,806,807.00	171.85:1
Zone 2						
7	NA	30 Units	141,579.60	374,638.52	59,609,751.00	159.11
Subtotal Zone 2		30 Units	\$141,579.60	\$374,638.52	\$59,609,751.00	159.11:1
Developed Property		381 Units	\$1,689,257.18	\$4,470,000.00	\$763,416,558.00	170.79:1
Undeveloped Property		10.99 Acres	0.00	0.00	125,857.00	NA
Total		381 Units	\$1,689,257.18	\$4,470,000.00	\$763,542,415.00	170.81:1

[1] Fiscal Year 2024/2025 Assessed Value information provided by the County of San Diego, value as of January 1, 2024.

V. Reports and Additional Information

Below is information regarding the Bonds as required by the Disclosure Covenant.

A. Report to the California Debt and Investment Advisory Commission

Copies of the Yearly Fiscal Status Reports filed to the California Debt and Investment Advisory Commission (“CDIAC”) filed on or before October 30, 2024, and the Annual Debt and Transparency Reports filed to CDIAC on or before January 31, 2025, are attached as Exhibit C.

B. Listed Events

Pursuant to the Disclosure Covenant, the Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

- (i) Any litigation (assuming proper and complete service of process and exclusive of civil litigation within the scope of applicable insurance coverages) or governmental proceedings which may have a material impact on the Authority’s financial position and/or which may impact the receipt or collection of special taxes by the Community Facilities Districts;
- (ii) Any delinquency in the payment of special taxes by a property owner within any Community Facilities District responsible for more than 10% of the aggregate Special Tax levy; and
- (iii) Any default by the Authority on any obligations which may have an impact on the Authority’s ability to pay principal and interest on the Bonds.

None of these events occurred in Fiscal Year 2023/2024.

C. Additional Information

Pursuant to the Disclosure Covenant the School District shall provide further information, if any, as may be necessary to make the specifically required statements, considering the circumstances under which they are made, not misleading.

After a thorough review the School District has determined that no additional information is needed for Fiscal Year 2023/2024.

Exhibit A

Audited Financial Statements

Fiscal Year 2023/2024



Poway Unified School District

County of San Diego
San Diego, California

Audit Report
June 30, 2024



Poway Unified School District

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June 30, 2024

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Independent Auditor's Report

To the Board of Education
Poway Unified School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Poway 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 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 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying additional supplementary information, identified in the table of contents, as required by the 2023-24 *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations, Section 19810* are presented for purposes of additional analysis and are not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

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

Other Information

Management is responsible for the other information included in the audit report. The other information comprises the Other Information section of the audit report as identified on the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



El Cajon, California
December 6, 2024

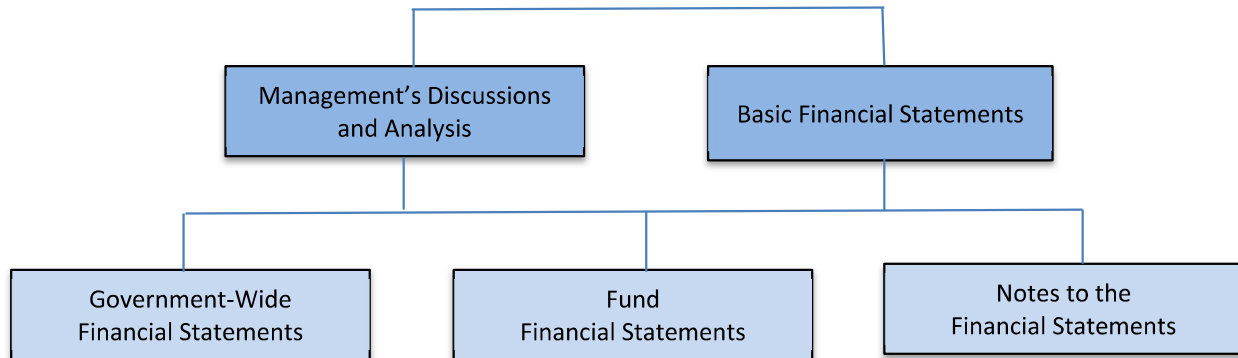
Management's Discussion and Analysis

Fiscal Year 2023-24

(Unaudited)

This section of Poway Unified School District's annual financial report presents Management's Discussion and Analysis (MD&A) of the District's financial performance during the year ending June 30, 2024. The MD&A is a required section of the District's annual financial report, as outlined below. This analysis intends to present the District's financial performance. The MD&A is to be read in conjunction with the financial statements and Notes that follow this section.

Components of the Annual Financial Report



Key Financial Highlights

- The District's enrollment trends have been showing an ongoing decrease annually due to the pandemic that disrupted all aspects of public education. Fortunately, the October 2023 enrollment of 34,935 was 38 students higher than the October 2022 enrollment.
- At year-end, the District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$131.1 million. Deferred outflows of resources are not assets but increase the Statement of Net Position similarly to an asset and deferred inflows of resources are not liabilities but decrease the Statement of Net Position similarly to liabilities.
- Total Net Position increased by \$38.6 million from June 30, 2023, to June 30, 2024.
- The governmental-wide statement of activities total revenues was \$689.5 million, and expenditures were \$650.9 million.
- As noted in Figure A-2, expenditures related to direct classroom instruction represented 62.2% of total expenditures, and pupil services expenditures comprised 9.7% of total expenditures. Overall, the total government-wide expenditures related to the direct education of PUSD students is equivalent to 71.9% of total expenditures.

Overview of the Financial Statements

This MD&A serves as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information besides the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on the assets and liabilities of the District, with the difference between the two reported as net position.

The *statement of activities* presents information showing how the net position of the District has changed during the recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The government-wide financial statements can be found on pages 21-22 of this report.

Fund Financial Statements

A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the District fall into one of three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental funds** - Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Reserve Fund for Capital Outlay Projects, Capital Projects Fund for Blended Component Units, and Debt Service Fund for Blended Component Units, each of which are major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual data for each of these non-major funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget on page 111 of this report.

- **Proprietary funds** - The District maintains two proprietary fund types: internal service funds and an enterprise fund.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses four internal service funds to account for services provided to all the other funds of the District: workers' compensation, employee benefits, other post-employment benefits, and property and liability insurance. The internal service funds have been included within *governmental activities* in the government-wide financial statements. The four internal service funds combine into a single, aggregated presentation in the proprietary fund financial statements.

Enterprise funds are operated in a manner similar to private business where the determination of revenues earned, costs incurred, and net income is necessary for management accountability. The District's one enterprise fund accounts for the business activities of the Extended Student Services and Preschool programs.

The basic proprietary fund financial statements can be found on pages 30-32 of this report.

- **Fiduciary funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. The District maintains a foundation private-purpose trust fund. In addition, the District also maintains an OPEB Trust account for retiree health benefits, which are not presented in the report. The basic agency fund financial statements can be found on pages 33-34 of this report.

Notes to the Financial Statements

The Notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the financial statements can be found on pages 35-121 of this report.

Other Information

The combining statements referred to earlier in connection with non-major governmental funds are presented on pages 122-123 of this report.

Government-wide Financial Analysis

The District's liabilities and deferred inflows exceeded assets and deferred outflows by \$128.1 million in the Governmental Activities and \$3.0 million in the Business Activities at the close of 2023-24.

	2022-23			2023-24		
	Governmental Activities	Business Activities	Total District	Governmental Activities	Business Activities	Total District
ASSETS						
Current and Other Assets	\$ 417,413,038	\$ 8,150,266	\$ 425,563,304	\$ 454,118,580	\$ 13,135,300	\$ 467,253,880
Capital and Intangible Assets	852,582,590	2,004,524	854,587,114	838,260,637	1,857,294	840,117,931
Other Non-Current Assets	5,862,538.0	-	5,862,538	5,783,403	-	5,783,403
Total Assets	1,275,858,166	10,154,790	1,286,012,956	1,298,162,620	14,992,594	1,313,155,214
Deferred Outflows of Resources	165,483,545	5,845,439	171,328,984	171,564,832	4,391,500	175,956,332
LIABILITIES						
Long-Term Debt Outstanding	1,490,602,013	18,797,655	1,509,399,668	1,506,364,583	16,029,361	1,522,393,944
Other Liabilities	36,183,491	724,420	36,907,911	34,175,350	655,523	34,830,873
Total Liabilities	1,526,785,504	19,522,075	1,546,307,579	1,540,539,933	16,684,884	1,557,224,817
Deferred Inflows of Resources	77,251,690	3,527,400	80,779,090	57,268,733	5,735,785	63,004,518
Net Position:						
Invested in Capital Assets,						
Net of Related Debt	(196,839,920)	1,888,148	(194,951,772)	6,213,609	1,769,157	7,982,766
Restricted	292,965,528	-	292,965,528	328,068,579	-	328,068,579
Unrestricted	(258,821,091)	(8,937,394)	(267,758,485)	(462,363,402)	(4,805,732)	(467,169,134)
Total Net Position	\$ (162,695,483)	\$ (7,049,246)	\$ (169,744,729)	\$ (128,081,214)	\$ (3,036,575)	\$ (131,117,789)

- Net Pension Liability of \$408.9 million was included in the District's total liability.
- \$65.9 million of the District's total liability is Other Postemployment Benefits (OPEB).
- As of June 30, 2024, the contribution to the OPEB Trust account through PARS (Public Agency Retirement System) has a balance of \$18.5 million, this reduces the overall OPEB liability.

Governmental activities. The key elements of the District's Net Position for the year ended June 30, 2024 are as follows:

	<u>2022-23</u>	<u>% of Total</u>	<u>2023-24</u>	<u>% of Total</u>
<u>Revenues</u>				
Governmental Activities				
Program Revenues				
Charges for services	\$ 5,188,004	0.7%	\$ 23,227,669	3.4%
Operating grants and contributions	208,654,301	28.7%	116,352,519	16.9%
General Revenues				
Property taxes	298,371,785	41.1%	316,180,714	45.8%
Federal and state aid not restricted to specific purposes	177,517,115	24.5%	176,266,253	25.6%
Miscellaneous	14,159,235	2.0%	34,436,581	5.0%
Business-type Activities				
Enterprise activities	22,052,245	3.0%	23,078,347	3.3%
Total Revenues	725,942,685	100.0%	689,542,083	100.0%
<u>Expenditures by Function</u>				
Governmental Activities				
Instruction	417,659,122	65.8%	404,914,434	62.2%
Pupil services	61,645,721	9.7%	63,016,939	9.7%
General administration	27,535,439	4.3%	31,250,919	4.8%
Plant services	50,620,617	8.0%	52,058,511	8.0%
Ancillary and community services	7,548,547	1.2%	7,938,934	1.2%
Self-Insured activities	(1,240,853)	-0.2%	14,394,891	2.2%
Interest on long-term debt	52,791,871	8.3%	56,682,491	8.7%
Other outgo	573,158	0.1%	1,592,348	0.2%
Business-type Activities				
Enterprise activities	17,982,893	2.8%	19,065,676	2.9%
Total Expenditures	635,116,515	100.0%	650,915,143	99.9%
Increase (Decrease)	90,826,170		38,626,940	
Net Position - Beginning	(260,570,899)		(169,744,729)	
Net Position - Ending	\$ (169,744,729)		\$ (131,117,789)	

Figure A-1

2023-24
Revenue by Source
Government-wide Statement of Activities

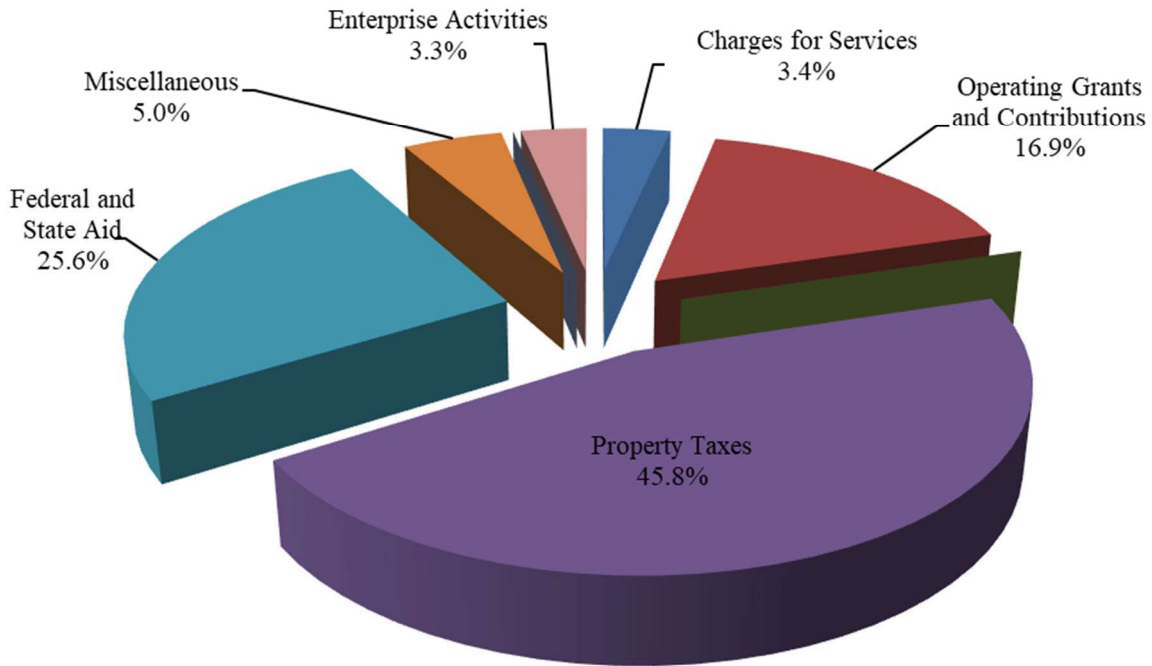


Figure A-2

2023-24
Expenditures by Function
Government-wide Statement of Activities

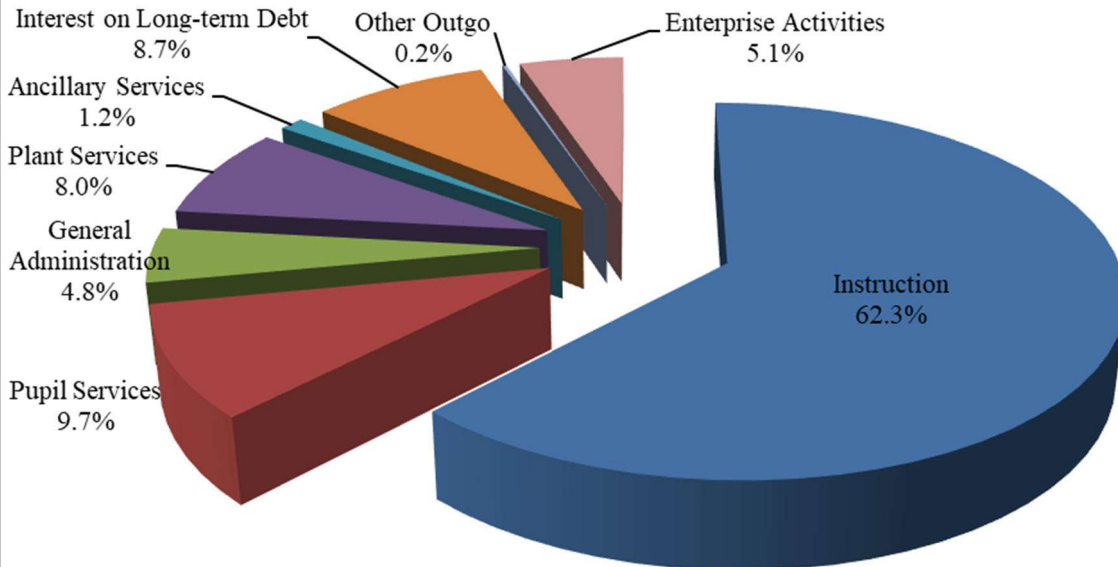
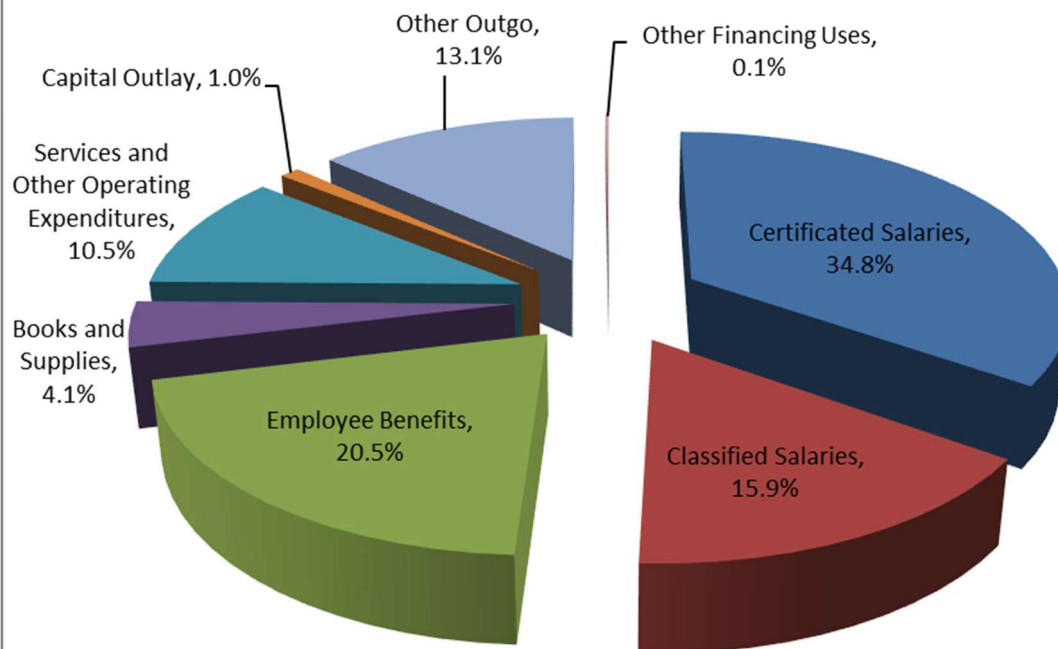


Figure A-3

2023-24
Expenditures by Object
Government-wide Statement of Activities



Local Control Funding Formula (LCFF)

- In 2013-14, the Local Control Funding Formula (LCFF) was implemented to simplify how state funding is provided to local educational agencies (LEAs). Under the new funding model revenue limits and most state categorical programs are eliminated. LEAs receive funding based on the demographic profile of the students they serve and gain greater flexibility to use these funds to improve student outcomes. The LCFF creates funding targets based on these student characteristics. The District's LCFF funding targets consist of grade span-specific base grants plus supplemental grants that reflect student demographics.
- In 2023-24, the District's unaudited unduplicated count is 7,164, equivalent to 20.50% of total enrollment. The Supplemental Grant was funded based on the 3-year rolling percentage of 20.51%.
- The funded COLA (Cost of Living Adjustment) in 2023-24 is 8.22%.
- The unaudited LCFF entitlement per ADA during the year ended June 30, 2024, is \$11,768, an increase of 8.46% or \$918 per ADA compared to the prior year.

LCFF ENTITLEMENT	2023-24
Base Grant	\$ 365,186,938
Grade Span Adjustment	14,018,345
Supplemental Grant	15,555,002
Add-ons	6,787,526
TOTAL LCFF Entitlement	\$ 401,547,811
CHANGE OVER PRIOR YEAR	\$ 22,937,028
LCFF Entitlement PER ADA	\$ 11,768
PER ADA CHANGE OVER PRIOR YEAR	\$ 918

LCFF SOURCES	2023-24
State Aid	\$ 160,762,517
Property Taxes	229,500,319
Education Protection Account (EPA)	11,284,975
TOTAL LCFF	\$ 401,547,811

SUPPLEMENTAL GRANT & MINIMUM PROPORTIONALITY PERCENTAGE (MPP)	2023-24
Supplemental expenditures in the LCAP year	\$ 15,555,002
Minimum Proportionality Percentage (MPP)*	4.07%
*percentage by which services for unduplicated students must be increased or improved over services provided for all students in the LCAP year.	

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. As the District completed the year, its governmental funds reported a combined fund balance of \$417.2 million, \$43.5 million higher than last year's fund balance.

The Governmental Accounting Standard Board (GASB) issued Statement 54 (GASB 54) that went into effect in fiscal year 2010-11. This statement considerably altered the categories and terminology used to describe the components of the ending fund balance. These changes enhanced how fund balance information is reported by establishing new classifications that are easier to understand. GASB 54 also clarified the definition of some governmental funds.

Fund balance reporting is unique to governmental fund accounting. It has traditionally been broken into two components, reserved and unreserved. GASB 54 implements a five-tier fund balance classification based on spending constraints on the use of these resources. Below are the components of the District's ending fund balance as of June 30, 2024:

Governmental Funds			
Components of Ending Fund Balance			
Reclassified in accordance with GASB Statement 54			
June 30, 2024			
a) Nonspendable			
Revolving Cash	9711	\$	302,092
Stores	9712	\$	1,088,393
Prepaid Expenditures	9713	\$	26,149
b) Restricted	9740	\$	326,651,944
c) Committed			
Stabilization Arrangements	9750	\$	2,215,851
Other Commitments	9760	\$	10,571,489
d) Assigned			
Other Assignments	9780	\$	11,166,679
e) Unassigned			
Reserve for Economic Uncertainties	9789	\$	10,950,656
Unassigned/Unappropriated	9790	\$	54,273,901

General Fund Budgetary Highlights

The District's budget is prepared pursuant to the California Education Code and is based on the modified accrual basis of accounting.

During fiscal year 2023-24, the District amended its General Fund budget, resulting in changes to revenue and expenditures estimates. Expenditure appropriation adjustments were made to reflect actual salary changes for step and column, longevity earned by employees, savings for vacancies, updates to employee benefits, changes in the cost of contracted services, and the expenditure of one-time grants carried forward from the prior year.

The Board of Education approves all District budget revisions. In June 2024, the District made its final appropriations adjustments to match anticipated revenue and expenditure totals.

The variance between budget and actuals is primarily a result of expenditure-driven federal programs, state grants, and local donations. Such funds are recognized as revenue. When the qualifying expenditures have been incurred, and all other grant requirements have been met, unspent grant balances are carried forward to the succeeding year's budget. Actual grant revenues and expenditures are normally less than the amount budgeted.

General Fund Expenditure Highlights

The following table compares 2022-23 and 2023-24 General Fund actual expenditures by Standardized Account Code Structure (SACS) functions.

Expenditures by Function	2022-23	2023-24		Change	
		Amount	%	Amount	%
General Education Grades K-12	\$ 216,436,733	\$ 236,297,029	43.2%	\$ 19,860,296	9.2%
Special Education	98,639,729	102,365,812	18.7%	3,726,083	3.8%
Instruction Related Services	27,032,211	32,656,528	6.0%	5,624,317	20.8%
School Administration	27,087,982	29,314,670	5.4%	2,226,688	8.2%
Pupil Services	30,347,539	32,329,273	5.9%	1,981,734	6.5%
Transportation	12,537,040	14,211,558	2.6%	1,674,518	13.4%
Ancillary, Co-curricular & Athletics	2,717,268	3,296,460	0.6%	579,192	21.3%
Community Services	293,349	321,349	0.1%	28,000	9.5%
General Administration	21,445,496	22,066,004	4.0%	620,508	2.9%
Central Data Processing	6,914,440	7,213,047	1.3%	298,607	4.3%
Maintenance & Operations	43,263,457	44,251,671	8.1%	988,214	2.3%
Facility Acquisition & Construction	4,468,712	7,353,377	1.3%	2,884,665	64.6%
Facility Rents and Leases	252,691	346,548	0.1%	93,857	37.1%
Other Outgo	8,673,595	15,509,443	2.8%	6,835,848	78.8%
Total	\$ 500,110,242	\$ 547,532,769	100.0%	\$ 47,422,527	
Final October Enrollment	34,897	34,935		38	
Expenditures per Student	\$ 14,331	\$ 15,673		\$ 1,342	

Note: Expenses for Cafeteria, Adult Ed., Construction, Preschool, and Child Care Services are recorded in separate funds. They are not included in the above figures.

- The total expenditure per student increased from \$14,331 to \$15,673, year over year.

Capital Asset

The state school facility fund is used to account for the costs incurred in acquiring and improving sites, constructing, and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the District.

Capital assets as of June 30, 2023, and June 30, 2024, are outlined below:

Capital Assets

	<u>June 30, 2023</u>	<u>June 30, 2024</u>
<u>Governmental Activities:</u>		
Land	\$ 94,492,626	\$ 94,492,626
Land Improvements	102,012,141	102,716,666
Buildings & Improvements	1,071,804,321	1,079,872,802
Furniture & Equipment	62,956,118	63,348,209
Work in Progress	4,575,387	10,156,148
Accumulated Depreciation	(487,156,637)	(517,844,614)
Total Governmental Activities	<u>\$ 848,683,956</u>	<u>\$ 832,741,837</u>
<u>Business-type Activities</u>		
Land Improvements	\$ 145,468	\$ 145,468
Buildings & Improvements	4,767,384	4,767,384
Accumulated Depreciation	(3,030,253)	(3,143,468)
Total Business-type Activities	<u>\$ 1,882,599</u>	<u>\$ 1,769,384</u>

Additional information on the District's capital assets can be found in Note H to the basic financial statements.

Leases

In 2021-22, the Governmental Accounting Standards Board (GASB) lease accounting standard GASB 87 was implemented. The goal of the new lease accounting standard is to represent lease receivables and lease obligations more accurately in the governmental-wide financial statements.

Under this Statement, the District as a lessor is required to recognize a lease receivable and a deferred inflow of resources from the cell tower leases. Below is the receivable reported as of June 30, 2024.

Leases Receivable

	<u>June 30, 2024</u>
Governmental Activities	\$ 5,783,403
Total Lease Receivable	<u>\$ 5,783,403</u>

The accounting of capital leases under GASB 87 is reported based on the principle that leases are financings of the right to use an asset. Below are the District's assets (Right-to-use-Leases) and lease obligations reflected as liabilities (Leases Payable) on the statement of financial position as of June 30, 2024.

Right-to-Use-Leases

	<u>June 30, 2024</u>
<u>Governmental Activities:</u>	
Facilities and Equipment	\$ 8,132,549
Accumulated Amortization	(2,819,906)
Total Governmental Activities	<u>\$ 5,312,643</u>
<u>Business-type Activities:</u>	
Equipment	\$ 192,503
Accumulated Amortization	(104,593)
Total Business-type Activities	<u>\$ 87,910</u>

Leases Payable

	<u>June 30, 2024</u>
<u>Governmental Activities:</u>	
Financing Leases	\$ 1,585,712
Operating Leases	3,422,542
Total Governmental Activities	<u>\$ 5,008,254</u>
<u>Business-type Activities</u>	
Operating Leases	\$ 88,138
Total Business-type Activities	<u>\$ 88,138</u>

Additional information on the District's leases receivable, right-to-use, and leases payable can be found in Notes G, H, and N to the basic financial statements, respectively.

Subscription-Based Information Technology Arrangements

In 2022-23, Governmental Accounting Standards Board (GASB) 96 was implemented to account for Subscription-Based Information Technology Arrangements (SBITAs). Under this Statement, the District generally recognizes a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability. The District recognizes the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service.

Below are the District's subscription assets (Right-to-use-Subscriptions) amortized over the subscription term and subscription obligations reflected as liabilities (Subscriptions Payable) for the year ended June 30, 2024:

Right-to-Use Subscriptions

	<u>June 30, 2024</u>
<u>Governmental Activities:</u>	
SBITA Agreements	\$ 921,322
Less Accumulated Amortization	(715,165)
Total Subscriptions Asset	<u>\$ 206,157</u>

Subscriptions Payable

	<u>June 30, 2024</u>
<u>Governmental Activities:</u>	
SBITAs	\$ 143,349
Total Subscriptions Payable	<u>\$ 143,349</u>

Additional information on the District's SBITAs assets and payables can be found in Notes H and N to the basic financial statements, respectively.

Long-Term Liabilities

General Obligation Bonds

The voters of the School Facilities Improvement District (SFID) approved Proposition U in November 2002 for \$198 million and Proposition C in February 2008 for \$179 million to provide funding to repair, renovate, and expand 24 of the District's older schools.

- Under Proposition U, the District issued three General Obligation Bonds
 - \$75 million General Obligation Bonds, Series A which was refunded in 2011 at \$53.3 million, and in 2019 was refunded at \$30.7 million.
 - \$119.3 million General Obligation Bonds, Series B. A portion was refunded at \$100.3 million in 2014.
 - \$3.7 million General Obligation Bonds, Series C fully paid in 2016-17.
- Under Proposition C, the District issued
 - \$74.0 million General Obligation Bonds, Series A
 - \$105.0 million General Obligation Bonds, Series B.

School Facilities Improvement District - GO Bonds

June 30, 2024

	Date of Issuance	Original Issue Amount	Principal Balance
Proposition U:			
General Obligation Bonds, Election of 2002, Series A	6/5/2003	\$ 75,000,000	-
General Obligation Refunding Bonds, 2011	10/18/2011	53,285,000	-
General Obligation Refunding Bonds, 2019	9/26/2019	30,690,000	\$ 20,690,000
General Obligation Bonds, Election of 2002, Series B	11/2/2006	119,300,766	3,080,766
General Obligation Bonds, Election of 2002, Series B - Accreted Interest	11/2/2006	n/a	7,825,593
General Obligation Bonds, Election of 2002, Series B - Premium	11/2/2006	9,796,466	252,979
General Obligation Refunding Bonds, 2014	7/15/2014	100,325,000	72,010,000
General Obligation Refunding Bonds, 2014 - Premium	7/15/2014	12,429,039	8,921,157
General Obligation Bonds, Election of 2002, Series C	1/9/2009	3,698,554	-
Proposition C:			
General Obligation Bonds, Election of 2008, Series A	1/9/2009	73,998,936	51,776,943
General Obligation Bonds, Election of 2008, Series A - Accreted Interest	1/9/2009	n/a	92,933,943
General Obligation Bonds, Election of 2008, Series A - Premium	1/9/2009	9,544,567	6,678,319
General Obligation Bonds, Election of 2008, Series B	7/28/2011	105,000,150	105,000,150
General Obligation Bonds, Election of 2008, Series B - Accreted Interest	7/28/2011	n/a	164,705,740
General Obligation Bonds, Election of 2008, Series B - Premium	7/28/2011	21,360,189	21,360,189

Lease Revenue Bonds

In 2012-13, the District issued \$57.3 million in School Facilities Restructuring Program (Bridge). The purpose of the issuance was to refinance the 2007 Lease Revenue Bonds and to use the funding for the remaining school construction projects. The outstanding balance of the Lease Revenue Bonds is an obligation of the Community Facilities District (CFD).

June 30, 2024

Issue Name	Date of Issuance	Original Issue Amount	Principal Balance
2012 School Facilities Restructuring Program (Bridge)	9/4/2012	\$ 57,300,000	\$ 35,985,000

Early Retirement Incentive

The District has a Supplemental Early Retirement Plan (SERP) issued as an incentive for employees' early retirement to create cost savings for the District. In 2021, the District offered a supplemental retirement plan with 89 participants.

June 30, 2024				
Issue Name	Date of Issuance	Original Issue Amount	Principal Balance	
2021 Retirement Incentive	7/1/2021	\$ 6,879,900	\$ 2,751,960	

Special Tax Bonds

The District has formed various Community Facilities Districts to secure school facilities for students that will be generated from new housing developments. Below are outstanding special tax bonds under the Community Facilities Districts (CFD) as of June 30, 2024. These bonds are not obligations of the general fund of the District and are secured by taxes generated by homeowners and developers.

Community Facilities District - Special Tax Bonds				
June 30, 2024				
Description	Date of Issuance	Original Issue Amount	Principal Balance	Total
CFD #2				
2015C Series Refunding Bonds	8/12/2015	\$ 8,520,000	\$ 3,600,000	
2015C Series Refunding Bonds Premium	8/12/2015	674,619	285,050	
2022 PFA B Refunding Bonds	3/25/2022	2,510,000	2,400,000	\$ 6,285,050
CFD #3				
2015C Series Refunding Bonds	8/12/2015	\$ 3,680,000	\$ 1,800,000	
2015C Series Refunding Bonds Premium	8/12/2015	291,244	142,456	\$ 1,942,456
CFD #4				
2016 PFA A Refunding	8/18/2016	8,966,000	\$ 4,850,000	
2022 PFA A Refunding	3/25/2022	6,985,000	6,670,000	\$ 11,520,000
CFD #5				
2015C Series Refunding Bonds	8/12/2015	\$ 1,125,000	\$ 550,000	
2015C Series Refunding Bonds Premium	8/12/2015	87,988	43,016	\$ 593,016
CFD #6				
2015 Refunding	6/4/2015	63,145,000	\$ 49,215,000	
2015 Refunding Premium	6/4/2015	7,053,987	5,497,854	
2015C Series Refunding Bonds	6/9/2016	10,120,000	8,310,000	
2015C Series Refunding Bonds Premium	6/9/2016	(102,806)	(84,419)	
2016 CFS 4S Ranch	11/3/2016	29,635,000	22,675,000	
2016 CFS 4S Ranch Premium	11/3/2016	3,685,913	2,820,249	
2017A PFA Series	2/2/2017	14,470,000	10,340,000	
2017A PFA Series Premium	2/2/2017	1,236,202	883,367	
2020 Sp Tax Refunding	9/30/2020	29,920,000	22,250,000	
2020 Bond Discount	9/30/2020	(239,360)	(178,000)	\$ 121,729,051
CFD #7				
2015C Series Refunding Bonds	8/12/2015	\$ 1,080,000	\$ 540,000	
2015C Series Refunding Bonds Premium	8/12/2015	84,445	42,223	\$ 582,223
CFD #8				
2016 PFA A Refunding	8/18/2016	\$ 5,294,000	\$ 2,420,000	\$ 2,420,000
CFD #9				
2016 PFA A Refunding	8/18/2016	\$ 1,270,000	\$ 577,000	\$ 577,000

Poway Unified School District, Management Discussion & Analysis cont'd
Community Facilities District - Special Tax Bonds
June 30, 2024

Description	Date of Issuance	Original Issue Amount	Principal Balance	Total
CFD #10				
2016 PFA A Refunding	8/18/2016	\$ 34,006,000	\$ 21,540,000	
2016 Area F Refunding	12/6/2016	1,995,000	1,645,000	
2016 Area F Discount	12/6/2016	(30,922)	(25,498)	
2017A PFA Series	2/2/2017	7,030,000	4,420,000	
2017A PFA Series Premium	2/2/2017	802,229	504,389	
2017A PFA Series	2/2/2017	4,680,000	2,950,000	
2017A PFA Series Premium	2/2/2017	534,393	336,851	
2022 PFA IA C	3/25/2022	1,985,000	1,775,000	
2022 PFA IA D	3/25/2022	3,045,000	2,645,000	
2022 PFA IA E	3/25/2022	3,485,000	3,055,000	\$ 38,845,742
CFD #11				
2014 Special Tax Bonds, Zone 2 & 3	12/2/2014	\$ 10,065,000	\$ 8,775,000	
2014 Special Tax Bonds, Zone 2 & 3 Premium	12/2/2014	273,198	238,183	
2014 Refunding Series B & C	7/16/2014	19,550,000	13,870,000	
2014 Refunding Series B & C Premium	7/16/2014	1,494,679	1,060,420	
2017B Refunding Zone 2 & 3	1/19/2017	5,815,000	4,990,000	
2017B Refunding Zone 2 & 3 Discount	1/19/2017	(80,962)	(69,476)	
2022 IA A PFA	3/25/2022	7,135,000	6,295,000	
2022 Zone 1 PFA	3/25/2022	8,070,000	7,395,000	
2022 Zone 2 PFA	3/25/2022	1,530,000	1,370,000	
2022 Zone 3 PFA	3/25/2022	1,185,000	1,065,000	\$ 44,989,127
CFD #12				
2016 PFA A Refunding	8/18/2016	\$ 6,635,000	\$ 4,182,000	
2022 PFA A Refunding	3/25/2022	3,765,000	3,660,000	\$ 7,842,000
CFD #13				
2022 PFA A Refunding	3/25/2022	\$ 4,815,000	\$ 4,610,000	\$ 4,610,000
CFD #14				
2015 Refunding Bonds	4/22/2015	\$ 44,630,000	\$ 34,865,000	
2015 Refunding Bonds Premium	4/22/2015	6,075,058	4,745,942	
2015 Refunding Bonds Series A	4/22/2015	44,775,000	35,025,000	
2015 Refunding Bonds Series A Premium	4/22/2015	6,094,795	4,767,520	\$ 79,403,462
CFD #15				
2014 Special Tax Bonds	2/27/2014	\$ 40,000,000	\$ 37,080,000	
2014 Special Tax Bonds Premium	2/27/2014	802,459	743,879	
2015 Improvement Area C	4/13/2016	15,000,000	14,215,000	
2015 Improvement Area C Premium	4/13/2016	1,472,684	1,395,614	
2022 Improvement Area A	6/6/2022	8,495,000	8,315,000	
2022 Improvement Area D	6/16/2022	14,890,000	14,840,000	
2022 Improvement Area D Premium	6/16/2022	359,830	358,622	\$ 76,948,115
CFD #16				
2020 Special Tax Bonds	5/7/2020	\$ 15,675,000	\$ 14,830,000	
2020 Special Tax Bonds Premium	5/7/2020	721,726	682,819	
2020 Special Tax Bonds Area A	5/7/2020	25,415,000	24,120,000	
2020 Special Tax Bonds Area A Premium	5/7/2020	1,784,436	1,693,512	\$ 41,326,331
PFA				
Refunding Bonds		\$ 87,355,000	\$ 54,160,000	
Refunding Bonds Receivable		(100,467,120)	(60,022,286)	
Refunding Premium		13,112,120	8,275,394	\$ 2,413,108
Total Special Tax Bonds				\$ 442,026,681

Additional information on the District's long-term debt can be found in Note N to the basic financial statement which is found on page 61 of the audit report.

Changing Enrollment within the District

The October 2023 overall demographics of the District reflect an increase in the district's enrollment of 38 students.

Changes in Enrollment for Three Years

Grade	Oct 2021	Oct 2022	Chg	Oct 2023	Chg
K	2,921	3,028	107	3,121	93
1	2,457	2,408	(49)	2,284	(124)
2	2,523	2,508	(15)	2,475	(33)
3	2,562	2,550	(12)	2,601	51
4	2,525	2,613	88	2,618	5
5	2,649	2,558	(91)	2,641	83
6	2,580	2,603	23	2,583	(20)
7	2,591	2,564	(27)	2,639	75
8	2,726	2,562	(164)	2,585	23
9	2,811	2,762	(49)	2,688	(74)
10	2,948	2,805	(143)	2,784	(21)
11	2,886	2,908	22	2,808	(100)
12	3,011	3,028	17	3,108	80
TOTAL	35,190	34,897	(293)	34,935	38
	2020-21	2021-22	Chg	2022-23	Chg
Elementary K-5	15,637	15,665	28	15,740	75
Middle 6-8	7,897	7,729	(168)	7,807	78
High School 9-12	11,656	11,503	(153)	11,388	(115)
TOTAL	35,190	34,897	(293)	34,935	38

Factors Bearing on the District's Future

- The district is facing declining enrollment.
- Inequitable funding under the LCFF model
- Ongoing costs funded by one-time Federal relief funds
- Escalating PERS costs, employer contribution
- Increasing Health and Welfare benefit costs
- Aging and dilapidated schools and facilities
- Lack of capital improvement funds
- Full implementation of Universal Transitional Kindergarten

Contacting the District's Financial Management

This financial report provides a general overview of the Poway Unified School District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Associate Superintendent, Business Support Services, Poway Unified School District, 15250 Avenue of Science, San Diego, CA 92128.

Basic Financial Statements

Poway Unified School District

Statement of Net Position

June 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash	\$ 428,916,530	\$ 11,027,068	\$ 439,943,598
Receivables	25,634,363	161,377	25,795,740
Due From (To) Other Funds	(1,946,855)	1,946,855	-
Stores Inventory	1,088,393	-	1,088,393
Prepaid Expenses	426,149	-	426,149
Leases Receivable	5,783,403	-	5,783,403
Capital Assets:			
Land	94,492,626	-	94,492,626
Land Improvements	102,716,666	145,468	102,862,134
Buildings & Improvements	1,079,872,802	4,767,384	1,084,640,186
Equipment	63,348,209	-	63,348,209
Work in Progress	10,156,148	-	10,156,148
Less Accumulated Depreciation	(517,844,614)	(3,143,468)	(520,988,082)
Lease Assets:			
Equipment	8,132,549	192,503	8,325,052
Less Accumulated Amortization	(2,819,906)	(104,593)	(2,924,499)
Subscription Assets:			
SBITA Agreements	921,322	-	921,322
Less Accumulated Amortization	(715,165)	-	(715,165)
Total Assets	<u>1,298,162,620</u>	<u>14,992,594</u>	<u>1,313,155,214</u>
Deferred Outflows of Resources	<u>171,564,832</u>	<u>4,391,500</u>	<u>175,956,332</u>
Liabilities			
Accounts Payable & Other Current Liabilities	30,002,661	655,523	30,658,184
Unearned Revenue	4,172,689	-	4,172,689
Long-Term Liabilities			
Due Within One Year	54,788,061	524,718	55,312,779
Due In More Than One Year	<u>1,451,576,522</u>	<u>15,504,643</u>	<u>1,467,081,165</u>
Total Liabilities	<u>1,540,539,933</u>	<u>16,684,884</u>	<u>1,557,224,817</u>
Deferred Inflows of Resources	<u>57,268,733</u>	<u>5,735,785</u>	<u>63,004,518</u>
Net Position			
Net Investment in Capital Assets	6,213,609	1,769,157	7,982,766
Restricted For:			
Capital Projects	229,184,788	-	229,184,788
Debt Service	28,342,477	-	28,342,477
Educational Programs	43,392,376	-	43,392,376
Other Purposes (Expendable)	25,732,304	-	25,732,304
Other Purposes (Nonexpendable)	1,416,634	-	1,416,634
Unrestricted	<u>(462,363,402)</u>	<u>(4,805,732)</u>	<u>(467,169,134)</u>
Total Net Position	<u>\$ (128,081,214)</u>	<u>\$ (3,036,575)</u>	<u>\$ (131,117,789)</u>

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

Poway Unified School District

Statement of Activities

For the Year Ended June 30, 2024

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction	\$ 338,616,633	\$ 2,132,413	\$ 65,816,624	\$ -	\$ (270,667,596)		\$ (270,667,596)
Instruction-Related Services:							-
Instructional Supervision and Administration	27,360,381	-	11,244,679	-	(16,115,702)		(16,115,702)
Instructional Library, Media and Technology	8,574,795	-	-	-	(8,574,795)		(8,574,795)
School Site Administration	30,362,625	-	-	-	(30,362,625)		(30,362,625)
Pupil Services:							-
Home-to-School Transportation	14,256,425	-	-	-	(14,256,425)		(14,256,425)
Food Services	18,269,748	1,279,629	21,958,653	-	4,968,534		4,968,534
All Other Pupil Services	30,490,766	-	8,478,266	-	(22,012,500)		(22,012,500)
General Administration:							-
Centralized Data Processing	7,417,116	-	202,694	-	(7,214,422)		(7,214,422)
All Other General Administration	23,833,803	-	2,444,834	-	(21,388,969)		(21,388,969)
Plant Services	52,058,511	8,049,649	993,484	-	(43,015,378)		(43,015,378)
Ancillary Services	7,617,393	-	4,630,922	-	(2,986,471)		(2,986,471)
Community Services	321,541	-	-	-	(321,541)		(321,541)
Self-Insured Activities	14,394,891	11,765,978	-	-	(2,628,913)		(2,628,913)
Interest on Long-Term Debt	56,682,491	-	-	-	(56,682,491)		(56,682,491)
Debt Issuance Costs	139,153	-	-	-	(139,153)		(139,153)
Transfers Between Agencies	1,453,195	-	582,363	-	(870,832)		(870,832)
Total Governmental Activities	<u>\$ 631,849,467</u>	<u>\$ 23,227,669</u>	<u>\$ 116,352,519</u>	<u>\$ -</u>	<u>(492,269,279)</u>		<u>(492,269,279)</u>
Business-Type Activities							
Childcare Services	\$ 19,065,676	\$ 23,645,246	\$ (37,492)	\$ -		\$ 4,542,078	\$ 4,542,078
Total Business-Type Activities	<u>\$ 19,065,676</u>	<u>\$ 23,645,246</u>	<u>\$ (37,492)</u>	<u>\$ -</u>		<u>\$ 4,542,078</u>	<u>\$ 4,542,078</u>
General Revenues							
Taxes and Subventions:							
Property Taxes, Levied for General Purposes					\$ 232,596,269	\$ -	\$ 232,596,269
Property Taxes, Levied for Debt Service					26,122,864	-	26,122,864
Property Taxes, Levied for Other Specific Purposes					57,461,581	-	57,461,581
Federal and State Aid Not Restricted for Specific Purposes					176,266,253	-	176,266,253
Interest and Investment Earnings					18,191,872	393,188	18,585,060
Interagency Revenues					524,781	-	524,781
Miscellaneous					14,797,333	-	14,797,333
Internal Transfers					922,595	(922,595)	-
Total General Revenues					<u>526,883,548</u>	<u>(529,407)</u>	<u>526,354,141</u>
Change in Net Position					34,614,269	4,012,671	38,626,940
Net Position - Beginning of Year					(162,695,483)	(7,049,246)	(169,744,729)
Net Position - Ending					<u>\$ (128,081,214)</u>	<u>\$ (3,036,575)</u>	<u>\$ (131,117,789)</u>

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

Poway Unified School District

Balance Sheet – Governmental Funds

June 30, 2024

	General Fund	Special Reserve Fund for Capital Outlay	Blended Component Unit Funds			
			Capital Projects Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets						
Cash and Investments	\$ 132,008,934	\$ 11,307,759	\$ 207,625,998	\$ -	\$ 66,970,289	\$ 417,912,980
Accounts Receivable	19,946,719	103,369	-	-	4,408,374	24,458,462
Due from Other Funds	6,038,928	11,081	-	-	9,374,612	15,424,621
Stores Inventories	386,517	-	-	-	701,876	1,088,393
Prepaid Expenditures	-	-	-	-	26,149	26,149
Leases Receivable	-	5,783,403	-	-	-	5,783,403
Total Assets	<u>\$ 158,381,098</u>	<u>\$ 17,205,612</u>	<u>\$ 207,625,998</u>	<u>\$ -</u>	<u>\$ 81,481,300</u>	<u>\$ 464,694,008</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance:						
Liabilities:						
Accounts Payable	\$ 15,685,782	\$ 43,461	\$ -	\$ -	\$ 1,738,541	\$ 17,467,784
Due to Other Funds	17,337,834	450,953	1,273,963	-	1,198,010	20,260,760
Unearned Revenue	3,595,479	11,081	-	-	566,129	4,172,689
Total Liabilities	<u>36,619,095</u>	<u>505,495</u>	<u>1,273,963</u>	<u>-</u>	<u>3,502,680</u>	<u>41,901,233</u>
Deferred Inflows of Resources:						
Deferred Rent Income	<u>-</u>	<u>5,545,620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,545,620</u>
Fund Balance:						
Nonspendable	687,509	-	-	-	729,125	1,416,634
Restricted	46,825,507	6,796,396	206,352,035	-	66,678,007	326,651,945
Committed	2,215,851	-	-	-	10,571,488	12,787,339
Assigned	6,808,579	4,358,101	-	-	-	11,166,680
Unassigned	65,224,557	-	-	-	-	65,224,557
Total Fund Balance	<u>121,762,003</u>	<u>11,154,497</u>	<u>206,352,035</u>	<u>-</u>	<u>77,978,620</u>	<u>417,247,155</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 158,381,098</u>	<u>\$ 17,205,612</u>	<u>\$ 207,625,998</u>	<u>\$ -</u>	<u>\$ 81,481,300</u>	<u>\$ 464,694,008</u>

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

Poway Unified School District

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

June 30, 2024

Total fund balances governmental funds:

\$ 417,247,155

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

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

Capital assets relating to governmental activities, at historical cost	1,350,616,147	
Accumulated depreciation	<u>(517,874,310)</u>	
Net		832,741,837
Lease assets relating to governmental activities, at historical cost	8,132,549	
Accumulated amortization	<u>(2,819,906)</u>	
Net		5,312,643
Subscription assets relating to governmental activities, at historical cost	921,322	
Accumulated amortization	<u>(715,165)</u>	
Net		206,157

Unamortized costs: In governmental funds, debt issue costs are recognized as expenditures in the period they are incurred. In the government-wide statements, debt issue costs for prepaid debt insurance are amortized over the life of the debt. Unamortized debt insurance costs included in deferred outflows of resources on the statement of net position are:

1,245,167

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

(11,625,227)

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

18,367,745

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

Poway Unified School District

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

June 30, 2024

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

General obligation bonds payable	555,235,779	
Certificates of participation	35,985,000	
Special tax bonds payable	442,026,681	
Leases payable	5,008,254	
Subscriptions payable	143,349	
Retirement incentive payable	2,751,960	
Net pension liability	395,604,035	
Net OPEB liability	63,798,665	
Compensated absences	5,810,860	
	<u>Total</u>	(1,506,364,583)

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

Deferred outflows of resources relating to pensions	148,748,586	
Deferred inflows of resources relating to pensions	<u>(24,635,759)</u>	
	Net	124,112,827

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

Deferred outflows of resources relating to OPEB	2,980,006	
Deferred inflows of resources relating to OPEB	<u>(26,864,026)</u>	
	Net	(23,884,020)

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

14,559,085

Total net position governmental activities:

\$ (128,081,214)

Poway Unified School District

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds For the Year Ended June 30, 2024

	General Fund	Special Reserve Fund for Capital Outlay	Blended Component Unit Funds		Non-Major Governmental Funds	Total Governmental Funds
			Capital Projects Fund	Debt Service Fund		
Revenues						
State Apportionment	\$ 159,495,002	\$ -	\$ -	\$ -	\$ -	\$ 159,495,002
Education Protection Account Funds	12,552,489	-	-	-	-	12,552,489
Property Taxes	231,596,269	-	57,461,581	-	27,122,864	316,180,714
Federal Revenue	20,581,460	-	-	-	7,094,713	27,676,173
Other State Revenue	88,354,983	-	-	-	20,058,201	108,413,184
Interest	4,894,980	428,147	8,618,328	-	1,540,283	15,481,738
Fair Market Value Adjustment	1,795,959	150,218	-	-	259,572	2,205,749
Other Local Revenue	15,082,113	857,961	4,730,586	-	15,586,002	36,256,662
Total Revenues	<u>\$ 534,353,255</u>	<u>\$ 1,436,326</u>	<u>\$ 70,810,495</u>	<u>\$ -</u>	<u>\$ 71,661,635</u>	<u>\$ 678,261,711</u>
Expenditures						
Current Expenditures:						
Instruction	335,391,741	-	-	-	3,230,426	338,622,167
Instruction - Related Services	61,971,198	-	-	-	1,954,305	63,925,503
Pupil Services	46,486,758	-	-	-	16,696,733	63,183,491
Ancillary Services	3,284,423	-	-	-	4,341,061	7,625,484
Community Services	321,349	-	-	-	-	321,349
General Administration	29,218,428	-	-	-	744,196	29,962,624
Plant Services	44,595,621	442,219	1,182,789	-	930,541	47,151,170
Transfers Between Agencies	1,495,991	-	-	-	-	1,495,991
Capital Outlay	9,992,900	1,828,989	2,534,923	-	4,875,132	19,231,944
Debt Service:						
Principal	2,983,806	-	-	18,525,000	13,860,552	35,369,358
Interest	123,509	-	-	20,952,632	10,067,181	31,143,322
Total Expenditures	<u>535,865,724</u>	<u>2,271,208</u>	<u>3,717,712</u>	<u>39,477,632</u>	<u>56,700,127</u>	<u>638,032,403</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,512,469)</u>	<u>(834,882)</u>	<u>67,092,783</u>	<u>(39,477,632)</u>	<u>14,961,508</u>	<u>40,229,308</u>
Other Financing Sources (Uses):						
Transfers In	4,370,826	1,210,085	-	39,477,632	8,169,132	53,227,675
Transfers Out	(11,977,399)	(761,307)	(40,751,595)	-	(286,661)	(53,776,962)
Proceeds from Leases & Subscriptions	3,776,456	-	-	-	-	3,776,456
Total Other Financing Sources (Uses)	<u>(3,830,117)</u>	<u>448,778</u>	<u>(40,751,595)</u>	<u>39,477,632</u>	<u>7,882,471</u>	<u>3,227,169</u>
Net Change in Fund Balance	(5,342,586)	(386,104)	26,341,188	-	22,843,979	43,456,477
Fund Balance, Beginning of Year	127,104,589	11,540,601	180,010,847	-	55,134,641	373,790,678
Fund Balance, End of Year	<u>\$ 121,762,003</u>	<u>\$ 11,154,497</u>	<u>\$ 206,352,035</u>	<u>\$ -</u>	<u>\$ 77,978,620</u>	<u>\$ 417,247,155</u>

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

Poway Unified School District

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

Total change in fund balances, governmental funds: \$ 43,456,477

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

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

Expenditures for capital outlay	19,231,944	
Depreciation expense	(30,687,977)	
Amortization expense	<u>(2,156,290)</u>	
	Net	(13,612,323)

Cost write-off for canceled capital projects: If a planned capital project is canceled and will not be completed, costs previously capitalized as work in progress must be written off to expense. Costs written off for canceled projects were: (709,630)

Debt service: In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were: 35,369,358

Debt proceeds: In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt were: (3,776,456)

Debt issue costs for prepaid debt insurance: In governmental funds, debt issue costs are recognized as expenditures in the period they are incurred. In the government-wide statements, debt issue costs for prepaid debt insurance are amortized over the life of the debt. The difference between debt issue costs for prepaid insurance incurred in the current period and prepaid insurance costs amortized for the period is: (59,227)

Poway Unified School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities, Continued
For the Year Ended June 30, 2024

Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period was: (27,382,142)

Compensated absences: In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and compensated absences earned was: (680,351)

Pensions: In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was: 413,624

Other postemployment benefits (OPEB): In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year the difference between OPEB expenses and actual employer OPEB contributions was: (210,461)

Other liabilities not normally liquidated with current financial resources: In the government-wide statements, expenses must be accrued in connection with any liabilities incurred during the period that are not expected to be liquidated with current financial resources, in addition to compensated absences and long-term debt. Examples include special termination benefits such as retirement incentives financed over time, and structured legal settlements. This year, expenses incurred for such obligations were: 1,375,980

Amortization of debt issue premium or discount or deferred gain or loss from debt refunding: In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount, plus any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Amortization of debt issue premium or discount, or deferred gain or loss from debt refunding for the period is: 1,082,065

Poway Unified School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities, Continued
For the Year Ended June 30, 2024

Internal Service Funds: Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to benefit governmental activities, internal service activities are reported as governmental in the statement of activities. The net increase or decrease in internal service funds was:

(652,645)

Change in net position of governmental activities:

\$ 34,614,269

Poway Unified School District

Statement of Net Position – Proprietary Funds

June 30, 2024

	Enterprise Fund	Internal Service Fund
	Childcare Services Fund	Self-Insurance Fund
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 11,027,068	\$ 11,003,550
Accounts Receivable	161,377	1,175,901
Due from Other Funds	2,481,161	5,855,094
Prepaid Expenses	-	400,000
Capital Assets:		
Land Improvements	145,468	-
Buildings & Improvements	4,767,384	-
Equipment	-	29,696
Less Accumulated Depreciation	(3,143,468)	(29,696)
Lease Assets:		
Equipment	192,503	-
Less Accumulated Amortization	(104,593)	-
Total Assets	<u>15,526,900</u>	<u>18,434,545</u>
Deferred Outflows of Resources	<u>4,391,500</u>	<u>-</u>
Liabilities		
Current Liabilities:		
Accounts Payable	655,523	909,650
Due to Other Funds	534,306	2,965,810
Compensated Absences Payable	487,907	-
Noncurrent Liabilities:		
Net Pension Liability	13,322,691	-
Net OPEB Liability	2,130,626	-
Leases Payable	88,137	-
Total Liabilities	<u>17,219,190</u>	<u>3,875,460</u>
Deferred Inflows of Resources	<u>5,735,785</u>	<u>-</u>
Net Position		
Net Investment in Capital Assets	1,769,157	-
Unrestricted	<u>(4,805,732)</u>	<u>14,559,085</u>
Total Net Position	<u>\$ (3,036,575)</u>	<u>\$ 14,559,085</u>

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

Poway Unified School District

Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds For the Year Ended June 30, 2024

	Enterprise Fund	Internal Service Fund
	Childcare Services Fund	Self-Insurance Fund
Operating Revenues		
In-District Premiums/Contributions	\$ -	\$ 11,765,978
State Grants	(37,492)	-
Childcare Service Fees	23,645,246	-
Total Operating Revenues	<u>23,607,754</u>	<u>11,765,978</u>
Operating Expenses		
Salaries	10,666,101	-
Employee Benefits	4,221,500	3,730,766
Materials and Supplies	920,802	91,985
Services and Other Operating Expenses	3,110,043	10,572,140
Depreciation and Amortization	147,230	-
Total Operating Expenses	<u>19,065,676</u>	<u>14,394,891</u>
 Operating Income (Loss)	 <u>4,542,078</u>	 <u>(2,628,913)</u>
Non-Operating Revenues/(Expenses)		
Interest Income	355,976	422,744
Fair Market Value Adjustment	37,212	81,641
Interfund Transfers In	-	3,565,949
Interfund Transfers Out	(922,595)	(2,094,066)
Total Nonoperating Revenues/(Expenses)	<u>(529,407)</u>	<u>1,976,268</u>
 Change in Net Position	 4,012,671	 (652,645)
Total Net Position - Beginning	<u>(7,049,246)</u>	<u>15,211,730</u>
Total Net Position - Ending	<u><u>\$ (3,036,575)</u></u>	<u><u>\$ 14,559,085</u></u>

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

Poway Unified School District

Statement of Cash Flows – Proprietary Funds

For the Year Ended June 30, 2024

	Enterprise Fund	Internal Service Fund
	Childcare Services Fund	Self-Insurance Fund
Cash Flows from Operating Activities		
Cash Received from Interfund Services Provided	\$ -	\$ 15,051,465
Cash Received from Customers & State Agencies	22,363,411	-
Cash Payments for Salaries & Benefits	(14,084,737)	(3,579,648)
Cash Payments to Other Suppliers for Goods and Services	(4,139,808)	(11,444,033)
Net Cash Provided (Used) by Operating Activities	<u>4,138,866</u>	<u>27,784</u>
Cash Flows from Investing Activities		
Fair Market Value Adjustment	37,212	81,641
Cash Received from Interest Earned	355,976	422,744
Net Cash Provided (Used) by Investing Activities	<u>393,188</u>	<u>504,385</u>
Cash Flows from Non-Capital Financing Activities		
Cash Received From Interfund Transfer	-	3,565,949
Cash Payments For Interfund Transfer	(922,595)	(2,094,066)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(922,595)</u>	<u>1,471,883</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,609,459	2,004,052
Cash and Cash Equivalents - Beginning of Year	<u>7,417,609</u>	<u>8,999,498</u>
Cash and Cash Equivalents - End of Year	<u>\$ 11,027,068</u>	<u>\$ 11,003,550</u>
Reconconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ 4,542,078	\$ (2,628,913)
Depreciation and Amortization	147,230	-
Change in Assets and Liabilities:		
Decrease (Increase) in Operating Receivables	(101)	(201,521)
Decrease (Increase) in Due From Other Funds	(1,244,242)	3,487,008
Decrease (Increase) in Deferred Outflows of Resources	1,453,939	-
Increase (Decrease) in Accounts Payable	(68,897)	(779,908)
Increase (Decrease) in Due To Other Funds	(131,232)	151,118
Increase (Decrease) in Compensated Absences	72,031	-
Increase (Decrease) in Net Pension Liability	(2,328,286)	-
Increase (Decrease) in Net OPEB Liability	(471,973)	-
Increase (Decrease) in Leases Payable	(40,066)	-
Increase (Decrease) in Deferred Inflows of Resources	2,208,385	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 4,138,866</u>	<u>\$ 27,784</u>

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

Poway Unified School District
Statement of Net Position – Fiduciary Funds
June 30, 2024

	Foundation Private-Purpose Trust Fund
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 350,973
Accounts Receivable	3,431
Total Assets	<u>\$ 354,404</u>
Net Position	
Held in Trust	<u>\$ 354,404</u>
Total Net Position	<u><u>\$ 354,404</u></u>

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

Poway Unified School District

Statement of Changes in Net Position – Fiduciary Funds
For the Year Ended June 30, 2024

	Foundation Private-Purpose Trust Fund
Additions:	
Interest Income	\$ 12,415
FMV Adjustment	4,024
Total Additions	<u>16,439</u>
Deductions	
Total Deductions	<u>-</u>
Change in Net Position	16,439
Total Net Position - Beginning	<u>337,965</u>
Total Net Position - Ending	<u><u>\$ 354,404</u></u>

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

Poway Unified School District

Notes to the Financial Statements

For the Year Ended June 30, 2024

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

The District operates under a locally elected Board of Education form of government and provides educational services to grades TK/K-12 as mandated by the state. Additionally the District operates an adult education program. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments and agencies that are not legally separate from the District. For the District, this includes general operations, special revenue funds, capital facilities funds, debt service funds, and student-related activities.

2. Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete.

The District, the Poway Unified School District Public Financing Authority (the PFA), and the Poway Community Facilities Districts (the CFDs) have a financial and operational relationships which meet the reporting entity definition criteria of the Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, for inclusion of the PFA and the CFDs as component units of the District. Therefore, the financial activities of the PFA and the CFDs have been included in the basic financial statements of the District as a blended component unit.

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

a. Manifestations of Oversight

The governing body of the PFA and the CFDs is substantively the same as the District's Board of Education.

The PFA and the CFDs have no employees, the District's Superintendent, Assistant Superintendent of Business Services, and other employees of the District function as agents of the PFA and the CFDs. None of the aforementioned individuals received additional compensation for work performed in this capacity.

The District exercises significant influence over operations of the PFA and the CFDs.

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

b. Accounting and Fiscal Matters

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

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

c. Scope of Public Service and Financial Presentation

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

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

Financial activity for the PFA and the CFDs is presented in the financial statements in the Capital Projects Fund for Blended Component Units. Debt service payments for the PFA and the CFDs are presented in the financial statements in the Debt Service Fund for Blended Component Units.

3. Basis of Presentation

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

The statement of activities presents a comparison between direct expenses and program revenue for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting of operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from general revenues of the District.

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

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

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

Major Governmental Funds

The District reports the following major governmental funds:

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

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

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

Debt Service Fund for Blended Component Units: This fund is used to account for the accumulation of resources for the payment of principal and interest on bonds issued by Mello-Roos Community Facilities Districts and similar entities that are considered blended component units of the District under generally accepted accounting principles (GAAP). The Mello-Roos Community Facilities Act of 1982 (*Government Code Section 53311 et seq.*) allows any county, city, special district, school district, or joint powers authority to establish, upon approval of two-thirds of the voters in the district, a "Community Facilities District" (CFD) for the purpose of selling tax-exempt bonds to finance public improvements and services.

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

Non-Major Governmental Funds

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

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

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

Adult Education Fund: This fund is used to account separately for federal, state, and local revenues that are restricted or committed for adult education programs.

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

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

Deferred Maintenance Fund: This fund is used to account separately for revenues that are restricted or committed for deferred maintenance purposes (*Education Code §17582*).

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

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

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

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

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

Proprietary Funds

Enterprise Fund: Enterprise funds are used to account for an activity for which a fee is charged to external users for goods or services. An enterprise fund is accounted for on the accrual basis. Capital assets and long-term liabilities are recorded in the fund. All revenues and expenses are recorded, regardless of when they are received or paid. The District reports the following enterprise fund:

Child Care Services Fund: This fund accounts for the activities of the District's fee based child care program.

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

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

Fiduciary Funds

Trust and Custodial Funds: Trust and agency funds are used to account for assets held in a trustee or agent capacity for others that cannot be used to support the District's own programs. The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held. The District maintains the following custodial fund:

Foundation Private-Purpose Trust Fund: This fund is used to account separately for gifts or bequests per *Education Code §41031* that benefit individuals, private organizations, or other governments and under which neither principal nor income may be used for purposes that support the District's own programs. The contributions and use of funds is restricted to purposes outlined in the trust documents.

4. Basis of Accounting – Measurement Focus

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

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

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

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

5. Encumbrances

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

6. Budgets and Budgetary Accounting

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

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

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

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

7. Revenues and Expenses

a. Revenues – Exchange and Non-Exchange

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. Generally, available is defined as collectible within 60 days. However, to achieve comparability of reporting among California districts and so as to not distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, property taxes, interest, certain grants, and other local sources.

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

b. Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, and typically paid within 90 days. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the government-wide financial statements.

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

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

a. Deposits and Investments

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

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

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

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

b. Stores Inventories and Prepaid Expenditures

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

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

c. Capital Assets

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

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

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

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

d. Lease Assets & Lease Liabilities

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

e. Subscription Assets & Subscription Liabilities

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

f. Compensated Absences

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

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

g. Unearned Revenue

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

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

h. Interfund Activity

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

i. Fund Balances – Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

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

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

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

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

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

j. Minimum Fund Balance Policy

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

k. GASB 54 Fund Presentation

GASB Statement No. 54 defines a special revenue fund as a fund that has a special revenue source that is either 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. The Special Reserve Fund for other than Capital Outlay (Fund 17) does not have continuing revenue sources that are either restricted or committed in nature. As such this fund does not meet the definition of special revenue funds under the provisions of GASB Statement No. 54. This fund has been combined with the general fund for reporting purposes.

l. Deferred Inflows and Deferred Outflows of Resources

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

m. Pensions

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

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

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

9. Postemployment Benefits Other than Pensions (OPEB)

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

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

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

10. Property Taxes

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

11. Use of Estimates

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

12. Fair Value Measurements

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

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

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

13. New Accounting Pronouncements

The District has adopted accounting policies compliant with new pronouncements issued by the Government Accounting Standards Board (GASB) that are effective for the fiscal year ended June 30, 2024. Those newly implemented pronouncements are as follows:

Description	Date Issued
GASB Statement No. 99 <i>Omnibus 2022</i> (Portions related to leases, PPPs, and SBITAs)	Apr-22
GASB Implementation Guide No. 2021-1 <i>Implementation Guidance Update 2021 (Portion Related to Question 5.1)</i>	May-21

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

B. Compliance and Accountability

1. Finance Related Legal and Contractual Provisions

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

Violation	Action Taken
None Reported	Not Applicable

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

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

Fund Name	Deficit Amount	Remarks
Childcare Enterprise Fund	\$ 3,036,575	The enterprise fund is in a deficit as a result of recording net pension liability in accordance with GASB Statement No. 68 and net OPEB liability in accordance with GASB Statement No. 75.

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

C. Fair Value Measurements

The District's investments at June 30, 2024, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

		Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Amount			
External investment pools measured at fair value				
San Diego County Treasury	\$ 229,385,875	\$ -	\$ 229,385,875	\$ -
JPA Deposit in San Diego County Treasury	154,289	-	154,289	-
Total external investment pools measured at fair value	229,540,164	-	229,540,164	-
Other Investments by fair value level				
Money Market Funds	207,625,998	207,625,998	-	-
Total other investments by fair value level	207,625,998	207,625,998	-	-
Total Investments Measured at Fair Value	\$ 437,166,162	\$ 207,625,998	\$ 229,540,164	\$ -

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

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

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

D. Cash and Investments

As of June 30, 2024 the District held the following cash and investments:

	General Fund	Special Reserve Fund for Capital Outlay	Blended Component Unit Fund Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
Cash in County Treasury	\$ 133,420,955	\$ 11,480,828	\$ -	\$ 65,929,069	\$ 210,830,852
Cash in County Treasury - FMV Adjustment	(2,011,269)	(173,069)	-	(993,855)	(3,178,193)
Cash in Banks	298,256	-	-	2,033,975	2,332,231
Revolving Cash Accounts	300,992	-	-	1,100	302,092
Cash with Fiscal Agents	-	-	207,625,998	-	207,625,998
Total Cash and Investments	<u>\$ 132,008,934</u>	<u>\$ 11,307,759</u>	<u>\$ 207,625,998</u>	<u>\$ 66,970,289</u>	<u>\$ 417,912,980</u>

	Childcare Enterprise Fund	Self-Insurance Fund	Foundation Private- Purpose Trust Fund
Cash in County Treasury	\$ 10,859,864	\$ 10,849,641	\$ 356,345
Cash in County Treasury - FMV Adjustment	(163,708)	(163,554)	(5,372)
Cash in Banks	330,912	163,174	-
Cash with Fiscal Agents	-	154,289	-
Total Cash and Investments	<u>\$ 11,027,068</u>	<u>\$ 11,003,550</u>	<u>\$ 350,973</u>

1. Cash in County Treasury

In accordance with Education Code §41001, the District maintains substantially all of its cash in the San Diego County Treasury as part of the common investment pool (\$232,896,702 as of June 30, 2024). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was \$229,385,875. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

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

Cash balances on hand and in banks (\$2,826,317 as of June 30, 2024) and in revolving fund (\$302,092 as of June 30, 2024) are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC).

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

3. Cash with Fiscal Agent

The District's cash with fiscal agent at June 30, 2024 consisted of \$207,625,998 held in money market accounts on behalf of the blended component units and \$154,289 held by a joint powers authority on behalf of the District's self-insurance program.

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

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

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

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

5. Analysis of Specific Deposit and Investment Risks

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

a. Credit Risk

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

At June 30, 2024, credit risk for the District's investments was as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Amount</u>
County Treasurer's Investment Pool	Unrated	Not Applicable	\$ 229,385,875
Deposit with JPA	Unrated	Not Applicable	154,289
Money Market Funds	Aa1	Moody's	207,625,998
Total			<u>\$ 437,166,162</u>

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

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

At June 30, 2024, the District bank accounts were held in institutions which held insurance for the entire amount, but not in the District's name and as such the District was exposed to custodial credit risk for all amounts in excess of the FDIC insurance limitations per banking institution (\$2,384,323 as of June 30, 2024).

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

c. Concentration of Credit Risk

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

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District maintains pooled investments with the San Diego County Treasury with a fair value of \$229,385,875. The average weighted maturity for this pool was 449 days at June 30, 2024.

e. Foreign Currency Risk

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

6. Investment Accounting Policy

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

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

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

E. Accounts Receivable

There are no significant receivables which are not scheduled for collection within one year of year end. Accounts receivable balances as of June 30, 2024, consisted of:

	General Fund	Special Reserve Fund for Capital Outlay	Non-Major Governmental Funds	Total Governmental Funds
Federal Government				
Title I	\$ 416,363	\$ -	\$ -	\$ 416,363
ESSER/GEER	2,540,919	-	-	2,540,919
Special Education	7,613,273	-	-	7,613,273
Child Nutrition Funding	-	-	737,999	737,999
Other Federal Programs	885,382	-	159,994	1,045,376
State Government				
Education Protection Account	1,726,484	-	-	1,726,484
Lottery	2,238,762	-	-	2,238,762
Special Education	377,534	-	-	377,534
K-12 Strong Workforce	1,028,594	-	-	1,028,594
Child Nutrition Funding	-	-	2,213,033	2,213,033
Other State Programs	193,328	-	576,422	769,750
Local Government				
Interest	1,370,868	103,369	315,308	1,789,545
After School Program	671,182	-	-	671,182
Other Local Grants	65,879	-	-	65,879
Other Local Sources				
Other Local Sources	818,151	-	405,618	1,223,769
Total Accounts Receivable	<u>\$ 19,946,719</u>	<u>\$ 103,369</u>	<u>\$ 4,408,374</u>	<u>\$ 24,458,462</u>
	Childcare Enterprise Fund	Self-Insurance Fund	Foundation Private- Purpose Trust Fund	
Local Government				
Interest	\$ 111,875	\$ 110,568	\$ 3,431	
Other Local Sources				
Fees for Services	49,502	1,065,333	-	
Total Accounts Receivable	<u>\$ 161,377</u>	<u>\$ 1,175,901</u>	<u>\$ 3,431</u>	

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

F. Prepaid Expenditures/Expenses

Prepaid expenditures/expenses for the year ended June 30, 2024, consisted of:

	Non-Major Governmental Funds	Self-Insurance Fund
Prepaid Service Contracts	\$ 26,149	\$ -
Prepaid Insurance	-	400,000
Total Prepaid Expenditures/Expenses	<u>\$ 26,149</u>	<u>\$ 400,000</u>

G. Leases Receivable

The District's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the District may receive variable lease payments that are dependent upon the lessee's revenue. Any variable payments are recorded as an inflow of resources in the period the payment is received. To determine present value of the lease payments, the District utilized imputed interest rates ranging from 0.2% to 6.572% based on the District's borrowing rates in the year the leases were recorded.

A deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Leases receivable as of June 30, 2024, consisted of the following:

Description	Number of Contracts	Balance July 1, 2023	Current Year Additions	Current Year Principal Collected	Balance June 30, 2024
Cell Towers	18	\$ 5,819,539	\$ 507,990	\$ 547,449	\$ 5,780,080
Building	1	42,999	-	39,676	3,323
Total Leases Receivable		<u>\$ 5,862,538</u>	<u>\$ 507,990</u>	<u>\$ 587,125</u>	<u>\$ 5,783,403</u>

Deferred inflows of resources related to leases receivable as of June 30, 2024, consisted of the following:

Description	Number of Contracts	Balance July 1, 2023	Current Year Additions	Current Year Amortization	Balance June 30, 2024
Cell Towers	18	\$ 5,664,987	\$ 507,990	\$ 630,635	\$ 5,542,342
Building	1	42,615	-	39,337	3,278
Total Deferred Inflows		<u>\$ 5,707,602</u>	<u>\$ 507,990</u>	<u>\$ 669,972</u>	<u>\$ 5,545,620</u>

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

Future receipts on the leases receivable and amortization of the deferred inflows of resources, as of June 30, 2024, are expected as follows:

Year Ended June 30,	Principal Receivable	Interest Receivable	Total Receivable	Deferred Inflow Amortization
2025	\$ 543,924	\$ 43,416	\$ 587,340	\$ 611,951
2026	535,821	42,308	578,129	570,359
2027	512,052	41,255	553,307	538,675
2028	476,098	40,240	516,338	502,046
2029	401,640	39,179	440,819	425,216
Thereafter	3,313,868	462,380	3,776,248	2,897,373
Total	<u>\$ 5,783,403</u>	<u>\$ 668,778</u>	<u>\$ 6,452,181</u>	<u>\$ 5,545,620</u>

H. Capital Assets, Lease Assets and Subscription Assets

Capital asset, lease asset and subscription asset activity for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 94,492,626	\$ -	\$ -	\$ 94,492,626
Work in progress	4,575,387	15,455,488	9,874,727	10,156,148
Total capital assets not being depreciated	<u>99,068,013</u>	<u>15,455,488</u>	<u>9,874,727</u>	<u>104,648,774</u>
Capital assets being depreciated:				
Land improvements	102,012,141	704,525	-	102,716,666
Buildings and improvements	1,071,804,321	8,068,481	-	1,079,872,802
Equipment	62,956,118	392,091	-	63,348,209
Total capital assets being depreciated	<u>1,236,772,580</u>	<u>9,165,097</u>	<u>-</u>	<u>1,245,937,677</u>
Less accumulated depreciation for:				
Land improvements	(59,912,321)	(4,330,920)	-	(64,243,241)
Buildings and improvements	(381,305,135)	(23,977,555)	-	(405,282,690)
Equipment	(45,939,181)	(2,379,502)	-	(48,318,683)
Total accumulated depreciation	<u>(487,156,637)</u>	<u>(30,687,977)</u>	<u>-</u>	<u>(517,844,614)</u>
Total capital assets, net	<u>848,683,956</u>	<u>(6,067,392)</u>	<u>9,874,727</u>	<u>832,741,837</u>
Lease assets:				
Facilities and equipment	4,356,093	3,776,456	-	8,132,549
Less accumulated amortization	(1,071,249)	(1,748,657)	-	(2,819,906)
Total lease assets	<u>3,284,844</u>	<u>2,027,799</u>	<u>-</u>	<u>5,312,643</u>
Subscription assets:				
Information technology licenses	921,322	-	-	921,322
Less accumulated amortization	(307,532)	(407,633)	-	(715,165)
Total subscription assets	<u>613,790</u>	<u>(407,633)</u>	<u>-</u>	<u>206,157</u>
Total Capital, Lease & Subscription Assets, Net	<u>\$ 852,582,590</u>	<u>\$ (4,447,226)</u>	<u>\$ 9,874,727</u>	<u>\$ 838,260,637</u>

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

<u>Business-Type Activities</u>	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets being depreciated:				
Land improvements	\$ 145,468	\$ -	\$ -	\$ 145,468
Buildings and improvements	4,767,384	-	-	4,767,384
Total capital assets being depreciated	4,912,852	-	-	4,912,852
Less accumulated depreciation for:				
Land improvements	(10,910)	(7,273)	-	(18,183)
Buildings and improvements	(3,019,343)	(105,942)	-	(3,125,285)
Total accumulated depreciation	(3,030,253)	(113,215)	-	(3,143,468)
Total capital assets, net	1,882,599	(113,215)	-	1,769,384
Lease assets:				
Equipment	192,503	-	-	192,503
Less accumulated amortization	(70,578)	(34,015)	-	(104,593)
Total lease assets	121,925	(34,015)	-	87,910
Total Capital, Lease & Subscription Assets, Net	\$ 2,004,524	\$ (147,230)	\$ -	\$ 1,857,294

Depreciation and amortization were charged to functions as follows:

	<u>Governmental Activities</u>	
	Depreciation by Function	Amortization by Function
Instruction	\$ 17,759,854	\$ 2,156,290
Instruction Related Services	5,108,067	-
Pupil Services	1,948,416	-
Ancillary Services	45,607	-
General Administration	863,065	-
Plant Services	4,962,968	-
Total	\$ 30,687,977	\$ 2,156,290

	<u>Business-Type Activities</u>	
	Depreciation by Function	Amortization by Function
Childcare Enterprise Activities	\$ 113,215	\$ 34,015

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

I. Interfund Balances & Activities

1. Due To and From Other Funds

Balances due to and due from other funds at June 30, 2024, consisted of the following:

Interfund Receivable (Due From Other Funds)	Interfund Payable (Due To Other Funds)	Amount	Purpose
General Fund	Special Reserve Capital Outlay	\$ 450,953	Cell tower revenue transfer
General Fund	Blended Component Unit - Capital Projects	1,273,963	Administrative costs
General Fund	Nonmajor Governmental Funds	241,489	Developer fee transfer
General Fund	Nonmajor Governmental Funds	676,202	Expense adjustments & reimbursements
General Fund	Childcare Enterprise Fund	430,510	Expense adjustments & reimbursements
General Fund	Self-Insurance Fund	35,279	Expense adjustments & reimbursements
General Fund	Self-Insurance Fund	836,465	Administrative costs
General Fund	Self-Insurance Fund	2,094,067	OPEB contribution reimbursement
Special Reserve Capital Outlay	General Fund	11,081	Expense adjustments & reimbursements
Nonmajor Governmental Funds	General Fund	366,486	Expense adjustments & reimbursements
Nonmajor Governmental Funds	General Fund	1,000,000	LCFF transfer
Nonmajor Governmental Funds	General Fund	8,000,000	Reserve for deferred maintenance project
Nonmajor Governmental Funds	Childcare Enterprise Fund	8,125	Expense adjustments & reimbursements
Childcare Enterprise Fund	General Fund	2,308,082	Expense adjustments & reimbursements
Childcare Enterprise Fund	Nonmajor Governmental Funds	173,080	Expense adjustments & reimbursements
Self-Insurance Fund	General Fund	27,055	Expense adjustments & reimbursements
Self-Insurance Fund	General Fund	5,625,129	OPEB contributions
Self-Insurance Fund	Nonmajor Governmental Funds	107,239	OPEB contributions
Self-Insurance Fund	Childcare Enterprise Fund	95,671	OPEB contributions
	Totals	<u>\$ 23,760,876</u>	

2. Transfers To and From Other Funds

Transfers to and from other funds at June 30, 2024, consisted of the following:

Transfers In	Transfers Out	Amount	Purpose
General Fund	Special Reserve Capital Outlay	\$ 761,306	Cell tower revenue transfer
General Fund	Blended Component Unit - Capital Projects	1,273,963	Administrative costs
General Fund	Nonmajor Governmental Funds	241,489	Developer fees transfer
General Fund	Self-Insurance Fund	2,094,066	OPEB contribution reimbursement
Special Reserve Capital Outlay	General Fund	310,356	Capital project expenditures
Special Reserve Capital Outlay	Childcare Enterprise Fund	899,731	Capital project expenditures
Blended Component Unit - Debt Service	Blended Component Unit - Capital Projects	39,477,632	Debt service payments
Nonmajor Governmental Funds	General Fund	19,132	Employee expense reimbursements
Nonmajor Governmental Funds	General Fund	150,000	Adult education summer program
Nonmajor Governmental Funds	General Fund	8,000,000	Reserve for deferred maintenance project
Self-Insurance Fund	General Fund	3,497,913	OPEB contributions
Self-Insurance Fund	Nonmajor Governmental Funds	45,172	OPEB contributions
Self-Insurance Fund	Childcare Enterprise Fund	22,864	OPEB contributions
	Totals	<u>\$ 56,793,624</u>	

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

J. Accounts Payable

Accounts payable balances in the fund financial statements as of June 30, 2024, consisted of:

	General Fund	Special Reserve Fund for Capital Outlay	Non-Major Governmental Funds	Total Governmental Funds
Vendors Payable	\$ 11,891,491	\$ 43,461	\$ 1,596,519	\$ 13,531,471
Due to Grantor Government	2,069,666	-	-	2,069,666
Payroll and Related Benefits	1,724,625	-	142,022	1,866,647
Total Accounts Payable	<u>\$ 15,685,782</u>	<u>\$ 43,461</u>	<u>\$ 1,738,541</u>	<u>\$ 17,467,784</u>

	Childcare Enterprise Fund	Self-Insurance Fund
Vendors Payable	\$ 208,779	\$ 661,765
Payroll and Related Benefits	446,744	-
IBNR Liability	-	247,885
Total Accounts Payable	<u>\$ 655,523</u>	<u>\$ 909,650</u>

Accounts payable balances on the government-wide financial statements as of June 30, 2024, consisted of:

	Governmental Activities	Business-Type Activities	Total Government- Wide
Vendors Payable	\$ 14,193,236	\$ 208,779	\$ 14,402,015
Due to Grantor Government	2,069,666	446,744	2,516,410
Payroll and Related Benefits	1,866,647	-	1,866,647
IBNR Liability	247,885	-	247,885
Accrued Interest	11,625,227	-	11,625,227
Total Accounts Payable	<u>\$ 30,002,661</u>	<u>\$ 655,523</u>	<u>\$ 30,658,184</u>

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

K. Unearned Revenue

Unearned revenue balances as of June 30, 2024, consisted of:

	General Fund	Special Reserve Fund for Capital Outlay	Non-Major Governmental Funds	Total Governmental Funds
Federal Government				
Title II Teacher Quality	\$ 2,457	\$ -	\$ -	\$ 2,457
ARP Homeless Children & Youth	6,774	-	-	6,774
State Government				
Universal Pre-Kindergarten	634,361	-	-	634,361
Career and Technical Education	1,742,401	-	-	1,742,401
Local Government				
Other Local Grants	369,076	-	-	369,076
Other Local Sources				
Child Nutrition Accounts	-	-	566,129	566,129
Other Local Sources	840,410	11,081	-	851,491
Total Unearned Revenue	<u>\$ 3,595,479</u>	<u>\$ 11,081</u>	<u>\$ 566,129</u>	<u>\$ 4,172,689</u>

L. Short Term Debt Activity

The District accounts for short-term debts for maintenance purposes through the General Fund. The proceeds from loans are shown in the financial statements as other financing sources. During the year ended June 30, 2024, the District did not enter into any short-term debt agreements.

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

M. Fund Balance Classifications of the Governmental Funds

Ending fund balance classifications of the governmental funds for the year ended June 30, 2024 consisted of:

	General Fund	Special Reserve Fund for Capital Outlay	Blended Component Unit Fund Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
Nonspendable Fund Balance					
Revolving Cash Fund	\$ 300,992	\$ -	\$ -	\$ 1,100	\$ 302,092
Inventory	386,517	-	-	701,876	1,088,393
Prepaid Expenditures	-	-	-	26,149	26,149
Total Nonspendable Fund Balance	<u>687,509</u>	<u>-</u>	<u>-</u>	<u>729,125</u>	<u>1,416,634</u>
Restricted Fund Balance					
Capital Projects	-	6,796,396	206,352,035	16,036,357	229,184,788
Debt Service	-	-	-	28,342,477	28,342,477
Educational Programs	42,066,650	-	-	1,325,726	43,392,376
Child Nutrition Program	1,381,946	-	-	19,322,309	20,704,255
Associated Student Body	-	-	-	1,651,138	1,651,138
Other Purposes	3,376,911	-	-	-	3,376,911
Total Restricted Fund Balance	<u>46,825,507</u>	<u>6,796,396</u>	<u>206,352,035</u>	<u>66,678,007</u>	<u>326,651,945</u>
Committed Fund Balance					
Educational Programs	-	-	-	695,992	695,992
Deferred Maintenance	-	-	-	9,875,496	9,875,496
Program Stabilization	2,215,851	-	-	-	2,215,851
Total Committed Fund Balance	<u>2,215,851</u>	<u>-</u>	<u>-</u>	<u>10,571,488</u>	<u>12,787,339</u>
Assigned Fund Balance					
Capital Projects	-	4,358,101	-	-	4,358,101
Educational Programs	6,808,579	-	-	-	6,808,579
Total Assigned Fund Balance	<u>6,808,579</u>	<u>4,358,101</u>	<u>-</u>	<u>-</u>	<u>11,166,680</u>
Unassigned Fund Balance					
For Economic Uncertainty	10,950,656	-	-	-	10,950,656
Other Unassigned Fund Balance	54,273,901	-	-	-	54,273,901
Total Unassigned Fund Balance	<u>65,224,557</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,224,557</u>
Total Fund Balance	<u>\$ 121,762,003</u>	<u>\$ 11,154,497</u>	<u>\$ 206,352,035</u>	<u>\$ 77,978,620</u>	<u>\$ 417,247,155</u>

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

N. Long Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2024, are as follows:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 546,652,540	\$ 29,645,260	\$ 21,062,021	\$ 555,235,779	\$ 23,391,870
Certificates of Participation	36,565,000	-	580,000	35,985,000	655,000
Special Tax Bonds	462,200,044	-	20,173,363	442,026,681	21,696,126
Leases Payable	3,480,997	3,776,456	2,249,199	5,008,254	1,726,832
Subscriptions Payable	523,929	-	380,580	143,349	131,393
Early Retirement Incentive*	4,127,940	-	1,375,980	2,751,960	1,375,980
Net Pension Liability*	367,649,812	27,954,223	-	395,604,035	-
Net OPEB Liability*	64,271,242	-	472,577	63,798,665	-
Compensated Absences Payable*	5,130,509	680,351	-	5,810,860	5,810,860
Total Governmental Activities	1,490,602,013	62,056,290	46,293,720	1,506,364,583	54,788,061
Business Type Activities:					
Leases Payable	128,203	-	40,065	88,138	36,811
Net Pension Liability*	15,650,977	-	2,328,286	13,322,691	-
Net OPEB Liability*	2,602,599	-	471,973	2,130,626	-
Compensated Absences Payable*	415,876	72,031	-	487,907	487,907
Total Business Type Activities	18,797,655	72,031	2,840,324	16,029,362	524,718
Total Long-Term Liabilities	\$ 1,509,399,668	\$ 62,128,321	\$ 49,134,044	\$ 1,522,393,945	\$ 55,312,779

*Other long-term liabilities

- Payments for general obligation bonds are made from the bond interest and redemption fund.
- Payments for certificates of participation are made from the debt service fund for blended component units.
- Payments for special tax bonds are made from the debt service fund for blended component units.
- Payments for leases payable are made from the general fund, the child development fund, the cafeteria fund, and the capital facilities fund.
- Payments for subscriptions payable are made from the general fund, the child development fund, and the cafeteria fund.
- Payments for early retirement incentive are made from the general fund.
- Payments for net pension liability are made from the general fund, the associated student body fund, the adult education fund, the child development fund, the cafeteria fund, and the childcare enterprise fund.
- Payments for net OPEB liability are made from the general fund, the adult education fund, the child development fund, the cafeteria fund, the childcare enterprise fund, and the self-insurance fund.
- Payments for compensated absences are made from the corresponding fund the employees salaries are charged to.

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

2. Advance Refunding of Debt

GASB Statement No. 7, "Advance Refunding's Resulting in Defeasance of Debt," provides that refunded debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. As of June 30, 2024, the District did not have any outstanding balances of bond issues that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments.

3. General Obligation Bonds

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

On November 5, 2002 registered voters authorized the issuance of \$198,000,000 principal amount of general obligation bonds. Of the total amount originally authorized, \$3,699,234 remains unissued.

On February 5, 2008 registered voters authorized the issuance of \$179,000,000 principal amount of general obligation bonds. Of the total amount originally authorized, \$914 remains unissued.

General obligation bonds at June 30, 2024 consisted of the following:

	<u>Date of Issuance</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>
2002 Election, Series B	10/19/06	4.50 - 5.00%	08/01/31	\$ 119,300,766
2008 Election, Series A	01/09/09	6.00 - 7.10%	08/01/33	73,998,936
2008 Election, Series B	07/28/11	6.56 - 7.12%	08/01/51	105,000,150
2014 Refunding	07/15/14	2.00 - 5.00%	08/01/30	100,325,000
2019 Refunding	09/26/19	1.912 - 2.414%	08/01/27	30,690,000
Total				<u>\$ 429,314,852</u>

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
2002 Election, Series B					
Principal	\$ 3,080,766	\$ -	\$ -	\$ 3,080,766	\$ -
Premium	252,979	-	-	252,979	-
Accreted Interest	7,043,987	781,606	-	7,825,593	-
Total 2002-B	10,377,732	781,606	-	11,159,338	-
2008 Election, Series A					
Principal	55,781,522	-	4,004,579	51,776,943	4,225,734
Premium	7,194,840	-	516,521	6,678,319	545,046
Accreted Interest	89,385,481	9,818,883	6,270,421	92,933,943	7,519,266
Total 2008-A	152,361,843	9,818,883	10,791,521	151,389,205	12,290,046
2008 Election, Series B					
Principal	105,000,150	-	-	105,000,150	-
Premium	21,360,189	-	-	21,360,189	-
Accreted Interest	145,660,969	19,044,771	-	164,705,740	-
Total 2008-B	272,021,308	19,044,771	-	291,066,079	-
2014 Refunding					
Principal	77,180,000	-	5,170,000	72,010,000	5,665,000
Premium	9,561,657	-	640,500	8,921,157	701,824
Total 2014	86,741,657	-	5,810,500	80,931,157	6,366,824
2019 Refunding					
Principal	25,150,000	-	4,460,000	20,690,000	4,735,000
Total 2019	25,150,000	-	4,460,000	20,690,000	4,735,000
Total GO Bonds	\$ 546,652,540	\$ 29,645,260	\$ 21,062,021	\$ 555,235,779	\$ 23,391,870

The annual requirements to amortize the bonds outstanding at June 30, 2024 are as follows:

<i>Governmental Activities</i>				
Year Ended June 30,	Principal	Interest	Accreted Interest	Total
2025	\$ 14,625,734	\$ 13,816,122	\$ 7,519,266	\$ 35,961,122
2026	15,632,316	14,220,942	8,927,684	38,780,942
2027	16,710,958	14,645,495	10,454,042	41,810,495
2028	17,743,169	15,078,429	12,246,831	45,068,429
2029	19,271,275	15,845,800	14,088,725	49,205,800
2030-2034	70,144,872	33,042,200	148,335,128	251,522,200
2035-2039	41,747,130	-	206,062,870	247,810,000
2040-2044	29,956,400	-	237,418,856	267,375,256
2045-2049	18,977,911	-	252,422,516	271,400,427
2050-2054	7,748,094	-	156,728,552	164,476,646
Total	\$ 252,557,859	\$ 106,648,988	\$ 1,054,204,470	\$ 1,413,411,317

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

Accreted Interest

Amounts represented in the repayment schedule for accreted interest are reflective of 100% of amounts to be repaid. Amounts represented as accreted interest in the debt summary are reflective of amounts that have accrued as of June 30, 2024.

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

Premium/Discount

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

Bond discount arises when the market rate of interest is lower than the stated interest rate on the bond. Generally Accepted Accounting Principles (GAAP) require that the discount decrease the face value of the bond and then amortize the discount over the life of the bond. The discounts are amortized over the life of the bond using the effective interest rate method.

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

	2002 Election, Series B	2008 Election, Series A	2008 Election, Series B	2014 Refunding
Total Interest Payments	\$ 104,659,742	\$ 186,726,064	\$ 876,562,178	\$ 51,357,792
Less Bond Premium	(9,796,466)	(9,544,567)	(21,360,189)	(12,429,039)
Net Interest Payments	<u>94,863,276</u>	<u>177,181,497</u>	<u>855,201,989</u>	<u>38,928,753</u>
PAR Amount of Bonds	119,300,766	73,998,936	105,000,150	100,325,000
Periods	25	17	50	17
Effective Interest Rate	3.18%	14.08%	16.29%	2.28%

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

4. Certificates of Participation

In June 2008 the District issued a series of lease revenue bonds (LRB) totaling \$92,681,499. The bonds were secured by lease payments from the district to the Poway Unified School District Public Financing Authority for Westview High School. Legal provisions in the debt include a fully-funded reserve and rental interruption insurance covering two years of lease payments to offset abatement risk.

Dexia Credit Local (Dexia) provided the District with the initial Standby LOC. Starting in 2010, Dexia began notifying its American clients, including the District, that it would not renew their Standby LOCs upon the respective expiration dates. Prior to the Dexia Standby LOC expiration date in 2012, the District successfully replaced Dexia with US Bank, and restructured the 2007 LRBs under the 2012 Program by maintaining the Multimode Structure instead of having to convert to a Fixed-To-Maturity Rate Mode.

The District also added \$12,300,000 of funding for school facilities under the 2012 Program. The District's initial savings resulting from the lower interest rates under the Multimode Structure compared to the alternative higher Fixed-To-Maturity Interest rate levels approximate 1) \$17,727,326 for the total 2012 program; and 2) \$13,444,221 for the 2012 Program's 2007 LRB component only.

August 16, 2022 the District entered into an agreement with CN Financing, Inc. to issue certificates of participation for the 2012 School Facilities Restructuring Program in the amount of \$36,565,000 with annual maturities on September 1 beginning September 1, 2023 and extending through September 1, 2043. Semi-annual interest payments at a rate of 4.24% will also be made each September 1 and March 1 through maturity. The funds from the certificates of participation along with funds on hand at the District were utilized to repay the 2012 extended rate bonds with US Bank in their entirety.

Certificates of participation as of June 30, 2024, consisted of the following:

	<u>Date of Issuance</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>	
2022 Certificates of Participation	09/01/22	4.24%	09/01/43	<u>\$ 36,565,000</u>	

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>
2022 Certificates of Participation	<u>\$ 36,565,000</u>	<u>\$ -</u>	<u>\$ 580,000</u>	<u>\$ 35,985,000</u>	<u>\$ 655,000</u>

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

The annual requirements to amortize the certificates of participation outstanding at June 30, 2024 are as follows:

<i>Governmental Activities</i>			
Year Ended June 30,	Principal	Interest	Total
2025	\$ 655,000	\$ 1,511,878	\$ 2,166,878
2026	735,000	1,482,410	2,217,410
2027	825,000	1,449,338	2,274,338
2028	920,000	1,412,344	2,332,344
2029	1,015,000	1,371,322	2,386,322
2030-2034	6,750,000	6,085,036	12,835,036
2035-2039	10,240,000	4,300,420	14,540,420
2040-2044	14,845,000	1,661,974	16,506,974
Total	<u>\$ 35,985,000</u>	<u>\$ 19,274,722</u>	<u>\$ 55,259,722</u>

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

5. Special Tax Bonds

The District has fifteen community facilities districts (CFDs) and a public financing authority (PFA) within its boundaries which have issued special tax bonds for the purpose of financing public improvements and services. The special tax bonds are repaid with special tax assessments known as Mello-Roos taxes that are assessed on the properties within the boundaries of each district.

Special tax bonds outstanding is as follows:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
CFD #2	\$ 7,095,081	\$ -	\$ 810,031	\$ 6,285,050	\$ 873,594
CFD #3	2,260,803	-	318,347	1,942,456	345,326
CFD #4	12,324,000	-	804,000	11,520,000	864,000
CFD #5	690,055	-	97,039	593,016	102,430
CFD #6	128,721,855	-	6,992,804	121,729,051	7,351,944
CFD #7	673,869	-	91,646	582,223	102,428
CFD #8	2,894,000	-	474,000	2,420,000	497,000
CFD #9	691,000	-	114,000	577,000	119,000
CFD #10	42,222,008	-	3,376,266	38,845,742	3,627,545
CFD #11	46,889,896	-	1,900,769	44,989,127	2,054,481
CFD #12	8,290,000	-	448,000	7,842,000	476,000
CFD #13	4,710,000	-	100,000	4,610,000	140,000
CFD #14	82,732,295	-	3,328,833	79,403,462	3,629,905
CFD #15	78,141,260	-	1,193,145	76,948,115	1,235,762
CFD #16	41,654,955	-	328,624	41,326,331	381,651
PFA	2,208,967	-	(204,141)	2,413,108	(104,940)
Total	<u>\$ 462,200,044</u>	<u>\$ -</u>	<u>\$ 20,173,363</u>	<u>\$ 442,026,681</u>	<u>\$ 21,696,126</u>

CFD #2

	Date of Issuance	Interest Rate	Maturity Date	Amount of Original Issue
2015-C Refunding Bonds	08/12/15	2.00 - 5.00%	09/01/28	\$ 8,520,000
2022 PFA B Refunding Bonds	03/25/22	3.30%	09/01/42	2,510,000
Total				<u>\$ 11,030,000</u>

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
2015-C Refunding Bonds					
Principal	\$ 4,295,000	\$ -	\$ 695,000	\$ 3,600,000	\$ 740,000
Premium/(Discount)	340,081	-	55,031	285,050	58,594
Total	4,635,081	-	750,031	3,885,050	798,594
2022 PFA B Refunding Bonds					
Principal	2,460,000	-	60,000	2,400,000	75,000
Total	2,460,000	-	60,000	2,400,000	75,000
Total CFD #2	\$ 7,095,081	\$ -	\$ 810,031	\$ 6,285,050	\$ 873,594

The annual requirements to amortize the bonds outstanding at June 30, 2024 for CFD #2 are as follows:

<i>Governmental Activities</i>			
Year Ended June 30,	Principal	Interest	Total
2025	\$ 815,000	\$ 201,900	\$ 1,016,900
2026	860,000	165,125	1,025,125
2027	755,000	135,443	890,443
2028	800,000	109,775	909,775
2029	785,000	81,129	866,129
2030-2034	550,000	284,295	834,295
2035-2039	710,000	181,005	891,005
2040-2044	725,000	49,252	774,252
Total	\$ 6,000,000	\$ 1,207,924	\$ 7,207,924

CFD #3

	Date of Issuance	Interest Rate	Maturity Date	Amount of Original Issue
2015-C Refunding Bonds	08/12/15	2.00 - 5.00%	09/01/28	\$ 3,680,000
Total				\$ 3,680,000

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
2015-C Refunding Bonds					
Principal	\$ 2,095,000	\$ -	\$ 295,000	\$ 1,800,000	\$ 320,000
Premium/(Discount)	165,803	-	23,347	142,456	25,326
Total CFD #3	\$ 2,260,803	\$ -	\$ 318,347	\$ 1,942,456	\$ 345,326

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

The annual requirements to amortize the bonds outstanding at June 30, 2024 for CFD #3 are as follows:

<i>Governmental Activities</i>			
Year Ended June 30,	Principal	Interest	Total
2025	\$ 320,000	\$ 61,798	\$ 381,798
2026	345,000	46,898	391,898
2027	360,000	34,105	394,105
2028	380,000	22,037	402,037
2029	395,000	7,931	402,931
Total	<u>\$ 1,800,000</u>	<u>\$ 172,769</u>	<u>\$ 1,972,769</u>

CFD #4

	Date of Issuance	Interest Rate	Maturity Date	Amount of Original Issue
2016 PFA A Refunding Bonds	08/18/16	2.33%	09/01/31	\$ 8,966,000
2022 PFA A Refunding Bonds	03/25/22	3.30%	09/01/42	6,985,000
Total				<u>\$ 15,951,000</u>

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
2016 PFA A Refunding Bonds					
Principal	\$ 5,499,000	\$ -	\$ 649,000	\$ 4,850,000	\$ 649,000
2022 PFA A Refunding Bonds					
Principal	6,825,000	-	155,000	6,670,000	215,000
Total CFD #4	<u>\$ 12,324,000</u>	<u>\$ -</u>	<u>\$ 804,000</u>	<u>\$ 11,520,000</u>	<u>\$ 864,000</u>

The annual requirements to amortize the bonds outstanding at June 30, 2024 for CFD #4 are as follows:

<i>Governmental Activities</i>			
Year Ended June 30,	Principal	Interest	Total
2025	\$ 864,000	\$ 112,540	\$ 976,540
2026	900,000	105,639	1,005,639
2027	945,000	91,133	1,036,133
2028	976,000	76,114	1,052,114
2029	1,003,000	60,957	1,063,957
2030-2034	3,187,000	111,975	3,298,975
2035-2039	1,935,000	63,855	1,998,855
2040-2044	1,710,000	56,430	1,766,430
Total	<u>\$ 11,520,000</u>	<u>\$ 678,643</u>	<u>\$ 12,198,643</u>

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

CFD #5

	<u>Date of Issuance</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>
2015-C Refunding Bonds	08/12/15	2.00 - 5.00%	09/01/28	\$ 1,125,000
Total				<u>\$ 1,125,000</u>

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>
2015-C Refunding Bonds					
Principal	\$ 640,000	\$ -	\$ 90,000	\$ 550,000	\$ 95,000
Premium/(Discount)	50,055	-	7,039	43,016	7,430
Total CFD #5	<u>\$ 690,055</u>	<u>\$ -</u>	<u>\$ 97,039</u>	<u>\$ 593,016</u>	<u>\$ 102,430</u>

The annual requirements to amortize the bonds outstanding at June 30, 2024 for CFD #5 are as follows:

<i>Governmental Activities</i>			
<u>Year Ended</u>			
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 95,000	\$ 18,851	\$ 113,851
2026	105,000	14,376	119,376
2027	110,000	10,476	120,476
2028	115,000	6,807	121,807
2029	125,000	2,469	127,469
Total	<u>\$ 550,000</u>	<u>\$ 52,979</u>	<u>\$ 602,979</u>

CFD #6

	<u>Date of Issuance</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>
2015 Refunding Bonds	06/04/15	2.00 - 5.00%	09/01/36	\$ 63,145,000
2016 Refunding Bonds	06/09/16	2.00 - 3.75%	09/01/42	10,120,000
2016 Special Tax Refunding	11/03/16	2.00 - 5.00%	09/01/35	29,635,000
2017 Special Tax Refunding	02/02/17	2.00 - 5.00%	09/01/33	14,470,000
2020 Special Tax Refunding	09/30/20	0.52 - 2.08%	09/01/36	29,920,000
Total				<u>\$ 147,290,000</u>

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
2015 Refunding Bonds					
Principal	\$ 51,195,000	\$ -	\$ 1,980,000	\$ 49,215,000	\$ 2,115,000
Premium/(Discount)	5,719,042	-	221,188	5,497,854	236,269
Total	56,914,042	-	2,201,188	54,712,854	2,351,269
2016 Refunding Bonds					
Principal	8,550,000	-	240,000	8,310,000	255,000
Premium/(Discount)	(86,857)	-	(2,438)	(84,419)	(2,590)
Total	8,463,143	-	237,562	8,225,581	252,410
2016 Special Tax Refunding					
Principal	23,805,000	-	1,130,000	22,675,000	1,220,000
Premium/(Discount)	2,960,795	-	140,546	2,820,249	151,740
Total	26,765,795	-	1,270,546	25,495,249	1,371,740
2017 Special Tax Refunding					
Principal	11,030,000	-	690,000	10,340,000	730,000
Premium/(Discount)	942,315	-	58,948	883,367	62,365
Total	11,972,315	-	748,948	11,223,367	792,365
2020 Special Tax Refunding					
Principal	24,805,000	-	2,555,000	22,250,000	2,605,000
Premium/(Discount)	(198,440)	-	(20,440)	(178,000)	(20,840)
Total	24,606,560	-	2,534,560	22,072,000	2,584,160
Total CFD #6	\$ 128,721,855	\$ -	\$ 6,992,804	\$ 121,729,051	\$ 7,351,944

The annual requirements to amortize the bonds outstanding at June 30, 2024 for CFD #6 are as follows:

<i>Governmental Activities</i>			
Year Ended			
June 30,	Principal	Interest	Total
2025	\$ 6,920,000	\$ 4,418,427	\$ 11,338,427
2026	7,375,000	4,174,290	11,549,290
2027	7,835,000	3,904,037	11,739,037
2028	8,335,000	3,605,348	11,940,348
2029	8,865,000	3,277,705	12,142,705
2030-2034	45,845,000	10,961,506	56,806,506
2035-2039	25,145,000	1,896,859	27,041,859
2040-2044	2,470,000	172,631	2,642,631
Total	\$ 112,790,000	\$ 32,410,803	\$ 145,200,803

CFD #7

	Date of Issuance	Interest Rate	Maturity Date	Amount of Original Issue
2015-C Refunding Bonds	08/12/15	2.00 - 5.00%	09/01/28	\$ 1,080,000
Total				\$ 1,080,000

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
2015-C Refunding Bonds					
Principal	\$ 625,000	\$ -	\$ 85,000	\$ 540,000	\$ 95,000
Premium/(Discount)	48,869	-	6,646	42,223	7,428
Total CFD #7	<u>\$ 673,869</u>	<u>\$ -</u>	<u>\$ 91,646</u>	<u>\$ 582,223</u>	<u>\$ 102,428</u>

The annual requirements to amortize the bonds outstanding at June 30, 2024 for CFD #7 are as follows:

<i>Governmental Activities</i>			
Year Ended June 30,	Principal	Interest	Total
2025	\$ 95,000	\$ 18,488	\$ 113,488
2026	100,000	14,113	114,113
2027	110,000	10,313	120,313
2028	115,000	6,644	121,644
2029	120,000	2,388	122,388
Total	<u>\$ 540,000</u>	<u>\$ 51,946</u>	<u>\$ 591,946</u>

CFD #8

	Date of Issuance	Interest Rate	Maturity Date	Amount of Original Issue
2016 PFA A Refunding	08/18/16	2.40%	09/01/31	\$ 5,294,000
Total CFD #8				<u>\$ 5,294,000</u>

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
2016 PFA A Refunding					
Principal	<u>\$ 2,894,000</u>	<u>\$ -</u>	<u>\$ 474,000</u>	<u>\$ 2,420,000</u>	<u>\$ 497,000</u>

The annual requirements to amortize the bonds outstanding at June 30, 2024 for CFD #8 are as follows:

<i>Governmental Activities</i>			
Year Ended June 30,	Principal	Interest	Total
2025	\$ 497,000	\$ 52,116	\$ 549,116
2026	516,000	39,960	555,960
2027	541,000	27,276	568,276
2028	567,000	13,980	580,980
2029	299,000	3,588	302,588
Total	<u>\$ 2,420,000</u>	<u>\$ 136,920</u>	<u>\$ 2,556,920</u>

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

CFD #9

	<u>Date of Issuance</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>
2016 PFA A Refunding	08/18/16	2.40%	09/01/31	\$ 1,270,000
Total CFD #9				<u>\$ 1,270,000</u>

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>
2016 PFA A Refunding Principal	<u>\$ 691,000</u>	<u>\$ -</u>	<u>\$ 114,000</u>	<u>\$ 577,000</u>	<u>\$ 119,000</u>

The annual requirements to amortize the bonds outstanding at June 30, 2024 for CFD #9 are as follows:

<u>Governmental Activities</u>			
<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 119,000	\$ 12,524	\$ 131,524
2026	125,000	9,571	134,571
2027	131,000	6,474	137,474
2028	136,000	3,243	139,243
2029	66,000	799	66,799
Total	<u>\$ 577,000</u>	<u>\$ 32,611</u>	<u>\$ 609,611</u>

CFD #10

	<u>Date of Issuance</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>
2016 PFA A Refunding	08/18/16	2.22%	09/01/31	\$ 34,006,000
2016 Area F Refunding	12/06/16	2.00 - 4.00%	09/01/41	1,995,000
2017 Special Tax Refunding IA-A	02/02/17	2.00 - 5.00%	09/01/33	7,030,000
2017 Special Tax Refunding IA-B	02/02/17	2.00 - 5.00%	09/01/33	4,680,000
2022 PFA IA-C Bonds	03/25/22	3.30%	09/01/33	1,985,000
2022 PFA IA-D Bonds	03/25/22	3.30%	09/01/32	3,045,000
2022 PFA IA-E Bonds	03/25/22	3.30%	09/01/32	3,485,000
Total				<u>\$ 56,226,000</u>

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
2016 PFA A Refunding					
Principal	\$ 23,531,000	\$ -	\$ 1,991,000	\$ 21,540,000	\$ 2,086,000
Total	23,531,000	-	1,991,000	21,540,000	2,086,000
2016 Area F Refunding					
Principal	1,695,000	-	50,000	1,645,000	50,000
Premium/(Discount)	(26,273)	-	(775)	(25,498)	(775)
Total	1,668,727	-	49,225	1,619,502	49,225
2017 Special Tax Refunding IA-A					
Principal	4,850,000	-	430,000	4,420,000	460,000
Premium/(Discount)	553,458	-	49,069	504,389	52,493
Total	5,403,458	-	479,069	4,924,389	512,493
2017 Special Tax Refunding IA-B					
Principal	3,230,000	-	280,000	2,950,000	305,000
Premium/(Discount)	368,823	-	31,972	336,851	34,827
Total	3,598,823	-	311,972	3,286,851	339,827
2022 PFA IA-C Bonds					
Principal	1,885,000	-	110,000	1,775,000	125,000
Total	1,885,000	-	110,000	1,775,000	125,000
2022 PFA IA-D Bonds					
Principal	2,855,000	-	210,000	2,645,000	250,000
Total	2,855,000	-	210,000	2,645,000	250,000
2022 PFA IA-E Bonds					
Principal	3,280,000	-	225,000	3,055,000	265,000
Total	3,280,000	-	225,000	3,055,000	265,000
Total CFD #10	\$ 42,222,008	\$ -	\$ 3,376,266	\$ 38,845,742	\$ 3,627,545

The annual requirements to amortize the bonds outstanding at June 30, 2024 for CFD #10 are as follows:

<i>Governmental Activities</i>			
Year Ended			
June 30,	Principal	Interest	Total
2025	\$ 3,541,000	\$ 1,007,555	\$ 4,548,555
2026	3,734,000	996,585	4,730,585
2027	3,951,000	875,913	4,826,913
2028	4,175,000	747,796	4,922,796
2029	4,364,000	616,703	4,980,703
2030-2034	17,310,000	1,142,720	18,452,720
2035-2039	545,000	139,613	684,613
2040-2044	410,000	24,000	434,000
Total	\$ 38,030,000	\$ 5,550,885	\$ 43,580,885

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

CFD #11

	Date of Issuance	Interest Rate	Maturity Date	Amount of Original Issue
2014 Special Tax Zone 2	08/07/14	2.00 - 5.00%	09/15/42	\$ 2,565,000
2014 Special Tax Zone 3	08/07/14	2.00 - 5.00%	09/15/43	7,500,000
2014 Refunding Area B & C	07/16/14	3.00 - 5.00%	09/15/35	19,550,000
2017 Refunding Zone 2 & 3	01/19/17	2.00 - 4.00%	09/01/39	5,815,000
2022 PFA IA-A	03/25/22	3.30%	09/01/34	7,135,000
2022 PFA Zone 1	03/25/22	3.30%	09/01/37	8,070,000
2022 PFA Zone 2	03/25/22	3.30%	09/01/32	1,530,000
2022 PFA Zone 3	03/25/22	3.30%	09/01/32	1,185,000
Total				<u>\$ 53,350,000</u>

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
2014 Special Tax Zone 2					
Principal	\$ 2,245,000	\$ -	\$ 20,000	\$ 2,225,000	\$ 20,000
Premium/(Discount)	60,937	-	543	60,394	543
Total	<u>2,305,937</u>	<u>-</u>	<u>20,543</u>	<u>2,285,394</u>	<u>20,543</u>
2014 Special Tax Zone 3					
Principal	6,645,000	-	95,000	6,550,000	105,000
Premium/(Discount)	180,368	-	2,579	177,789	2,850
Total	<u>6,825,368</u>	<u>-</u>	<u>97,579</u>	<u>6,727,789</u>	<u>107,850</u>
2014 Refunding Area B & C					
Principal	14,575,000	-	705,000	13,870,000	750,000
Premium/(Discount)	1,114,320	-	53,900	1,060,420	57,341
Total	<u>15,689,320</u>	<u>-</u>	<u>758,900</u>	<u>14,930,420</u>	<u>807,341</u>
2017 Refunding Zone 2 & 3					
Principal	5,080,000	-	90,000	4,990,000	90,000
Premium/(Discount)	(70,729)	-	(1,253)	(69,476)	(1,253)
Total	<u>5,009,271</u>	<u>-</u>	<u>88,747</u>	<u>4,920,524</u>	<u>88,747</u>
2022 PFA IA-A					
Principal	6,715,000	-	420,000	6,295,000	465,000
Total	<u>6,715,000</u>	<u>-</u>	<u>420,000</u>	<u>6,295,000</u>	<u>465,000</u>
2022 PFA Zone 1					
Principal	7,755,000	-	360,000	7,395,000	380,000
Total	<u>7,755,000</u>	<u>-</u>	<u>360,000</u>	<u>7,395,000</u>	<u>380,000</u>
2022 PFA Zone 2					
Principal	1,460,000	-	90,000	1,370,000	110,000
Total	<u>1,460,000</u>	<u>-</u>	<u>90,000</u>	<u>1,370,000</u>	<u>110,000</u>
2022 PFA Zone 3					
Principal	1,130,000	-	65,000	1,065,000	75,000
Total	<u>1,130,000</u>	<u>-</u>	<u>65,000</u>	<u>1,065,000</u>	<u>75,000</u>
Total CFD #11	<u>\$ 46,889,896</u>	<u>\$ -</u>	<u>\$ 1,900,769</u>	<u>\$ 44,989,127</u>	<u>\$ 2,054,481</u>

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

The annual requirements to amortize the bonds outstanding at June 30, 2024 for CFD #11 are as follows:

<i>Governmental Activities</i>			
Year Ended			
June 30,	Principal	Interest	Total
2025	\$ 1,995,000	\$ 1,792,794	\$ 3,787,794
2026	2,155,000	1,709,748	3,864,748
2027	2,315,000	1,620,287	3,935,287
2028	2,465,000	1,524,116	3,989,116
2029	2,630,000	1,421,593	4,051,593
2030-2034	15,505,000	5,336,412	20,841,412
2035-2039	10,470,000	2,306,344	12,776,344
2040-2044	6,225,000	772,416	6,997,416
Total	<u>\$ 43,760,000</u>	<u>\$ 16,483,710</u>	<u>\$ 60,243,710</u>

CFD #12

	Date of Issuance	Interest Rate	Maturity Date	Amount of Original Issue
2016 PFA A Refunding Bonds	08/18/16	2.15%	09/01/31	\$ 6,635,000
2022 PFA A Refunding Bonds	03/25/22	3.00 - 5.00%	09/01/42	3,765,000
Total				<u>\$ 10,400,000</u>

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
2016 PFA A Refunding Bonds Principal	\$ 4,575,000	\$ -	\$ 393,000	\$ 4,182,000	\$ 411,000
2022 PFA A Refunding Bonds Principal	3,715,000	-	55,000	3,660,000	65,000
Total CFD #12	<u>\$ 8,290,000</u>	<u>\$ -</u>	<u>\$ 448,000</u>	<u>\$ 7,842,000</u>	<u>\$ 476,000</u>

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

The annual requirements to amortize the bonds outstanding at June 30, 2024 for CFD #12 are as follows:

<i>Governmental Activities</i>			
Year Ended June 30,	Principal	Interest	Total
2025	\$ 476,000	\$ 218,846	\$ 694,846
2026	505,000	207,145	712,145
2027	530,000	194,734	724,734
2028	555,000	181,754	736,754
2029	585,000	168,119	753,119
2030-2034	2,526,000	624,395	3,150,395
2035-2039	835,000	410,831	1,245,831
2040-2044	1,830,000	168,448	1,998,448
Total	<u>\$ 7,842,000</u>	<u>\$ 2,174,272</u>	<u>\$ 10,016,272</u>

CFD #13

	Date of Issuance	Interest Rate	Maturity Date	Amount of Original Issue
2022 PFA A Refunding	03/25/22	3.00 - 5.00%	09/01/42	\$ 4,815,000
Total CFD #13				<u>\$ 4,815,000</u>

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
2022 PFA A Refunding Principal	<u>\$ 4,710,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 4,610,000</u>	<u>\$ 140,000</u>

The annual requirements to amortize the bonds outstanding at June 30, 2024 for CFD #13 are as follows:

<i>Governmental Activities</i>			
Year Ended June 30,	Principal	Interest	Total
2025	\$ 140,000	\$ 167,138	\$ 307,138
2026	145,000	161,904	306,904
2027	160,000	156,293	316,293
2028	170,000	150,218	320,218
2029	175,000	143,864	318,864
2030-2034	1,015,000	614,429	1,629,429
2035-2039	1,400,000	393,960	1,793,960
2040-2044	1,405,000	108,076	1,513,076
Total	<u>\$ 4,610,000</u>	<u>\$ 1,895,882</u>	<u>\$ 6,505,882</u>

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

CFD #14

	Date of Issuance	Interest Rate	Maturity Date	Amount of Original Issue
2015 Refunding Bonds	04/22/15	2.00 - 5.00%	09/01/36	\$ 44,630,000
2015 Refunding Area A	04/22/15	2.00 - 5.00%	09/01/36	44,775,000
Total				<u>\$ 89,405,000</u>

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
2015 Refunding Bonds					
Principal	\$ 36,330,000	\$ -	\$ 1,465,000	\$ 34,865,000	\$ 1,595,000
Premium/(Discount)	4,945,363	-	199,421	4,745,942	217,117
Total	<u>41,275,363</u>	<u>-</u>	<u>1,664,421</u>	<u>39,610,942</u>	<u>1,812,117</u>
2015 Refunding Area A					
Principal	36,490,000	-	1,465,000	35,025,000	1,600,000
Premium/(Discount)	4,966,932	-	199,412	4,767,520	217,788
Total	<u>41,456,932</u>	<u>-</u>	<u>1,664,412</u>	<u>39,792,520</u>	<u>1,817,788</u>
Total CFD #14	<u>\$ 82,732,295</u>	<u>\$ -</u>	<u>\$ 3,328,833</u>	<u>\$ 79,403,462</u>	<u>\$ 3,629,905</u>

The annual requirements to amortize the bonds outstanding at June 30, 2024 for CFD #14 are as follows:

<i>Governmental Activities</i>			
Year Ended			
June 30,	Principal	Interest	Total
2025	\$ 3,195,000	\$ 3,078,875	\$ 6,273,875
2026	3,490,000	2,911,750	6,401,750
2027	3,805,000	2,729,375	6,534,375
2028	4,130,000	2,539,750	6,669,750
2029	4,465,000	2,389,375	6,854,375
2030-2034	28,295,000	8,468,875	36,763,875
2035-2039	22,510,000	1,738,500	24,248,500
Total	<u>\$ 69,890,000</u>	<u>\$ 23,856,500</u>	<u>\$ 93,746,500</u>

CFD #15

	Date of Issuance	Interest Rate	Maturity Date	Amount of Original Issue
2014 Special Tax Bonds	02/27/14	3.00 - 5.00%	10/01/41	\$ 40,000,000
2016 Special Tax IA-C	04/13/16	2.00 - 4.625%	09/01/46	15,000,000
2022 Special Tax IA-A	06/06/22	4.62%	09/01/44	8,495,000
2022 Special Tax IA-D	06/16/22	4.62%	09/01/52	14,890,000
Total				<u>\$ 78,385,000</u>

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
2014 Special Tax Bonds					
Principal	\$ 37,840,000	\$ -	\$ 760,000	\$ 37,080,000	\$ 750,000
Premium/(Discount)	759,126	-	15,247	743,879	15,046
Total	38,599,126	-	775,247	37,823,879	765,046
2016 Special Tax IA-C					
Principal	14,385,000	-	170,000	14,215,000	195,000
Premium/(Discount)	1,412,304	-	16,690	1,395,614	19,145
Total	15,797,304	-	186,690	15,610,614	214,145
2022 Special Tax IA-A					
Principal	8,495,000	-	180,000	8,315,000	190,000
Total	8,495,000	-	180,000	8,315,000	190,000
2022 Special Tax IA-D					
Principal	14,890,000	-	50,000	14,840,000	65,000
Premium/(Discount)	359,830	-	1,208	358,622	1,571
Total	15,249,830	-	51,208	15,198,622	66,571
Total CFD #15	\$ 78,141,260	\$ -	\$ 1,193,145	\$ 76,948,115	\$ 1,235,762

The annual requirements to amortize the bonds outstanding at June 30, 2024 for CFD #15 are as follows:

<i>Governmental Activities</i>			
Year Ended June 30,	Principal	Interest	Total
2025	\$ 1,200,000	\$ 3,399,972	\$ 4,599,972
2026	1,360,000	3,344,662	4,704,662
2027	1,570,000	3,277,825	4,847,825
2028	1,725,000	3,202,181	4,927,181
2029	1,955,000	3,114,776	5,069,776
2030-2034	12,525,000	13,946,588	26,471,588
2035-2039	19,375,000	10,673,986	30,048,986
2040-2044	22,065,000	5,090,720	27,155,720
2045-2049	8,210,000	1,940,891	10,150,891
2050-2054	4,465,000	490,220	4,955,220
Total	\$ 74,450,000	\$ 48,481,821	\$ 122,931,821

CFD #16

	Date of Issuance	Interest Rate	Maturity Date	Amount of Original Issue
2020 Special Tax Bonds	05/01/20	2.875 - 4.00%	05/01/50	\$ 15,675,000
2020 Special Tax Bonds IA-A	05/01/20	3.00 - 5.00%	05/01/50	25,415,000
Total				<u>\$ 41,090,000</u>

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
2020 Special Tax Bonds					
Principal	\$ 14,960,000	\$ -	\$ 130,000	\$ 14,830,000	\$ 150,000
Premium/(Discount)	688,805	-	5,986	682,819	6,906
Total	15,648,805	-	135,986	15,512,819	156,906
2020 Special Tax Bonds IA-A					
Principal	24,300,000	-	180,000	24,120,000	210,000
Premium/(Discount)	1,706,150	-	12,638	1,693,512	14,745
Total	26,006,150	-	192,638	25,813,512	224,745
Total CFD #16	\$ 41,654,955	\$ -	\$ 328,624	\$ 41,326,331	\$ 381,651

The annual requirements to amortize the bonds outstanding at June 30, 2024 for CFD #16 are as follows:

<i>Governmental Activities</i>			
Year Ended June 30,	Principal	Interest	Total
2025	\$ 360,000	\$ 1,526,338	\$ 1,886,338
2026	415,000	1,510,838	1,925,838
2027	465,000	1,493,238	1,958,238
2028	530,000	1,473,338	2,003,338
2029	590,000	1,450,938	2,040,938
2030-2034	3,995,000	6,803,802	10,798,802
2035-2039	6,075,000	5,834,760	11,909,760
2040-2044	8,625,000	4,477,687	13,102,687
2045-2049	11,970,000	2,442,000	14,412,000
2050-2054	5,925,000	240,500	6,165,500
Total	\$ 38,950,000	\$ 27,253,439	\$ 66,203,439

PFA

	Date of Issuance	Interest Rate	Maturity Date	Amount of Original Issue
2015 Refunding Bonds	08/12/15	2.00 - 5.00%	09/01/28	\$ 14,405,000
2015 Refunding Bonds Receivable				(15,543,296)
2016 Refunding Bonds	08/18/16	2.00 - 5.00%	09/01/31	46,770,000
2016 Refunding Bonds Receivable				(56,171,000)
2017 Refunding Bonds	02/02/17	2.00 - 5.00%	09/01/33	26,180,000
2017 Refunding Bonds Receivable				(28,752,824)
Total				\$ (13,112,120)

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
2015 Refunding Bonds					
Principal	\$ 7,655,000	\$ -	\$ 1,165,000	\$ 6,490,000	\$ 1,250,000
Premium/(Discount)	604,905	-	92,059	512,846	98,776
Less: 2015 Receivable	(8,259,905)	-	(1,257,059)	(7,002,846)	(1,348,776)
Total 2015 Refunding	-	-	-	-	-
2016 Refunding Bonds					
Principal	\$ 32,805,000	\$ -	\$ 2,845,000	\$ 29,960,000	\$ 3,045,000
Premium/(Discount)	6,593,967	-	571,859	6,022,108	612,060
Less: 2016 Receivable	(37,190,000)	-	(3,621,000)	(33,569,000)	(3,762,000)
Total 2016 Refunding	2,208,967	-	(204,141)	2,413,108	(104,940)
2017 Refunding Bonds					
Principal	\$ 19,110,000	\$ -	\$ 1,400,000	\$ 17,710,000	\$ 1,495,000
Premium/(Discount)	1,878,024	-	137,584	1,740,440	146,920
Less: 2017 Receivable	(20,988,024)	-	(1,537,584)	(19,450,440)	(1,641,920)
Total 2017 Refunding	-	-	-	-	-
Total PFA	\$ 2,208,967	\$ -	\$ (204,141)	\$ 2,413,108	\$ (104,940)

The annual requirements to amortize the bonds outstanding at June 30, 2024 for PFA 2016 Refunding Bonds are as follows:

<i>Governmental Activities</i>					
Year Ended June 30,	Principal Payments	Principal Receivable	Net Principal	Interest	Total
2025	\$ 3,045,000	\$ (3,762,000)	\$ (717,000)	\$ 1,376,363	\$ 659,363
2026	3,270,000	(3,920,000)	(650,000)	1,218,488	568,488
2027	3,505,000	(4,078,000)	(573,000)	1,049,113	476,113
2028	3,745,000	(4,239,000)	(494,000)	867,738	373,738
2029	3,620,000	(4,027,000)	(407,000)	1,441,344	1,034,344
2030-2034	12,775,000	(13,543,000)	(768,000)	1,107,900	339,900
Total	\$ 29,960,000	\$ (33,569,000)	\$ (3,609,000)	\$ 7,060,946	\$ 3,451,946

2015 Series C Refunding Bonds were issued by the Public Financing Authority on behalf of CFD #2, CFD #3, CFD #5, and CFD #7. The initial total issue of the bonds was \$14,405,000 with a premium of \$1,138,296. Each CFD is reflecting their individual share of the total bonds outstanding.

2016 PFA Refunding Bond was issued to refund the 2007 PFA Revenue Bonds on behalf of CFD #2, CFD #4, CFD #8, CFD #9, CFD #10, and CFD #12. The individual CFD's restructured bond issuance by putting cash on hands towards the refunding as well as entering into a debt obligation to the PFA equal to the PFA outstanding debt. Principal plus premium on the 2016 PFA Refunding Bonds total \$56,171,000 with annual coupon rates ranging from 2.00-5.00% through September 15, 2031. Individual CFD's are reflecting obligations to the PFA totaling \$56,171,000 at an interest rate of 2.15 - 2.33%.

2017 Refunding bonds were issued by the Public Financing Authority on behalf of CFD #6 and CFD #10. The initial total issue of the bonds was \$26,180,000 with coupon rates ranging from 2.00-5.00% through September 2031. Each CFD is reflecting their individual share of the total bonds outstanding.

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

6. Leases Payable

The District has entered into financing leases with US Bancorp, PNC Huntington Finance, Santander Bank, Cogent Bank, and Insight Investments for the purchase of equipment. Additionally, the District has entered into operating leases with De Lage Copy Machine, William Scotsman, Facilities Leases, and Classic Leasing, for the right to use equipment and facilities. Operating leases are recording utilizing an imputed interest rate based on the District's borrowing rate when the lease was entered into. The following represents lease activity for the fiscal year ended June 30, 2024:

Description	Interest Rate	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
<i>Governmental Activities:</i>						
<i>Financing Leases</i>						
US Bancorp	2.27%	\$ 118,160	\$ -	\$ 118,160	\$ -	\$ -
PNC Huntington Finance	2.77%	319,365	-	319,365	-	-
Santander Bank	1.94%	808,017	-	400,127	407,890	407,890
Cogent Bank	4.40%	-	1,500,000	322,215	1,177,785	275,710
Insight Investments	3.83%	-	2,276,456	787,506	1,488,950	730,489
<i>Operating Leases</i>						
De Lage Copy Machine Lease	2.52%	95,604	-	27,890	67,714	28,601
De Lage Copy Machine Lease	2.56%	95,516	-	27,805	67,711	28,525
William Scotsman Relocatables Lease	0.20%	125,257	-	36,572	88,685	36,645
Facilities Lease	0.90%	1,809,331	-	189,401	1,619,930	197,407
De Lage Copy Machine Lease	9.99%	4,481	-	1,174	3,307	1,296
De Lage Copy Machine Lease	6.57%	105,266	-	18,984	86,282	20,269
Total Governmental Activities		<u>3,480,997</u>	<u>3,776,456</u>	<u>2,249,199</u>	<u>5,008,254</u>	<u>1,726,832</u>
<i>Business Type Activities</i>						
<i>Operating Leases</i>						
Classic Leasing Relocatables Lease	0.20%	4,661	-	3,994	667	667
William Scotsman Relocatables Lease	0.20%	123,542	-	36,071	87,471	36,144
Total Business Type Activities		<u>128,203</u>	<u>-</u>	<u>40,065</u>	<u>88,138</u>	<u>36,811</u>
Total Leases Payable		<u>\$ 3,609,200</u>	<u>\$ 3,776,456</u>	<u>\$ 2,289,264</u>	<u>\$ 5,096,392</u>	<u>\$ 1,763,643</u>

Future payments on the leases are as follows:

<i>Governmental Activities</i>			
Year Ending	Principal	Interest	Total
June 30,			
2025	\$ 1,726,833	\$ 138,173	\$ 1,865,006
2026	1,370,299	85,217	1,455,516
2027	573,235	38,747	611,982
2028	557,637	21,916	579,553
2029	231,485	5,506	236,991
2030-2034	548,765	5,194	553,959
Total	<u>\$ 5,008,254</u>	<u>\$ 294,753</u>	<u>\$ 5,303,007</u>

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

<i>Business Type Activities</i>			
Year Ending			
June 30,	Principal	Interest	Total
2025	\$ 36,811	\$ 142	\$ 36,953
2026	36,216	69	36,285
2027	15,111	8	15,119
Total	<u>\$ 88,138</u>	<u>\$ 219</u>	<u>\$ 88,357</u>

7. Subscription Liabilities

The District entered into agreements with various companies subscribing to use of software for specified terms. Five of the agreements resulted in subscription liabilities as defined by GASB Statement No. 96. Interest was imputed at a rate of 6.57% for the subscriptions.

Description	Interest Rate	Number of Agreements	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
<i>Governmental Activities:</i>							
SBITAs	6.57%	5	<u>\$ 523,929</u>	<u>\$ -</u>	<u>\$ 380,580</u>	<u>\$ 143,349</u>	<u>\$ 131,393</u>

Future payments on the subscriptions are as follows:

<i>Governmental Activities</i>			
Year Ending			
June 30,	Principal	Interest	Total
2025	\$ 131,393	\$ 4,232	\$ 135,625
2026	11,956	98	12,054
Total	<u>\$ 143,349</u>	<u>\$ 4,330</u>	<u>\$ 147,679</u>

8. Early Retirement Incentive

In February 2021, the District approved a supplemental early retirement plan through the Public Agency Retirement Services (PARS). The plan was issued as an incentive for 347 employees to retire early in order to create a cost savings for the District. The Plan requires payments of the annuity premiums over five years, beginning July 10, 2021.

Current year activity on the early retirement incentives are as follows:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
2021 Retirement Incentive	<u>\$ 4,127,940</u>	<u>\$ -</u>	<u>\$ 1,375,980</u>	<u>\$ 2,751,960</u>	<u>\$ 1,375,980</u>

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

Future payments on the early retirement incentives are expected as follows:

<i>Governmental Activities</i>	
Year Ended	Annual
June 30,	Premium
2025	\$ 1,375,980
2026	1,375,980
Total	<u>\$ 2,751,960</u>

9. Compensated Absences

Total unpaid employee compensated absences as of June 30, 2024 amounted to \$6,298,766. This amount is included as part of long-term liabilities in the government-wide financial statements.

10. Net Pension Liability

The District's beginning net pension liability was \$383,300,789 and increased by \$25,625,937 during the year ended June 30, 2024 for an ending net pension liability of \$408,926,726. See Note O for additional information regarding the net pension liability.

11. Net OPEB Liability

The District's beginning net OPEB liability was \$66,873,841 and decreased during the year ended June 30, 2024 by \$944,550. The ending net OPEB liability at June 30, 2024 was \$65,929,291. See Note P for additional information regarding the net OPEB liability.

12. Refunding (Gains)/Losses

The District issues refunding bonds when the reduction in interest rate is sufficient to result in an economic gain or loss based on present value of total future payments which are inclusive of principal and interest. The issuance of refunding bonds results in an increase (decrease) in overall long-term debt as the refunding carries with it certain transaction costs that increase the face value of the debt. This increase in the long-term liabilities resulting from refunding is considered an accounting loss and is recorded as a deferred outflow of resources and the decrease in long-term liabilities is considered an accounting gain and is recorded as a deferred inflow of resources. The deferred outflows (inflows) of resources are amortized over the life of the debt using the straight-line method.

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

The following is a detail of refunding losses recorded as deferred outflows (inflows) of resources on the government wide financial statements:

	Balance July 1, 2023	Additions	Amortization	Balance June 30, 2024
General Obligation Bonds				
2014 GO Refunding Loss	\$ 654,543	\$ -	\$ 81,818	\$ 572,725
2019 GO Refunding Gain	(279,160)	-	(55,832)	(223,328)
Special Tax Bonds				
CFD 2 - 2015 Refunding Loss	307,398	-	51,233	256,165
CFD 2 - 2022 Refunding Loss	16,940	-	847	16,093
CFD 3 - 2015 Refunding Loss	129,672	-	21,612	108,060
CFD 4 - 2022 Refunding Loss	136,000	-	6,800	129,200
CFD 5 - 2015 Refunding Loss	41,778	-	6,963	34,815
CFD 6 - 2015 Refunding Loss	2,788,744	-	199,196	2,589,548
CFD 6 - 2016 Refunding Loss 1	540,600	-	27,030	513,570
CFD 6 - 2016 Refunding Loss 2	1,372,072	-	105,544	1,266,528
CFD 6 - 2017 Refunding Loss	1,548,899	-	140,809	1,408,090
CFD 6 - 2020 Refunding Loss	830,439	-	92,271	738,168
CFD 7 - 2015 Refunding Loss	36,906	-	6,151	30,755
CFD 8 - 2016 Refunding Loss	291,804	-	48,634	243,170
CFD 9 - 2016 Refunding Loss	70,254	-	11,709	58,545
CFD 10 - 2016 Refunding Loss 1	2,190,510	-	219,051	1,971,459
CFD 10 - 2016 Refunding Loss 2	342,858	-	18,046	324,812
CFD 10 - 2017 Refunding Loss 1	1,259,883	-	139,987	1,119,896
CFD 10 - 2017 Refunding Loss 2	296,316	-	32,924	263,392
CFD 10 - 2022 Refunding Loss 1	105,039	-	9,549	95,490
CFD 10 - 2022 Refunding Loss 2	165,190	-	16,519	148,671
CFD 10 - 2022 Refunding Loss 3	184,300	-	18,430	165,870
CFD 11 - 2014 Refunding Loss	396,708	-	30,516	366,192
CFD 11 - 2017 Refunding Loss	1,026,426	-	60,378	966,048
CFD 11 - 2022 Refunding Loss 1	66,084	-	5,507	60,577
CFD 11 - 2022 Refunding Loss 2	65,880	-	4,392	61,488
CFD 11 - 2022 Refunding Loss 3	13,090	-	1,309	11,781
CFD 11 - 2022 Refunding Loss 4	9,310	-	931	8,379
CFD 12 - 2016 Refunding Loss	2,039,660	-	203,966	1,835,694
CFD 12 - 2022 Refunding Loss	84,500	-	4,225	80,275
CFD 13 - 2022 Refunding Loss	95,980	-	4,799	91,181
CFD 14 - 2015 Refunding Loss	2,298,912	-	164,208	2,134,704
CFD 15 - 2022 Refunding Loss	963,529	-	43,797	919,732
Total	<u>\$ 20,091,064</u>	<u>\$ -</u>	<u>\$ 1,723,319</u>	<u>\$ 18,367,745</u>

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

O. Pension Plans

1. General Information about the Pension Plans

a. Plan Descriptions

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

b. Benefits Paid

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

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

<u>Hire Date</u>	<u>CalSTRS</u>	
	<u>Before</u>	<u>After</u>
	<u>Jan. 1, 2013</u>	<u>Jan. 1, 2013</u>
Benefit Formula	2% at 60	2% at 62**
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	55 - 60	55 - 62
Monthly Benefits as a % of Eligible Compensation	1.1 - 2.4%*	1.0 - 2.4%*
Required Employee Contribution Rates (2023-24)	10.250%	10.205%
Required Employer Contribution Rates (2023-24)	19.100%	19.100%
Required State Contribution Rates (2023-24)	10.828%	10.828%

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

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

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

Hire Date	CalPERS	
	Before Jan. 1, 2013	After Jan. 1, 2013
Benefit Formula	2% at 60	2% at 62**
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50 - 62	52 - 67
Monthly Benefits as a % of Eligible Compensation	1.1 - 2.5%*	1.0 - 2.5%*
Required Employee Contribution Rates (2023-24)	7.000%	8.000%
Required Employer Contribution Rates (2023-24)	26.680%	26.680%

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

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

c. Contributions

CalSTRS

For the fiscal year ended June 30, 2024, California Education Code §22950 requires members to contribute monthly to the system 10.205% (if hired on or after January 1, 2013) or 10.25% (if hired before January 1, 2013) of the creditable compensation upon which members' contributions under this part are based. In addition, the employer required rates established by the CalSTRS board have been established at 19.10% of creditable compensation for the fiscal year ended June 30, 2024. The CalSTRS Board has the authority to increase or decrease percentages paid specific to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Board based upon a recommendation from its actuary. Those adjustments are limited to 1% annually, not to exceed 20.25% of creditable compensation.

CalPERS

California Public Employees' Retirement Law §20814(c) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The CalPERS Board retains the authority to amend contribution rates. The total plan contributions are determined through CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. For the fiscal year ended June 30, 2024, the employee contribution rate was 7.00% for employees hired prior to January 1, 2013 and 8.00% for employees hired on or after January 1, 2013, and the employer contribution rate was 26.68% of covered payroll.

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

On Behalf Payments

Consistent with California Education Code §22955.1, the State of California makes contributions to CalSTRS on behalf of employees working for the District. For the fiscal year ended June 30, 2024 the State contributed 10.828% of salaries creditable to CalSTRS. Consistent with the requirements of generally accepted accounting principles, the District has recorded these contributions as revenue and expense in the fund financial statements (current financial resources measurement focus). The government-wide financial statements have recorded revenue and expense for pension expense paid on behalf of the District (economic resources measurement focus). Contributions reported for on behalf payments are based on the District's proportionate share of the State's contribution for the fiscal year. Contributions made by the state on behalf of the District and the State's pension expense associated with District employees for the past three fiscal years are as follows:

CalSTRS			
Year Ended June 30,	On Behalf Contribution Rate	On Behalf Contribution Amount	On Behalf Pension Expense
2022	10.828%	\$ 21,924,675	\$ 3,262,280
2023	10.828%	22,624,613	68,943,116
2024	10.828%	18,223,664	(5,811,126)

d. Contributions Recognized

For the fiscal year ended June 30, 2024 (measurement period June 30, 2023), the contributions recognized for each plan were:

Governmental Fund Financial Statements (Current Financial Resources Measurement)			
	CalSTRS	CalPERS	Total
Contributions - Employer	\$ 41,394,151	\$ 23,006,450	\$ 64,400,601
Contributions - State On Behalf Payments	19,217,298	-	19,217,298
Total Governmental Funds	<u>\$ 60,611,449</u>	<u>\$ 23,006,450</u>	<u>\$ 83,617,899</u>
Enterprise Fund Financial Statements (Economic Resources Measurement Focus)			
	CalSTRS	CalPERS	Total
Contributions - Employer	\$ 244,851	\$ 1,439,982	\$ 1,684,833
Contributions - State On Behalf Payments	117,589	-	117,589
Total Enterprise Funds	<u>\$ 362,440</u>	<u>\$ 1,439,982</u>	<u>\$ 1,802,422</u>

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

	Government-Wide Financial Statements (Economic Resources Measurement Focus)		
	CalSTRS	CalPERS	Total
<i>Governmental Activities</i>			
Contributions - Employer	\$ 37,704,894	\$ 17,848,408	\$ 55,553,302
Contributions - State On Behalf Payments	18,107,695	-	18,107,695
Total Governmental Activities	<u>\$ 55,812,589</u>	<u>\$ 17,848,408</u>	<u>\$ 73,660,997</u>
<i>Business-Type Activities</i>			
Contributions - Employer	\$ 244,851	\$ 1,439,982	\$ 1,684,833
Contributions - State On Behalf Payments	117,589	-	117,589
Total Business-Type Activities	<u>\$ 362,440</u>	<u>\$ 1,439,982</u>	<u>\$ 1,802,422</u>
Total Government-Wide	<u>\$ 56,175,029</u>	<u>\$ 19,288,390</u>	<u>\$ 75,463,419</u>

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

As of June 30, 2023 (measurement date) the District reported net pension liabilities for its proportionate share of the net pension liability of each plan as follows:

	Proportionate Share of the Net Pension Liability		
	Governmental Activities	Business-Type Activities	Total
CalSTRS	\$ 250,644,140	\$ 1,627,555	\$ 252,271,695
CalPERS	144,959,895	11,695,136	156,655,031
Total	<u>\$ 395,604,035</u>	<u>\$ 13,322,691</u>	<u>\$ 408,926,726</u>

The District's net pension liability for each Plan is measured as the proportionate share of the total net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2023. The total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to measurement date June 30, 2023 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, as actuarially determined.

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

The District's proportionate share of the net pension liability for each Plan as of June 30, 2022 and June 30, 2024 were as follows:

	CalSTRS			CalPERS
	District's Proportionate Share	State's Proportionate Share*	Total for District Employees	District's Proportionate Share
<i>Governmental Activities</i>				
Proportion June 30, 2023	0.332228%	0.202604%	0.534832%	0.397566%
Proportion June 30, 2024	0.329099%	0.157667%	0.486766%	0.400454%
Change in Proportion	-0.003129%	-0.044937%	-0.048066%	0.002888%
<i>Business-Type Activities</i>				
Proportion June 30, 2023	0.001908%	0.001164%	0.003072%	0.041632%
Proportion June 30, 2024	0.002137%	0.001024%	0.003161%	0.032308%
Change in Proportion	0.000229%	-0.000140%	0.000089%	-0.009324%

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

a. Pension Expense

	<i>Governmental Activities</i>		
	CalSTRS	CalPERS	Total
Change in Net Pension Liability	\$ 19,793,152	\$ 8,161,071	\$ 27,954,223
State On Behalf Pension Expense	(5,773,634)	-	(5,773,634)
Employer Contributions	38,179,729	18,757,587	56,937,316
Change in Deferrals for:			
Experience Differences	(23,407,351)	(5,849,104)	(29,256,455)
Changes in Assumptions	9,988,708	3,441,355	13,430,063
Changes in Proportionate Share	7,562,796	(952,624)	6,610,172
Earnings Differences	(12,356,774)	668,432	(11,688,342)
Total Pension Expense	\$ 33,986,626	\$ 24,226,717	\$ 58,213,343

	<i>Business-Type Activities</i>		
	CalSTRS	CalPERS	Total
Change in Net Pension Liability	\$ 301,768	\$ (2,630,054)	\$ (2,328,286)
State On Behalf Pension Expense	(37,492)	-	(37,492)
Employer Contributions	245,416	1,418,941	1,664,357
Change in Deferrals for:			
Experience Differences	(139,151)	(546,732)	(685,883)
Changes in Assumptions	56,275	520,906	577,181
Changes in Proportionate Share	(193,798)	3,068,618	2,874,820
Earnings Differences	(71,760)	291,604	219,844
Total Pension Expense	\$ 161,258	\$ 2,123,283	\$ 2,284,541

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

b. Deferred Outflows and Inflows of Resources

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 of Resources		
	CalSTRS	CalPERS	Total
<i>Governmental Activities</i>			
Subsequent Contributions	\$ 41,394,151	\$ 23,006,450	\$ 64,400,601
Experience Differences	19,697,985	5,289,997	24,987,982
Changes in Assumptions	1,451,326	6,678,244	8,129,570
Changes in Proportionate Share	32,667,377	2,018,910	34,686,287
Earnings Differences	1,060,357	15,483,789	16,544,146
Total Governmental Activities	96,271,196	52,477,390	148,748,586
<i>Business-Type Activities</i>			
Subsequent Contributions	250,211	1,230,031	1,480,242
Experience Differences	127,909	426,788	554,697
Changes in Assumptions	9,425	538,790	548,215
Changes in Proportionate Share	472,808	-	472,808
Earnings Differences	6,885	1,249,208	1,256,093
Total Business-Type Activities	867,238	3,444,817	4,312,055
Total Deferred Outflows of Resources	\$ 97,138,434	\$ 55,922,207	\$ 153,060,641

	Deferred Inflows of Resources		
	CalSTRS	CalPERS	Total
<i>Governmental Activities</i>			
Experience Differences	\$ 13,407,494	\$ 2,226,372	\$ 15,633,866
Changes in Proportionate Share	9,001,893	-	9,001,893
Total Governmental Activities	22,409,387	2,226,372	24,635,759
<i>Business-Type Activities</i>			
Experience Differences	87,062	179,619	266,681
Changes in Proportionate Share	341,413	3,629,417	3,970,830
Total Business-Type Activities	428,475	3,809,036	4,237,511
Total Deferred Inflows of Resources	\$ 22,837,862	\$ 6,035,408	\$ 28,873,270

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

Pension contributions made subsequent to the measurement date reported as deferred outflows of resources will be recognized as a portion of pension expense in the year ended June 30, 2025. The remaining amounts reported as deferred outflows or deferred inflows of resources will be recognized as an increase or decrease to pension expense over a five-year period. Pension expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

<i>Governmental Activities</i>					
Year Ended June 30,	Deferred Outflows of Resources		Deferred Inflows of Resources		Net Effect on Expenses
	CalSTRS	CalPERS	CalSTRS	CalPERS	
2025	\$ 46,280,963	\$ 32,604,048	\$ (6,188,122)	\$ (1,202,084)	\$ 71,494,805
2026	244,288	7,221,504	(6,143,927)	(1,024,288)	297,577
2027	31,481,705	12,169,969	(5,275,578)	-	38,376,096
2028	11,698,247	481,869	(3,048,949)	-	9,131,167
2029	3,282,998	-	(1,465,046)	-	1,817,952
Thereafter	3,282,995	-	(287,765)	-	2,995,230
Total	<u>\$ 96,271,196</u>	<u>\$ 52,477,390</u>	<u>\$ (22,409,387)</u>	<u>\$ (2,226,372)</u>	<u>\$ 124,112,827</u>

<i>Business-Type Activities</i>					
Year Ended June 30,	Deferred Outflows of Resources		Deferred Inflows of Resources		Net Effect on Expenses
	CalSTRS	CalPERS	CalSTRS	CalPERS	
2025	\$ 362,741	\$ 1,901,346	\$ (167,741)	\$ (1,614,150)	\$ 482,196
2026	79,344	544,418	(167,452)	(1,327,396)	(871,086)
2027	291,476	960,178	(42,247)	(867,490)	341,917
2028	48,921	38,875	(39,307)	-	48,489
2029	42,379	-	(11,728)	-	30,651
Thereafter	42,377	-	-	-	42,377
Total	<u>\$ 867,238</u>	<u>\$ 3,444,817</u>	<u>\$ (428,475)</u>	<u>\$ (3,809,036)</u>	<u>\$ 74,544</u>

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

c. Actuarial Assumptions

Total pension liabilities for the fiscal year ended June 30, 2024, were based on actuarial valuations determined using the following actuarial assumptions:

	CalSTRS	CalPERS
Fiscal Year	6/30/2024	6/30/2024
Measurement Date	6/30/2023	6/30/2023
Valuation Date	6/30/2022	6/30/2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Experience Study Period	2015 - 2018	2000 - 2019
Actuarial Assumptions:		
Discount Rate	7.10%	6.90%
Inflation	2.75%	2.30%
Payroll Growth	3.50%	Varies ⁽³⁾
Investment Rate of Return	7.10%	6.90%
Post Retirement Benefit Increase	2.00% Simple ⁽¹⁾	2.00% - 2.30% ⁽⁴⁾
Mortality	CalSTRS Data ⁽²⁾	CalPERS Data ⁽⁵⁾

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

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

(3) Varies by entry age and service.

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

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

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

d. Discount Rate

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

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

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

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

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

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

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

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

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

CalSTRS		
Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return ⁽¹⁾
Public Equity	38.00%	5.25%
Real Estate	15.00%	4.05%
Private Equity	14.00%	6.75%
Fixed Income	14.00%	2.45%
Risk Mitigation Strategies	10.00%	2.25%
Inflation Sensitive	7.00%	3.65%
Cash/Liquid	2.00%	0.05%

⁽¹⁾ 20-Year Average. Real rates of return are net of assumed 2.75% inflation.

CalPERS		
Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return ^{(2),(3)}
Global Equity - cap weighted	30.00%	4.54%
Global Equity - non-cap weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-Backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

⁽²⁾ An expected price inflation of 2.30% used for this period.

⁽³⁾ Figures are based on the 2021-22 Asset Liability Management Study.

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

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

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

	CalSTRS		
	Governmental Activities	Business-Type Activities	Total
1% Decrease	6.10%	6.10%	6.10%
Net Pension Liability	\$ 420,437,136	\$ 2,730,103	\$ 423,167,239
Current Discount Rate	7.10%	7.10%	7.10%
Net Pension Liability	\$ 250,644,140	\$ 1,627,555	\$ 252,271,695
1% Increase	8.10%	8.10%	8.10%
Net Pension Liability	\$ 109,613,004	\$ 711,771	\$ 110,324,775

	CalPERS		
	Governmental Activities	Business-Type Activities	Total
1% Decrease	5.90%	5.90%	5.90%
Net Pension Liability	\$ 209,574,536	\$ 16,908,145	\$ 226,482,681
Current Discount Rate	6.90%	6.90%	6.90%
Net Pension Liability	\$ 144,959,895	\$ 11,695,136	\$ 156,655,031
1% Increase	7.90%	7.90%	7.90%
Net Pension Liability	\$ 91,557,362	\$ 7,386,704	\$ 98,944,066

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

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

CalSTRS Governmental Activities

	Increase (Decrease)				
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	State's Share of Net Pension Liability	District's Share of Net Pension Liability
	(a)	(b)	(a) - (b)	(c)	(a) - (b) - (c)
Balance at June 30, 2023					
(Previously Reported)	\$ 1,976,428,848	\$ 1,604,797,029	\$ 371,631,819	\$ 140,780,830	\$ 230,850,989
Changes for the year					
Change in proportionate share	(177,624,056)	(144,225,054)	(33,399,002)	(31,224,794)	(2,174,208)
Service cost	39,793,121	-	39,793,121	12,889,277	26,903,844
Interest	127,420,736	-	127,420,736	41,272,491	86,148,245
Experience differences	33,990,870	-	33,990,870	11,009,887	22,980,983
Change in benefits	2,857,316	-	2,857,316	925,505	1,931,811
Contributions:					
Employer	-	37,704,894	(37,704,894)	(12,212,886)	(25,492,008)
Employee	-	20,955,276	(20,955,276)	(6,787,564)	(14,167,712)
State on behalf	-	18,107,695	(18,107,695)	(5,865,212)	(12,242,483)
Net investment income	-	95,771,211	(95,771,211)	(31,020,982)	(64,750,229)
Other income	-	1,479,769	(1,479,769)	(479,308)	(1,000,461)
Benefit payments ⁽¹⁾	(89,487,061)	(89,487,061)	-	-	-
Administrative expenses	-	(1,080,621)	1,080,621	350,021	730,600
Borrowing costs	-	(1,324,004)	1,324,004	428,854	895,150
Other expenses	-	(43,809)	43,809	14,190	29,619
Net changes	(63,049,074)	(62,141,704)	(907,370)	(20,700,521)	19,793,151
Balance at June 30, 2024	\$ 1,913,379,774	\$ 1,542,655,325	\$ 370,724,449	\$ 120,080,309	\$ 250,644,140

CalSTRS Business-Type Activities

	Increase (Decrease)				
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	State's Share of Net Pension Liability	District's Share of Net Pension Liability
	(a)	(b)	(a) - (b)	(c)	(a) - (b) - (c)
Balance at June 30, 2023					
(Previously Reported)	\$ 11,352,330	\$ 9,217,729	\$ 2,134,601	\$ 808,814	\$ 1,325,787
Changes for the year					
Change in proportionate share	328,892	267,050	61,842	(97,280)	159,122
Service cost	258,412	-	258,412	83,712	174,700
Interest	827,455	-	827,455	268,052	559,403
Experience differences	220,733	-	220,733	71,506	149,227
Change in benefits	18,555	-	18,555	6,011	12,544
Contributions:					
Employer	-	244,851	(244,851)	(79,319)	(165,532)
Employee	-	136,081	(136,081)	(44,083)	(91,998)
State on behalf	-	117,589	(117,589)	(38,093)	(79,496)
Net investment income	-	621,927	(621,927)	(201,472)	(420,455)
Other income	-	9,609	(9,609)	(3,113)	(6,496)
Benefit payments ⁽¹⁾	(581,118)	(581,118)	-	-	-
Administrative expenses	-	(7,017)	7,017	2,273	4,744
Borrowing costs	-	(8,598)	8,598	2,785	5,813
Other expenses	-	(284)	284	92	192
Net changes	1,072,929	800,090	272,839	(28,929)	301,768
Balance at June 30, 2024	\$ 12,425,259	\$ 10,017,819	\$ 2,407,440	\$ 779,885	\$ 1,627,555

(1) – Includes refunds of employee contributions

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

CalPERS Governmental Activities

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2023			
(Previously Reported)	\$ 452,408,616	\$ 315,609,792	\$ 136,798,824
Changes for the year			
Change in proportionate share	3,286,388	2,292,653	993,735
Service cost	10,988,368	-	10,988,368
Interest	31,529,086	-	31,529,086
Experience differences	7,119,305	-	7,119,305
Contributions:			
Employer	-	17,848,408	(17,848,408)
Employee	-	5,343,117	(5,343,117)
Net plan to plan resource movement	-	(40)	40
Net investment income	-	19,512,519	(19,512,519)
Benefit payments ⁽¹⁾	(22,730,435)	(22,730,435)	-
Administrative expenses	-	(234,581)	234,581
Net changes	30,192,712	22,031,641	8,161,071
Balance at June 30, 2024	\$ 482,601,328	\$ 337,641,433	\$ 144,959,895

CalPERS Business-Type Activities

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2023			
(Previously Reported)	\$ 47,374,965	\$ 33,049,775	\$ 14,325,190
Changes for the year			
Change in proportionate share	(10,610,208)	(7,401,905)	(3,208,303)
Service cost	886,524	-	886,524
Interest	2,543,717	-	2,543,717
Experience differences	574,374	-	574,374
Contributions:			
Employer	-	1,439,982	(1,439,982)
Employee	-	431,074	(431,074)
Net plan to plan resource movement	-	(3)	3
Net investment income	-	1,574,239	(1,574,239)
Benefit payments ⁽¹⁾	(1,833,856)	(1,833,856)	-
Administrative expenses	-	(18,926)	18,926
Net changes	(8,439,449)	(5,809,395)	(2,630,054)
Balance at June 30, 2024	\$ 38,935,516	\$ 27,240,380	\$ 11,695,136

(1) – Includes refunds of employee contributions

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

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

P. Postemployment Benefits Other Than Pension Benefits

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

1. Plan Description

Plan Administration

The Public Agency Retirement System (PARS) administers the Poway Unified School District Retiree Benefits Plan (Plan) through the PARS OPEB Trust Program (OPEB Trust). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). Assets are accumulated in a trust that meet the criteria in Paragraph 4 of GASB Statement 75.

Benefits Provided

The District maintains the same plans for its retirees as for its active employees with the general exception that benefits end when the retiree attains age 65 for all groups with exception of Classified PSEA II who receive lifetime dental and vision benefits with medical benefits ending at age 65.

Benefits provided by group are as follows:

	<i>Management – APSM</i>			
	<i>Certificated (PFT)</i>	<i>& Confidential</i>	<i>Classified – PSEA I</i>	<i>Classified – PSEA II</i>
Benefit types provided	Medical, Dental, & Vision	Medical, Dental, & Vision	Medical, Dental, & Vision	Medical, Dental, & Vision
Duration of Benefits	To age 65	To age 65	To age 65	Medical to age 65 Lifetime Dental & Vision
Required Service	10 years of service	10 years of service	5 years of service	5 years of service
Minimum Age	STRS retirement age	PERS/STRS retirement age	PERS/STRS retirement age	PERS/STRS retirement age
Dependent Coverage	Self-pay basis	Self-pay basis	Self-pay basis	Self-pay basis
District Contribution %	100% of retiree only premium	100% of retiree only premium	District-paid contribution subject to the following service schedule: 10<=YOS<15=50% 15<=YOS<17=80% 17<=YOS<20=90% 20+YOS=100%	District-paid contribution subject to the following service schedule: 10<=YOS<15=50% 15<=YOS<17=80% 17<=YOS<20=90% 20+YOS=100%

YOS in the table above represents years of service.

PSEA II District-paid contributions are subject to a minimum dollar amount stated in the bargaining agreement.

PSEA II retirees are eligible for lifetime District-paid contributions for dental and vision premiums if retire with at least 10 consecutive years of service.

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

2. Plan Membership

Membership of the plan consisted of the following as of June 30, 2024:

Inactive plan members or beneficiaries currently receiving benefits	289
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>3,596</u>
	<u>3,885</u>

3. Net OPEB Liability

The Poway Unified School District's Net OPEB liability of \$65,929,291 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2024

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4. Actuarial Assumptions and Other Inputs

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

Economic assumptions:

Inflation	2.50% per annum
Salary increases	2.75% per annum, in aggregate
Discount rate	4.34%
Healthcare cost trend rates	4.50%
Retiree's share of costs	0.00%

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

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

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

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of CalPERS actuarial experience study for the period July 1, 2000 through June 30, 2019 and the CalSTRS experience study for the period July 1, 2015 through June 30, 2018.

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

Assumed asset allocation and rates of return:

Asset Class	Percentage of Portfolio	Assumed Gross Return
All Equities	60%	7.545%
Long-Term Corporate Bonds	5%	5.045%
Intermediate-Term Government Bonds	30%	4.250%
Short-Term Government Fixed Income	5%	3.000%

5. Changes in Net OPEB Liability

	<i>Governmental Activities</i>		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance July 1, 2023	\$ 78,572,676	\$ 14,301,434	\$ 64,271,242
Current Year Changes:			
Service Cost	4,878,588	-	4,878,588
Interest	3,472,364	1,977,693	1,494,671
Employer Contributions	-	4,654,394	(4,654,394)
Benefit Payments	(3,070,587)	(3,070,587)	-
Administrative Expenses	-	(44,858)	44,858
Experience (Gains)/Losses	(2,086,828)	-	(2,086,828)
Changes in Assumptions	(590,920)	-	(590,920)
Changes in Proportionate Share	531,692	90,244	441,448
Net Changes	3,134,309	3,606,886	(472,577)
Balance June 30, 2024	\$ 81,706,985	\$ 17,908,320	\$ 63,798,665

	<i>Business Type Activities</i>		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance July 1, 2023	\$ 3,173,469	\$ 570,870	\$ 2,602,599
Current Year Changes:			
Service Cost	162,926	-	162,926
Interest	115,963	66,047	49,916
Employer Contributions	-	155,439	(155,439)
Benefit Payments	(102,546)	(102,546)	-
Administrative Expenses	-	(1,498)	1,498
Experience (Gains)/Losses	(69,692)	-	(69,692)
Changes in Assumptions	(19,734)	-	(19,734)
Other	(531,692)	(90,244)	(441,448)
Net Changes	(444,775)	27,198	(471,973)
Balance June 30, 2024	\$ 2,728,694	\$ 598,068	\$ 2,130,626

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

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

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

	1% Decrease (3.34%)	Valuation Discount Rate (4.34%)	1% Increase (5.34%)
Net OPEB Liability			
Governmental Activities	\$ 70,159,649	\$ 63,798,665	\$ 57,860,163
Business Type Activities	2,343,058	2,130,626	1,932,303
Total	<u>\$ 72,502,707</u>	<u>\$ 65,929,471</u>	<u>\$ 59,792,466</u>

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

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

	1% Decrease (3.50%)	Healthcare Costs Trend (4.50%)	1% Increase (5.50%)
Net OPEB Liability			
Governmental Activities	\$ 54,759,047	\$ 63,798,665	\$ 74,447,623
Business Type Activities	1,828,738	2,386,109	2,486,260
Total	<u>\$ 56,587,785</u>	<u>\$ 65,929,471</u>	<u>\$ 76,933,883</u>

8. OPEB Expense

For the fiscal year ended June 30, 2024, the District recognized OPEB expense of \$5,040,744.

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

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

At June 30, 2024 the District reported deferred outflows and deferred inflows of resources related to OPEB for the following:

	Deferred Outflows of Resources		
	Governmental	Business Type	Total
	Activities	Activities	
Experience (Gains)/Losses	\$ 2,179,165	\$ 72,775	\$ 2,251,940
Changes of Assumptions	199,720	6,670	206,390
Changes in Proportionate Share	601,121	-	601,121
Total	<u>\$ 2,980,006</u>	<u>\$ 79,445</u>	<u>\$ 3,059,451</u>

	Deferred Inflows of Resources		
	Governmental	Business Type	Total
	Activities	Activities	
Experience (Gains)/Losses	\$ 11,810,655	\$ 394,430	\$ 12,205,085
Changes of Assumptions	14,790,962	493,961	15,284,923
Investment (Gains)/Losses	262,409	8,762	271,171
Changes in Proportionate Share	-	601,121	601,121
Total	<u>\$ 26,864,026</u>	<u>\$ 1,498,274</u>	<u>\$ 28,362,300</u>

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

Year Ended June 30,	Governmental Activities		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Effect on OPEB Expense
2025	\$ 978,985	\$ (3,962,448)	\$ (2,983,463)
2026	779,265	(3,647,044)	(2,867,779)
2027	779,269	(4,179,990)	(3,400,721)
2028	52,878	(2,611,252)	(2,558,374)
2029	52,878	(2,204,881)	(2,152,003)
Thereafter	336,731	(10,258,411)	(9,921,680)
Total	<u>\$ 2,980,006</u>	<u>\$ (26,864,026)</u>	<u>\$ (23,884,020)</u>

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

Year Ended June 30,	<i>Business Type Activities</i>		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Effect on OPEB Expense
2025	\$ 30,929	\$ (185,208)	\$ (154,279)
2026	24,259	(174,674)	(150,415)
2027	24,257	(192,475)	(168,218)
2028	-	(140,081)	(140,081)
2029	-	(126,512)	(126,512)
Thereafter	-	(679,324)	(679,324)
Total	<u>\$ 79,445</u>	<u>\$ (1,498,274)</u>	<u>\$ (1,418,829)</u>

10. Liabilities Due to The OPEB Plan

As of June 30, 2024, there are no liabilities owed to the OPEB Plan.

Q. Risk Management

The District is exposed to risk of losses due to:

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

Risk management is the process of managing the District's activities to minimize the adverse effects of these risks. The main element of risk management are risk control (to minimize the losses that strike an organization) and risk financing (to obtain finances to provide for or restore the economic damages of those losses). Risk financing techniques include risk retention, risk transfer to and from an insurer, and risk transfer to a non-insurer. The District has one self-insurance fund (Internal Service Fund) to account for and finance its uninsured risks of loss. The Internal Service Fund provides dental and vision coverage to employees.

All funds of the District participate in the program, but only the General Fund makes payments to the Self Insurance Fund based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a liability for open claims and Incurred But Not Reported (IBNR) claims. The claims and liability of \$247,885 is included in the liabilities under accounts payable and is reported in accordance with Financial Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated at the end of the fiscal year.

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

R. Participation in Joint Powers Authorities

The District participates in two joint powers agreements (JPA) entities, the San Diego County Schools Risk Management (SDCSRM) and the Southern California Relief Property and Liability Insurance (SCR). The relationship between the District and the JPA's is such that the JPA's are not component units of the District.

The JPA's arrange for and provide for various types of insurances for its member districts as requested. The JPA's are governed by a board consisting of a representative from each member district. The board controls the operations of the JPA's, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPA's.

Combined condensed unaudited financial information for the District's share of the San Diego County Schools Risk Management (SDCSRM) for the year ended June 30, 2024 can be obtained by contacting the SDCSRM at the San Diego County Office of Education located at 6401 Linda Vista Road, San Diego, California 92111.

Combined condensed unaudited financial information of the District's share of the Southern California Relief Property and Liability Insurance JPA for the year ended June 30, 2024 can be obtained by contacting Keenan & Associates located at P.O. Box 4328, Torrance, California 90510.

S. Commitments and Contingencies

1. State and Federal Allowances, Awards, and Grants

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

2. Litigation

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

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

3. Construction Commitments

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

Project	Commitment Amount	Expected Date of Final Completion*
AHS Expansion	\$ 496,181	12/2025
Various Pour and Place	294,192	12/2024
Various Flooring	226,241	8/2024
TPC Storm Water Mitigation	21,488	12/2025
WVHS Expansion	234,847	12/2024
Construction Manager	130,127	6/2025
Theatre Improvement Project	206,000	6/2025
PHS HVAC	1,503,910	8/2024
Rolling Hills Portable Project	639,829	9/2024
RBHS Chiller	205,606	TBD
Various Asphalt/Paving	545,848	12/2024
Various Fencing	507,329	12/2024
BMMS Switchboard	21,144	12/2024
Creekside Paint Project	147,000	8/2024
MCHS Kiln	9,723	8/2024
MCHS Turf	190,330	9/2024
Various Roofing Projects	82,857	9/2024
PVES Inverter Project	19,815	7/2024
MBMS HVAC	597,000	8/2024
TPC Plumbing	35,720	8/2024
WVHS Pool Office Repairs	40,682	8/2024
ABES Kitchen Renovation	135,170	8/2024
WVHS HVAC	1,488,000	8/2024
Total	\$ 7,779,039	

*Expected date of final completion subject to change

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

T. Deferred Outflows of Resources

Consistent with the requirements of GASB Statement No. 63, refunding losses and prepaid debt insurance are recorded as deferred outflows of resources and amortized over the life of the debt.

In accordance with GASB Statement No. 68 & 71, the contributions to the pension plans subsequent to measurement date are recorded as deferred outflows of resources. In addition, the statements prescribe certain items that must be recorded as deferred outflows of resources which have been recorded accordingly.

In accordance with GASB Statement No. 75, the District has recorded deferred outflows of resources for OPEB related items as prescribed by the statement.

A summary of the deferred outflows of resources as of June 30, 2024, is as follows:

	Balance July 1, 2023	Additions/ Adjustments	Amortization	Balance June 30, 2024
<i>Governmental Activities</i>				
Refunding Losses	\$ 20,370,224	\$ -	\$ 1,779,151	\$ 18,591,073
Prepaid Debt Insurance	1,304,394	-	59,227	1,245,167
Pension Related	139,269,251	35,071,552	25,592,217	148,748,586
OPEB Related	4,539,676	(201,419)	1,358,251	2,980,006
Total	165,483,545	34,870,133	28,788,846	171,564,832
<i>Business Type Activities</i>				
Pension Related	5,679,896	198,002	1,565,843	4,312,055
OPEB Related	165,543	(42,503)	43,595	79,445
Total	5,845,439	155,499	1,609,438	4,391,500
Total Deferred Outflows of Resources	\$ 171,328,984	\$ 35,025,632	\$ 30,398,284	\$ 175,956,332

Future amortization of deferred outflows of resources is as follows:

<i>Governmental Activities</i>					
Year Ended June 30,	Refunding Losses	Prepaid Debt Insurance	Pension Related	OPEB Related	Total
2025	\$ 1,779,150	\$ 61,759	\$ 78,885,011	\$ 978,985	\$ 81,704,905
2026	1,779,151	65,562	7,465,792	779,265	10,089,770
2027	1,779,150	69,927	43,651,674	779,269	46,280,020
2028	1,779,150	73,549	12,180,116	52,878	14,085,693
2029	1,779,150	77,099	3,282,998	52,878	5,192,125
Thereafter	9,695,322	897,271	3,282,995	336,731	14,212,319
Total	\$ 18,591,073	\$ 1,245,167	\$ 148,748,586	\$ 2,980,006	\$ 171,564,832

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

<i>Business Type Activities</i>			
Year Ended June 30,	Pension Related	OPEB Related	Total
2025	\$ 2,264,087	\$ 30,929	\$ 2,295,016
2026	623,762	24,259	648,021
2027	1,251,654	24,257	1,275,911
2028	87,796	-	87,796
2029	42,379	-	42,379
Thereafter	42,377	-	42,377
Total	<u>\$ 4,312,055</u>	<u>\$ 79,445</u>	<u>\$ 4,391,500</u>

U. Deferred Inflows of Resources

Consistent with the requirements of GASB Statement No. 63, refunding gains are recorded as deferred inflows of resources and amortized over the life of the debt.

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

In accordance with GASB Statement No. 75, the District has recorded deferred inflows of resources for OPEB related items as prescribed by the statement.

Consistent with the requirements of GASB Statement No 87 deferred rent income is recorded as deferred inflows of resources and amortized over the life of the lease receivable.

A summary of the deferred inflows of resources as of June 30, 2024 is as follows:

	Balance July 1, 2023	Additions/ Adjustments	Amortization	Balance June 30, 2024
<i>Governmental Activities</i>				
Refunding Gains	\$ 279,160	\$ -	\$ 55,832	\$ 223,328
Deferred Rent Income	5,707,602	-	161,982	5,545,620
Pension Related	43,524,270	(9,420,334)	9,468,177	24,635,759
OPEB Related	27,740,658	3,037,215	3,913,847	26,864,026
Total	<u>77,251,690</u>	<u>(6,383,119)</u>	<u>13,599,838</u>	<u>57,268,733</u>
<i>Business Type Activities</i>				
Pension Related	2,435,275	3,626,348	1,824,112	4,237,511
OPEB Related	1,092,125	589,734	183,585	1,498,274
Total	<u>3,527,400</u>	<u>4,216,082</u>	<u>2,007,697</u>	<u>5,735,785</u>
Total Deferred Outflows of Resources	<u>\$ 80,779,090</u>	<u>\$ (2,167,037)</u>	<u>\$ 15,607,535</u>	<u>\$ 63,004,518</u>

Poway Unified School District

Notes to the Financial Statements, Continued

For the Year Ended June 30, 2024

Future amortization of deferred inflows is as follows:

<i>Governmental Activities</i>					
Year Ended June 30,	Refunding Gain	Deferred Rent Income	Pension Related	OPEB Related	Total
2025	\$ 55,832	\$ 611,951	\$ 7,390,206	\$ 3,962,448	\$ 12,020,437
2026	55,832	570,359	7,168,215	3,647,044	11,441,450
2027	55,832	538,675	5,275,578	4,179,990	10,050,075
2028	55,832	502,046	3,048,949	2,611,252	6,218,079
2029	-	425,216	1,465,046	2,204,881	4,095,143
Thereafter	-	2,897,373	287,765	10,258,411	13,443,549
Total	<u>\$ 223,328</u>	<u>\$ 5,545,620</u>	<u>\$ 24,635,759</u>	<u>\$ 26,864,026</u>	<u>\$ 57,268,733</u>

<i>Business Type Activities</i>			
Year Ended June 30,	Pension Related	OPEB Related	Total
2025	\$ 1,781,891	\$ 185,208	\$ 1,967,099
2026	1,494,848	174,674	1,669,522
2027	909,737	192,475	1,102,212
2028	39,307	140,081	179,388
2029	11,728	126,512	138,240
Thereafter	-	679,324	679,324
Total	<u>\$ 4,237,511</u>	<u>\$ 1,498,274</u>	<u>\$ 5,735,785</u>

V. Subsequent Events

On August 28, 2024 the Poway Unified School District Public Financing Authority issued Special Tax Revenue Refunding Bonds Series 2024-A for \$10,560,000 and Series 2024-B for \$7,235,000. Both sets of bonds bear interest at 5.00% per annum with semi-annual interest payments and annual principal redemptions beginning September 15, 2025.

The Series 2024A Bonds are being issued (i) to defease and redeem the Authority's Special Tax Revenue Refunding Bonds, Series 2014C (the "Series 2014C Bonds"), (ii) purchase a municipal bond insurance policy to guarantee the payment of principal and interest on the insured Series 2024A Bonds (as defined herein), (iii) to purchase and deposit in the Reserve Fund a debt service reserve insurance policy for the Series 2024A Bonds in an amount equal to the Series 2024A Reserve Requirement and (iv) to pay costs of issuance of the Series 2024A Bonds.

The Series 2024B Bonds are being issued (i) to defease and redeem the Authority's Special Tax Revenue Bonds, Series 2014B (the "Series 2014B Bonds"), thereby acquiring two separate series of CFD Bonds (each a "Series of CFD Bonds" or "CFD Bonds," as more specifically defined herein) of CFD No. 11, (ii) purchase a municipal bond insurance policy to guarantee the payment of principal and interest on the insured Series 2024B Bonds (as defined herein), (iii) to purchase and deposit in the Reserve Fund a debt service reserve insurance policy for the Series 2024B Bonds in an amount equal to the Series 2024B Reserve Requirement and (iv) to pay costs of issuance of the Series 2024B Bonds.

Poway Unified School District

Notes to the Financial Statements, Continued
For the Year Ended June 30, 2024

W. Upcoming Accounting Guidance

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

Description	Date Issued	Fiscal Year Effective
GASB Statement No. 99 <i>Omnibus 2022</i> (Portions related to financial guarantees and derivative instruments)	Apr-22	2024-25
GASB Statement No. 100 <i>Accounting Changes and Error Corrections (Amendment of GASB Statement No. 62)</i>	Jun-22	2024-25
GASB Statement No. 101 <i>Compensated Absences</i>	Jun-22	2024-25
GASB Statement No. 102 <i>Certain Risk Disclosures</i>	Dec-23	2024-25
GASB Statement No. 103 <i>Financial Reporting Model Improvements</i>	Apr-24	2025-26
GASB Statement No. 104 <i>Disclosure of Certain Capital Assets</i>	Sep-24	2025-26
GASB Implementation Guide No. 2023-1 <i>Implementation Guidance Update 2023</i>	Jun-23	2024-25

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

Required Supplementary Information

Poway Unified School District

Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2024

	Budgeted Amounts		Variance Original to Final Budget Positive/ (Negative)		Variance Actual to Final Budget Positive/ (Negative)
	Original	Final		Actual	
Revenues					
LCFF Sources					
State Apportionment	\$ 160,722,266	\$ 160,669,187	\$ (53,079)	\$ 159,495,004	\$ (1,174,183)
Education Protection Account	26,235,713	12,415,169	(13,820,544)	12,552,489	137,320
Property Taxes	215,960,562	230,167,514	14,206,952	231,596,268	1,428,754
Federal Revenue	19,781,292	21,093,197	1,311,905	20,581,458	(511,739)
Other State Revenue	81,171,939	89,356,271	8,184,332	88,354,983	(1,001,288)
Interest Income	1,000,000	3,029,487	2,029,487	4,877,773	1,848,286
Fair Market Value Adjustment	-	-	-	1,778,181	1,778,181
Other Local Revenue	14,459,807	14,672,795	212,988	15,082,114	409,319
Total Revenues	<u>519,331,579</u>	<u>531,403,620</u>	<u>12,072,041</u>	<u>534,318,270</u>	<u>2,914,650</u>
Expenditures					
Current Expenditures:					
Certificated Salaries	223,445,671	221,539,633	1,906,038	223,064,572	(1,524,939)
Classified Salaries	84,319,290	86,589,541	(2,270,251)	86,468,994	120,547
Employee Benefits	150,881,212	148,474,470	2,406,742	149,776,040	(1,301,570)
Books and Supplies	26,917,644	27,851,529	(933,885)	15,304,629	12,546,900
Services and Other Operating	46,468,556	52,639,056	(6,170,500)	47,908,686	4,730,370
Other Outgo	307,525	1,460,463	(1,152,938)	692,287	768,176
Direct Support/Indirect Costs	(720,053)	(808,695)	88,642	(744,194)	(64,501)
Capital Outlay	6,430,912	12,021,307	(5,590,395)	10,287,395	1,733,912
Debt Service:					
Principal	1,990,652	2,122,963	(132,311)	2,983,806	(860,843)
Interest	88,212	53,169	35,043	123,509	(70,340)
Total Expenditures	<u>540,129,621</u>	<u>551,943,436</u>	<u>(11,813,815)</u>	<u>535,865,724</u>	<u>16,077,712</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(20,798,042)</u>	<u>(20,539,816)</u>	<u>258,226</u>	<u>(1,547,454)</u>	<u>18,992,362</u>
Other Financing Sources (Uses)					
Proceeds from Leases and Subscriptions	3,776,456	3,776,456	-	3,776,456	-
Transfers In	4,987,388	7,987,388	3,000,000	3,609,519	(4,377,869)
Transfers Out	(3,545,800)	(11,545,800)	(8,000,000)	(11,667,045)	(121,245)
Total Other Financing Sources (Uses)	<u>5,218,044</u>	<u>218,044</u>	<u>(5,000,000)</u>	<u>(4,281,070)</u>	<u>(4,499,114)</u>
Net Change in Fund Balance	(15,579,998)	(20,321,772)	(4,741,774)	(5,828,524)	14,493,248
Fund Balance - Beginning of Year	<u>125,374,676</u>	<u>125,374,676</u>	<u>-</u>	<u>125,374,676</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 109,794,678</u></u>	<u><u>\$ 105,052,904</u></u>	<u><u>\$ (4,741,774)</u></u>	<u><u>\$ 119,546,152</u></u>	<u><u>\$ 14,493,248</u></u>

See Accompanying Notes to Required Supplementary Information

Poway Unified School District

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

Last Ten Fiscal Years*

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.331236%	0.334136%	0.358921%	0.299947%	0.313666%	0.302501%	0.300912%	0.312797%	0.313652%	0.299355%
District's proportionate share of the net pension liability (asset)	\$252,271,695	\$232,176,775	\$163,334,941	\$290,675,787	\$283,295,547	\$278,019,582	\$278,284,160	\$252,994,325	\$211,162,566	\$174,933,388
State's proportionate share of the net pension liability (asset) associated with the District	120,860,194	140,789,863	105,144,869	159,813,158	153,505,569	159,416,525	165,255,727	144,725,589	112,126,629	106,512,806
Total	<u>\$373,131,889</u>	<u>\$372,966,638</u>	<u>\$268,479,810</u>	<u>\$450,488,945</u>	<u>\$436,801,116</u>	<u>\$437,436,107</u>	<u>\$443,539,887</u>	<u>\$397,719,914</u>	<u>\$323,289,195</u>	<u>\$281,446,194</u>
District's covered payroll*	199,152,995	213,304,504	210,888,074	184,649,766	168,473,489	159,303,455	157,782,051	153,932,012	143,270,553	131,163,903
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	126.67%	108.85%	77.45%	157.42%	168.15%	174.52%	176.37%	164.35%	147.39%	133.37%
Plan fiduciary net position as a percentage of the total pension liability	80.62%	81.20%	87.21%	71.82%	72.56%	70.99%	69.46%	70.04%	74.02%	76.52%

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

See Accompanying Notes to Required Supplementary Information

Poway Unified School District
Schedule of the District's Contributions - CalSTRS
Last Ten Fiscal Years*

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 41,644,362	\$ 38,038,222	\$ 35,885,001	\$ 33,838,200	\$ 31,316,226	\$ 27,261,053	\$ 22,987,489	\$ 19,848,982	\$ 16,516,905	\$ 12,722,425
Contributions in relation to the contractually required contribution	(41,644,362)	(38,038,222)	(35,885,001)	(33,838,200)	(31,316,226)	(27,261,053)	(22,987,489)	(19,848,982)	(16,516,905)	(12,722,425)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll*	\$218,033,309	\$199,152,995	\$213,304,504	\$210,888,074	\$184,649,766	\$168,473,489	\$159,303,455	\$157,782,051	\$153,932,012	\$143,270,553
Contributions as a percentage of covered payroll	19.10%	19.10%	16.82%	16.05%	16.96%	16.18%	14.43%	12.58%	10.73%	8.88%

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

Poway Unified School District

Schedule of the District's Proportionate Share of the Net Pension Liability – CalPERS Last Ten Fiscal Years*

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.432762%	0.439198%	0.442029%	0.434390%	0.438069%	0.431748%	0.443764%	0.458595%	0.467152%	0.462675%
District's proportionate share of the net pension liability (asset)	\$156,655,031	\$151,124,014	\$ 89,884,087	\$133,284,214	\$127,672,006	\$115,117,610	\$105,938,179	\$ 90,572,762	\$ 68,858,624	\$ 52,524,824
District's covered payroll*	\$ 74,916,843	\$ 61,727,770	\$ 56,690,005	\$ 55,776,827	\$ 55,380,644	\$ 57,567,208	\$ 56,995,845	\$ 55,534,304	\$ 51,950,329	\$ 41,002,307
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	209.11%	244.82%	158.55%	238.96%	230.54%	199.97%	185.87%	163.09%	132.55%	128.10%
Plan fiduciary net position as a percentage of the total pension liability	69.96%	69.76%	80.97%	70.00%	70.05%	70.85%	71.87%	73.90%	79.43%	83.38%

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

Poway Unified School District
Schedule of the District's Contributions - CalPERS
Last Ten Fiscal Years*

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 24,236,481	\$ 19,006,403	\$ 14,141,832	\$ 11,734,831	\$ 10,999,748	\$ 10,002,852	\$ 7,906,222	\$ 6,911,746	\$ 5,671,344	\$ 5,193,071
Contributions in relation to the contractually required contribution	(24,236,481)	(19,006,403)	(14,141,832)	(11,734,831)	(10,999,748)	(10,002,852)	(7,906,222)	(6,911,746)	(5,671,344)	(5,193,071)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll*	\$ 90,841,383	\$ 74,916,843	\$ 61,727,770	\$ 56,690,005	\$ 55,776,827	\$ 55,380,644	\$ 57,567,208	\$ 56,995,845	\$ 55,534,304	\$ 51,950,329
Contributions as a percentage of covered payroll	26.680%	25.370%	22.910%	20.700%	19.721%	18.062%	13.734%	12.127%	10.212%	9.996%

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

Poway Unified School District

Schedule of Changes in the District's Net OPEB Liability and Related Ratios – PUSD Retiree Health Plan Last Ten Fiscal Years*

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total OPEB liability:										
Service cost	\$ 5,041,514	\$ 5,399,329	\$ 6,783,135	\$ 6,765,617	\$ 6,177,250	\$ 5,997,330	\$ 5,469,778	N/A	N/A	N/A
Interest	3,588,327	3,051,741	2,368,644	2,112,234	3,032,142	3,082,311	2,891,786	N/A	N/A	N/A
Changes of benefit terms	-	-	-	-	-	-	-	N/A	N/A	N/A
Experience differences	(2,156,520)	-	(13,048,758)	-	6,005,172	-	-	N/A	N/A	N/A
Changes of assumptions	(610,654)	(3,891,336)	(8,170,636)	(1,174,242)	(12,532,276)	1,444,731	2,743,524	N/A	N/A	N/A
Benefit payments	(3,173,133)	(2,554,497)	(2,958,549)	(2,779,967)	(4,387,150)	(2,089,560)	(3,405,496)	N/A	N/A	N/A
Net change in total OPEB liability	2,689,534	2,005,237	(15,026,164)	4,923,642	(1,704,862)	8,434,812	7,699,592	N/A	N/A	N/A
Total OPEB liability - beginning	81,746,145	79,740,908	94,767,072	89,843,430	91,548,292	83,113,480	75,413,888	N/A	N/A	N/A
Total OPEB liability - ending	\$ 84,435,679	\$ 81,746,145	\$ 79,740,908	\$ 94,767,072	\$ 89,843,430	\$ 91,548,292	\$ 83,113,480	N/A	N/A	N/A
Plan fiduciary net position:										
Contributions - employer	\$ 4,809,833	\$ 3,912,392	\$ 4,554,753	\$ 3,291,302	\$ 10,476,131	\$ 5,490,101	\$ -	N/A	N/A	N/A
Contributions - employee	-	-	-	-	-	-	-	N/A	N/A	N/A
Net investment income	2,043,740	1,062,006	(1,934,814)	2,240,440	172,694	83,069	-	N/A	N/A	N/A
Benefit payments	(3,173,133)	(2,554,497)	(2,958,549)	(2,360,561)	(4,387,150)	(2,089,560)	-	N/A	N/A	N/A
Administrative expenses	(46,536)	(39,768)	(38,634)	(31,259)	(15,792)	-	-	N/A	N/A	N/A
Net change in plan fiduciary net position	3,633,904	2,380,133	(377,244)	3,139,922	6,245,883	3,483,610	-	N/A	N/A	N/A
Plan fiduciary net position - beginning	14,872,304	12,492,171	12,869,415	9,729,493	3,483,610	-	-	N/A	N/A	N/A
Plan fiduciary net position - ending	\$ 18,506,208	\$ 14,872,304	\$ 12,492,171	\$ 12,869,415	\$ 9,729,493	\$ 3,483,610	\$ -	N/A	N/A	N/A
Net OPEB liability	\$ 65,929,471	\$ 66,873,841	\$ 67,248,737	\$ 81,897,657	\$ 80,113,937	\$ 88,064,682	\$ 83,113,480	N/A	N/A	N/A
Plan fiduciary net position as a percentage of total OPEB liability	21.92%	18.19%	15.67%	13.58%	10.83%	3.81%	0.00%	N/A	N/A	N/A
Covered payroll	\$308,874,692	\$298,694,884	\$254,696,096	\$245,903,000	\$209,260,000	\$209,260,000	\$209,260,000	N/A	N/A	N/A
Net OPEB liability as a percentage of covered payroll	21.35%	22.39%	26.40%	33.30%	38.28%	42.08%	39.72%	N/A	N/A	N/A

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

See Accompanying Notes to Required Supplementary Information

Poway Unified School District
Schedule of District Contributions – PUSD Retiree Health Plan
Last Ten Fiscal Years*

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarial determined contributions	\$ -	\$ -	\$ 2,958,549	\$ 2,182,279	\$ 2,779,967	\$ -	\$ -	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	3,173,133	2,554,497	4,554,753	3,291,302	4,387,150	5,490,101	3,405,496	N/A	N/A	N/A
Contribution deficiency (excess)	<u>\$ (3,173,133)</u>	<u>\$ (2,554,497)</u>	<u>\$ (1,596,204)</u>	<u>\$ (1,109,023)</u>	<u>\$ (1,607,183)</u>	<u>\$ (5,490,101)</u>	<u>\$ (3,405,496)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
District's covered payroll	\$308,874,692	\$298,694,884	\$254,696,096	\$245,903,000	\$209,260,000	\$209,260,000	\$209,260,000	N/A	N/A	N/A
Contributions as a percentage of covered payroll	1.027%	0.855%	1.788%	1.338%	2.097%	2.624%	1.627%	N/A	N/A	N/A

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

**The District obtained ADC for fiscal years ended June 30, 2020, June 30, 2021, and June 30, 2022 but did not obtain ADC for other years presented.

Poway Unified School District

Notes to Required Supplementary Information

For the Year Ended June 30, 2024

A. Budgetary Comparison Schedule – General Fund

As described in Note A to these financial statements, for purposes of reporting in conformity with GASB Statement No. 54, the District's Special Reserve Fund for Other than Capital Outlay (Fund 17) was included with the General Fund. The Budgetary Comparison Schedule included in the Required Supplementary Information is based on the legally adopted budget for the General Fund only.

General Fund - Basic Financial Statements Ending Fund Balance	\$ 121,762,003
Fund 17 Fund Balance	<u>(2,215,851)</u>
General Fund - Budgetary Comparison Schedule Ending Fund Balance	<u>\$ 119,546,152</u>
General Fund - Basic Financial Statements Net Change in Fund Balance	\$ (5,342,586)
Fund 17 Net Change in Fund Balance	<u>(485,938)</u>
General Fund - Budgetary Comparison Schedule Net Change in Fund Balance	<u>\$ (5,828,524)</u>

B. Excess of Expenditures Over Appropriations

As of June 30, 2024, the District's expenditures which exceeded appropriations in the following categories:

<u>Appropriations Category</u>	<u>Excess Expenditures</u>	<u>Reason for Excess Expenditures</u>
General Fund:		
Certificated Salaries	\$ 1,524,939	The District underestimated final costs for certificated salaries.
Employee Benefits	1,301,570	The District underestimated the final costs for employee benefits.
Direct Support/Indirect Costs	64,501	The District underestimated the final amounts being transferred for indirect costs.
Debt Service	931,183	The District underestimated the final impact of leases and SBITAs on the general fund.

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

Poway Unified School District

Notes to Required Supplementary Information, Continued

For the Year Ended June 30, 2024

C. Schedule of District's Proportionate Share – CalSTRS

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

D. Schedule of District's Contributions – CalSTRS

The total pension liability for California State Teachers' Retirement System (CalSTRS) for measurement date June 30, 2023, was determined with a valuation completed June 30, 2022 (released in May 2023). In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Reporting Period	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Measurement Date	06/30/14	06/30/15	06/30/16	06/30/17	06/30/18
Valuation Date	06/30/13	06/30/14	06/30/15	06/30/16	06/30/17
Experience Study	2006 - 2010	2006 - 2010	2006 - 2010	2006 - 2015	2006 - 2015
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return ⁽¹⁾	7.60%	7.60%	7.60%	7.10%	7.10%
Consumer Price Inflation	3.00%	3.00%	3.00%	2.75%	2.75%
Wage Growth (Average)	3.75%	3.75%	3.75%	3.50%	3.50%
Post-Retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple

Reporting Period	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Measurement Date	06/30/19	06/30/20	06/30/21	06/30/22	06/30/23
Valuation Date	06/30/18	06/30/19	06/30/20	06/30/21	06/30/22
Experience Study	2006 - 2015	2015 - 2018	2015 - 2018	2015 - 2018	2015 - 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return ⁽¹⁾	7.60%	7.60%	7.60%	7.10%	7.10%
Consumer Price Inflation	3.00%	3.00%	3.00%	2.75%	2.75%
Wage Growth (Average)	3.75%	3.75%	3.75%	3.50%	3.50%
Post-Retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple

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

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

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

Poway Unified School District

Notes to Required Supplementary Information, Continued

For the Year Ended June 30, 2024

E. Schedule of District's Proportionate Share – CalPERS

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

F. Schedule of District's Contributions – CalPERS

The total pension liability for California Public Employees Retirement System – School Pool (CalPERS) for measurement date June 30, 2023, was determined with a valuation completed June 30, 2022. In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Reporting Period	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Measurement Date	06/30/14	06/30/15	06/30/16	06/30/17	06/30/18
Valuation Date	06/30/13	06/30/14	06/30/15	06/30/16	06/30/17
Experience Study	1997 - 2011	1997 - 2011	1997 - 2011	1997 - 2011	1997 - 2015
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return ⁽¹⁾	7.50%	7.65%	7.65%	7.15%	7.15%
Consumer Price Inflation	2.75%	2.75%	2.75%	2.75%	2.50%
Wage Growth (Average)	3.00%	3.00%	3.00%	3.00%	3.00%
Post-Retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple

Reporting Period	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
Measurement Date	06/30/19	06/30/20	06/30/21	06/30/22	06/30/23
Valuation Date	06/30/18	06/30/19	06/30/20	06/30/21	06/30/22
Experience Study	1997 - 2015	1997 - 2015	1997 - 2015	2000 - 2019	2000 - 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return ⁽¹⁾	7.15%	7.15%	7.15%	6.90%	6.90%
Consumer Price Inflation	2.50%	2.50%	2.50%	2.50%	2.50%
Wage Growth (Average)	3.00%	2.75%	2.75%	2.75%	2.75%
Post-Retirement Benefit Increases	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple	2.00% Simple

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

Poway Unified School District

Notes to Required Supplementary Information, Continued

For the Year Ended June 30, 2024

G. Schedule of Changes in the District's Net OPEB Liability and Related Ratios

- 1) Benefit Changes: There were no benefit changes during the 2023-24 fiscal year.
- 2) Changes in Assumptions: Changes in assumptions reflect changes due to experience studies and updates to discount rates annually.
- 3) The following are the discount rates used for each period:

<u>Year</u>	<u>Discount Rate</u>
2018	3.80%
2019	3.28%
2020	2.30%
2021	2.45%
2022	3.76%
2023	4.34%
2024	4.34%

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

H. Schedule of District's Contributions to OPEB Plan

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

Combining Statements as Supplementary Information

Poway Unified School District
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds					Capital Projects	Debt Service		Total Nonmajor Governmental Funds
	Associated Student Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Projects Fund	Bond Interest Fund	Redemption Fund	
Assets									
Cash and Investments	\$ 1,690,893	\$ 540,077	\$ 992,775	\$ 17,118,476	\$ 1,346,574	\$ 16,939,017	\$ 28,342,477	\$ 66,970,289	
Accounts Receivable	827	674,770	466,621	3,102,843	14,659	148,654	-	4,408,374	
Due from Other Funds	19,246	3,579	-	291,812	9,059,975	-	-	9,374,612	
Stores Inventories	-	-	-	701,876	-	-	-	701,876	
Prepaid Expenditures	-	-	-	26,149	-	-	-	26,149	
Total Assets	\$ 1,710,966	\$ 1,218,426	\$ 1,459,396	\$ 21,241,156	\$ 10,421,208	\$ 17,087,671	\$ 28,342,477	\$ 81,481,300	
Liabilities, Deferred Inflows of Resources, and Fund Balance:									
Liabilities:									
Accounts Payable	\$ 13,513	\$ 172,217	\$ 13,362	\$ 184,104	\$ 545,712	\$ 809,633	\$ -	\$ 1,738,541	
Due to Other Funds	46,315	181,054	289,471	439,489	-	241,681	-	1,198,010	
Unearned Revenue	-	-	-	566,129	-	-	-	566,129	
Total Liabilities	59,828	353,271	302,833	1,189,722	545,712	1,051,314	-	3,502,680	
Deferred Inflows of Resources:									
Deferred Rent Income	-	-	-	-	-	-	-	-	
Fund Balance:									
Nonspendable	-	-	-	729,125	-	-	-	729,125	
Restricted	1,651,138	169,163	1,156,563	19,322,309	-	16,036,357	28,342,477	66,678,007	
Committed	-	695,992	-	-	9,875,496	-	-	10,571,488	
Total Fund Balance	1,651,138	865,155	1,156,563	20,051,434	9,875,496	16,036,357	28,342,477	77,978,620	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,710,966	\$ 1,218,426	\$ 1,459,396	\$ 21,241,156	\$ 10,421,208	\$ 17,087,671	\$ 28,342,477	\$ 81,481,300	

Poway Unified School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds For the Year Ended June 30, 2024

	Special Revenue Funds				Capital Projects Fund	Debt Service Fund	Total Nonmajor Governmental Funds
	Associated Student Body Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Bond Interest & Redemption Fund	
Revenues							
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 26,122,864	\$ 27,122,864
Federal Revenue	-	313,298	-	6,781,415	-	-	7,094,713
Other State Revenue	-	2,135,970	2,307,027	15,615,204	-	-	20,058,201
Interest	5,381	8,337	32,839	428,870	66,529	562,905	1,540,283
Fair Market Value Adjustment	2,196	8,884	608	(56,337)	11,181	269,273	259,572
Other Local Revenue	4,339,800	1,843,737	72,000	1,280,425	-	391	15,586,002
Total Revenues	\$ 4,347,377	\$ 4,310,226	\$ 2,412,474	\$ 24,049,577	\$ 1,077,710	\$ 26,955,433	\$ 71,661,635
Expenditures							
Current Expenditures:							
Instruction	-	2,186,080	1,044,346	-	-	-	3,230,426
Instruction - Related Services	-	1,656,919	297,386	-	-	-	1,954,305
Pupil Services	-	105,892	-	16,590,841	-	-	16,696,733
Ancillary Services	4,341,061	-	-	-	-	-	4,341,061
General Administration	-	184,144	69,285	490,767	-	-	744,196
Plant Services	-	-	-	193,824	199,043	-	930,541
Capital Outlay	32,083	-	-	1,203,031	2,090,985	-	4,875,132
Debt Service:							
Principal	-	-	5,678	189,401	-	13,634,579	13,860,552
Interest	-	-	34	15,031	-	10,051,933	10,067,181
Total Expenditures	4,373,144	4,133,035	1,416,729	18,682,895	2,290,028	23,686,512	56,700,127
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,767)	177,191	995,745	5,366,682	(1,212,318)	3,268,921	14,961,508
Other Financing Sources (Uses):							
Transfers In	-	150,000	-	19,132	8,000,000	-	8,169,132
Transfers Out	-	(10,789)	(4,394)	(29,989)	-	-	(286,661)
Total Other Financing Sources (Uses)	-	139,211	(4,394)	(10,857)	8,000,000	-	7,882,471
Net Change in Fund Balance	(25,767)	316,402	991,351	5,355,825	6,787,682	3,268,921	22,843,979
Fund Balance, Beginning of Year	1,676,905	548,753	165,212	14,695,609	3,087,814	25,073,556	55,134,641
Fund Balance, End of Year	\$ 1,651,138	\$ 865,155	\$ 1,156,563	\$ 20,051,434	\$ 9,875,496	\$ 28,342,477	\$ 77,978,620

Other Supplementary Information

Poway Unified School District
Schedule of Average Daily Attendance
For the Year Ended June 30, 2024

	Second Period Report Certificate #FC2452E0				Annual Report Certificate #5CC962E6			
	Originally Reported ADA	Adjustments for Finding		Revised ADA	Originally Reported ADA	Adjustments for Finding		Revised ADA
		2024-002	2024-003			2024-002	2024-003	
Grades TK/K-3								
Regular ADA	9,942.00	(4.53)	(20.64)	9,916.83	9,967.00	(3.91)	(22.30)	9,940.79
Extended Year Special Education	18.45	-	-	18.45	18.45	-	-	18.45
Nonpublic, Nonsectarian Schools	2.90	-	-	2.90	3.17	-	-	3.17
Extended Year - Nonpublic	0.69	-	-	0.69	0.69	-	-	0.69
Total Grades TK/K-3	9,964.04	(4.53)	(20.64)	9,938.87	9,989.31	(3.91)	(22.30)	9,963.10
Grades 4-6								
Regular ADA	7,499.81	-	(9.08)	7,490.73	7,504.69	-	(8.50)	7,496.19
Extended Year Special Education	10.58	-	-	10.58	10.58	-	-	10.58
Nonpublic, Nonsectarian Schools	6.72	-	-	6.72	6.91	-	-	6.91
Extended Year - Nonpublic	0.62	-	-	0.62	0.62	-	-	0.62
Total Grades 4-6	7,517.73	-	(9.08)	7,508.65	7,522.80	-	(8.50)	7,514.30
Grades 7-8								
Regular ADA	4,966.30	-	(8.22)	4,958.08	4,964.64	-	(8.39)	4,956.25
Extended Year Special Education	5.19	-	-	5.19	5.19	-	-	5.19
Nonpublic, Nonsectarian Schools	11.85	-	-	11.85	11.33	-	-	11.33
Extended Year - Nonpublic	2.38	-	-	2.38	2.38	-	-	2.38
Total Grades 7-8	4,985.72	-	(8.22)	4,977.50	4,983.54	-	(8.39)	4,975.15
Grades 9-12								
Regular ADA	10,692.81	-	(3.68)	10,689.13	10,623.37	-	(3.41)	10,619.96
Extended Year Special Education	8.06	-	-	8.06	8.06	-	-	8.06
Nonpublic, Nonsectarian Schools	41.49	-	-	41.49	40.63	-	-	40.63
Extended Year - Nonpublic	6.75	-	-	6.75	6.75	-	-	6.75
Total Grades 9-12	10,749.11	-	(3.68)	10,745.43	10,678.81	-	(3.41)	10,675.40
Total ADA	33,216.60	(4.53)	(41.62)	33,170.45	33,174.46	(3.91)	(42.60)	33,127.95

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

Poway Unified School District
 Schedule of Instructional Time
 For the Year Ended June 30, 2024

Grade Level	Annual Minutes Requirement	Actual Minutes Offered	J-13A Minutes	Total Minutes	Number of Actual Days Offered (Traditional)	Total Instructional Days		Status
						J-13A Days	Days	
Transitional Kindergarten	36,000	36,900	0	36,900	180	0	180	Complied
Kindergarten	36,000	48,980	0	48,980	180	0	180	Complied
1st Grade	50,400	52,730	0	52,730	180	0	180	Complied
2nd Grade	50,400	52,730	0	52,730	180	0	180	Complied
3rd Grade	50,400	52,730	0	52,730	180	0	180	Complied
4th Grade	54,000	54,060	0	54,060	180	0	180	Complied
5th Grade	54,000	54,060	0	54,060	180	0	180	Complied
6th Grade	54,000	57,465	0	57,465	180	0	180	Complied
7th Grade	54,000	57,465	0	57,465	180	0	180	Complied
8th Grade	54,000	57,465	0	57,465	180	0	180	Complied
9th Grade	64,800	65,298	0	65,298	180	0	180	Complied
10th Grade	64,800	65,298	0	65,298	180	0	180	Complied
11th Grade	64,800	65,298	0	65,298	180	0	180	Complied
12th Grade	64,800	65,298	0	65,298	180	0	180	Complied

Poway Unified School District
Schedule of Instructional Time, Continued
For the Year Ended June 30, 2024

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

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

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

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

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

The District did not request a J-13A waiver during the 2023-24 fiscal year.

Poway Unified School District

Schedule of Financial Trends & Analysis

For the Year Ended June 30, 2024

General Fund	Budget 2025 (See Note 1)	2024	2023 (See Note 1)	2022 (See Note 1)
Revenues and Other Financing Sources	\$ 516,336,446	\$ 541,704,245	\$ 538,431,740	\$ 472,019,926
Expenditures and Other Financing Uses	545,100,574	547,532,769	500,224,012	457,419,666
Net Change in Fund Balance	(28,764,128)	(5,828,524)	38,207,728	14,600,260
Ending Fund Balance	<u>\$ 90,782,024</u>	<u>\$ 119,546,152</u>	<u>\$ 125,374,676</u>	<u>\$ 87,166,948</u>
Available Reserves (See Note 2)	<u>\$ 50,536,023</u>	<u>\$ 67,440,408</u>	<u>\$ 58,121,088</u>	<u>\$ 31,624,953</u>
Available Reserves as a Percentage of Total Outgo	<u>9.27%</u>	<u>12.32%</u>	<u>11.62%</u>	<u>6.91%</u>
Long Term Debt (See Note 3)	<u>\$ 1,022,007,235</u>	<u>\$ 1,038,399,063</u>	<u>\$ 1,049,422,510</u>	<u>\$ 1,077,814,415</u>
Average Daily Attendance at P2 (See Note 4)	<u>33,195</u>	<u>33,170</u>	<u>32,979</u>	<u>33,257</u>

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

The general fund balance has increased by \$32,379,204 (37.15%) over the past two years. The fiscal year 2024-25 budget projects a decrease of \$28,764,128 (24.06%). For a district of this size, the State recommends available reserves of 3% of total general fund expenditures and other financing uses (total outgo).

Total long-term debt has decreased by \$39,415,352 (3.66%) over the past two years.

Average daily attendance (ADA) has decreased by 87 over the past two years.

Poway Unified School District

Schedule of Financial Trends & Analysis, Continued

For the Year Ended June 30, 2024

Notes:

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

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

2. Available reserves consist of all unassigned fund balances contained within the general fund and amounts committed to stabilization of educational programs contained in the Special Reserve Fund for Other Than Capital Outlay.
3. Long term debt consists of general obligation bonds, certificates of participation, special tax bonds, leases payable, and subscription liabilities.
4. Average Daily Attendance in 2023-24 reflects a reduction from amounts reported by the District of 47 ADA as a result of audit findings. Actual amounts reported by the District at P2 totaled 33,217.
5. GASB Statement No. 54 requires the inclusion of the Special Reserve Fund for Other Than Capital Outlay (Fund 17) with the General Fund for reporting purposes only. This schedule has been prepared without the inclusion of Fund 17.

Poway Unified School District

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

June 30, 2024

	General Fund (Fund 01)	Special Reserve Fund for Other than Capital Outlay (Fund 17)	Enterprise Fund (Fund 63)	Self Insurance Fund (Fund 67)
June 30, 2024, annual financial and budget report fund balances	\$ 119,546,152	\$ 2,215,851	\$ (3,062,229)	\$ 14,055,529
Adjustments and reclassifications:				
Increasing (decreasing) the fund balance:				
GASB 54 Fund Presentation	2,215,851	(2,215,851)	-	-
Corrections to Deferred Outflows of Resources	-	-	2,214,786	-
Corrections to Net Pension Liability	-	-	(11,695,136)	-
Corrections to Deferred Inflows of Resources	-	-	9,506,004	-
Corrections to record IBNR	-	-	-	503,557
Rounding	-	-	-	(1)
Net adjustments and reclassifications	2,215,851	(2,215,851)	25,654	503,556
June 30, 2024, audited financial statement fund balances	\$ 121,762,003	\$ -	\$ (3,036,575)	\$ 14,559,085

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

Poway Unified School District

Schedule of Charter Schools

For the Year Ended June 30, 2024

As of June 30, 2024, the District has not sponsored any charter schools.

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

Poway Unified School District

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2024

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Subrecipient Expenditures	Total Federal Expenditures
CHILD NUTRITION CLUSTER:				
<u>U.S. Department of Agriculture</u>				
Passed through California Department of Education				
School Breakfast Program	10.553	13525	\$ -	\$ 755,350
National School Lunch Program	10.555	13396	-	3,768,547
National School Lunch Program - Noncash Commodities	10.555	13396	-	1,040,771
Supply Chain Assistance (SCA) Funds	10.555	15655	-	975,138
Local Food for Schools	10.555	15708	-	241,608
Total Child Nutrition Cluster			-	6,781,414
FISH & WILDLIFE CLUSTER				
<u>U.S. Department of the Interior</u>				
Passed through California Department of Fish & Wildlife				
U.S. Wildlife Reserve	15.611	Unknown	-	134
Total Fish & Wildlife Cluster			-	134
SPECIAL EDUCATION (IDEA) CLUSTER:				
<u>U.S. Department of Education</u>				
Passed through California Department of Education				
IDEA Basic Local Assistance	84.027	13379	-	6,586,291
IDEA Local Assistance, Private Schools	84.027	10115	157,453	157,453
IDEA Mental Health	84.027	15197	-	413,551
IDEA Assistance Entitlement	84.027	15638		
IDEA Quality Assurance & Focused Monitoring	84.027	13693	-	52,423
IDEA Alternative Dispute Resolution	84.027	13007	-	12,273
IDEA Preschool Grants (Ages 3-5)	84.173	13430	-	149,893
IDEA Preschool Grants	84.173	15639		
Total Special Education (IDEA) Cluster			157,453	7,371,884
OTHER PROGRAMS:				
<u>U.S. Department of Justice</u>				
Passed through California Department of Corrections and Rehabilitation				
STOP Grant	16.588	Unknown	-	175,294
<u>U.S. Department of Education</u>				
Direct Program				
Impact Aid	84.041	N/A	-	5,762
Passed through California Department of Education				
Adult Education Basic	84.002	14508	-	167,699
Adult Education Secondary	84.002	13978	-	64,442
Adult Education English Literacy & Civics Education	84.002	14109	-	81,157
Subtotal Adult Education Program			-	313,298

See Accompanying Notes to Schedule of Expenditures of Federal Awards

Poway Unified School District

Schedule of Expenditures of Federal Awards, Continued

For the Year Ended June 30, 2024

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Subrecipient Expenditures	Total Federal Expenditures
ESSA Title I Basic	84.010	14329	-	1,210,768
ESSA Title I School Improvement	84.010	15438	-	149,569
Subtotal ESSA Title I Program			-	1,360,337
 Title III Immigrant Education	84.365	15146	-	33,699
Title III English Learner Program	84.365	14346	-	408,674
Subtotal Title III Program			-	442,373
 COVID-19: Homeless Children & Youth II	84.425	15566	-	19,131
COVID-19: ESSER III	84.425D	15559	-	7,364,441
COVID-19: ESSER III Learning Loss	84.425U	10155	-	2,518,280
Subtotal COVID-19 Program			-	9,901,852
 Carl Perkins Vocational Education	84.048	14894	-	187,785
Workability II, Transition Partnership	84.126	10006	-	306,248
IDEA Early Intervention Grant	84.181	23761	-	117,525
Education for Homeless Children & Youth	84.196	14332	-	51,022
Title II Supporting Effective Instruction	84.367	14341	12,350	605,656
Title IV Student Support Academic Enrichment	84.424	15396	-	55,589
 TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 169,803	\$ 27,676,173

See Accompanying Notes to Schedule of Expenditures of Federal Awards

Poway Unified School District

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2024

Basis of Presentation

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

Summary of Significant Accounting Policies

The expenditures reported on the schedule are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Indirect Cost Rate

Indirect costs were calculated in accordance with 2 CFR §200.412 *Direct and Indirect Costs*. The District used an indirect cost rate of 5.29% based on the rate approved by the California Department of Education for each program which did not have a pre-defined allowable indirect cost rate. The District did not elect to use the 10% de minimis cost rate as covered in 2 CFR §200.414 *Indirect Costs*. The following programs utilized a lower indirect cost rate based on program restrictions or other factors determined by the District:

<u>Program</u>	<u>AL #</u>	<u>Indirect Cost Rate</u>
Child Nutrition Cluster	10.553, 10.555	5.17%
Carl Perkins Vocational Education	84.048	5.00%
Workability II, Transition Partnership	84.126	2.46%
Education for Homeless Children & Youth	84.196	2.47%
Title III English Learner Program	84.365	3.30%

Schoolwide Program

The District did not operate any schoolwide programs.

Other Information

Poway Unified School District

Local Education Agency Organization Structure

June 30, 2024

The Poway Unified School District (the "District") was established in 1962, and encompasses approximately 100 square miles of the central portion of San Diego County, California (the "County"), and serves the City of Poway, a portion of the City of San Diego, as well as the communities of 4S Ranch, Black Mountain Ranch, Carmel Mountain Ranch, Del Sur, Rancho Bernardo, Rancho Peñasquitos, Sabre Springs, Santa Fe Valley, Santaluz and Torrey Highlands. The District currently operates 25 elementary schools, 6 middle schools, 1 K-8 school, 5 high schools, 1 continuation high school, 1 middle college, and 1 adult school. During 2023-24, there were no changes in the District's boundaries.

GOVERNING BOARD

<u>Name</u>	<u>Office</u>	<u>Term and Term Expiration</u>
Michelle O'Connor-Ratcliff	President	Four Year Term Expires December 2026
Dr. Cindy Sytsma	Vice President	Four Year Term Expires December 2024
Ginger Courvette	Clerk	Four Year Term Expires December 2026
Heather Plotzke	Member	Four Year Term Expires December 2026
Dr. Darshana Patel	Member	Four Year Term Expires December 2024

ADMINISTRATION

Greg Mizel Interim Superintendent		
Vacant Associate Superintendent Technology & Innovation	James Jimenez Associate Superintendent Personnel Support Services	Ronald D. Little II Associate Superintendent Business Support Services
Vacant Associate Superintendent Student Support Services	Shelley Peterson Associate Superintendent Learning Support Services	

Other Independent Auditors' Reports

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

To the Board of Education
Poway Unified School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Poway 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 December 6, 2024.

Report on Internal Control over Financial Reporting

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

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

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

We identified certain deficiencies in internal control that we consider to be significant deficiencies, described in the accompanying schedule of findings and questioned costs as item 2024-001.

Report on Compliance and Other Matters

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

Poway Unified School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink, likely of the auditor, written in a cursive style.

El Cajon, California
December 6, 2024

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

To the Board of Education
Poway Unified School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Poway 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 types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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

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

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

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

William H. King & Co. LLP

El Cajon, California
December 6, 2024

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

To the Board of Education
Poway Unified School District

Report on Compliance for Applicable State Programs

Opinion on Each Applicable State Program

We have audited the Poway Unified School District's (the District) compliance with the requirements specified in the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 identified below for the year ended June 30, 2024.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above on each of its applicable state programs for the year ended June 30, 2024.

Basis for Opinion on Each Applicable State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 (the Audit Guide). Our responsibilities under those standards and the Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Audit Guide will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each applicable state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Audit Guide, we:

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

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

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

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

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

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

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810 and which are described in the accompanying schedule of findings and questioned costs as items 2024-002 and 2024-003. Our opinion on each applicable state program 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 compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over State 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. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

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

We did not identify any material weaknesses in internal controls over compliance. However, material weaknesses in internal control over state compliance may exist that were not identified.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the 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 audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed in Title 5, *California Code of Regulations*, Section 19810. Accordingly, this report is not suitable for any other purpose.



El Cajon, California
December 6, 2024

Auditor's Results, Findings & Recommendations

Poway Unified School District

Schedule of Auditor’s Results
For the Year Ended June 30, 2024

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

Internal control over major programs:		
One or more material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
One or more significant deficiencies identified that are not considered material weakness(es)?	<u> </u> Yes	<u> X </u> No
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>	
Compliance supplement utilized for single audit	<u>May 2024</u>	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)?	<u> </u> Yes	<u> X </u> No
Identification of major programs:		

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster
84.010	ESSA Title I Program
84.367	Title II Supporting Effective Instruction

Dollar threshold used to distinguish between Type A and Type B programs	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	<u> X </u> Yes <u> </u> No

STATE AWARDS

Type of auditor's report issued on compliance for state programs:	<u>Unmodified</u>	
Internal control over applicable state programs:		
One or more material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
One or more significant deficiencies identified that are not considered material weakness(es)?	<u> X </u> Yes	<u> </u> No
Any audit findings disclosed that are required to be reported in accordance with <i>2023-24 Guide for Annual Audits of California K-12 Local Education Agencies?</i>	<u> X </u> Yes	<u> </u> No

Poway Unified School District

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2024

Findings represent significant deficiencies, material weaknesses, and/or instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), or the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Finding codes as identified in the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* are as follows:

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

A. Financial Statement Findings

Finding Number: 2024-001
Repeat Finding: No
Description: Associated Student Body
Type of Finding: Internal Control (30000)

Criteria or Specific Requirement

Organized ASBs as a formal process of student governance must prepare and maintain a record of each meeting. These minutes serve as the record of actions taken and demonstrate that the student organization has followed ASB policies and procedures as well as current law. Minutes should include financial matters including budgets, approval of fundraising events, and expenditure authorizations.

California Government Code §22003 requires that digital signatures be unique to the person using it, capable of verification, under the sole control of the person using it, linked to the message of the document in such a way that if the data are changed the digital signature is invalidated, and if accompanied by a certificate includes a third-party certificate program lists from (A) Apple root certificate program, (b) Microsoft trusted root program; or (c) Mozilla root program.

Poway Unified School District

Schedule of Findings and Questioned Costs, Continued

For the Year Ended June 30, 2024

Condition

We reviewed ASB minutes and expenditure approvals at three school sites noting that all three sites were using typed signatures to show approval that did not meet government code digital signature requirements as noted above. It could therefore not be verified that appropriate student approval of budgets, fundraisers, or expenditures occurred through the review of ASB meeting minutes.

Potential Fiscal Impact

Unknown

Cause

ASB advisors and students began keeping minutes on computers and were unaware of government code requirements for digital signatures.

Effect

The ASB accounts are at risk of unauthorized modifications being made to meeting minutes which document student approval of financial matters. As a result, it cannot be verified in audit if ASB students approved expenditures in the minutes as required. With such documentation an unauthorized modification would likely not be identified by the District.

Total ASB expenditures for the fiscal year ended June 30, 2024 were \$4,373,144. The finding was identified after review of three organized ASBs out of the eleven operated by the District.

Recommendation

The District should evaluate the digital signature process being utilized by ASB advisors and student governance. A software that meets government code should be provided to all ASB advisors. The District should provide training to ASB advisors and student governance on digital signatures and use of appropriate technology for digital signatures. All ASB meeting minutes should be signed by appropriate student leadership using an acceptable technology.

Views of Responsible Officials

See Corrective Action Plan

B. Federal Awards

None

Poway Unified School District

Schedule of Findings and Questioned Costs, Continued

For the Year Ended June 30, 2024

C. State Award Findings

Finding Number: 2024-002
Repeat Finding: No
Description: Kindergarten Continuance
Type of Finding: Internal Control Over Compliance (30000)
State Compliance – Attendance (10000)

Criteria or Specific Requirement

Education Code §48011 requires a child who has completed a year of kindergarten to be promoted to first grade, unless the parent or guardian sign an agreement at or near the anniversary of the start date for kindergarten for the child to continue in kindergarten for not more than one year, that is approved in form and content by the California Department of Education.

Condition

In our review of kindergarten continuance forms signed by parents, we noted five students where the parent did not sign the form at or near the anniversary date of start of kindergarten. Two forms were signed in March 2024, one form was signed in April 2024, and two forms were signed in June 2024. The students identified were in their second year of kindergarten during the 2023-24 school year.

Potential Fiscal Impact

The noncompliance results in a loss of kindergarten ADA of 4.53 at P2 and 3.91 at Annual for estimated fiscal impact as follows:

Grade Span	Derived Value of ADA	Questioned ADA at P2	Questioned ADA at Annual	Potential Fiscal Impact
TK-3	\$ 11,400.21	4.53	3.91	\$ 51,643

Cause

It appears that some elementary sites had used old kindergarten continuance forms that did not meet the requirements to be approved in form and content by the California Department of Education when signing near the anniversary date and upon discovery of the error in forms, the elementary sites obtained new forms from the families that were approved in form and content by the California Department of Education.

Effect

The District did not meet apportionment requirements for five kindergarten students resulting in a loss of ADA at P2 of 4.53 and a loss of ADA at Annual of 3.91.

Poway Unified School District

Schedule of Findings and Questioned Costs, Continued

For the Year Ended June 30, 2024

Context

The finding was identified through audit of kindergarten continuance forms. Initial sample size included 25 students; however, auditors expanded and tested all 103 students who had turned six years old by September 1, 2023. 5 students out of 103 tested did not have an agreement approved in form and content by the California Department of Education signed at or near the anniversary date.

Recommendation

The District should ensure that old kindergarten continuance forms that do not meet requirements are discarded and all school sites have access to the form that is approved by the California Department of Education. School site principals should be provided training as to what is required to be maintained for students that continue in kindergarten for a second year. An internal review process should be established over kindergarten continuance forms to ensure all school sites are utilizing approved forms and have obtained required parent or guardian signatures before continuing the student for a second year of kindergarten.

After the audit report is accepted by the California State Controller's Office and within 30 days of receiving the certification letter, the District should file for a Summary Review of the facts and circumstances for this audit finding. Under a Summary Review, the Education Audit Appeals Panel can take into consideration the facts and circumstances surrounding the noncompliance. In doing so, the Education Audit Appeals Panel can reduce or eliminate any fiscal impact if the facts and circumstances show substantial compliance or mitigating circumstances. If the District does not file for Summary Review, or if the District does not agree with the results of the Summary Review, the District can file a formal appeal for the audit finding. No apportionment reductions will be assessed by the California Department of Education until such a time as the Summary Review or Appeal periods have elapsed.

Views of Responsible Officials

See Corrective Action Plan

Finding Number:	2024-003
Repeat Finding:	No
Description:	Independent Study
Type of Finding:	Internal Control Over Compliance (30000) State Compliance – Attendance (10000)

Criteria or Specific Requirement

Education Code §51747 requires as a condition of apportionment that all students participating in independent study have an agreement on file that contains 9 required elements.

Poway Unified School District

Schedule of Findings and Questioned Costs, Continued

For the Year Ended June 30, 2024

Condition

In our review of independent study agreements we identified 11 out of 60 tested that did not contain all required elements identified in Education Code §51747 as follows:

3 students at Abraxas High School were missing the following elements:

- 1) The specific resources, including materials and personnel, to be made available to the pupils (resources reasonably necessary to the achievement of the objectives in the written agreement, not to exclude resources normally available to all pupils on the same terms as the terms on which they are normally available to all pupils). These resources shall include confirming or providing access to all pupils to the connectivity and devices adequate to participate in the educational program and complete assigned work. (Education Code §51747(g)(1))
- 2) A statement of the policies adopted pursuant to subdivisions (a) and (b) of Education Code Section 51747: (A) The maximum length of time allowed between the assignment and the completion of a pupil's assigned work; (B) The level of satisfactory educational progress as defined in Education Code Section 51747(b)(2)(A)-(D); and (C) The number of assignments a pupil may miss before there must be an evaluation of whether it is in the pupil's best interests to continue in independent study. (Education Code §51747(g)(4))
- 3) The duration of the independent study agreement, including the beginning and ending dates for the pupil's participation in independent study under the agreement, with no agreement being for longer than one school year. (Education Code §51747(g)(5))
- 4) A statement detailing the academic and other supports that will be provided to address the needs of pupils who are not performing at grade level, or need support in other areas, such as English learners, individuals with exceptional needs in order to be consistent with the pupil's individualized education program or plan pursuant to Education Code Section 504 of the federal Rehabilitation Act of 1973 (29 U.S.C. Sec. 794), pupils in foster care or experiencing homelessness, and pupils requiring mental health supports. (Education Code §51747(g)(7))
- 5) A statement in each independent study agreement that independent study is an optional educational alternative in which no pupil may be required to participate (in the case of a pupil who is referred or assigned to any school, class or program pursuant to Education Code Section 48915 or 48917, the agreement also shall include the statement that instruction may be provided to the pupil through independent study only if the pupil is offered the alternative of classroom instruction). (Education Code §51747(g)(8))
- 6) Signatures, affixed prior to the commencement of independent study, for a pupil that is scheduled to participate for more than 14 school days, or within 10 school days of the commencement of independent study for a student scheduled for less than 15 school days, by: (A) The pupil; (B) The pupil's parent, legal guardian, or caregiver as that term is used in Family Code Section 6550 and following, if the pupil is less than 18 years old; (C) The certificated employee who has been designated as having responsibility for the general supervision of independent study; and (D) The certificated employee designated as having responsibility for the special education programming of the pupil, as applicable. (Education Code §51747(g)(9))

Poway Unified School District

Schedule of Findings and Questioned Costs, Continued

For the Year Ended June 30, 2024

3 students at New Directions K-8 Program were missing the following elements:

- 1) The specific resources, including materials and personnel, to be made available to the pupils (resources reasonably necessary to the achievement of the objectives in the written agreement, not to exclude resources normally available to all pupils on the same terms as the terms on which they are normally available to all pupils). These resources shall include confirming or providing access to all pupils to the connectivity and devices adequate to participate in the educational program and complete assigned work. (Education Code §51747(g)(1))
- 2) A statement of the policies adopted pursuant to subdivisions (a) and (b) of Education Code Section 51747: (A) The maximum length of time allowed between the assignment and the completion of a pupil's assigned work; (B) The level of satisfactory educational progress as defined in Education Code Section 51747(b)(2)(A)-(D); and (C) The number of assignments a pupil may miss before there must be an evaluation of whether it is in the pupil's best interests to continue in independent study. (Education Code §51747(g)(4))
- 3) A statement detailing the academic and other supports that will be provided to address the needs of pupils who are not performing at grade level, or need support in other areas, such as English learners, individuals with exceptional needs in order to be consistent with the pupil's individualized education program or plan pursuant to Education Code section 504 of the federal Rehabilitation Act of 1973 (29 U.S.C. Sec. 794), pupils in foster care or experiencing homelessness, and pupils requiring mental health supports. (Education Code §51747(g)(7))

5 students at New Directions K-8 Program were missing the following element:

- 1) A statement detailing the academic and other supports that will be provided to address the needs of pupils who are not performing at grade level, or need support in other areas, such as English learners, individuals with exceptional needs in order to be consistent with the pupil's individualized education program or plan pursuant to Education Code Section 504 of the federal Rehabilitation Act of 1973 (29 U.S.C. Sec. 794), pupils in foster care or experiencing homelessness, and pupils requiring mental health supports. (Education Code §51747(g)(7))

Poway Unified School District

Schedule of Findings and Questioned Costs, Continued

For the Year Ended June 30, 2024

Potential Fiscal Impact

The noncompliance was identified in 100% of the sample at Abraxas High School and in the K-8 program at New Directions. ADA questioned below is 100% of ADA reported for independent study at Abraxas High School and the K-8 program at New Directions as follows:

Grade Span	Derived Value of ADA	Questioned ADA at P2	Questioned ADA at Annual	Potential Fiscal Impact
TK-3	\$ 11,400.21	20.64	22.30	\$ 235,300
4-6	10,482.03	9.08	8.50	95,177
7-8	10,792.25	8.22	8.39	88,712
9-12	12,832.65	3.68	3.41	47,224
Total		41.62	42.60	\$ 466,413

Cause

In our review of independent study agreements across sites at the District we found seven different independent study agreements in use by the District. The agreements at Abraxas High School and the agreements being used in the K-8 program at New Directions were missing required elements as identified in Education Code §51747 noted above.

Effect

The District did not meet apportionment requirements for independent study students at Abraxas High School or in the K-8 program at New Directions.

Context

The finding was identified through audit of independent study across the District. Audit sample included sixty students at four sites representative of the entire independent study program. At Abraxas High School and in the K-8 Program at New Directions 100% of the sampled students had agreements that were missing required elements. Remaining sites tested had agreements that included all required elements.

Recommendation

The District should establish one independent study agreement which includes all required elements that is used by all school sites offering independent study. School sites should collaborate to ensure all sites are meeting requirements. Additionally, the District should implement an internal review process over independent study agreements to ensure the appropriate agreements are being utilized at all sites.

Poway Unified School District

Schedule of Findings and Questioned Costs, Continued

For the Year Ended June 30, 2024

After the audit report is accepted by the California State Controller's Office and within 30 days of receiving the certification letter, the District should file for a Summary Review of the facts and circumstances for this audit finding. Under a Summary Review, the Education Audit Appeals Panel can take into consideration the facts and circumstances surrounding the noncompliance. In doing so, the Education Audit Appeals Panel can reduce or eliminate any fiscal impact if the facts and circumstances show substantial compliance or mitigating circumstances. If the District does not file for Summary Review, or if the District does not agree with the results of the Summary Review, the District can file a formal appeal for the audit finding. No apportionment reductions will be assessed by the California Department of Education until such a time as the Summary Review or Appeal periods have elapsed.

Views of Responsible Officials

See Corrective Action Plan

BOARD OF EDUCATION
Ginger Couvrette
Michelle O'Connor-Ratcliff
Darsha Patel, Ph.D.
Heather Plotzke
Cindy Sytsma, Ph.D.

SUPERINTENDENT
Dr. Benjamin Churchill



FINANCE DEPARTMENT
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POWAY UNIFIED SCHOOL DISTRICT

December 6, 2024

To Whom it May Concern:

The accompanying Corrective Action Plan has been prepared as required by the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* published by the Education Audit Appeals Panel. The name of the contact person responsible for corrective action, the planned corrective action, and the anticipated completion date for each finding included in the current year's Schedule of Findings and Questioned Costs have been provided.

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

Sincerely,

Joy Ramiro
Executive Director of Finance, Budget & Accounting

Poway Unified School District

Corrective Action Plan

For the Year Ended June 30, 2024

Financial Statement Finding

Finding Number: 2024-001
Program Name: Associated Student Body
Contact Person: Gregory Magnuson, Associate Superintendent Business Support Services
Anticipated Completion Date: Ongoing

Planned Corrective Action: The District will refine the internal control system for ASB expenditure approval process by implementing the following measures:

- a. The Learning Support Services (LSS) has instructed all ASB clubs to print and sign meeting minutes and expenditure approval with wet ink. ASB Accounting Technicians will review all meeting minutes to ensure compliance.
- b. Learning Support Services (LSS) will coordinate with Information Technology team to explore options for digital signature software that meets the government code requirement, and the district will provide training to ASB advisors and student governance.

Poway Unified School District

Corrective Action Plan, Continued

For the Year Ended June 30, 2024

State Compliance Findings

Finding Number: 2024-002
Program Name: Kindergarten Continuance
Contact Person: Gregory Magnuson, Associate Superintendent Business Support Services
Anticipated Completion Date: Ongoing

Planned Corrective Action: The District will refine the internal control system for Kindergarten Continuation compliance by implementing the following measures:

- a. Elementary Principal and School Office Manager will receive a link to the most up-to-date Kindergarten Continuation form annually and ensure older forms are discarded. School Office Managers will be required to upload completed forms into the student database (Synergy) by the first checkpoint deadline established by Learning Support Services (LSS).
- b. After the checkpoint deadline, Finance will review all submitted and signed Kindergarten Continuance Forms and provide feedback to LSS in August (at the start of the new school year).
- c. LSS will contact sites with non-compliant forms to ensure that compliant forms are uploaded into Synergy.

Principals will work closely with School Office Managers to monitor and ensure all appropriate supporting documentation is collected and uploaded into Synergy for each applicable student.

The District will implement increased communication between administration and with School Office Managers to ensure the use of the most up-to-date Kindergarten Continuation form on file by the District.

The District will file an Audit Appeal Summery review to the Education Audit Appeals Panel for consideration of reducing or eliminating fiscal impact based on substantial compliance.

Poway Unified School District

Corrective Action Plan, Continued

For the Year Ended June 30, 2024

Finding Number: 2024-003
Program Name: Independent Study
Contact Person: Gregory Magnuson, Associate Superintendent Business Support Services
Anticipated Completion Date: Ongoing

Planned Corrective Action: The District will refine internal controls for Independent Study Agreement by implementing the following measures:

- a. The District has created a single independent study agreement template (by grade range) to be uniformly used in all independent study programs across the district. This template will be reviewed and amended annually in response to changes in requirements, with the updated version sent to the auditors for approval prior to adoption.
- b. All Independent Study Agreements in use during the 2024-2025 school year have been corrected to ensure compliance with all the required elements. Older versions of independent study agreements have been removed and destroyed.
- c. All staff involved in independent study programs have received training on the required elements of the agreements and the importance of using the correct and current version of agreement.

The District will establish quarterly meetings between Learning Support Services and Alternative Programs teams including Poway Home Education Program, New Directions, Connect Academy, and Abraxas High School.

The Director of Alternative Programs will convene the quarterly meetings to provide ongoing technical assistance and central support to all District independent study programs and ensure agreements remain compliant with all requirements.

The District will file an Audit Appeal Summery review to the Education Audit Appeals Panel for consideration of reducing or eliminating fiscal impact based on substantial compliance.

Poway Unified School District
Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2024

Finding/Recommendation	Status	Explanation if Not Implemented
Finding 2023-001 Attendance Reporting <u>Condition</u> In our review of attendance at Del Norte High School we noted that the school site did not have a mechanism to ensure collection of attendance from substitute teachers. It was reported that some substitute teachers were comfortable and willing to log in to the online attendance system and take attendance directly, but other teachers were not comfortable with the system and would not log in to take attendance. The school site did not collect manual attendance forms for these substitute teachers. <u>Recommendation</u> Establish a training and review process for substitutes to ensure that they both understand and are following the approved attendance procedures for the District.	Implemented	

Exhibit B

Rate and Method of Apportionments

FIRST AMENDED RATE AND METHOD OF APPORTIONMENT FOR COMMUNITY FACILITIES DISTRICT NO. 4 OF THE POWAY UNIFIED SCHOOL DISTRICT

The following sets forth the First Amended Rate and Method of Apportionment for the levy and collection of Special Taxes of Poway Unified School District ("District") Community Facilities District No. 4 ("CFD No. 4"). Special Taxes as herein provided will be levied on and collected in CFD No. 4 each Fiscal Year, in an amount determined through the application of the First Amended Rate and Method of Apportionment described below. All the real property in CFD No. 4, unless exempted by law or by the provisions hereof, will be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

"Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map, parcel map, condominium plan, or other map recorded at the County.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the California Government Code.

"Actual EDU Deficit" means, for each Final Map Area, the difference between (i) the Actual Final Map Area Quotient and (ii) the Average EDU times the number of Planned Units, provided such result is negative.

"Actual EDU Surplus" means, for each Final Map Area, the difference between (i) the Actual Final Map Area Quotient and (ii) the Average EDU times the number of Planned Units, provided such result is positive.

"Actual Final Map Area Quotient" means the sum of the Projected Development Block Quotients within a Final Map Area.

"Administrative Expenses" means any ordinary and necessary expense incurred by the School District on behalf of CFD No. 4 related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes including the expenses of collecting delinquencies, the administration of CFD No. 4 including the Bonds, the payment of salaries and benefits of any School District employee whose duties are directly related to the administration of CFD No. 4, and costs otherwise incurred in order to carry out the authorized purposes of CFD No. 4.

"Affordable Unit" means any Unit subject to deed restrictions, resale restrictions, and/or regulatory agreements recorded in favor of the City or County providing for affordable housing.

"Annual Special Tax" means the Special Tax levied in any Fiscal Year on any Assessor's Parcel pursuant to Section K below.

"Annual Special Tax Requirement" means the amount required in any Fiscal Year to pay: (i) the debt service on all outstanding Bonds and other periodic costs on all outstanding Bonds or other obligations of CFD No. 4, (ii) Administrative Expenses of CFD No. 4, (iii) the costs associated with the release of funds from an escrow account, (iv) any amount required to establish or replenish any reserve funds established in association with the Bonds or other obligations of CFD No. 4, (v) lease payments for existing or future Facilities, and (vi) the accumulation of funds reasonably required for future debt service or for the construction, expansion, or rehabilitation of existing or future Facilities, less (vi) any amounts available to pay for debt service and Administrative Expenses pursuant to any bond indenture, fiscal agent, or trust agreement.

"Assessor's Parcel" means a lot or parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel Number within the boundaries of CFD No. 4.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means that number assigned to an Assessor's Parcel by the County for purposes of identification.

"Assigned Annual Special Tax" means the Special Tax of that name described in Section I below.

"Assigned Unit" means any of up to 119 Units assigned to this Special Tax Class in writing to the Assistant Superintendent at the Developer's election at the time the applicable Building Permit is issued, provided that each such Unit is an Affordable Unit and/or a Companion Unit. Under no circumstances may the Developer assign more than 119 Units to this Special Tax Class.

"Assistant Superintendent" means the Assistant Superintendent, Business Support Services of the School District, or his designee.

"Average EDU" means 1.057.

"Board" means the Governing Board of Poway Unified School District or its designee as the legislative body of CFD No. 4.

"Bonds" means any obligation to repay a sum of money, including obligations in the form of bonds; notes; loans from government agencies, banks, other financial institutions, private businesses, or individuals; long-term contracts; or any other obligations, including any refunding thereof, which may be incurred by CFD No. 4 or the School District and to which Special Taxes are pledged.

"Building Permit" means a permit for the construction of one or more Units. For purposes of this definition, "Building Permit" will not include permits for construction or installation of commercial/industrial structures, parking structures, retaining walls, utility improvements, or other such improvements not intended for human habitation.

"Building Square Feet" or "BSF" means the square footage of assessable internal living space of a Unit, exclusive of garages or other structures not used as living space, as determined by reference to the Building Permit for such Unit.

"Calendar Year" means the period commencing January 1 of any year and ending the following December 31.

"Certificate of Improved Status" means a written certificate provided to the Assistant Superintendent by the Developer attesting to the completion and acceptance of all necessary infrastructure with respect to an Assessor's Parcel on which a Custom Unit is expected to be constructed.

"CFD No. 4" means Community Facilities District No. 4 established by the School District under the Act.

"City" means the City of San Diego.

"Companion Unit" means a Unit that is not a Senior Unit and which is (i) the second Unit for which a Building Permit is issued on an Assessor's Parcel if the Building Permits for the first two (2) Units are issued sequentially, or (ii) the smaller Unit, measured in terms of Building Square Feet, if the Building Permits are issued simultaneously for the first two (2) Units on an Assessor's Parcel. Additional Units after the second Unit on an Assessor's Parcel will not be classified as a Companion Unit, nor will any Unit on an Assessor's Parcel be classified as a Companion Unit if Building Permits are initially issued for more than two (2) Units on such Assessor's Parcel. In either such case described in the immediately preceding sentence, the Units that may not be classified as Companion Units will be classified as Production Units, provided that such Units are not classifiable as Affordable Units, Custom Units, or Senior Units.

"County" means the County of San Diego.

"Custom Unit" means a Unit identified in writing by the Developer to the Assistant Superintendent at the time a Final Map is recorded as a Unit which is owned or expected to be owned by a party not in the regular course of business of constructing Units or developing property.

"Developed Property" means all Assessor's Parcels for which a Building Permit was issued on or before January 1 of the prior Fiscal Year.

"Developer" means Santaluz, LLC.

"Developer's Account" means the account of that name established and maintained by the Assistant Superintendent which will be credited and debited as described in Section D below.

"Development Block" means any geographical region within a Final Map Area identified by the Developer no later than the time of the recordation of the first Final Map within a Final Map Area as sold or intended to be sold to a single purchaser.

"Development Block Special Tax" means the Special Tax of that name as described and calculated in Section G.

"Equivalent Dwelling Unit" or "EDU" means that number assigned to each Special Tax Class in accordance with Table 1.

"Excess Affordable Unit" means any Affordable Unit which is not an Assigned Unit.

"Excess Companion Unit" means any Companion Unit which is not an Assigned Unit.

"Exempt Property" means all Assessor's Parcels designated as being exempt from Special Taxes in Section O.

"Facilities" means those school facilities (including land, equipment, furniture and technology) and other facilities which the School District is authorized by law to construct, own or operate.

"Final Map" means (i) that portion of a final tract map, parcel map, lot line adjustment, or functionally equivalent map or instrument that creates individual lots for which Building Permits could be issued or (ii) a condominium plan recorded pursuant to California Civil Code Section 1352 that creates individual lots for which Building Permits could be issued. The term "Final Map" will not include any parcel map or subdivision map or a portion thereof that does not create individual lots for which a Building Permit may be issued. The term "Final Map" will not include an interim final map or parcel map approved pursuant to provisions of law authorizing or permitting subdivision of land subject to restrictions requiring further subdivision before Building Permits may be issued.

"Final Map Area" means any of the geographical regions within CFD No. 4 which are shown as Final Map Areas in Exhibit A.

"Final Map Area Special Tax" means the Special Tax of that name as described and calculated in Section F.

"Fiscal Year" means the period commencing on July 1 of any year and ending the following June 30.

"Golf Course Property" means any Assessor's Parcel utilized or expected to be utilized, as determined by the Assistant Superintendent, for golf course purposes, including fairways, greens, driving ranges, tennis facilities, club houses, locker rooms, maintenance facilities, garages, pro shops, restaurants, or banquet facilities.

"Gross Floor Area" or "GFA" means the covered and enclosed space determined to be within the perimeter of a commercial/industrial structure, not including any storage areas incidental to the principal use of the development, garage, parking structure, enclosed walkway, or utility or disposal area, as determined by reference to the building permit application for such Assessor's Parcel.

"Gross Prepayment Amount" means any of the amounts of that name shown in Table 5 below.

"Improved Property" means all Assessor's Parcels for which a Final Map has been recorded and on which one or more Custom Units will be built and for which the

Developer has completed a Certificate of Improved Status, attesting to the completion and acceptance of all necessary infrastructure.

"Index" means the Marshall & Swift Western Region Class D Wood Frame Index, or if the Marshall & Swift Western Region Class D Wood Frame Index ceases to be published, a reasonably comparable index determined by the Board to estimate changes in school construction costs, or in the absence of such an index, the Engineering News Record, Construction Cost Index (Los Angeles Area) published by McGraw-Hill, Inc.

"Inflator" means the greater of (i) two percent (2.00%) or (ii) the percentage generated from the following equation:

$$(4.00\% \text{ H } 14.13\%) + (\text{I Index} \times 85.87\%)$$

For purposes of this calculation, the change in the Index will be measured between the Index published in December of the prior Calendar Year and the Index published in December of the Calendar Year immediately preceding the prior Calendar Year.

"Lot" means an individual legal lot created by a Final Map for which a Building Permit has been or could be issued, provided that land for which one or more Building Permits have been or could be issued for the construction of one or more model Units shall not be construed as a Lot until such land has been subdivided by a Final Map.

"Maximum Annual Special Tax" means the maximum Special Tax that can be levied by CFD No. 4 in any Fiscal Year on any Assessor's Parcel as defined in Section E.

"Minimum Gross Prepayment Amount" or **"MGPA"** means \$15,100.46 per EDU in Calendar Year 2000. In each Calendar Year thereafter, the MGPA will be increased by the Inflator.

"Net Prepayment Amount" means any of the amounts of that name shown in Table 5 below.

"One-Time Special Tax" means the single payment Special Tax which will be paid with respect to an Assessor's Parcel prior to a Building Permit being issued by the City or County for such Assessor's Parcel as shown in Table 3 below.

"Planned Unit" means any of the Units listed on the development plan from which the Assistant Superintendent calculated the Projected Development Block Quotient for a Development Block.

"Prepayment Amount" means the amount required to prepay the Annual Special Tax obligation in full for an Assessor's Parcel, as described in Section L.

"Production Unit" means a Unit which is not an Affordable Unit, a Companion Unit, a Custom Unit, or a Senior Unit.

"Projected Development Block Quotient" means the sum of the EDUs of the Planned Units within a Development Block.

"Projected EDU Deficit" means any of those amounts of that name listed in Table 2 below.

"Projected EDU Surplus" means any of those amounts of that name listed in Table 2 below.

"Projected Final Map Area Quotient" means any of those amounts of that name listed in Table 2 below.

"Proportionately" means that the ratio of the actual Annual Special Tax levy to the applicable Special Tax is equal for all applicable Assessor's Parcels.

"Running EDU Total" means, for each Development Block, that number calculated and updated by the Assistant Superintendent pursuant to Section G.

"Running EDU Total Account" means the account of that name established and maintained by the Assistant Superintendent which will be credited and debited as described in Section G below.

"Senior Unit" means a Unit designated as senior citizen housing, residential care facilities for the elderly, or multi-level care facilities for the elderly as referred to in California Government Code Section 65995.1. For purposes hereof, it will be sufficient to designate units as Senior Citizen Housing if Senior Citizen Restrictions have been effected.

"Senior Citizen Restriction" means (i) a restriction limiting the use of Units to senior citizen housing under the Subarea Plan, a final map or other governmental entitlements, or a declaration of covenants, conditions and restrictions or any similar recorded instrument or (ii) licensing from appropriate agencies received for residential care facilities for the elderly or multi-level care facilities as those terms are defined in Health and Safety Code Section 1569.2 and Government Code Section 15432(d)(9), respectively.

"Special Tax" means any of the special taxes authorized to be levied by CFD No. 4 pursuant to the Act.

"Special Tax Class" means any of the special tax classes listed in Table 1 below.

"Taxable Property" means all Assessor's Parcels within the boundaries of CFD No. 4 which are not exempt from the Special Tax pursuant to law or Section O below.

"Undeveloped Property" means all Taxable Property which is not Developed Property, Improved Property, or Golf Course Property.

"Unit" means each separate residential dwelling unit which comprises an independent facility capable of conveyance separate from adjacent residential dwelling units.

B. CLASSIFICATION OF PROPERTY

1. Classification of Assessor's Parcels by Land Use

Each Fiscal Year, each Assessor's Parcel will be classified as Exempt Property (as described in Section O) or Taxable Property. All Taxable Property will be further classified as Developed Property (i.e., Assessor's Parcels for which a Building Permit was issued on or before January 1 of the prior Fiscal Year); Improved Property (see definition of Improved Property in Section A); Golf Course Property (see definition of Golf Course Property in Section A; or Undeveloped Property (i.e., all other Assessor's Parcels of Taxable Property).

2. Classification of Units by Special Tax Class

Each Unit will be assigned to a Special Tax Class in accordance with Table 1 below. The EDUs for each Unit is also provided in Table 1 below.

Table 1

Special Tax Classes

Special Tax Class	Description	EDU
1	Production Unit (< 1,500 BSF)	0.25
2	Production Unit (1,500 – 2,249 BSF)	0.50
3	Production Unit (2,250 – 2,749 BSF)	0.75
4	Production Unit (2,750 – 3,149 BSF)	0.75
5	Production Unit (3,150 – 3,749 BSF)	0.75
6	Production Unit (3,750 – 4,049 BSF)	0.75
7	Production Unit (4,050 – 4,499 BSF)	0.85
8	Production Unit (4,500 – 4,999 BSF)	1.10
9	Production Unit (5,000 – 5,499 BSF)	1.40
10	Production Unit (5,500 – 5,999 BSF)	1.50
11	Production Unit (6,000 – 6,499 BSF)	1.60
12	Production Unit (6,500 + BSF)	1.80
13	Custom Unit	2.20
14	Assigned Unit	0.00
15	Excess Companion Unit	0.25
16	Excess Affordable Unit	0.00
17	Senior Unit	0.00

3. Classification of Assessor's Parcels by Final Map Area

Each Assessor's Parcel will be assigned to a Final Map Area in accordance with Exhibit A.

The Projected Final Map Area Quotient for each Final Map Area, as shown in Table 2 below, reflects the sum of the EDUs projected to be constructed within such Final Map Area. The Projected EDU Surplus or Projected EDU Deficit, as applicable, for each Final Map Area, as shown in Table 2 below, reflects the extent to which such Final Map Area is expected to subsidize or be subsidized by other Final Map Areas. A Projected EDU Surplus indicates that the Final Map Area is expected to generate more Special Taxes than needed to mitigate its school facilities impact. Conversely, a Projected EDU Deficit indicates that the Final Map Area is expected to generate insufficient Special Taxes to mitigate its school facilities impact. Therefore, a Projected EDU Surplus indicates that the Final Map Area is subsidizing other Final Map Areas while a Projected EDU Deficit indicates that the Final Map Area is being subsidized by other Final Map Areas. For the entire CFD No. 4, the sum of all the Projected EDU Surpluses and Projected EDU Deficits is approximately zero (0). Therefore, as a whole, CFD No. 4 is expected to produce exactly the amount of Special Taxes needed to mitigate its school facilities impact.

Table 2

**Projected Final Map Area Quotients
and Projected EDU Surpluses/(Deficits)**

Final Map Area	Projected Final Map Area Quotient	Projected EDU Surplus/(Deficit) ¹
1	162.30	(56.42)
2	104.85	(16.66)
3	104.25	3.87
4	134.10	24.21
5	41.70	5.77
6	63.80	33.16
7	61.60	32.01
8	55.00	28.58
9	30.80	16.01
10	0.00	0.00
11	48.00	(19.62)
12	47.25	(19.32)
13	55.65	(19.37)
14	56.45	(12.23)
1. These amounts do not sum exactly to zero (0) because of rounding.		

4. Classification of Assessor's Parcels by Development Block

At the recordation of the first Final Map in a Final Map Area, each Assessor's Parcel within such Final Map Area will be assigned to a Development Block (i.e., a geographical region within a Final Map Area that has been sold or is intended to be sold by the Developer to a single purchaser). In most cases, there will be several Development Blocks within a Final Map Area. In all cases, the Development Blocks within a Final Map Area, taken together, will make up the entire Final Map Area.

C. DEVELOPMENT PLAN CALCULATIONS

At or before the recordation of the first Final Map in a Final Map Area, the Developer must provide the Assistant Superintendent with a development plan for each Development Block within such Final Map Area. The development plan must be in a form satisfactory to the Assistant Superintendent and must identify the expected EDUs of each Planned Unit (i.e., each Unit expected to be constructed) in such Development Block. Based upon this information (or, if the Developer fails to provide the required information in a form satisfactory to the Assistant Superintendent, then at his own reasonable discretion), the Assistant Superintendent will calculate for each such Development Block (i) a Projected Development Block Quotient (i.e., the sum of the EDUs of the Planned Units within a Development Block), (ii) an Actual EDU Surplus or Actual EDU Deficit, as applicable (see definitions of Actual EDU Surplus and Actual EDU Deficit in Section A), and (iii) an Actual Final Map Area Quotient (i.e., the sum of the Projected Development Block Quotients).

For each Development Block, the Projected Development Block Quotient will be used in calculating the Development Block Special Taxes, if any, that will be due, as described in Section G. Prior to the issuance of all Bonds, the Actual EDU Surplus or Actual EDU Deficit, as applicable, will be used in calculating the Final Map Area Special Taxes, if any, that will be due for such Final Map Area, as described in Section F. After the issuance of all Bonds, the Actual Final Map Area Quotient will be used in calculating the Final Map Area Special Taxes, if any, that will be due for such Final Map Area, as described in Section F. In addition, prior to the issuance of all Bonds, the Actual EDU Surplus or Actual EDU Deficit, as applicable, will be used in determining the amount, if any, which the Developer's Account must be credited, as described in Section D.

D. DEVELOPER'S ACCOUNT

Prior to the recordation of the first Final Map in CFD No. 4, a Developer's Account will be established, and thereafter will be maintained by the Assistant Superintendent. The Developer's Account will be credited and debited as described below.

1. Credits to Developer's Account

a. Prior to Issuance of All Bonds

Prior to the issuance of all Bonds, as determined by the Assistant Superintendent, CFD No. 4 will credit the Developer's Account at the recordation of the first Final Map within a Final Map Area when an Actual EDU Surplus or Actual EDU Deficit is greater (i.e., more positive) than a Projected EDU Surplus or Projected EDU Deficit. The amount of the credit will be equal to the dollar equivalent of such excess (i.e., unexpectedly positive) EDUs and will be calculated as described below:

Step One: Subtract the Projected EDU Surplus or Projected EDU Deficit, as applicable, from the Actual EDU Surplus or Actual EDU Deficit, as applicable.

Step Two: Multiply the result of the Step One by the Minimum Gross Prepayment Amount in effect at the current Calendar Year. The result is the credit to the Developer's Account.

For convenience, an example of a Developer's Account credit calculation is provided below:

Actual EDU Surplus	4.0
Projected EDU Surplus	2.5
Minimum GPA	\$15,100.46
Credit	= (4.0– 2.5) H \$15,100.46
	= \$22,650.69

b. After Issuance of All Bonds

After the issuance of all Bonds, as determined by the Assistant Superintendent, the Developer's Account will not be credited.

2. Debits to the Developer's Account

a. Debits for Final Map Area Special Taxes

Prior to the issuance of all Bonds, as determined by the Assistant Superintendent, a Final Map Area Special Tax will be due for a Final Map Area when an Actual EDU Surplus or Actual EDU Deficit is less than (i.e., more negative) than a Projected EDU Surplus or Projected EDU Deficit. Similarly, after the issuance of all Bonds, as determined by the Assistant Superintendent, a Final Map Area Special Tax will be due for a Final Map Area when an Actual Final Map Area Quotient is less than a Projected Final Map Area Quotient. Whenever a Final Map Area Special Tax is due, the Developer may debit the Developer's Account to pay for some or all of such Final Map Area Special Tax, provided that the Developer's Account contains sufficient credits to cover such debits. If the balance of the Developer's Account is insufficient to cover such debits at such time, the unsatisfied portion of such Final Map Area Special Tax must be paid in cash.

b. Debits After Final Map Recordations

If credits remain in the Developer's Account after at least one Final Map has been recorded in every Final Map Area, the entire balance of the Developer's Account will be debited, the Developer's Account will be closed, and such balance will be reimbursed to the Developer in cash from the next available Bond proceeds after all other obligations have been satisfied.

c. **Debits After Issuance of All Bonds**

If credits remain in the Developer's Account after the issuance of all Bonds, as determined by the Assistant Superintendent, the entire balance of the Developer's Account will be debited, the Developer's Account will be closed, and such balance will be reimbursed to the Developer in cash from the next available Bond proceeds after all other obligations have been satisfied.

E. **MAXIMUM ANNUAL SPECIAL TAX**

1. **Developed Property**

The Maximum Annual Special Tax for each Assessor's Parcel of Developed Property in each Fiscal Year will be the sum of (i) the Assigned Annual Special Tax and (ii) the amount of any portion of any Special Tax previously levied and not collected with respect to the Assessor's Parcel.

2. **Improved Property**

The Maximum Annual Special Tax for each Assessor's Parcel of Improved Property in each Fiscal Year will be the sum of (i) the Final Map Area Special Tax, (ii) the Development Block Special Tax, (iii) the One-Time Special Tax, and (iv) the greater of (a) the Assigned Annual Special Tax or (b) the Back-Up Annual Special Tax.

3. **Golf Course Property**

The Maximum Annual Special Tax for each Assessor's Parcel of Golf Course Property in each Fiscal Year will be the One-Time Special Tax.

4. **Undeveloped Property**

The Maximum Annual Special Tax for each Assessor's Parcel of Undeveloped Property in each Fiscal Year will be the sum of (i) the Final Map Area Special Tax, (ii) the Development Block Special Tax, (iii) the One-Time Special Tax, and (iv) the Assigned Annual Special Tax.

F. **FINAL MAP AREA SPECIAL TAX**

At the recordation of the first Final Map in a Final Map Area, a Final Map Area Special Tax for the Assessor's Parcels within that Final Map Area will be calculated as described below.

1. **Prior to Issuance of All Bonds**

Prior to the issuance of all Bonds, as determined by the Assistant Superintendent, a Final Map Area Special Tax will be due for a Final Map Area when an Actual EDU Surplus or Actual EDU Deficit is less than (i.e., more negative) than a Projected EDU Surplus or Projected EDU Deficit. The amount of the Final Map

Area Special Tax will be equal to the dollar equivalent of such deficit (i.e., unexpectedly negative) EDUs and will be calculated as described below:

Step One: Subtract the Actual EDU Surplus or Actual EDU Deficit, as applicable, from the Projected EDU Surplus or Projected EDU Deficit, as applicable.

Step Two: Multiply the result of the Step One by the Minimum Gross Prepayment Amount in effect at the current Calendar Year. The result is the Final Map Area Special Tax.

For convenience, an example of a Final Map Area Special Tax calculation prior to the issuance of all Bonds is provided below:

Projected EDU Deficit	(1.5)
Actual EDU Deficit	(3.0)
MGPA	\$15,100.46

Final Map Area Special Taxes	=	$((-1.5) - (-3.0)) \times \$15,100.46$
	=	\$22,650.69

It should be noted that neither locating a Custom Unit on more than one (1) Lot nor combining Lots for the placement of a Custom Unit will necessarily trigger the levy of a Final Map Area Special Tax prior to the issuance of all Bonds. Such occurrences will trigger the levy a Final Map Area Special Tax prior to the issuance of all Bonds only to the extent that they cause the Actual EDU Surplus or Actual EDU Deficit for the applicable Final Map Area to be less than (i.e., more negative) than the Projected EDU Surplus or Projected EDU Deficit for such Final Map Area.

2. After Issuance of All Bonds

After the issuance of all Bonds, as determined by the Assistant Superintendent, a Final Map Area Special Tax will be due for a Final Map Area when an Actual Final Map Area Quotient is less than a Projected Final Map Area Quotient. The amount of the Final Map Area Special Tax will be equal to the dollar equivalent of such deficit (i.e., unexpectedly negative) EDUs and will be calculated as described below:

Step One: Subtract the Actual Final Map Area Quotient from the Projected Final Map Area Quotient.

Step Two: Multiply the result of the Step One by the Minimum Gross Prepayment Amount in effect at the current Calendar Year. The result is the Final Map Area Special Tax.

For convenience, an example of a Final Map Area Special Tax calculation after the issuance of all Bonds is provided below:

Projected Final Map Area Quotient	32.0
Actual Final Map Area Quotient	25.5
MGPA	\$15,100.46

$$\begin{aligned} \text{Final Map Area Special Taxes} &= (32.0 - 25.5) \times \$15,100.46 \\ &= \$98,152.99 \end{aligned}$$

It should be noted that neither locating a Custom Unit located on more than one (1) Lot nor combining Lots for the placement of a Custom Unit will necessarily trigger the levy of a Final Map Area Special Tax after the issuance of all Bonds. Such occurrences will trigger the levy a Final Map Area Special Tax after the issuance of all Bonds to the extent that it is causes the Actual Final Map Area Quotient for the applicable Final Map Area to be less than the Projected Final Map Area Quotient for such Final Map Area.

G. DEVELOPMENT BLOCK SPECIAL TAX

Prior to the issuance of a Building Permit for the construction of a Unit on an Assessor's Parcel, the Development Block Special Tax for such Assessor's Parcel will be calculated as described below.

1. Assignment of Units to Planned Units

Each time a Building Permit is issued for the construction of a Unit, the Assistant Superintendent will assign such Unit to a Planned Unit in such Development Block, provided that no more than one (1) Unit may be assigned to any Planned Unit. In addition, each time a Building Permit is issued for the construction of a Unit, the Assistant Superintendent will update the Running EDU Total for such Development Block. The Assistant Superintendent will perform such assignment and such update as described below.

a. Assignment of Units to Planned Units

The Assistant Superintendent will assign each Unit to a Planned Unit in the following order of priority:

- i. The Assistant Superintendent shall assign the Unit to a Planned Unit with the same number of EDUs as the Unit.
- ii. The Assistant Superintendent shall assign the Unit to a Planned Unit with a lower number of EDUs than the Unit.
- iii. The Assistant Superintendent shall assign the Unit to a Planned Unit with a greater number of EDUs than the Unit.

b. Update of Running EDU Total

The Assistant Superintendent will update the Running EDU Total for each Development Block as follows:

- i. If the Unit is assigned pursuant to Section G.1.a.i. above, then no adjustment shall be made to the Running EDU Total.
- ii. If the Unit is assigned pursuant to Section G.1.a.ii. above, then the Running EDU Total shall be increased by the difference between the EDUs of the Unit and the EDUs of the Planned Unit.
- iii. If the Unit is assigned pursuant to Section G.1.a.iii. above, then the Running EDU Total shall be decreased by the difference between the EDUs of the Planned Unit and the EDUs of the Unit, provided that if such decrease would otherwise reduce the Running EDU Total below zero (0), then the Running EDU Total will be reduced to zero and Development Block Special Tax will be due. In this event, the amount of the Development Block Special Tax will be calculated pursuant to Section G.2 below, and will be paid first by credits in the Running EDU Total Account (see Section G.3. below) to the extent such credits are available, and then, when such credits are not available, in cash, as described in Section G.3.b. below.

It should be noted that a Custom Lot located on more than one (1) Lot will not necessarily trigger the levy a Development Block Special Tax. Such a Custom Unit will only trigger the levy of a Development Block Special Tax to the extent that it reduces the Running EDU Total below zero (0).

2. **Calculation of Development Block Special Tax**

Subject to the foregoing, the Development Block Special Tax with respect to each Building Permit will be equal to the dollar equivalent of the EDU deficit described in Section G.1.B.iii. above and will be calculated as described below:

- Step One: Add the EDUs of the Unit and the Running EDU Total.
- Step Two: Subtract the result of Step One from the EDUs of the Planned Unit.
- Step Three: Multiply the result of the Step One by the Minimum Gross Prepayment Amount in effect at the current Calendar Year. The result is the Development Block Special Tax.

For convenience, an example of a Development Block Special Tax calculation is provided below:

EDUs of Planned Unit:	4.0
EDUs of Unit:	2.0
Running EDU Total	1.0
MGPA	\$15,100.46

Development Block Special Taxes	=	$(4.0 - (2.0 + 1.0))$	H	\$15,100.46
	=	\$15,100.46		

3. Running EDU Total Account

The Assistant Superintendent will establish and maintain a Running EDU Total Account as follows:

a. Credits to Running EDU Total Account

After all the Building Permits expected to be issued within a Development Block have been issued, as determined by the Assistant Superintendent, the Assistant Superintendent will credit Running EDU Total Account in an amount equal to (i) the full amount of the Running EDU Total applicable to such Development Block at such time times (ii) the Minimum Gross Prepayment Amount in effect at such time.

b. Debits to Running EDU Total Account

Whenever a Development Block Special Tax is due, the Assistant Superintendent shall debit the Running EDU Total Account to pay for such Development Block Special Tax, provided that the Running EDU Total Account contains sufficient credits to cover such debits. If the balance of the Running EDU Total Account is insufficient to cover such debits at such time, the unsatisfied portion of such Development Block Special Tax must be paid in cash.

H. ONE-TIME SPECIAL TAX

Prior to the issuance of a Building Permit for any Assessor's Parcel of Undeveloped Property or Improved Property, a One-Time Special Tax will be due. The One-Time Special Tax in each Calendar Year will be calculated in accordance with Table 3 below, subject to adjustment as described below.

Table 3

Calendar Year 2000 One-Time Special Tax

Special Tax Class	Description	CY 2000 One-Time Special Tax
1	Production Unit (< 1,500 BSF)	\$2,000.00 per Unit
2	Production Unit (1,500 – 2,249 BSF)	\$3,444.52 per Unit
3	Production Unit (2,250 – 2,749 BSF)	\$3,927.27 per Unit
4	Production Unit (2,750 – 3,149 BSF)	\$4,768.05 per Unit
5	Production Unit (3,150 – 3,749 BSF)	\$5,445.09 per Unit
6	Production Unit (3,750 – 4,049 BSF)	\$6,242.07 per Unit
7	Production Unit (4,050 – 4,499 BSF)	\$6,857.54 per Unit
8	Production Unit (4,500 – 4,999 BSF)	\$7,674.37 per Unit
9	Production Unit (5,000 – 5,499 BSF)	\$8,320.00 per Unit
10	Production Unit (5,500 – 5,999 BSF)	\$9,198.40 per Unit
11	Production Unit (6,000 – 6,499 BSF)	\$9,998.40 per Unit
12	Production Unit (6,500 + BSF)	\$10,398.40 per Unit
13	Custom Unit	\$13,325.00 per Unit
14	Assigned Unit	\$1,000.00 per Unit
15	Excess Companion Unit	\$2,000.00 per Unit
16	Excess Affordable Unit	\$7,057.21 per Unit
17	Senior Unit	\$0.3314 per BSF
NA	NA	\$0.3314 per GFA

For each Calendar Year after Calendar Year 2000, the One-Time Special Tax will be increased by the Inflator.

I. ASSIGNED ANNUAL SPECIAL TAX

1. Developed Property

The Assigned Annual Special Tax for each Assessor's Parcel of Developed Property in the Fiscal Year in which such Assessor's Parcel is first classified as Developed Property will be calculated in accordance with Table 4 below, subject to adjustment as described below.

Table 4

Fiscal Year 2000-01 Assigned Annual Special Tax

Special Tax Class	Description	FY 2000-01 Assigned Annual Special Tax
1	Production Unit (< 1,500 BSF)	\$239.75 per Unit
2	Production Unit (1,500 – 2,249 BSF)	\$479.50 per Unit
3	Production Unit (2,250 – 2,749 BSF)	\$719.25 per Unit
4	Production Unit (2,750 – 3,149 BSF)	\$719.25 per Unit
5	Production Unit (3,150 – 3,749 BSF)	\$719.25 per Unit
6	Production Unit (3,750 – 4,049 BSF)	\$719.25 per Unit
7	Production Unit (4,050 – 4,499 BSF)	\$815.15 per Unit
8	Production Unit (4,500 – 4,999 BSF)	\$1,054.90 per Unit
9	Production Unit (5,000 – 5,499 BSF)	\$1,342.60 per Unit
10	Production Unit (5,500 – 5,999 BSF)	\$1,438.50 per Unit
11	Production Unit (6,000 – 6,499 BSF)	\$1,534.40 per Unit
12	Production Unit (6,500 + BSF)	\$1,726.20 per Unit
13	Custom Unit	\$2,109.80 per Unit
14	Assigned Unit	\$0.00 per Unit
15	Excess Companion Unit	\$239.75 per Unit
16	Excess Affordable Unit	\$0.00 per Unit
17	Senior Unit	\$0.00 per Unit
NA	NA	\$0.00 per GFA

For Custom Units which are located on more than one (1) Assessor's Parcel, the Assigned Annual Special Tax shall be allocated to each Assessor's Parcel *prorata* based upon the Acreage of each applicable Assessor's Parcel.

For each Fiscal Year after Fiscal Year 2000-01, the Assigned Annual Special Tax for each Assessor's Parcel of Developed Property in the Fiscal Year in which such Assessor's Parcel is first classified as Developed Property will be increased by the Inflator. For each Fiscal Year after the first Fiscal Year in which each Assessor's Parcel was classified as Developed Property, the Assigned Annual Special Tax for such Assessor's Parcel in such Fiscal Year will be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year, provided that no such increase shall occur more than 15 Fiscal Years after the issuance of all Bonds, and in no event shall any such increase occur after Fiscal Year 2030-31.

2. Improved Property

For Fiscal Year 2000-01, the Assigned Annual Special Tax for each Assessor's Parcel of Improved Property will be \$719.25 per Assessor's Parcel. For each Fiscal Year thereafter, the Assigned Annual Special Tax for such Assessor's Parcel will be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year, provided that no such increase shall occur more than 15 Fiscal Years after the issuance of all Bonds, and in no event shall any such increase occur after Fiscal Year 2030-31.

3. Undeveloped Property

For Fiscal Year 2000-01, the Assigned Annual Special Tax for each Assessor's Parcel of Undeveloped Property will be \$2,660.00 per acre of Acreage. For each Fiscal Year thereafter, the Assigned Annual Special Tax for such Assessor's Parcel will be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year, provided that no such increase shall occur more than 15 Fiscal Years after the issuance of all Bonds, and in no event shall any such increase occur after Fiscal Year 2030-31.

J. BACK-UP ANNUAL SPECIAL TAX FOR IMPROVED PROPERTY

Backup-Annual Special Taxes are required in order to ensure that CFD No. 4 will be able to levy a sufficient amount of Annual Special Taxes to satisfy the Annual Special Tax Requirement in the event that development plans change significantly after the issuance of Bonds. Annual Special Taxes will be levied pursuant to the third step of Section K only to the extent necessary to satisfy the Annual Special Tax Requirement.

For Fiscal Year 2000-01, the Back-Up Annual Special Tax for each Assessor's Parcel of Improved Property will be \$2,660.00 per acre of Acreage, provided that no Back-Up Annual Special Tax shall be in effect (i) prior to the issuance of Bonds or (ii) after the issuance of all Bonds. Subject to the foregoing, for each Fiscal Year after Fiscal Year 2000-01, the Back-Up Annual Special Tax for such Assessor's Parcel will be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year.

K. METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX

Commencing Fiscal Year 2001-02 and for each subsequent Fiscal Year, the Assistant Superintendent will determine the Annual Special Tax Requirement to be collected from Taxable Property in such Fiscal Year. The Special Tax will be levied as follows until the amount of the levy equals the Annual Special Tax Requirement:

First: The Annual Special Tax will be levied on each Assessor's Parcel of Developed Property and Improved Property at the Assigned Annual Special Tax.

Second: If the sum of the amounts levied on Assessor's Parcels in the first step is less than the Annual Special Tax Requirement, then an Annual Special Tax will be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to the Assigned Annual Special Tax to satisfy the Annual Special Tax Requirement.

Third: If the sum of the amounts levied on Assessor's Parcels in the first and second step is less than the Annual Special Tax Requirement, then the Annual Special Tax on each Assessor's Parcel of Improved Property shall be increased Proportionately up to the Back-Up Annual Special Tax to satisfy the Annual Special Tax Requirement.

L. PREPAYMENT OF ANNUAL SPECIAL TAX OBLIGATION

If there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to an Assessor's Parcel, the Annual Special Tax obligation of an Assessor's Parcel for which a Building Permit has been issued may be prepaid in full in the manner described below. An owner of an Assessor's Parcel intending to prepay the Annual Special Tax obligation shall provide CFD No. 4 with written notice of intent to prepay. Within thirty (30) days of receipt of such written notice, the Assistant Superintendent shall determine the Prepayment Amount of such Assessor's Parcel as described below and shall notify such owner of such Prepayment Amount.

1. Prior to Issuance of All Bonds

Prior to the issuance of all Bonds, as determined by the Assistant Superintendent, the Prepayment Amount for an eligible Assessor's Parcel shall be the applicable Net Prepayment Amount less any Partial Prepayment Amounts actually made with respect to such Assessor's Parcel. Table 5 below shows the Net Prepayment Amounts applicable in Calendar Year 2000. For convenience, Table 5 below also shows the derivation of each Net Prepayment Amount, which was determined by subtracting the applicable One-Time Special Tax from the applicable Gross Prepayment Amount.

TABLE 5

Calendar Year 2000 Net Prepayment Amounts

Special Tax Class	CY 2000 Gross Prepayment Amount	CY 2000 One-Time Special Tax	CY 200 Net Prepayment Amount
1	\$15,955.43 per Unit	\$2,000.00 per Unit	\$13,955.43 per Unit
2	\$15,955.43 per Unit	\$3,444.52 per Unit	\$12,510.91 per Unit
3	\$15,955.43 per Unit	\$3,927.27 per Unit	\$12,028.16 per Unit
4	\$15,955.43 per Unit	\$4,768.05 per Unit	\$11,187.38 per Unit
5	\$15,955.43 per Unit	\$5,445.09 per Unit	\$10,510.34 per Unit
6	\$15,955.43 per Unit	\$6,242.07 per Unit	\$9,713.37 per Unit
7	\$15,955.43 per Unit	\$6,857.54 per Unit	\$9,097.89 per Unit
8	\$16,945.50 per Unit	\$7,674.37 per Unit	\$9,271.13 per Unit
9	\$20,119.62 per Unit	\$8,320.00 per Unit	\$11,799.62 per Unit
10	\$21,840.85 per Unit	\$9,198.40 per Unit	\$12,642.45 per Unit
11	\$23,483.68 per Unit	\$9,998.40 per Unit	\$13,485.28 per Unit
12	\$25,569.34 per Unit	\$10,398.40 per Unit	\$15,170.94 per Unit
13	\$31,867.26 per Unit	\$13,325.00 per Unit	\$18,542.26 per Unit
14	\$1,000.00 per Unit	\$1,000.00 per Unit	\$0.00 per Unit
15	\$15,955.43 per Unit	\$2,000.00 per Unit	\$13,955.43 per Unit
16	\$7,057.21 per Unit	\$7,057.21 per Unit	\$0.00 per Unit
17	\$0.3314 per BSF	\$0.3314 per BSF	\$0.00 per Unit

For each Calendar Year after Calendar Year 2000, the Net Prepayment Amounts will be increased by the Inflator.

2. After Issuance of All Bonds

After the issuance of all Bonds, as determined by the Assistant Superintendent, the Prepayment Amount for each eligible Assessor's Parcel shall be the amount calculated as shown below.

Bond Redemption Amount	
plus	Redemption Premium
plus	Defeasance
plus	Administrative Fee
<u>less</u>	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the date of prepayment, the Prepayment Amount shall be calculated as follows:

1. Divide the Assigned Annual Special Tax for the Assessor's Parcel by the estimated Assigned Annual Special Taxes applicable to all Assessor's Parcels of Developed Property at buildout, as reasonably determined by the Assistant Superintendent.
2. Multiply the result of paragraph 1 above by the principal amount of Bonds outstanding. The result is the "Bond Redemption Amount."
3. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the outstanding Bonds to be redeemed with the proceeds of the Bond Redemption Amount. This product is the "Redemption Premium."
4. Compute the amount needed to pay interest on the Bond Redemption Amount, the Redemption Premium, and the Reserve Fund Credit (see step 8) to be redeemed with the proceeds of the Prepayment Amount until the earliest call date for the outstanding Bonds.
5. Estimate the amount of interest earnings to be derived from the reinvestment of the Bond Redemption Amount plus the Redemption Premium until the earliest call date for the outstanding Bonds.
6. Subtract the amount computed pursuant to paragraph 5 from the amount computed pursuant to paragraph 4. This difference is the "Defeasance."
7. Estimate the administrative fees and expenses associated with the prepayment, including the costs of computation of the Prepayment Amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption. This amount is the "Administrative Fee."
8. Determine the lesser of: (a) the expected reduction in the applicable reserve requirement, if any, associated with the redemption of outstanding Bonds as a result of the prepayment, or (b) the amount derived by

subtracting the new reserve requirement in effect after the redemption of outstanding Bonds as a result of the prepayment from the balance in the applicable reserve fund on the prepayment date. If the result is greater than zero, then the result is the "Reserve Fund Credit." If the result is less than zero, then no Reserve Fund Credit shall be given.

9. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Defeasance, and the Administrative Fee, less the Reserve Fund Credit.

Notwithstanding any of the foregoing, no prepayment will be allowed unless the sum of the Assigned Annual Special Taxes applicable to Taxable Property, net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year.

M. PARTIAL PREPAYMENT OF ANNUAL SPECIAL TAX OBLIGATION

Prior to the issuance of the first Building Permit in a Development Block, the owner of all the Assessor's Parcels in the Development Block may elect to prepay a portion of the applicable Annual Special Tax obligation for all the Assessor's Parcels in such Development Block. The owner desiring such a partial prepayment shall notify the Assistant Superintendent of (i) such owner's intent to partially prepay the Annual Special Tax obligation and (ii) the percentage by which the Annual Special Tax obligation shall be prepaid. The partial prepayment of the Annual Special Tax obligation for each such Assessor's Parcel shall be collected prior to the issuance of a Building Permit.

The Partial Prepayment Amount shall be calculated as follows:

$$PP = P_L H F$$

These terms have the following meanings:

PP = the Partial Prepayment Amount

P_L = the Prepayment Amount calculated according to Section L

F = the percent by which the owner of the Assessor's Parcel is partially prepaying the Annual Special Tax obligation

With respect to an Annual Special Tax obligation that is partially prepaid, the Assistant Superintendent shall indicate in the records of CFD No. 4 that there has been a partial prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such partial prepayment of the Annual Special Tax obligation to indicate the partial prepayment of the Annual Special Tax obligation and the partial release of the Annual Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Annual Special Tax obligation shall cease.

Notwithstanding any of the foregoing, no prepayment will be allowed unless the sum of the Assigned Annual Special Taxes applicable to Taxable Property, net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year.

N. TERMINATION OF ANNUAL SPECIAL TAX

The Annual Special Tax will be levied no later than Fiscal Year 2045-46, provided that the Annual Special Tax will cease to be levied in an earlier Fiscal Year if the Assistant Superintendent has determined that (i) all required interest and principal payments on all issued Bonds have been paid and (ii) CFD No. 4 will issue no additional Bonds.

O. EXEMPTIONS

The Assistant Superintendent will classify as Exempt Property (i) properties owned by the State of California, Federal or other local governments except as otherwise provided in Sections 53317.3, 53317.5 and 53340.1 of the Government Code, (ii) properties used as places of worship and which are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) properties owned or designated for use by a homeowners' association, (iv) properties encumbered with public or utility or access easements making impractical their utilization for purposes other than those set forth in the easement, or (v) other properties not used or expected not to be used for commercial/industrial or residential use, as determined at the reasonable discretion of the Assistant Superintendent, provided that no such classification would reduce the Acreage of Taxable Property to less than 522.44 acres.

P. APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Assistant Superintendent not later than one (1) Calendar Year after having paid the first installment of the Special Tax that is disputed. The Assistant Superintendent will promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the Assistant Superintendent's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund will not be made (except for the last Fiscal Year of levy), but an adjustment will be made to the Annual Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).

Q. MANNER OF COLLECTION

1. Final Map Area Special Taxes

The Final Map Area Special Tax applicable to a Final Map Area, if any, will be due prior to the issuance of the first Building Permit in such Final Map Area, and shall be levied *pro rata* on each Assessor's Parcel of Taxable Property within such Final Map Area based upon the Acreage of such Assessor's Parcels. Notwithstanding the foregoing, the Assistant Superintendent shall give the

Developer written notice of the amount of the Final Map Area Special Tax due at least fifteen (15) days prior to enrolling such Final Map Area Special Tax with the County, provided that the first Building Permit is issued in such Final Map Area at least thirty (30) days prior to the due date for enrolling Special Taxes with the County, and if such written notice is given, then the Developer shall have ten (10) days to pay the Final Map Area Special Taxes before the Assistant Superintendent may enroll the Final Map Area Special Taxes with the County. Moreover, notwithstanding the foregoing, no Building Permits will be issued in such Final Map Area until all Final Map Area Special Taxes which are due for such Final Map Area are paid.

2. Development Block Special Taxes

Development Block Special Taxes due for any Assessor's Parcel in a Final Map Area will be due prior to the issuance of the first Building Permit for such Assessor's Parcel. No Building Permits will be issued for any Assessor's Parcels in such Final Map Area until such Development Block Special Taxes are paid.

3. One-Time Special Taxes

One-Time Special Taxes due for any Assessor's Parcel will be due prior to the issuance of the applicable Building Permit for such Assessor's Parcel.

4. Annual Special Taxes

The Annual Special Taxes will be collected in the same manner and at the same time as regular *ad valorem* property taxes, provided, however, that Annual Special Taxes may be collected at a different time or in a different manner if necessary to meet its financial obligations.

FIRST AMENDED RATE AND METHOD OF APPORTIONMENT FOR COMMUNITY FACILITIES DISTRICT NO. 12 OF POWAY UNIFIED SCHOOL DISTRICT

The following sets forth the First Amended Rate and Method of Apportionment for the levy and collection of Special Taxes of Poway Unified School District ("School District") Community Facilities District No. 12 ("CFD No. 12"). An Annual Special Tax shall be levied on and collected in CFD No. 12 each Fiscal Year, in an amount determined through the application of the First Amended Rate and Method of Apportionment described below. All of the real property in CFD No. 12, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

SECTION A DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map or as calculated from the applicable Assessor's Parcel Map by the Board.

"Act" means the Mello-Roos Communities Facilities Act of 1982 as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means any ordinary and necessary expense incurred by the School District on behalf of CFD No. 12 related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes including the expenses of collecting delinquencies, the administration of Bonds, the payment of salaries and benefits of any School District employee whose duties are directly related to the administration of CFD No. 12, and costs otherwise incurred in order to carry out the authorized purposes of CFD No. 12.

"Affordable Unit" means any of up to 42 Units in CFD No. 12 designated as Affordable Units in writing to the Deputy Superintendent at the Developer's election at the time the applicable Building Permit is issued, provided that each such Unit is (i) subject to affordable housing restrictions under any applicable law and (ii) not a Senior Citizen Unit. Under no circumstances may the Developer designate more than 42 Units as Affordable Units in CFD No. 12.

"Annual Special Tax" means the Special Tax actually levied in any Fiscal Year on any Assessor's Parcel.

"Assessor's Parcel" means a lot or parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel Number within the boundaries of CFD No. 12.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means that number assigned to an Assessor's Parcel by the County for purposes of identification.

"Assigned Annual Special Tax" means the Special Tax of that name described in Section D.

"Attached Unit" means a Unit that (i) is located or shall be located within a building in which each of the individual Units has or shall have at least one common wall with another Unit and (ii) is not an Affordable Unit or a Senior Citizen Unit.

"Backup Annual Special Tax" means the Special Tax of that name described in Section E.

"Board" means the Board of Education of Poway Unified School District, or its designee, acting as the Legislative Body of CFD No. 12.

"Bonds" means any obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which Special Taxes have been pledged by CFD No. 12 or the School District.

"Building Permit" means a permit for the construction of one or more Units. For purposes of this definition, "Building Permit" shall not include permits for construction or installation of commercial/industrial structures, parking structures, retaining walls, utility improvements, or other such improvements not intended for human habitation.

"Building Square Footage" or "BSF" means the square footage of assessable internal living space of a Unit, exclusive of any carports, walkways, garages, overhangs, patios, enclosed patios, detached accessory structure, or other structures not used as living space, as determined by reference to the Building Permit for such Unit.

"Calendar Year" means the period commencing January 1 of any year and ending the following December 31.

"CFD No. 12" means Community Facilities District No. 12 established by the School District under the Act.

Commercial/Industrial Building" means all Assessor's Parcels in CFD No. 12 for which a building permit was issued on or before January 1 of the prior Fiscal Year for the construction of a commercial/industrial structure, excluding utility improvements, retaining walls, parking structures or other such improvements not intended for commercial/industrial use.

"County" means the County of San Diego.

"Deputy Superintendent" means the Deputy Superintendent of the School District or his/her designee.

"Detached Unit" means a Unit that is not an Attached Unit, an Affordable Unit, or a Senior Citizen Unit.

"Developed Property" means all Assessor's Parcels of Taxable Property for which Building Permits were issued on or before January 1 of the prior Fiscal Year, provided that such Assessor's Parcel is associated with a Lot, as determined reasonably by the Board.

"Developer" means Shea Homes, a California limited partnership and its successors and assigns, as applicable.

"Exempt Property" means all Assessor's Parcels designated as being exempt from Special Taxes in Section J.

"Final Map" means a final tract map, parcel map, lot line adjustment, or functionally equivalent map or instrument that creates building sites, recorded in the County Office of the Recorder.

"Fiscal Year" means the period commencing on July 1 of any year and ending the following June 30.

"Golf Course Property" means any Assessor's Parcel utilized or expected to be utilized, as determined by the Deputy Superintendent, for golf course purposes, including fairways, greens, driving ranges, tennis facilities, club houses, locker rooms, maintenance facilities, garages, pro shops, restaurants, or banquet facilities.

"Gross Floor Area" or "GFA" means, for an Assessor's Parcel of Commercial/Industrial Property, the covered and enclosed space determined to be within the perimeter of a commercial or industrial structure, not including any storage areas incidental to the principal use of the development, garage, parking structure, unenclosed walkway, or utility or disposal area, as used in Section 65995 of the Government Code. The determination of Gross Floor Area shall be made by the Deputy Superintendent in accordance with the standard practice of the building department of the City.

"Gross Prepayment Amount" means the Prepayment Amount for an Assessor's Parcel prior to Bonds being issued by CFD No. 12, as determined in accordance with Section G.

"Index" means the Marshall & Swift Western Region Class D Wood Frame Index, or if the Marshall & Swift Western Region Class D Wood Frame Index ceases to be used by the State Allocation Board, a reasonably comparable index used by the State Allocation Board to estimate changes in school construction costs, or in the absence of such an index, the Engineering News Record, Construction Cost Index (Los Angeles Area) published by McGraw-Hill, Inc.

"Inflator" means the greater of (i) 2.00% or (ii) the percentage generated from the following equation: $4.00\% \times 17.45\% + \Delta \text{ Index} \times 82.55\%$, where $\Delta \text{ Index}$ is the change in the Index as measured between the Index published in December of the prior Calendar Year and the Index published in December of the Calendar Year immediately preceding the prior Calendar Year.

"Lot" means an individual legal lot created by a Final Map for which a Building Permit could be issued.

"Maximum Special Tax" means the Maximum Special Tax, determined in accordance with Section C, that can be levied by CFD No. 12 in any Fiscal Year on any Assessor's Parcel.

"Minimum Annual Special Tax Requirement" means the amount required in any Fiscal Year to pay: (i) the debt service or the periodic costs on all outstanding Bonds, (ii) Administrative Expenses of CFD No. 12, (iii) the costs associated with the release of funds from an escrow account, and (iv) any amount required to establish or replenish any reserve funds established in association with the Bonds, less (v) any amount available to pay debt service or other periodic costs on the Bonds pursuant to any applicable bond indenture, fiscal agent agreement, or trust agreement.

"Minimum Taxable Acreage" means, for either Zone, the applicable Acreage listed in Table 4.

"Partial Prepayment Amount" means the amount required to prepay a portion of the Annual Special Tax obligation for an Assessor's Parcel, as described in Section H.

"Prepayment Amount" means the amount required to prepay the Annual Special Tax obligation in full for an Assessor's Parcel, as described in Section G.

"Proportionately" means that the ratio of the actual Annual Special Tax levy to the applicable Special Tax is equal for all applicable Assessor's Parcels.

"Residential Property" means all Assessor's Parcels of Developed Property for which the Building Permit was issued for the construction of one or more Units.

"School District" means Poway Unified School District.

"Senior Citizen Unit" means a Unit designated as senior citizen housing, part of a residential care facility for the elderly, or part of a multi-level care facility for the elderly as referred to in California Government Code Section 65995.1. For purposes hereof, it shall be sufficient to designate a Unit as a Senior Citizen Unit if Senior Citizen Restrictions have been affected with respect to such Unit.

"Senior Citizen Restriction" means (i) a restriction limiting the use of Units to senior citizen housing under specific plan, a final map or other governmental entitlements, or a declaration of covenants, conditions and restrictions or any similar recorded instrument or (ii) licensing from appropriate agencies received for residential care facilities for the elderly or multi-level care facilities as those terms are defined in Health and Safety Code Section 1569.2 and Government Code Section 15432(d)(9), respectively.

"Special Tax" means any of the special taxes authorized to be levied by CFD No. 12 pursuant to the Act.

"Taxable Property" means all Assessor's Parcels which are not Exempt Property.

"Undeveloped Property" means all Assessor's Parcels of Taxable Property which are not Developed Property.

"Unit" means each separate residential dwelling unit which comprises an independent facility capable of conveyance separate from adjacent residential dwelling units. Each Unit shall be classified as an Affordable Unit, an Attached Unit, a Detached Unit, or a Senior Citizen Unit.

"Zone" means the areas identified as a Zone in Exhibit A to this Rate and Method of Apportionment.

"Zone 1" means all property located within the area identified as Zone 1 in Exhibit A to this Rate and Method of Apportionment, subject to interpretation by the Board as described in Section B.

"Zone 2" means all property located within the area identified as Zone 2 in Exhibit A to this Rate and Method of Apportionment, subject to interpretation by the Board as described in Section B.

"Zone 3" means all property located within the area identified as Zone 3 in Exhibit A to this Rate and Method of Apportionment, subject to interpretation by the Board as described in Section B.

"Zone 4" means all property located within the area identified as Zone 4 in Exhibit A to this Rate and Method of Apportionment, subject to interpretation by the Board as described in Section B.

SECTION B CLASSIFICATION OF ASSESSOR'S PARCELS

Each Fiscal Year, beginning with Fiscal Year 2001-02, each Assessor's Parcel shall be classified as Taxable Property or Exempt Property. In addition, each Assessor's Parcel of Taxable Property shall be further classified as Developed Property or Undeveloped Property. Finally, in the event that CFD No. 12 is required to levy the Backup Annual Special Tax in a given Fiscal Year, each Assessor's Parcel of Developed Property shall be assigned to a Zone in accordance with Exhibit A at the reasonable discretion of the Board.

SECTION C MAXIMUM SPECIAL TAXES

1. Developed Property

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property in any Fiscal Year shall be the amount determined by the greater of (i) the application of the Assigned Annual Special Tax or (ii) the application of the Backup Annual Special Tax.

2. Undeveloped Property

The Maximum Special Tax for each Assessor's Parcel classified as Undeveloped Property in any Fiscal Year shall be the amount determined by the application of the Assigned Annual Special Tax.

SECTION D ASSIGNED ANNUAL SPECIAL TAXES

1. Developed Property

Each Fiscal Year, each Assessor's Parcel of Developed Property shall be subject to an Assigned Annual Special Tax. The Assigned Annual Special Tax applicable to an Assessor's Parcel of Developed Property for Fiscal Year 2001-02 shall be determined pursuant to Table 1.

TABLE 1

**ASSIGNED ANNUAL SPECIAL TAX FOR
DEVELOPED PROPERTY
FISCAL YEAR 2001-02**

Unit Type	Building Square Feet	Rate
Detached	> 3,750 BSF	\$2,012.48 per Unit
Detached	3,501 – 3,750 BSF	\$1,876.68 per Unit
Detached	3,251 – 3,500 BSF	\$1,740.88 per Unit
Detached	3,001 – 3,250 BSF	\$1,605.09 per Unit
Detached	2,751 – 3,000 BSF	\$1,469.29 per Unit
Detached	2,501 – 2,750 BSF	\$1,333.49 per Unit
Detached	2,251 – 2,500 BSF	\$1,116.21 per Unit
Detached	2,001 – 2,250 BSF	\$989.46 per Unit
Detached	1,751 – 2,000 BSF	\$862.72 per Unit
Detached	1,501 – 1,750 BSF	\$735.97 per Unit
Detached	≤ 1,500 BSF	\$609.23 per Unit
Attached	NA	\$609.23 per Unit
Affordable	NA	\$0.00 per Unit
Senior Citizen	NA	\$0.00 per Unit

For each Fiscal Year after Fiscal Year 2001-02, the Assigned Annual Special Tax for each Assessor's Parcel of Developed Property in the Fiscal Year in which such Assessor's Parcel is first classified as Developed Property will be increased by the Inflator. For each Fiscal Year after the first Fiscal Year in which each Assessor's Parcel was classified as Developed Property, the Assigned Annual Special Tax for such Assessor's Parcel in such Fiscal Year will be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year.

2. Undeveloped Property

Each Fiscal Year, each Assessor's Parcel of Undeveloped Property shall be subject to an Assigned Annual Special Tax. The Assigned Annual Special Tax rate for an Assessor's Parcel of Undeveloped Property for Fiscal Year 2001-02 shall be \$8,238.00 per acre of Acreage. For each Fiscal Year thereafter, the Special Tax rate for Undeveloped property shall be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year.

SECTION E
BACKUP ANNUAL SPECIAL TAXES

The Backup Annual Special Tax for an Assessor's Parcel of Developed Property for each Zone in Fiscal Year 2001-02 shall be determined pursuant to Table 2. For each Fiscal Year after Fiscal Year 2001-02, the Backup Annual Special Tax for each Assessor's Parcel of Developed Property shall increase by two percent (2.00%) of the amount in effect in the prior Fiscal Year.

TABLE 2

BACKUP ANNUAL SPECIAL TAX

Zone	Backup Annual Special Tax
Zone 1	\$2,227.58 per acre of Acreage
Zone 2	\$5,732.71 per acre of Acreage
Zone 3	\$9,533.35 per acre of Acreage
Zone 4	\$11,705.42 per acre of Acreage

SECTION F
METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX

Commencing Fiscal Year 2001-02 and for each subsequent Fiscal Year, the Board shall levy Annual Special Taxes as follows:

- Step One: The Board shall levy an Annual Special Tax on each Assessor's Parcel of Developed Property in an amount equal to the Assigned Annual Special Tax applicable to each such Assessor's Parcel.
- Step Two: If the sum of the amounts collected in step one is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Board shall additionally levy an Annual Special Tax Proportionately on each Assessor's Parcel of Undeveloped Property, up to the Assigned Annual Special Tax applicable to each such Assessor's Parcel, to satisfy the Minimum Annual Special Tax Requirement.
- Step Three: If the sum of the amounts collected in steps one and two is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Board shall additionally levy an Annual Special Tax Proportionately on each Assessor's Parcel of Developed Property up to the Maximum Special Tax applicable to each such Assessor's Parcel to satisfy the Minimum Annual Special Tax Requirement.

SECTION G PREPAYMENT OF ANNUAL SPECIAL TAXES

The Annual Special Tax obligation of an Assessor's Parcel of Developed Property or an Assessor's Parcel of Undeveloped Property for which a Building Permit has been issued may be prepaid in full, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Annual Special Tax obligation would be prepaid. The Prepayment Amount for an Assessor's Parcel eligible for prepayment shall be determined as described below.

1. Prior to Issuance of Bonds

Prior to the issuance of Bonds, the Prepayment Amount for each Assessor's Parcel of Developed Property and each Assessor's Parcel of Undeveloped Property for which a Building Permit has been issued shall be the applicable Gross Prepayment Amount. The Gross Prepayment Amount for Fiscal Year 2001-02 shall be determined by reference to Table 3, subject to adjustment as described below.

TABLE 3
**GROSS PREPAYMENT AMOUNTS PRIOR
TO THE ISSUANCE OF BONDS
FISCAL YEAR 2001-02**

Unit Type	Building Square Feet	Prepayment Amount
Detached	> 3,750 BSF	\$25,511.78 per Unit
Detached	3,501 – 3,750 BSF	\$23,810.99 per Unit
Detached	3,251 – 3,500 BSF	\$22,110.21 per Unit
Detached	3,001 – 3,250 BSF	\$20,409.42 per Unit
Detached	2,751 – 3,000 BSF	\$18,708.64 per Unit
Detached	2,501 – 2,750 BSF	\$17,007.85 per Unit
Detached	2,251 – 2,500 BSF	\$17,007.85 per Unit
Detached	2,001 – 2,250 BSF	\$17,007.85 per Unit
Detached	1,751 – 2,000 BSF	\$17,007.85 per Unit
Detached	1,501 – 1,750 BSF	\$17,007.85 per Unit
Detached	≤ 1,500 BSF	\$17,007.85 per Unit
Attached	NA	\$7,552.70 per Unit
Affordable	NA	\$0.00 per Unit
Senior Citizen	NA	\$0.00 per Unit

Each Fiscal Year, commencing Fiscal Year 2002-03, the Gross Prepayment Amounts shall be increased by the Inflation. For each Fiscal Year after the first Fiscal Year in which each Assessor's Parcel was classified as Developed Property, the Gross Prepayment Amount for such Assessor's Parcel in such Fiscal Year will be increased by two percent (2.00%) of the amount in effect in the prior Fiscal Year.

2. **Subsequent to Issuance of Bonds**

Subsequent to the issuance of Bonds, the Prepayment Amount for each applicable Assessor's Parcel shall be calculated according to the following formula (capitalized terms defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Defeasance
plus	Administrative Fee
less	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the date of prepayment, the Prepayment Amount shall be calculated as follows:

1. For Assessor's Parcels of Developed Property, compute the sum of the Assigned Annual Special Taxes and the Backup Annual Special Taxes applicable to the Assessor's Parcel. For Assessor's Parcels of Undeveloped Property, compute the sum of the Assigned Annual Special Taxes and the Backup Annual Special Taxes applicable to the Assessor's Parcel as though it was already designated as Developed Property, based upon the Building Permit issued for that Assessor's Parcel.
2. For each Assessor's Parcel of Developed Property or Undeveloped Property to be prepaid, (a) divide the sum of the Assigned Annual Special Taxes computed pursuant to paragraph 1 for such Assessor's Parcel by the sum of the estimated Assigned Annual Special Taxes applicable to all Assessor's Parcels of Developed Property at build out, as reasonably determined by the Board, and (b) divide the sum of Backup Annual Special Tax computed pursuant to paragraph 1 for such Assessor's Parcel by the sum of the estimated Backup Annual Special Taxes applicable to all Assessor's Parcels of Developed Property at build out, as reasonably determined by the Board.
3. The amount determined pursuant to Section G.1. shall be (a) increased by the portion of the Bonds allocable to costs of issuance, reserve fund deposits, and capitalized interest with respect to the applicable Assessor's Parcel and (b) reduced by the amount of regularly retired principal which is allocable to the applicable Assessor's Parcel, as determined by the Board. The result is the "Outstanding Gross Prepayment Amount." In no event shall any Annual Special Taxes determined to have been used to make a regularly scheduled principal payment on the Bonds be adjusted for any increase in any cost index or other basis subsequent to the date of the applicable principal payment.

4. Multiply the larger quotient computed pursuant to paragraph 2(a) or 2(b) by the

face value of all outstanding Bonds. If the product is greater than the Outstanding Gross Prepayment Amount, then the product shall be the "Bond Redemption Amount." If the product is less than the Outstanding Gross Prepayment Amount, then the Outstanding Gross Prepayment Amount shall be the "Bond Redemption Amount."

5. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the outstanding Bonds to be redeemed with the proceeds of the Bond Redemption Amount. This product is the "Redemption Premium."
6. Compute the amount needed to pay interest on the Bond Redemption Amount, the Redemption Premium, and the Reserve Fund Credit (see step 10) to be redeemed with the proceeds of the Prepayment Amount until the earliest call date for the outstanding Bonds.
7. Estimate the amount of interest earnings to be derived from the reinvestment of the Bond Redemption Amount plus the Redemption Premium until the earliest call date for the outstanding Bonds.
8. Subtract the amount computed pursuant to paragraph 7 from the amount computed pursuant to paragraph 6. This difference is the "Defeasance."
9. Estimate the administrative fees and expenses associated with the prepayment, including the costs of computation of the Prepayment Amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption. This amount is the "Administrative Fee."
10. Calculate the "Reserve Fund Credit" as the lesser of: (a) the expected reduction in the applicable reserve requirements, if any, associated with the redemption of outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirements in effect after the redemption of outstanding Bonds as a result of the prepayment from the balance in the applicable reserve funds on the prepayment date. Notwithstanding the foregoing, if a surety bond or other instrument satisfies the reserve fund requirement at the time of the prepayment, then no Reserve Fund Credit shall be given. Notwithstanding the foregoing, the Reserve Fund Credit shall in no event be less than 0.
11. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Defeasance, and the Administrative Fee, less the Reserve Fund Credit.

With respect to an Annual Special Tax obligation that is prepaid pursuant to this Section G, the Board shall indicate in the records of CFD No. 12 that there has been a prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such prepayment to indicate the prepayment of the Annual Special Tax obligation and the release of the Annual Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such Annual Special Taxes shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Annual Special Taxes that may be levied on Taxable Property, net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year, as reasonably determined by the Board.

SECTION H

PARTIAL PREPAYMENT OF ANNUAL SPECIAL TAXES

The Annual Special Tax obligation of an Assessor's Parcel, as calculated in Section H.2. below, may be partially prepaid at the times and under the conditions set forth in this section, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Annual Special Tax obligation would be prepaid.

1. Partial Prepayment Times and Conditions

Prior to the issuance of the first Building Permit for the construction of a production Unit on a Lot within a Final Map area, the owner of no less than all the Taxable Property within such Final Map area may elect in writing to the Board to prepay a portion of the Annual Special Tax obligations for all the Assessor's Parcels within such Final Map area, as calculated in Section H.2. below. The partial prepayment of each Annual Special Tax obligation shall be collected prior to the issuance of the first Building Permit with respect to each Assessor's Parcel.

2. Partial Prepayment Amount

The Partial Prepayment Amount shall be calculated according to the following formula:

$$PP = P_G \times F$$

The terms above have the following meanings:

PP = the Partial Prepayment Amount

P_G = the Prepayment Amount calculated according to Section G

F = the percent by which the owner of the Assessor's Parcel is partially prepaying the Annual Special Tax obligation.

3. Partial Prepayment Procedures and Limitations

With respect to any Assessor's Parcel that is partially prepaid, the Board shall indicate in the records of CFD No. 12 that there has been a partial prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such partial prepayment of the Annual Special Tax obligation, to indicate the partial prepayment of the Annual Special Tax obligation and the partial

release of the Annual Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Annual Special Tax shall cease.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Annual Special Taxes that may be levied on Taxable Property after such partial prepayment, net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year.

SECTION I TERMINATION OF SPECIAL TAX

Annual Special Taxes shall be levied for a period of thirty-three (33) Fiscal Years after the last series of Bonds has been issued, as determined by the Board, provided that Annual Special Taxes shall not be levied after Fiscal Year 2042-43.

SECTION J EXEMPTIONS

The Board shall classify as Exempt Property (i) Assessor's Parcels owned by the State of California, Federal or other local governments, (ii) Assessor's Parcels which are used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) Assessor's Parcels used exclusively by a homeowners' association, (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, (v) Assessor's Parcels classified as Golf Course Property or containing a Commercial/Industrial Building with no Units, and (vi) any other Assessor's Parcels at the reasonable discretion of the Board, provided that no such classification would reduce the sum of all Developed Property and Undeveloped Property in such Zone to less than the Minimum Taxable Acreage. Notwithstanding the above, the Board shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of all Taxable Property in such Zone to less than the Minimum Taxable Acreage. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property in such Zone to less than the Minimum Taxable Acreage will continue to be classified as Developed Property or Undeveloped Property, as applicable, and will continue to be subject to Special Taxes accordingly.

TABLE 4

MINIMUM TAXABLE ACREAGE

Zone	Minimum Taxable Acreage
Zone 1	110.43
Zone 2	21.45
Zone 3	18.13
Zone 4	31.61

SECTION K APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Board not later than twelve months after having paid the first installment of the Special Tax that is disputed. A representative(s) of CFD No. 12 shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the representative's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the Annual Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).

SECTION L MANNER OF COLLECTION

The Annual Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes, provided, however, that CFD No. 12 may collect Annual Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

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FIRST AMENDED RATE AND METHOD OF APPORTIONMENT FOR COMMUNITY FACILITIES DISTRICT NO. 13 OF POWAY UNIFIED SCHOOL DISTRICT

The following sets forth the First Amended Rate and Method of Apportionment for the levy and collection of Special Taxes ("Rate and Method of Apportionment") of Community Facilities District No. 13 ("CFD No. 13") of the Poway Unified School District ("School District"). An Annual Special Tax shall be levied on and collected on Taxable Property (defined below) located within the boundaries of CFD No. 13 each Fiscal Year in an amount determined through the application of the First Amended Rate and Method of Apportionment described below. All of the real property in CFD No. 13, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

SECTION A DEFINITIONS

For purposes of this Rate and Method of Apportionment the terms hereinafter set forth have the following meanings:

"Acreage" means the number of acres of land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the Board may rely on the land area shown on the applicable final map, parcel map, condominium plan, or other recorded County parcel map.

"Act" means the Mello-Roos Communities Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means any ordinary and necessary expense incurred by the School District on behalf of CFD No. 13 related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes, including the reasonable expenses of collecting delinquencies, the administration of Bonds, the proportionate payment of salaries and benefits of any School District employee whose duties are directly related to the administration of CFD No. 13, and reasonable costs otherwise incurred in order to carry out the authorized purposes of CFD No. 13.

"Annual Special Tax" means the Special Tax actually levied in any Fiscal Year on any Assessor's Parcel.

"Approved Property" means an Assessor's Parcel in CFD No. 13 which represents a Lot in a Final Subdivision Map that was recorded prior to January 1 of the prior Fiscal Year, but for which a Building Permit has not been issued on or before May 1 of the prior Fiscal Year. Notwithstanding the above, once an Assessor's Parcel has been classified Approved Property, it shall remain Approved Property until such time as a Building Permit is issued.

"Assessor's Parcel" means a lot or parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel Number within the boundaries of CFD No. 13.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" or "APN" means that number assigned to an Assessor's Parcel by the County for purposes of identification.

"Assigned Annual Special Tax" means the Special Tax of that name described in Section D.

"Backup Annual Special Tax" means the Special Tax of that name described in Section E.

"Board" means the Board of Education of Poway Unified School District, or its designee, in certain cases acting as the legislative body of CFD No. 13.

"Bond Index" means the national Bond Buyer Revenue Index, commonly referenced as the 25-Bond Revenue Index. In the event the Bond Index ceases to be published, the index used shall be based on a comparable index for revenue bonds maturing in 30 year with an average rating equivalent to Moody's A1 and/or S&P's A+, as reasonably determined by the Board.

"Bond Yield" means the yield of the last series of Bonds issued, for purposes of this calculation the yield of the Bonds shall be the yield calculated at the time such Bonds are issued, pursuant to Section 148 of the Internal Revenue Code of 1986, as amended for the purpose of the Non-Arbitrage Certificate or other similar bond issuance document.

"Bonds" means any obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which the Special Taxes have been pledged for repayment.

"Building Permit" means a permit for the construction of one or more Units issued by the County, or another public agency in the event the County no longer issues said permits for the construction of Units within CFD No. 13. For purposes of this definition, "Building Permit" shall not include permits for construction or installation of structures, parking structures, retaining walls, utility improvements, or other such improvements not intended for human habitation or commercial/industrial use.

"Building Square Footage" or "BSF" means the square footage of assessable internal living space of a Unit, exclusive of any carports, walkways, garages, overhangs, patios, enclosed patios, detached accessory structure, other structures not used as living space, or any other square footage excluded under Government Code Section 65995 as determined by reference to the Building Permit for such Unit.

"Calendar Year" means the period commencing January 1 of any year and ending the following December 31.

"County" means the County of San Diego.

"Developed Property" means all Assessor's Parcels of Taxable Property for which Building Permits were issued on or before May 1 of the prior Fiscal Year, provided that such Assessor's Parcels were created on or before January 1 of the prior Fiscal Year and that each such Assessor's Parcel is associated with a Lot, as determined reasonably by the Board.

"Exempt Property" means all Assessor's Parcels designated as being exempt from Special Taxes in Section K each Fiscal Year as determined May 1 of the previous Fiscal Year.

"Final Subdivision Map" means a final tract map, parcel map, lot line adjustment, or functionally equivalent map or instrument that creates individual Lots, recorded in the County Office of the Recorder.

"Fiscal Year" means the period commencing on July 1 of any year and ending the following June 30.

"Homeowner" means any owner of a completed Unit constructed and sold within CFD No. 13.

"Index" means the Marshall & Swift eight (8) California Cities Class B Construction Cost Index, or if the Marshall & Swift eight (8) California Cities Class B Construction Cost Index ceases to be used by the State Allocation Board, a reasonably comparable index used by the State Allocation Board to estimate changes in school construction costs, or in the absence of such an Index, the Engineering News Record, Construction Cost Index (Los Angeles Area) published by McGraw-Hill, Inc.

"Inflator" means the greater of (i) 2.00% or (ii) the percentage change in the Index as measured between the Index published in December of the prior Calendar Year and the Index published in December of the Calendar Year immediately preceding the prior Calendar Year.

"Lot" means an individual legal lot created by a Final Subdivision Map for which a Building Permit for residential construction has been or could be issued. Notwithstanding the foregoing, in the case of an individual legal lot created by such a Final Subdivision Map upon which condominium units are entitled to be developed but for which a condominium plan has not been recorded, the number of Lots allocable to such legal lot for purposes of calculating the Backup Special Tax applicable to such Final Subdivision Map shall equal the number of condominium units which are permitted to be constructed on such legal lot as shown on such Final Subdivision Map.

"Maximum Special Tax" means the maximum Special Tax, determined in accordance with Section C, that can be levied by CFD No. 13 in any Fiscal Year on any Assessor's Parcel.

"Minimum Annual Special Tax Requirement" means the amount required in any Fiscal Year to pay: (i) the debt service or the periodic costs on all outstanding Bonds, (ii) Administrative Expenses of CFD No. 13, (iii) the costs associated with the release of funds from an escrow account(s) established in association with the Bonds, and (iv) any amount required to establish or replenish any reserve funds (or accounts thereof) established in association with the Bonds, less (v) any amount(s) available to pay debt service or other periodic costs on the Bonds pursuant to any applicable bond indenture, fiscal agent agreement, trust agreement, or equivalent agreement or document. In arriving at the Minimum Annual Special Tax requirement, the Board shall take into account the reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year.

"Minimum Taxable Acreage" means the applicable Acreage listed in Table 4 set forth in Section K.

"Net Taxable Acreage" means the total Acreage of all Taxable Property expected to exist in CFD No. 13 after all Final Subdivision Maps are recorded.

"Partial Prepayment Amount" means the amount required to prepay a portion of the Annual Special Tax obligation for an Assessor's Parcel as described in Section H.

"Prepayment Administrative Fees" means any fees or expenses of the School District or CFD No. 13 associated with the prepayment of the Special Tax obligation of an Assessor's Parcel. Prepayment Administrative Fees shall include among other things the cost of computing the Prepayment Amount, redeeming Bonds, and recording any notices to evidence the prepayment and redemption of Bonds.

"Prepayment Amount" means the amount required to prepay the Annual Special Tax obligation in full for an Assessor's Parcel as described in Section G.

"Present Value of Taxes" means for any Assessor's Parcel the present value of (i) the unpaid portion, if any, of the Special Tax applicable to such Assessor's Parcel in the current Fiscal Year and (ii) the Annual Special Taxes expected to be levied on such Assessor's Parcel in each remaining Fiscal Year, as determined by the Board, until the earlier of (a) 30 Fiscal Years after the current Fiscal Year or (b) the termination date specified in Section J. The discount rate used for this calculation shall be equal to the (i) Bond Yield after Bond issuance or (ii) most recently published Bond Index prior to Bond issuance.

"Proportionately" means that the ratio of the actual Annual Special Tax levy to the applicable Assigned Annual Special Tax or Maximum Annual Special Tax is equal for all applicable Assessor's Parcels.

"Reserve Fund Credit" means an amount equal to the reduction in the applicable reserve fund requirement(s) resulting from the redemption of Bonds with the Prepayment Amount. In the event that a surety bond or other credit instrument satisfies the reserve requirement or the reserve requirement is under funded at the time of the prepayment no Reserve Fund Credit shall be given.

"Residential Property" means all Assessor's Parcels of Developed Property which a Building Permit was issued for the construction of one or more Units.

"Special Tax(es)" means any of the special taxes authorized to be levied by CFD No. 13 pursuant to the Act.

"Taxable Property" means all Assessor's Parcels which are not Exempt Property.

"Undeveloped Property" means all Assessor's Parcels of Taxable Property which are not Developed Property or Approved Property.

"Unit" means each separate residential dwelling unit which comprises an independent facility capable of conveyance separate from adjacent residential dwelling units.

"Zone" means the areas identified as a Zone of CFD No. 13 as in Section N of this Rate and Method of Apportionment.

"Zone 1" means all property located within the area identified as Zone 1 of CFD No. 13 as in Section N, subject to interpretation by the Board as described in Section B.

"Zone 2" means all property located within the area identified as Zone 2 of CFD No. 13 as in Section N, subject to interpretation by the Board as described in Section B.

SECTION B CLASSIFICATION OF ASSESSOR'S PARCELS

For each Fiscal Year, beginning with Fiscal Year 2007-08, each Assessor's Parcel within CFD No. 13 shall be assigned to a Zone in accordance with Section N at the reasonable discretion of the Board and each Assessor's Parcel within each Zone shall be classified as Taxable Property or Exempt Property. Furthermore, each Assessor's Parcel of Taxable Property shall be classified as Developed Property, Approved Property, or Undeveloped Property. Developed Property within Zone 1 shall be further classified based on the Building Square Footage of the Unit. The classification of Exempt Property within each Zone shall take into consideration Minimum Taxable Acreage for such Zone as determined pursuant to Section K.

SECTION C MAXIMUM SPECIAL TAXES

1. Developed Property

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property within a particular Zone in each Fiscal Year shall be the greater of (i) the application of the Assigned Annual Special Tax for such Zone or (ii) the application of the Backup Annual Special Tax for a given Final Subdivision Map for such Zone.

2. Approved Property or Undeveloped Property

The Maximum Special Tax for each Assessor's Parcel classified as Approved Property or Undeveloped Property within a particular Zone in each Fiscal Year shall be the amount determined by the application of the Assigned Annual Special Tax for such Zone.

**SECTION D
ASSIGNED ANNUAL SPECIAL TAXES**

1. Developed Property

A. Assigned Annual Special Tax For Newly Developed Property

The Assigned Annual Special Tax for an Assessor's Parcel of Developed Property within a particular Zone in the first Fiscal Year in which such Assessor's Parcel is classified as Developed Property shall be determined by reference to Tables 1 and 2 for such Zone, subject to increases as described below.

TABLE 1

**ASSIGNED ANNUAL SPECIAL TAX FOR
NEWLY DEVELOPED PROPERTY IN ZONE 1
FISCAL YEAR 2007-08**

Building Square Footage	Assigned Annual Special Tax
< 4,000	\$2,260.50 per Unit
4,000 – 4,300	\$2,637.25 per Unit
4,301 – 4,600	\$2,888.41 per Unit
4,601 – 4,900	\$3,139.58 per Unit
4,901 – 5,200	\$3,233.77 per Unit
> 5,200	\$3,327.95 per Unit

TABLE 2

**ASSIGNED ANNUAL SPECIAL TAX FOR
NEWLY DEVELOPED PROPERTY IN ZONE 2
FISCAL YEAR 2007-08**

Building Square Footage	Assigned Annual Special Tax
NA	\$2,806.35 per Unit

Each July 1, commencing July 1, 2008, the Assigned Annual Special Tax for each Assessor's Parcel of Developed Property within a particular Zone in the first Fiscal Year in which such Assessor's Parcel is classified as Developed Property shall be increased by the Inflator for such Zone.

B. Assigned Annual Special Tax for Existing Developed Property

Each July 1, commencing the July 1 immediately following the Fiscal Year in which the Assessor's Parcel was first classified as Developed Property within a particular Zone, the Assigned Annual Special Tax applicable to such Assessor's Parcel shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year for such Zone.

2. Approved Property or Undeveloped Property

The Assigned Annual Special Tax per Acre for an Assessor's Parcel of Approved Property or Undeveloped Property each Fiscal Year shall be the amount determined by reference to Table 3 according to the Zone within which the Assessor's Parcel is located.

TABLE 3

**ASSIGNED ANNUAL SPECIAL TAX FOR
APPROVED PROPERTY OR UNDEVELOPED PROPERTY
FISCAL YEAR 2007-08**

Location	Assigned Annual Special Tax
Zone 1	\$5,619.14 per Acre
Zone 2	\$5,619.13 per Acre

Each July 1, commencing July 1, 2008, the Assigned Annual Special Tax per acre of Acreage for each Assessor's Parcel of Approved Property or Undeveloped Property shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

SECTION E BACKUP ANNUAL SPECIAL TAXES

Each Fiscal Year, each Assessor's Parcel of Developed Property within a particular Zone shall be subject to a Backup Annual Special Tax. The Backup Annual Special Tax rate for an Assessor's Parcel of Developed Property within a Final Subdivision Map in Fiscal Year 2007-08 or such later Fiscal Year within a particular Zone in which such Final Subdivision Map is created shall be the rate per Lot calculated according to the following formula:

$$B = \frac{U \times A}{L}$$

The terms above have the following meanings:

B	=	Backup Annual Special Tax per Lot
U	=	Assigned Annual Special Tax per acre of Acreage for Undeveloped Property or Approved Property in the Fiscal Year which the calculation is performed for such Zone
A	=	Acreage of Taxable Property in such Final Subdivision Map at time of calculation, as determined by the Board pursuant to Section K
L	=	Lots in the Final Subdivision Map at the time of calculation for such Zone.

Each July 1, commencing the July 1 first following the initial calculation of the Backup Annual Special Tax rate for an Assessor's Parcel of Developed Property with a Final Subdivision Map, the Backup Annual Special Tax for each Lot within such Final Subdivision Map shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

Notwithstanding the foregoing, if all or any portion of the Final Subdivision Map(s) described in the preceding paragraph is subsequently changed or modified, then the Backup Annual Special Tax for each Assessor's Parcel of Developed Property in such Final Subdivision Map that is changed or modified shall be a rate per square foot of Acreage calculated as follows:

1. Determine the total Backup Annual Special Taxes anticipated to apply to the changed or modified area in the Final Subdivision Map prior to the change or modification in the current Fiscal Year.
2. The result of paragraph 1 above shall be divided by the Acreage of Taxable Property which is ultimately expected to exist in such changed or modified area in the Final Subdivision Map, as reasonably determined by the Board.
3. The result of paragraph 2 above shall be divided by 43,560. The result is the Backup Annual Special Tax per square foot of Acreage which shall be applicable to Assessor's Parcels of Developed Property in such changed or modified area of the Final Subdivision Map. Each July 1, commencing the July 1 first following the change or modification to the Final Subdivision Map the amount determined by this Section shall be increased by two percent (2.00%) of the amount in effect the prior Fiscal Year.

SECTION F

METHOD OF APPORTIONMENT OF THE ANNUAL SPECIAL TAX

Commencing Fiscal Year 2007-08, and for each subsequent Fiscal Year, the Board shall levy Annual Special Taxes as follows:

- Step One: The Board shall levy an Annual Special Tax on each Assessor's Parcel of Developed Property in an amount equal to the Assigned Annual Special Tax applicable to each such Assessor's Parcel.
- Step Two: If the sum of the amounts collected in step one is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Board shall Proportionately levy an Annual Special Tax on each Assessor's Parcel of Approved Property in an amount up to the Assigned Annual Special Tax applicable to each such Assessor's Parcel to satisfy the Minimum Annual Special Tax Requirement.
- Step Three: If the sum of the amounts collected in steps one and two is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Board shall Proportionately levy an Annual Special Tax on each Assessor's Parcel of Undeveloped Property up to the Assigned Annual Special Tax applicable to each such Assessor's Parcel to satisfy the Minimum Annual Special Tax Requirement.
- Step Four: If the sum of the amounts collected in steps one, two, and three is insufficient to satisfy the Minimum Annual Special Tax Requirement, then the Board shall Proportionately levy an Annual Special Tax on each Assessor's Parcel of Developed Property up to the Maximum Special Tax applicable to each such Assessor's Parcel to satisfy the Minimum Annual Special Tax Requirement.

SECTION G PREPAYMENT OF ANNUAL SPECIAL TAXES

The Annual Special Tax obligation of an Assessor's Parcel of Developed Property, or an Assessor's Parcel of Approved Property or Undeveloped Property for which a Building Permit has been issued, may be prepaid in full provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Annual Special Tax obligation would be prepaid. The Prepayment Amount for an Assessor's Parcel eligible for prepayment shall be determined as described below.

An owner of an Assessor's Parcel intending to prepay the Annual Special Tax obligation shall provide CFD No. 13 with written notice of intent to prepay. Within thirty (30) days of receipt of such written notice, the Board shall reasonably determine the Prepayment Amount of such Assessor's Parcel and shall notify such owner of such Prepayment Amount. The Prepayment Amount shall be calculated according to the following formula:

$$P = PVT - RFC + PAF$$

The terms above have the following meanings:

P	=	Prepayment Amount
PVT	=	Present Value of Taxes
RFC	=	Reserve Fund Credit
PAF	=	Prepayment Administrative Fees

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Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Annual Special Taxes that may be levied on Taxable Property, net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year and such prepayment will not impair the security of all currently outstanding Bonds, as reasonably determined by the Board. Such determination shall include identifying all Assessor's Parcels that are expected to become Exempt Property.

With respect to any Assessor's Parcel that is prepaid, the Board shall indicate in the records of CFD No. 13 that there has been a prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the prepayment of the Annual Special Tax obligation and the release of the Annual Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such Annual Special Tax shall cease.

SECTION H PARTIAL PREPAYMENT OF ANNUAL SPECIAL TAXES

The Annual Special Tax obligation of an Assessor's Parcel may be partially prepaid at the times and under the conditions set forth in this section, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Annual Special Tax obligation would be prepaid.

1. Partial Prepayment Times and Conditions

Prior to the conveyance of the first production Unit on a Lot within a Final Subdivision Map to a Homeowner, the owner of no less than all the Taxable Property within such Final Subdivision Map may elect in writing to the Board to prepay a portion of the Annual Special Tax obligations for all the Assessor's Parcels within such Final Subdivision Map, as calculated in Section H.2. below. The partial prepayment of each Annual Special Tax obligation shall be collected for all Assessor's Parcels prior to the conveyance of the first production Unit to a Homeowner with respect to such Final Subdivision Map.

2. Partial Prepayment Amount

The Partial Prepayment Amount shall be calculated according to the following formula:

$$PP = P_G \times F$$

The terms above have the following meanings:

PP = the Partial Prepayment Amount
P_G = the Prepayment Amount calculated according to Section G
F = the percent by which the owner of the Assessor's Parcel is partially prepaying the Annual Special Tax obligation

3. Partial Prepayment Procedures and Limitations

With respect to any Assessor's Parcel that is partially prepaid, the Board shall indicate in the records of CFD No. 13 that there has been a partial prepayment of the Annual Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act to indicate the partial prepayment of the Annual Special Tax obligation and the partial release of the Annual Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Annual Special Tax shall cease. Additionally, the notice shall indicate that the Assigned Annual Special Tax and the Backup Annual Special Tax if applicable for the Assessor's Parcel has been reduced by an amount equal to the percentage which was partially prepaid.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Annual Special Taxes that may be levied on Taxable Property after such partial prepayment, net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently outstanding Bonds in each future Fiscal Year and such partial prepayment will not impair the security of all currently outstanding Bonds, as reasonably determined by the Board. Such determination shall include identifying all Assessor's Parcels that are expected to become Exempt Property.

SECTION I EXCESS ASSIGNED ANNUAL SPECIAL TAXES

In any Fiscal Year which the Annual Special Taxes collected from Developed Property, pursuant to Step 1 of Section F, exceeds the Minimum Annual Special Tax Requirement, the School District shall use such amount for acquisition, construction or financing of school facilities in accordance with the Act, CFD No. 13 proceedings, and other applicable laws as determined by the Board.

SECTION J TERMINATION OF SPECIAL TAX

Annual Special Taxes shall be levied for a period of thirty-five (35) Fiscal Years after the last series of bonds have been issued, provided that Annual Special Taxes shall not be levied after Fiscal Year 2051-2052.

SECTION K EXEMPTIONS

The Board shall classify as Exempt Property (i) Assessor's Parcels owned by the State of California, Federal or other local governments, (ii) Assessor's Parcels which are used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) Assessor's Parcels owned by a homeowners' association, (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, (v) Assessor's Parcels developed or expected to be developed exclusively for non-residential use, including any use directly servicing any non-residential property, such as parking, as reasonably determined by the Board, and (vi) any other Assessor's Parcels at the reasonable discretion of the Board, provided that no such classification would reduce the Net Taxable Acreage within a given Zone to less than the Minimum Taxable Acreage for such Zone. Notwithstanding the above, the Board shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of all Taxable Property in a given Zone to less than the Minimum Taxable Acreage for such Zone. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property in a given Zone to less than the Minimum Taxable Acreage for such Zone will continue to be classified as Developed Property, Undeveloped Property, or Approved Property, as applicable, and will continue to be subject to Special Taxes accordingly.

TABLE 4

MINIMUM TAXABLE ACREAGE

Location	Minimum Taxable Acreage
Zone 1	175.80 Acres
Zone 2	14.98 Acres

SECTION L APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Board not later than twelve months after having paid the first installment of the Special Tax that is disputed. In order to be considered sufficient, any notice of appeal must: (i) specifically identify the property by address and Assessor's Parcel Number; (ii) state the amount in dispute and whether it is the whole amount or only a portion of the Special Tax; (iii) state all grounds on which the property owner is disputing the amount or application of the Special Tax, including a reasonably detailed explanation as to why the amount or application of such Special Tax is incorrect; (iv) include all documentation, if any, in support of the claim; and (v) be verified under penalty of perjury by the person who paid the Special Tax or his or her guardian, executor or administrator. A representative(s) of CFD No. 13 shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the representative's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the Annual Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s) as the representative's decision shall indicate.

SECTION M MANNER OF COLLECTION

The Annual Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes and shall be subject to the same penalties, the same procedure, sale and lien priority in the case of delinquency; provided, however, that CFD No. 13 may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and if so collected, a delinquent penalty of 10% of the Special Tax will attach at 5:00 p.m. on the date the Special Tax becomes delinquent and interest at 1.5% per month of the Special Tax will attach on the July 1 after the delinquency date and the first of each month thereafter until such Special Taxes are paid.

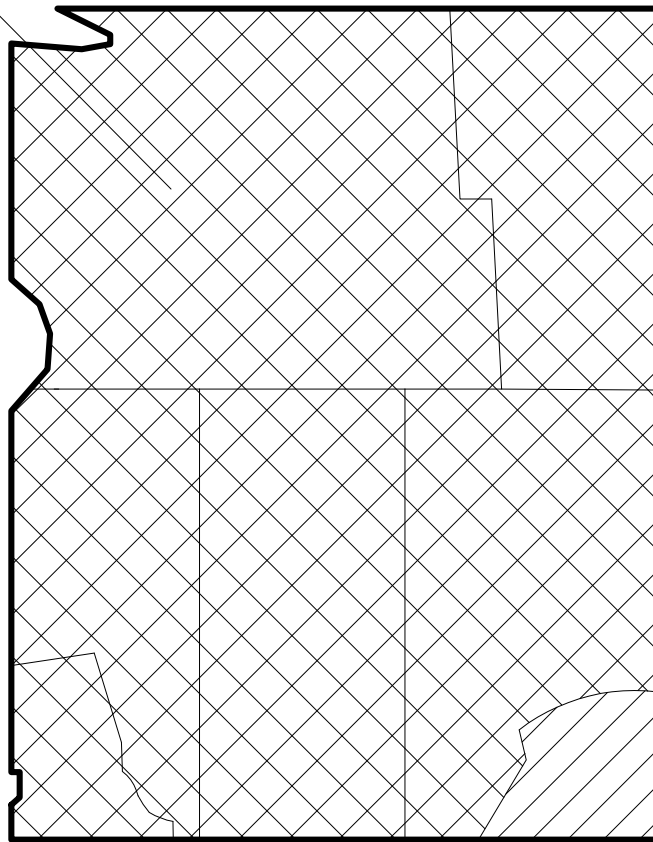
SECTION N MAP OF ZONES

J:\CLIENTS\POWAY.USD\Mello\CFD No. 13 - Rancho Santa Fe Lakes\Formation\Final Docs\Amended RMA_FINAL.doc

AMENDED SECTION N
POWAY UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 13
MAP OF ZONES

(The boundaries of this APN exclude Lot 1 of Map No. 15365 recorded in the office of the Recorder of the County of San Diego, State of California on June 23, 2006 as File No. 2006-0447425.)

Bing Crosby
Blvd



Camino Del Norte

LEGEND

- | | |
|--|--|
| | Boundaries of Community Facilities District No. 13 |
| | Assessor's Parcel Line |
| | Zone 1 |
| | Zone 2 |

Reference is hereby made to the Assessor maps of the County of San Diego for an exact description of the lines and dimensions of each lot and parcel.

PREPARED BY
DOLINKA GROUP, INC.

Exhibit C

California Debt and Investment Advisory Commission Reports



Information as of Reporting Year End: 6/30/2024

Issuance

Authority Issuer:	Poway Unified School District Public Financing Authority
Issue Name:	2013 Special Tax Reveue Bonds
Senior Issue:	No
Subordinate Issue:	No
Project Name:	CFD Nos 4, 12, & 13 Series B
Actual Sale Date:	5/22/2013
Settlement Date:	5/22/2013
Original Principal Amount:	\$17,795,000.00
Date of Filing:	10/25/2024
Total Issuance Costs:	\$0.00
Total Cost of Issuance from Report of Final Sale:	\$470,957.75
Was a Reserve Fund established with proceeds of this debt issue?:	No
Reserve Fund Minimum Balance Amount:	\$0.00

Fund Balance

Principal Amount of Bonds Outstanding:	\$0.00
Capitalized Interest Fund:	\$0.00
Cash Reserve:	\$0.00
Surety Bond Reserve:	\$0.00
Total Bond Reserve Fund:	\$0.00

Professional Fees

Type of service	Other Text	Service Fee
No Data Available		

Local Obligors



MARKS ROOS AUTHORITY REPORT
California Debt and Investment Advisory Commission, 915 Capitol Mall,
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2013-1194
Status: Submitted
10/25/2024

CDIAC Number	Issuer Name	Principal Amount	Obligor Type	Administration Fee
2013-1196	Poway Unified School District CFD No 4	\$7,990,000.00	BP	\$0.00
2013-1197	Poway Unified School District CFD No 12	\$4,430,000.00	BP	\$0.00
2013-1198	Poway Unified School District CFD No 13	\$5,375,000.00	BP	\$0.00
Total:		\$17,795,000.00		\$0.00

Investment Contracts

Final Maturity of the Investment Contract:

Commission/Fee for Contract (total): \$0.00

Interest Earnings on Contract (current): \$0.00

Retired Issues

Indicate Reason for Retirement: Redeemed Entirely

CDIAC #: 2022-0324

Refunding Issue Name: 2022 Special Tax Bonds

Is the CDIAC mentioned correct?: No

Corrected CDIAC #: 2022-0319

Redemption Date: 9/1/2023

Filing Contact

Filing Contact Name: Brandon Bunk-Jensen

Agency/Organization Name: KeyAnalytics (California Financial Services)

Address: 555 Corporate Drive

City: Ladera Ranch

State: CA

Zip Code: 92694



MARKS ROOS AUTHORITY REPORT

California Debt and Investment Advisory Commission, 915 Capitol Mall,
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2013-1194
Status: Submitted
10/25/2024

Telephone:

949-2821077

Fax Number:

E-mail:

bbunk-jensen@calschools.com

Comments

Issuer This issuance was fully redeemed on 9/1/2023 by the Special Tax Refunding Bonds, Series 2022
Comments: (CDIAC #2022-0319).



Information as of Reporting Year End: 6/30/2024

Issuance

Authority Issuer:	Poway Unified School District Public Financing Authority
Issue Name:	2022 Ref RBs
Senior Issue:	No
Subordinate Issue:	No
Project Name:	Series A-1, A-2 & A-3 (Taxable)
Actual Sale Date:	3/24/2022
Settlement Date:	3/25/2022
Original Principal Amount:	\$15,565,000.00
Date of Filing:	10/25/2024
Total Issuance Costs:	\$0.00
Total Cost of Issuance from Report of Final Sale:	\$276,173.67
Was a Reserve Fund established with proceeds of this debt issue?:	Yes
Reserve Fund Minimum Balance Amount:	\$160,556.75

Fund Balance

Principal Amount of Bonds Outstanding:	\$14,945,000.00
Capitalized Interest Fund:	\$0.00
Cash Reserve:	\$167,362.99
Surety Bond Reserve:	\$0.00
Total Bond Reserve Fund:	\$167,362.99

Professional Fees

Type of service	Other Text	Service Fee
No Data Available		

Local Obligors



MARKS ROOS AUTHORITY REPORT
California Debt and Investment Advisory Commission, 915 Capitol Mall,
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2022-0319
Status: Submitted
10/25/2024

CDIAC Number	Issuer Name	Principal Amount	Obligor Type	Administration Fee
2022-0325	Poway Unified School District CFD No 12	\$3,765,000.00	BP	\$0.00
2022-0324	Poway Unified School District CFD No 4	\$6,985,000.00	BP	\$0.00
2022-0326	Poway Unified School District CFD No 13	\$4,815,000.00	BP	\$0.00
Total:		\$15,565,000.00		\$0.00

Investment Contracts

Final Maturity of the Investment Contract:

Commission/Fee for Contract (total): \$0.00

Interest Earnings on Contract (current): \$0.00

Retired Issues

Indicate Reason for Retirement: Not Retired

Filing Contact

Filing Contact Name: Brandon Bunk-Jensen

Agency/Organization Name: KeyAnalytics (California Financial Services)

Address: 555 Corporate Drive

City: Ladera Ranch

State: CA

Zip Code: 92694

Telephone: 949-2821077

Fax Number:

E-mail: bbunk-jensen@calschools.com

Comments



MARKS ROOS AUTHORITY REPORT

California Debt and Investment Advisory Commission, 915 Capitol Mall,
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2022-0319
Status: Submitted
10/25/2024

Issuer Comments:



Information as of Reporting Year End: 6/30/2024

Issuance

Issuer Name:	Poway Unified School District CFD No 4
Issue Name:	2013 Spec Tax Bonds
Project Name:	Black Mountain Ranch
Actual Sale Date:	5/22/2013
Settlement Date:	5/22/2013
Original Principal Amount:	\$7,990,000.00
Date of Filing:	
Reserve Fund Minimum Balance:	No
Reserve Fund Minimum Balance Amount:	\$0.00
Credit Rating from Report of Final Sale	
Credit Rating:	Not Rated
Standard & Poor:	
Fitch:	
Moody's:	
Other:	
Credit Rating from Mello-Roos Last Yearly Fiscal Status Report	
Credit Rating:	Not Rated
Standard & Poor:	
Fitch:	
Moody's:	
Other:	
Credit Rating for This Reporting Period	
Credit Rating:	Not Rated
Standard & Poor:	



Fitch:

Moody's:

Other:

Fund Balance

Principal Amount of Bonds Outstanding:	\$0.00
Bond Reserve Fund:	\$0.00
Capitalized Interest Fund:	\$0.00
Construction Fund(s):	\$0.00

Assessed Value

Assessed or Appraised Value Reported as of:	1/1/2024
Use Appraised Value only in first year or before annual tax roll billing commences:	From Equalized Tax Roll
Total Assessed Value of All Parcels:	\$1,994,255,776.00

Tax Collection

Total Amount of Special Taxes Due Annually:	\$1,823,342.62
Total Amount of Unpaid Special Taxes Annually:	\$14,963.46
Does this agency participate in the County's Teeter Plan?	No

Delinquent Reporting

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	6/30/2024
Total Number of Delinquent Parcels:	13
Total Amount of Special Taxes Due on Delinquent Parcels:	\$18,838.08

Delinquency Parcel Reporting

Document Type	Document Name	File Upload Date
Delinquent Parcel Detail Report	PUSD_CFD 4_Delinquency.pdf	10/22/2024

Foreclosure



MELLO ROOS REPORT

California Debt and Investment Advisory Commission, 915 Capitol Mall,
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2013-1196
Status: Submitted
10/22/2024

Date Foreclosure Commenced	Total Number of Foreclosure Parcels	Total Amount of Tax on Foreclosure Parcels
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Retired Issues

Indicate Reason for Retirement:	Redeemed Entirely
CDIAC #:	2022-0319
Refunding Issue Name:	2022 Ref RBs
Is the CDIAC mentioned correct?:	No
Corrected CDIAC #:	2022-0324
Redemption Date:	

Filing Contact

Filing Contact Name:	Brandon Bunk-Jensen
Agency/Organization Name:	KeyAnalytics (California Financial Services)
Address:	555 Corporate Drive
City:	Ladera Ranch
State:	CA
Zip Code:	92694
Telephone:	949-2821077
Fax Number:	
E-mail:	bbunk-jensen@calschools.com

Comments

Issuer	This issuance was fully redeemed on 9/15/2023 by the Special Tax Refunding Bonds, Series 2022
Comments:	(CDIAC #2022-0324).

Poway Unified School District
County of San Diego
Community Facilities District No. 4
Fiscal Year 2023/2024 Tax Roll Delinquent Parcel Detail Report

Assessor's Parcel Number	Tax Year	Total Delinquent	Total Special Tax Levied	Percentage Delinquent
269-212-30-00	2023	\$4,074.62	\$4,074.62	100.00%
269-221-57-00	2023	\$383.06	\$766.12	50.00%
269-233-18-00	2023	\$1,946.38	\$3,892.76	50.00%
269-241-18-14	2023	\$195.38	\$390.76	50.00%
269-251-03-00	2022	\$3,874.62	\$3,874.62	100.00%
269-280-55-00	2023	\$2,180.27	\$4,360.54	50.00%
303-110-02-00	2023	\$570.47	\$1,140.94	50.00%
303-114-24-00	2023	\$1,140.94	\$1,140.94	100.00%
303-131-11-00	2023	\$1,149.18	\$1,149.18	100.00%
303-141-07-00	2023	\$1,149.18	\$1,149.18	100.00%
303-151-41-00	2023	\$619.04	\$1,238.08	50.00%
303-161-13-00	2023	\$712.21	\$1,424.42	50.00%
303-182-22-00	2023	\$842.73	\$1,685.46	50.00%



Information as of Reporting Year End: 6/30/2024

Issuance

Issuer Name:	Poway Unified School District CFD No 4
Issue Name:	2022 Special Tax Bonds
Project Name:	Black Mountain Ranch Series A (Taxable)
Actual Sale Date:	3/24/2022
Settlement Date:	3/25/2022
Original Principal Amount:	\$6,985,000.00
Date of Filing:	
Reserve Fund Minimum Balance:	No
Reserve Fund Minimum Balance Amount:	\$0.00
Credit Rating from Report of Final Sale	
Credit Rating:	Not Rated
Standard & Poor:	
Fitch:	
Moody's:	
Other:	
Credit Rating from Mello-Roos Last Yearly Fiscal Status Report	
Credit Rating:	Not Rated
Standard & Poor:	
Fitch:	
Moody's:	
Other:	
Credit Rating for This Reporting Period	
Credit Rating:	Not Rated
Standard & Poor:	



MELLO ROOS REPORT

California Debt and Investment Advisory Commission, 915 Capitol Mall,
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2022-0324
Status: Submitted
10/22/2024

Fitch:

Moody's:

Other:

Fund Balance

Principal Amount of Bonds Outstanding:	\$6,670,000.00
Bond Reserve Fund:	\$0.00
Capitalized Interest Fund:	\$0.00
Construction Fund(s):	\$0.00

Assessed Value

Assessed or Appraised Value Reported as of:	1/1/2024
Use Appraised Value only in first year or before annual tax roll billing commences:	From Equalized Tax Roll
Total Assessed Value of All Parcels:	\$1,994,255,776.00

Tax Collection

Total Amount of Special Taxes Due Annually:	\$1,823,342.62
Total Amount of Unpaid Special Taxes Annually:	\$14,963.46
Does this agency participate in the County's Teeter Plan?	No

Delinquent Reporting

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	6/30/2024
Total Number of Delinquent Parcels:	13
Total Amount of Special Taxes Due on Delinquent Parcels:	\$18,838.08

Delinquency Parcel Reporting

Document Type	Document Name	File Upload Date
Delinquent Parcel Detail Report	PUSD_CFD 4_Delinquency.pdf	10/22/2024

Foreclosure



MELLO ROOS REPORT

California Debt and Investment Advisory Commission, 915 Capitol Mall,
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2022-0324
Status: Submitted
10/22/2024

**Date Foreclosure
Commenced**

**Total Number of Foreclosure
Parcels**

**Total Amount of Tax on Foreclosure
Parcels**

Retired Issues

Indicate Reason for Retirement:

Not Retired

Filing Contact

Filing Contact Name:

Brandon Bunk-Jensen

Agency/Organization Name:

KeyAnalytics (California Financial Services)

Address:

555 Corporate Drive

City:

Ladera Ranch

State:

CA

Zip Code:

92694

Telephone:

949-2821077

Fax Number:

E-mail:

bbunk-jensen@calschools.com

Comments

Issuer Comments:

Poway Unified School District
County of San Diego
Community Facilities District No. 4
Fiscal Year 2023/2024 Tax Roll Delinquent Parcel Detail Report

Assessor's Parcel Number	Tax Year	Total Delinquent	Total Special Tax Levied	Percentage Delinquent
269-212-30-00	2023	\$4,074.62	\$4,074.62	100.00%
269-221-57-00	2023	\$383.06	\$766.12	50.00%
269-233-18-00	2023	\$1,946.38	\$3,892.76	50.00%
269-241-18-14	2023	\$195.38	\$390.76	50.00%
269-251-03-00	2022	\$3,874.62	\$3,874.62	100.00%
269-280-55-00	2023	\$2,180.27	\$4,360.54	50.00%
303-110-02-00	2023	\$570.47	\$1,140.94	50.00%
303-114-24-00	2023	\$1,140.94	\$1,140.94	100.00%
303-131-11-00	2023	\$1,149.18	\$1,149.18	100.00%
303-141-07-00	2023	\$1,149.18	\$1,149.18	100.00%
303-151-41-00	2023	\$619.04	\$1,238.08	50.00%
303-161-13-00	2023	\$712.21	\$1,424.42	50.00%
303-182-22-00	2023	\$842.73	\$1,685.46	50.00%



Information as of Reporting Year End: 6/30/2024

Issuance

Issuer Name:	Poway Unified School District CFD No 12
Issue Name:	2013 Special Tax Bonds
Project Name:	Black Mtn Ranch Phase II - Southern Village & The Clusters
Actual Sale Date:	5/22/2013
Settlement Date:	5/22/2013
Original Principal Amount:	\$4,430,000.00
Date of Filing:	10/24/2024
Reserve Fund Minimum Balance:	No
Reserve Fund Minimum Balance Amount:	\$0.00

Credit Rating from Report of Final Sale

Credit Rating:	Not Rated
Standard & Poor:	
Fitch:	
Moody's:	
Other:	

Credit Rating from Mello-Roos Last Yearly Fiscal Status Report

Credit Rating:	Not Rated
Standard & Poor:	
Fitch:	
Moody's:	
Other:	

Credit Rating for This Reporting Period

Credit Rating:	Not Rated
Standard & Poor:	



Fitch:

Moody's:

Other:

Fund Balance

Principal Amount of Bonds Outstanding:	\$0.00
Bond Reserve Fund:	\$0.00
Capitalized Interest Fund:	\$0.00
Construction Fund(s):	\$0.00

Assessed Value

Assessed or Appraised Value Reported as of:	1/1/2024
Use Appraised Value only in first year or before annual tax roll billing commences:	From Equalized Tax Roll
Total Assessed Value of All Parcels:	\$809,662,996.00

Tax Collection

Total Amount of Special Taxes Due Annually:	\$1,572,836.50
Total Amount of Unpaid Special Taxes Annually:	\$7,557.60
Does this agency participate in the County's Teeter Plan?	No

Delinquent Reporting

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	6/30/2024
Total Number of Delinquent Parcels:	3
Total Amount of Special Taxes Due on Delinquent Parcels:	\$11,532.78

Delinquency Parcel Reporting

Document Type	Document Name	File Upload Date
Delinquent Parcel Detail Report	PUSD_CFD 12_Delinquency.pdf	10/24/2024

Foreclosure



MELLO ROOS REPORT

California Debt and Investment Advisory Commission, 915 Capitol Mall,
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2013-1197
Status: Submitted
10/24/2024

Date Foreclosure Commenced	Total Number of Foreclosure Parcels	Total Amount of Tax on Foreclosure Parcels
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8/30/2024	1	\$8,029.86
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Retired Issues

Indicate Reason for Retirement:	Redeemed Entirely
CDIAC #:	2022-0319
Refunding Issue Name:	2022 Ref RBs
Is the CDIAC mentioned correct?:	No
Corrected CDIAC #:	2022-0325
Redemption Date:	9/1/2023

Filing Contact

Filing Contact Name:	Brandon Bunk-Jensen
Agency/Organization Name:	KeyAnalytics (California Financial Services)
Address:	555 Corporate Drive
City:	Ladera Ranch
State:	CA
Zip Code:	92694
Telephone:	949-2821077
Fax Number:	
E-mail:	bbunk-jensen@calschools.com

Comments

Issuer	This issuance was fully redeemed on 9/1/2023 by the Special Tax Refunding Bonds, Series 2022
Comments:	(CDIAC #2022-0325).

Submission Date:	10/24/2024
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Poway Unified School District
County of San Diego
Community Facilities District No. 12
Fiscal Year 2023/2024 Tax Roll Delinquent Parcel Detail Report

Assessor's Parcel Number	Tax Year	Total Delinquent	Total Special Tax Levied	Percentage Delinquent
267-380-15-00	2023	\$2,117.51	\$4,235.02	50.00%
303-191-18-00	2023	\$1,385.41	\$2,770.82	50.00%
312-300-10-00	2022	\$3,975.18	\$3,975.18	100.00%
312-300-10-00	2023	\$4,054.68	\$4,054.68	100.00%



Information as of Reporting Year End: 6/30/2024

Issuance

Issuer Name: Poway Unified School District CFD No 12

Issue Name: 2022 Special Tax Bonds

Project Name: Black Mountain Ranch Phase II - So Village & The Clusters Series A
(Taxable)

Actual Sale Date: 3/24/2022

Settlement Date: 3/25/2022

Original Principal Amount: \$3,765,000.00

Date of Filing:

Reserve Fund Minimum Balance: No

Reserve Fund Minimum Balance
Amount: \$0.00

Credit Rating from Report of Final Sale

Credit Rating: Not Rated

Standard & Poor:

Fitch:

Moody's:

Other:

Credit Rating from Mello-Roos Last Yearly Fiscal Status Report

Credit Rating: Not Rated

Standard & Poor:

Fitch:

Moody's:

Other:

Credit Rating for This Reporting Period

Credit Rating: Not Rated



Standard & Poor:

Fitch:

Moody's:

Other:

Fund Balance

Principal Amount of Bonds Outstanding:	\$3,660,000.00
Bond Reserve Fund:	\$0.00
Capitalized Interest Fund:	\$0.00
Construction Fund(s):	\$0.00

Assessed Value

Assessed or Appraised Value Reported as of:	1/1/2024
Use Appraised Value only in first year or before annual tax roll billing commences:	From Equalized Tax Roll
Total Assessed Value of All Parcels:	\$809,662,996.00

Tax Collection

Total Amount of Special Taxes Due Annually:	\$1,572,836.50
Total Amount of Unpaid Special Taxes Annually:	\$7,557.60
Does this agency participate in the County's Teeter Plan?	No

Delinquent Reporting

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	6/30/2024
Total Number of Delinquent Parcels:	3
Total Amount of Special Taxes Due on Delinquent Parcels:	\$11,532.78

Delinquency Parcel Reporting

Document Type	Document Name	File Upload Date
Delinquent Parcel Detail Report	PUSD_CFD 12_Delinquency.pdf	10/24/2024



MELLO ROOS REPORT

California Debt and Investment Advisory Commission, 915 Capitol Mall,
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2022-0325
Status: Submitted
10/24/2024

Foreclosure

Date Foreclosure Commenced	Total Number of Foreclosure Parcels	Total Amount of Tax on Foreclosure Parcels
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8/30/2024	1	\$8,029.86
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Retired Issues

Indicate Reason for Retirement:

Not Retired

Filing Contact

Filing Contact Name: Brandon Bunk-Jensen

Agency/Organization Name: KeyAnalytics (California Financial Services)

Address: 555 Corporate Drive

City: Ladera Ranch

State: CA

Zip Code: 92694

Telephone: 949-2821077

Fax Number:

E-mail: bbunk-jensen@calschools.com

Comments

Issuer Comments:

Poway Unified School District
County of San Diego
Community Facilities District No. 12
Fiscal Year 2023/2024 Tax Roll Delinquent Parcel Detail Report

Assessor's Parcel Number	Tax Year	Total Delinquent	Total Special Tax Levied	Percentage Delinquent
267-380-15-00	2023	\$2,117.51	\$4,235.02	50.00%
303-191-18-00	2023	\$1,385.41	\$2,770.82	50.00%
312-300-10-00	2022	\$3,975.18	\$3,975.18	100.00%
312-300-10-00	2023	\$4,054.68	\$4,054.68	100.00%



Information as of Reporting Year End: 6/30/2024

Issuance

Issuer Name:	Poway Unified School District CFD No 13
Issue Name:	2013 Spec Tax Bonds
Project Name:	The Lakes
Actual Sale Date:	5/22/2013
Settlement Date:	5/22/2013
Original Principal Amount:	\$5,375,000.00
Date of Filing:	
Reserve Fund Minimum Balance:	No
Reserve Fund Minimum Balance Amount:	\$0.00
Credit Rating from Report of Final Sale	
Credit Rating:	Not Rated
Standard & Poor:	
Fitch:	
Moody's:	
Other:	
Credit Rating from Mello-Roos Last Yearly Fiscal Status Report	
Credit Rating:	Not Rated
Standard & Poor:	
Fitch:	
Moody's:	
Other:	
Credit Rating for This Reporting Period	
Credit Rating:	Not Rated
Standard & Poor:	



Fitch:

Moody's:

Other:

Fund Balance

Principal Amount of Bonds Outstanding:	\$0.00
Bond Reserve Fund:	\$0.00
Capitalized Interest Fund:	\$0.00
Construction Fund(s):	\$0.00

Assessed Value

Assessed or Appraised Value Reported as of:	1/1/2024
Use Appraised Value only in first year or before annual tax roll billing commences:	From Equalized Tax Roll
Total Assessed Value of All Parcels:	\$763,542,415.00

Tax Collection

Total Amount of Special Taxes Due Annually:	\$1,656,137.90
Total Amount of Unpaid Special Taxes Annually:	\$23,838.43
Does this agency participate in the County's Teeter Plan?	No

Delinquent Reporting

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	6/30/2024
Total Number of Delinquent Parcels:	8
Total Amount of Special Taxes Due on Delinquent Parcels:	\$41,946.97

Delinquency Parcel Reporting

Document Type	Document Name	File Upload Date
Delinquent Parcel Detail Report	PUSD_CFD 13_Delinquency.pdf	10/24/2024

Foreclosure



Date Foreclosure Commenced	Total Number of Foreclosure Parcels	Total Amount of Tax on Foreclosure Parcels
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8/30/2024	1	\$17,269.58
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Retired Issues

Indicate Reason for Retirement:	Redeemed Entirely
CDIAC #:	2022-0319
Refunding Issue Name:	2022 Ref RBs
Is the CDIAC mentioned correct?:	No
Corrected CDIAC #:	2022-0326
Redemption Date:	

Filing Contact

Filing Contact Name:	Brandon Bunk-Jensen
Agency/Organization Name:	KeyAnalytics (California Financial Services)
Address:	555 Corporate Drive
City:	Ladera Ranch
State:	CA
Zip Code:	92694
Telephone:	949-2821077
Fax Number:	
E-mail:	bbunk-jensen@calschools.com

Comments

Issuer	This issuance was fully redeemed on 9/1/2023 by the Special Tax Refunding Bonds, Series 2022
Comments:	(CDIAC #2022-0326).

Poway Unified School District
County of San Diego
Community Facilities District No. 13
Fiscal Year 2023/2024 Tax Roll Delinquent Parcel Detail Report

Assessor's Parcel Number	Tax Year	Total Delinquent	Total Special Tax Levied	Percentage Delinquent
267-061-26-00	2023	\$2,313.40	\$4,626.80	50.00%
267-421-21-00	2023	\$1,713.65	\$3,427.30	50.00%
267-422-16-00	2019	\$1,583.16	\$3,166.32	50.00%
267-422-16-00	2020	\$3,229.64	\$3,229.64	100.00%
267-422-22-00	2023	\$3,389.68	\$3,389.68	100.00%
267-430-28-00	2019	\$1,835.62	\$3,671.24	50.00%
267-430-28-00	2020	\$3,744.66	\$3,744.66	100.00%
267-430-28-00	2021	\$3,819.54	\$3,819.54	100.00%
267-430-28-00	2022	\$3,895.92	\$3,895.92	100.00%
267-430-28-00	2023	\$3,973.84	\$3,973.84	100.00%
267-432-20-00	2023	\$4,379.36	\$4,379.36	100.00%
267-441-09-00	2023	\$5,327.28	\$5,327.28	100.00%
267-441-15-00	2023	\$2,741.22	\$5,482.44	50.00%



Information as of Reporting Year End: 6/30/2024

Issuance

Issuer Name:	Poway Unified School District CFD No 13
Issue Name:	2022 Special Tax Bonds
Project Name:	The Lakes Series A (Taxable)
Actual Sale Date:	3/24/2022
Settlement Date:	3/25/2022
Original Principal Amount:	\$4,815,000.00
Date of Filing:	
Reserve Fund Minimum Balance:	No
Reserve Fund Minimum Balance Amount:	\$0.00
Credit Rating from Report of Final Sale	
Credit Rating:	Not Rated
Standard & Poor:	
Fitch:	
Moody's:	
Other:	
Credit Rating from Mello-Roos Last Yearly Fiscal Status Report	
Credit Rating:	Not Rated
Standard & Poor:	
Fitch:	
Moody's:	
Other:	
Credit Rating for This Reporting Period	
Credit Rating:	Not Rated
Standard & Poor:	



Fitch:

Moody's:

Other:

Fund Balance

Principal Amount of Bonds Outstanding:	\$4,610,000.00
Bond Reserve Fund:	\$0.00
Capitalized Interest Fund:	\$0.00
Construction Fund(s):	\$0.00

Assessed Value

Assessed or Appraised Value Reported as of:	1/1/2024
Use Appraised Value only in first year or before annual tax roll billing commences:	From Equalized Tax Roll
Total Assessed Value of All Parcels:	\$763,542,415.00

Tax Collection

Total Amount of Special Taxes Due Annually:	\$1,656,137.90
Total Amount of Unpaid Special Taxes Annually:	\$23,838.43
Does this agency participate in the County's Teeter Plan?	No

Delinquent Reporting

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	6/30/2024
Total Number of Delinquent Parcels:	8
Total Amount of Special Taxes Due on Delinquent Parcels:	\$41,946.97

Delinquency Parcel Reporting

Document Type	Document Name	File Upload Date
Delinquent Parcel Detail Report	PUSD_CFD 13_Delinquency.pdf	10/24/2024

Foreclosure



MELLO ROOS REPORT

California Debt and Investment Advisory Commission, 915 Capitol Mall,
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2022-0326
Status: Submitted
10/24/2024

Date Foreclosure Commenced	Total Number of Foreclosure Parcels	Total Amount of Tax on Foreclosure Parcels
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8/30/2024	1	\$17,269.58
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Retired Issues

Indicate Reason for Retirement:

Not Retired

Filing Contact

Filing Contact Name:

Brandon Bunk-Jensen

Agency/Organization Name:

KeyAnalytics (California Financial Services)

Address:

555 Corporate Drive

City:

Ladera Ranch

State:

CA

Zip Code:

92694

Telephone:

949-2821077

Fax Number:

E-mail:

bbunk-jensen@calschools.com

Comments

Issuer Comments:

Poway Unified School District
County of San Diego
Community Facilities District No. 13
Fiscal Year 2023/2024 Tax Roll Delinquent Parcel Detail Report

Assessor's Parcel Number	Tax Year	Total Delinquent	Total Special Tax Levied	Percentage Delinquent
267-061-26-00	2023	\$2,313.40	\$4,626.80	50.00%
267-421-21-00	2023	\$1,713.65	\$3,427.30	50.00%
267-422-16-00	2019	\$1,583.16	\$3,166.32	50.00%
267-422-16-00	2020	\$3,229.64	\$3,229.64	100.00%
267-422-22-00	2023	\$3,389.68	\$3,389.68	100.00%
267-430-28-00	2019	\$1,835.62	\$3,671.24	50.00%
267-430-28-00	2020	\$3,744.66	\$3,744.66	100.00%
267-430-28-00	2021	\$3,819.54	\$3,819.54	100.00%
267-430-28-00	2022	\$3,895.92	\$3,895.92	100.00%
267-430-28-00	2023	\$3,973.84	\$3,973.84	100.00%
267-432-20-00	2023	\$4,379.36	\$4,379.36	100.00%
267-441-09-00	2023	\$5,327.28	\$5,327.28	100.00%
267-441-15-00	2023	\$2,741.22	\$5,482.44	50.00%



MARKS ROOS LOCAL OBLIGOR REPORT
California Debt and Investment Advisory Commission, 915 Capitol Mall,
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94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2013-1196
Status: Submitted
10/22/2024

Information as of Reporting Year End: 6/30/2024

Issuance

Issuer Name:	Poway Unified School District CFD No 4
Issue Name:	2013 Spec Tax Bonds
Project Name:	Black Mountain Ranch
Date of Bond Issue/Loans:	5/22/2013
Settlement Date:	5/22/2013
Original Principal Amount:	\$7,990,000.00
Date of Filing:	10/22/2024
Total Issuance Costs:	\$0.00
Total Cost of Issuance from Report of Final Sale:	\$211,461.22
Name of Authority that purchased debt:	Poway Unified School District Public Financing Authority
Date of Authority Bond(s) Issuance:	5/22/2013
Total Costs of Issuance from Authority Report of Final Sale:	\$470,957.75
Is the Reserve Fund held at Authority level?:	Yes
Reserve Fund Minimum Balance Amount:	\$0.00
Part of Authority Reserve Fund:	Yes
Percent of Reserve Fund:	0

Fund Balance

Principal Amount of Bonds Outstanding:	\$0.00
Bond Reserve Fund:	\$0.00
Capitalized Interest Fund:	\$0.00
Administrative Fee Charged by Authority:	\$0.00

Delinquent Reporting

Have Delinquent Taxes been reported?	Y
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94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2013-1196
Status: Submitted
10/22/2024

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	6/30/2024
Delinquency Rate:	0.82
Does this agency participate in the County's Teeter Plan?	N
Taxes Due:	\$1,823,342.62
Taxes Unpaid:	\$14,963.46

Retired Issues

Indicate Reason for Retirement:	Redeemed Entirely
CDIAC #:	2022-0319
Refunding Issue Name:	2022 Ref RBs
Is the CDIAC mentioned correct?:	No
Corrected CDIAC #:	2022-0324
Redemption Date:	9/15/2023

Filing Contact

Filing Contact Name:	Brandon Bunk-Jensen
Agency/Organization Name:	KeyAnalytics (California Financial Services)
Address:	555 Corporate Drive
City:	Ladera Ranch
State:	CA
Zip Code:	92694
Telephone:	949-2821077
Fax Number:	
E-mail:	bbunk-jensen@calschools.com

Comments

Issuer	This issuance was fully redeemed on 9/15/2023 by the Special Tax Refunding Bonds, Series 2022
Comments:	(CDIAC #2022-0324).



Information as of Reporting Year End: 6/30/2024

Issuance

Issuer Name:	Poway Unified School District CFD No 4
Issue Name:	2022 Special Tax Bonds
Project Name:	Black Mountain Ranch Series A (Taxable)
Date of Bond Issue/Loans:	3/24/2022
Settlement Date:	3/25/2022
Original Principal Amount:	\$6,985,000.00
Date of Filing:	10/22/2024
Total Issuance Costs:	\$0.00
Total Cost of Issuance from Report of Final Sale:	\$0.00
Name of Authority that purchased debt:	Poway Unified School District Public Financing Authority
Date of Authority Bond(s) Issuance:	3/25/2022
Total Costs of Issuance from Authority Report of Final Sale:	\$276,173.67
Is the Reserve Fund held at Authority level?:	No
Reserve Fund Minimum Balance Amount:	\$0.00
Part of Authority Reserve Fund:	No
Percent of Reserve Fund:	0

Fund Balance

Principal Amount of Bonds Outstanding:	\$6,670,000.00
Bond Reserve Fund:	\$0.00
Capitalized Interest Fund:	\$0.00
Administrative Fee Charged by Authority:	\$0.00

Delinquent Reporting

Have Delinquent Taxes been reported?	Y
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California Debt and Investment Advisory Commission, 915 Capitol Mall,
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94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2022-0324
Status: Submitted
10/22/2024

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	6/30/2024
Delinquency Rate:	0.82
Does this agency participate in the County's Teeter Plan?	N
Taxes Due:	\$1,823,342.62
Taxes Unpaid:	\$14,963.46

Retired Issues

Indicate Reason for Retirement:	Not Retired
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Filing Contact

Filing Contact Name:	Brandon Bunk-Jensen
Agency/Organization Name:	KeyAnalytics (California Financial Services)
Address:	555 Corporate Drive
City:	Ladera Ranch
State:	CA
Zip Code:	92694
Telephone:	949-2821077
Fax Number:	
E-mail:	bbunk-jensen@calschools.com

Comments

Issuer Comments:



MARKS ROOS LOCAL OBLIGOR REPORT
California Debt and Investment Advisory Commission, 915 Capitol Mall,
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2013-1197
Status: Submitted
10/24/2024

Information as of Reporting Year End: 6/30/2024

Issuance

Issuer Name:	Poway Unified School District CFD No 12
Issue Name:	2013 Special Tax Bonds
Project Name:	Black Mtn Ranch Phase II - Southern Village & The Clusters
Date of Bond Issue/Loans:	5/22/2013
Settlement Date:	5/22/2013
Original Principal Amount:	\$4,430,000.00
Date of Filing:	10/24/2024
Total Issuance Costs:	\$0.00
Total Cost of Issuance from Report of Final Sale:	\$117,243.20
Name of Authority that purchased debt:	Poway Unified School District Public Financing Authority
Date of Authority Bond(s) Issuance:	5/22/2013
Total Costs of Issuance from Authority Report of Final Sale:	\$470,957.75
Is the Reserve Fund held at Authority level?:	Yes
Reserve Fund Minimum Balance Amount:	\$0.00
Part of Authority Reserve Fund:	Yes
Percent of Reserve Fund:	0

Fund Balance

Principal Amount of Bonds Outstanding:	\$0.00
Bond Reserve Fund:	\$0.00
Capitalized Interest Fund:	\$0.00
Administrative Fee Charged by Authority:	\$0.00

Delinquent Reporting

Have Delinquent Taxes been reported?	Y
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California Debt and Investment Advisory Commission, 915 Capitol Mall,
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2013-1197
Status: Submitted
10/24/2024

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	6/30/2024
Delinquency Rate:	0.48
Does this agency participate in the County's Teeter Plan?	N
Taxes Due:	\$1,572,836.50
Taxes Unpaid:	\$7,557.60

Retired Issues

Indicate Reason for Retirement:	Redeemed Entirely
CDIAC #:	2022-0319
Refunding Issue Name:	2022 Ref RBs
Is the CDIAC mentioned correct?:	No
Corrected CDIAC #:	2022-0325
Redemption Date:	9/1/2023

Filing Contact

Filing Contact Name:	Brandon Bunk-Jensen
Agency/Organization Name:	KeyAnalytics (California Financial Services)
Address:	555 Corporate Drive
City:	Ladera Ranch
State:	CA
Zip Code:	92694
Telephone:	949-2821077
Fax Number:	
E-mail:	bbunk-jensen@calschools.com

Comments

Issuer	This issuance was fully redeemed on 9/1/2023 by the Special Tax Refunding Bonds, Series 2022
Comments:	(CDIAC #2022-0325).



Information as of Reporting Year End: 6/30/2024

Issuance

Issuer Name:	Poway Unified School District CFD No 12
Issue Name:	2022 Special Tax Bonds
Project Name:	Black Mountain Ranch Phase II - So Village & The Clusters Series A (Taxable)
Date of Bond Issue/Loans:	3/24/2022
Settlement Date:	3/25/2022
Original Principal Amount:	\$3,765,000.00
Date of Filing:	10/24/2024
Total Issuance Costs:	\$0.00
Total Cost of Issuance from Report of Final Sale:	\$0.00
Name of Authority that purchased debt:	Poway Unified School District Public Financing Authority
Date of Authority Bond(s) Issuance:	3/25/2022
Total Costs of Issuance from Authority Report of Final Sale:	\$276,173.67
Is the Reserve Fund held at Authority level?:	No
Reserve Fund Minimum Balance Amount:	\$0.00
Part of Authority Reserve Fund:	No
Percent of Reserve Fund:	0

Fund Balance

Principal Amount of Bonds Outstanding:	\$3,660,000.00
Bond Reserve Fund:	\$0.00
Capitalized Interest Fund:	\$0.00
Administrative Fee Charged by Authority:	\$0.00

Delinquent Reporting

Have Delinquent Taxes been reported?	Y
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94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2022-0325
Status: Submitted
10/24/2024

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	6/30/2024
Delinquency Rate:	0.48
Does this agency participate in the County's Teeter Plan?	N
Taxes Due:	\$1,572,836.50
Taxes Unpaid:	\$7,557.60

Retired Issues

Indicate Reason for Retirement:	Not Retired
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Filing Contact

Filing Contact Name:	Brandon Bunk-Jensen
Agency/Organization Name:	KeyAnalytics (California Financial Services)
Address:	555 Corporate Drive
City:	Ladera Ranch
State:	CA
Zip Code:	92694
Telephone:	949-2821077
Fax Number:	
E-mail:	bbunk-jensen@calschools.com

Comments

Issuer Comments:



Information as of Reporting Year End: 6/30/2024

Issuance

Issuer Name:	Poway Unified School District CFD No 13
Issue Name:	2013 Spec Tax Bonds
Project Name:	The Lakes
Date of Bond Issue/Loans:	5/22/2013
Settlement Date:	5/22/2013
Original Principal Amount:	\$5,375,000.00
Date of Filing:	10/25/2024
Total Issuance Costs:	\$0.00
Total Cost of Issuance from Report of Final Sale:	\$142,253.33
Name of Authority that purchased debt:	Poway Unified School District Public Financing Authority
Date of Authority Bond(s) Issuance:	5/22/2013
Total Costs of Issuance from Authority Report of Final Sale:	\$470,957.75
Is the Reserve Fund held at Authority level?:	Yes
Reserve Fund Minimum Balance Amount:	\$0.00
Part of Authority Reserve Fund:	Yes
Percent of Reserve Fund:	0

Fund Balance

Principal Amount of Bonds Outstanding:	\$0.00
Bond Reserve Fund:	\$0.00
Capitalized Interest Fund:	\$0.00
Administrative Fee Charged by Authority:	\$0.00

Delinquent Reporting

Have Delinquent Taxes been reported?	Y
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94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2013-1198
Status: Submitted
10/24/2024

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	6/30/2024
Delinquency Rate:	1.44
Does this agency participate in the County's Teeter Plan?	N
Taxes Due:	\$1,656,137.90
Taxes Unpaid:	\$23,838.43

Retired Issues

Indicate Reason for Retirement:	Redeemed Entirely
CDIAC #:	2022-0319
Refunding Issue Name:	2022 Ref RBs
Is the CDIAC mentioned correct?:	No
Corrected CDIAC #:	2022-0326
Redemption Date:	9/1/2023

Filing Contact

Filing Contact Name:	Brandon Bunk-Jensen
Agency/Organization Name:	KeyAnalytics (California Financial Services)
Address:	555 Corporate Drive
City:	Ladera Ranch
State:	CA
Zip Code:	92694
Telephone:	949-2821077
Fax Number:	
E-mail:	bbunk-jensen@calschools.com

Comments

Issuer	This issuance was fully redeemed on 9/1/2023 by the Special Tax Refunding Bonds, Series 2022
Comments:	(CDIAC #2022-0326).



Information as of Reporting Year End: 6/30/2024

Issuance

Issuer Name:	Poway Unified School District CFD No 13
Issue Name:	2022 Special Tax Bonds
Project Name:	The Lakes Series A (Taxable)
Date of Bond Issue/Loans:	3/24/2022
Settlement Date:	3/25/2022
Original Principal Amount:	\$4,815,000.00
Date of Filing:	10/25/2024
Total Issuance Costs:	\$0.00
Total Cost of Issuance from Report of Final Sale:	\$0.00
Name of Authority that purchased debt:	Poway Unified School District Public Financing Authority
Date of Authority Bond(s) Issuance:	3/25/2022
Total Costs of Issuance from Authority Report of Final Sale:	\$276,173.67
Is the Reserve Fund held at Authority level?:	No
Reserve Fund Minimum Balance Amount:	\$0.00
Part of Authority Reserve Fund:	No
Percent of Reserve Fund:	0

Fund Balance

Principal Amount of Bonds Outstanding:	\$4,610,000.00
Bond Reserve Fund:	\$0.00
Capitalized Interest Fund:	\$0.00
Administrative Fee Charged by Authority:	\$0.00

Delinquent Reporting

Have Delinquent Taxes been reported?	Y
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MARKS ROOS LOCAL OBLIGOR REPORT
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Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2022-0326
Status: Submitted
10/24/2024

Delinquent Parcel Information Reported as of Equalized Tax Roll of:	6/30/2024
Delinquency Rate:	1.44
Does this agency participate in the County's Teeter Plan?	N
Taxes Due:	\$1,656,137.90
Taxes Unpaid:	\$23,838.43

Retired Issues

Indicate Reason for Retirement:	Not Retired
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Filing Contact

Filing Contact Name:	Brandon Bunk-Jensen
Agency/Organization Name:	KeyAnalytics (California Financial Services)
Address:	555 Corporate Drive
City:	Ladera Ranch
State:	CA
Zip Code:	92694
Telephone:	949-2821077
Fax Number:	
E-mail:	bbunk-jensen@calschools.com

Comments

Issuer Comments:



Information as of Reporting Year End: 6/30/2024

Issuance Information

Issuer Name:	Poway Unified School District Public Financing Authority
Issue Name:	2022 Ref RBs
Project Name:	Series A-1, A-2 & A-3 (Taxable)
Actual Sale Date:	3/24/2022
Settlement Date:	3/25/2022
Original Principal Amount:	\$15,565,000.00
Net Original Issue Premium/Discount:	\$0.00
Proceeds Used to Acquire Local Obligations (Marks-Roos Only):	\$15,565,000.00
Total Reportable Proceeds:	\$0.00
Total cost of issuance from Report of Final Sale:	\$276,173.67

Issuance Authorization

Authorization (1):	
Authorization Name:	Resolution No 35-2022
Original Authorized Amount:	\$22,000,000.00
Authorization Date:	3/10/2022
Amount Authorized - Beginning of the Reporting Period:	\$0.00
Amount Authorized - During the Reporting Period:	\$0.00
Total Debt Authorized:	\$0.00
Debt Issued During the Reporting Period:	\$0.00
Replenishment Reported During the Reporting Period:	\$0.00
Total Debt Authorized but Unissued:	\$0.00
Authorization Lapsed:	\$0.00
Total Authorization Remaining - End of Reporting Period:	\$0.00

Principal Outstanding



ANNUAL DEBT TRANSPARENCY REPORT

California Debt and Investment Advisory Commission, 915 Capitol Mall,
Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA
94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2022-0319
Status: Submitted
11/22/2024

Principal Balance Upon Sale or at Beginning of the Reporting Period:	\$15,250,000.00
Accreted Interest – During Reporting Period:	\$0.00
Total Principal and Accreted Interest:	\$15,250,000.00
Principal Paid with Proceeds from Other Debt Issues – During the Reporting Period:	\$0.00
Principal Payments - During the Reporting Period (not reported as payments above):	\$310,000.00
Principal Outstanding – End of Reporting Period:	\$14,940,000.00

Refunding/Refinancing Issues

CDIAC #	Refunding/refinancing Amount	Redemption/Payment Date
No data available to display.		

Use of Proceeds

Report End Date	Begin Amount	Spent Amount	Remain Amount
No data available to display.			

Proceeds Spent/Unspent (Fund Level)

Fund Category	Total Reportable Proceeds Available	Proceeds Spent Current Reporting Period	Proceeds Spent Prior Reporting Period(s)	Proceeds Unspent / Remaining
No data available to display.				
TOTAL:	\$0.00	\$0.00	\$0.00	\$0.00

Expenditures of Current Reporting Period

Fund Category	Purpose	Expenditure Amount
No data available to display.		
TOTAL:		\$0.00

Expenditure Summary

Fund Category	Purpose	Expenditure In Current Reporting Period	Expenditure In Prior Reporting Period(s)	Total Expenditure All Periods
TOTAL:		\$0.00	\$0.00	\$0.00



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CDIAC # : 2022-0319
Status: Submitted
11/22/2024

Refunded/Refinanced Issues

CDIAC #	Refunding/refinancing Amount	Redemption/Payment Date
2013-1198	\$15,565,000.00	9/1/2023

Filing Contact

Filing Contact Name: Brandon Bunk-Jensen
Agency/Organization Name: KeyAnalytics (California Financial Services)
Address: 555 Corporate Drive
City: Ladera Ranch
State: CA
Zip Code: 92694
Telephone: 949-2821077
Fax Number:
E-mail: bbunk-jensen@calschools.com

Comments

Issuer Comments:

ADTR Reportable

Principal Outstanding – End of Reporting Period: \$14,940,000.00
Proceeds Unspent – End of Reporting Period: \$0.00
ADTR Reportable Next Reporting Year: Yes



Information as of Reporting Year End: 6/30/2024

Issuance Information

Issuer Name:	Poway Unified School District CFD No 4
Issue Name:	2022 Special Tax Bonds
Project Name:	Black Mountain Ranch Series A (Taxable)
Actual Sale Date:	3/24/2022
Settlement Date:	3/25/2022
Original Principal Amount:	\$6,985,000.00
Net Original Issue Premium/Discount:	\$0.00
Proceeds Used to Acquire Local Obligations (Marks-Roos Only):	\$0.00
Total Reportable Proceeds:	\$6,985,000.00
Total cost of issuance from Report of Final Sale:	\$0.00

Issuance Authorization

Authorization (1):	
Authorization Name:	Resolution No 34-2022
Original Authorized Amount:	\$10,000,000.00
Authorization Date:	3/10/2022
Amount Authorized - Beginning of the Reporting Period:	\$0.00
Amount Authorized - During the Reporting Period:	\$0.00
Total Debt Authorized:	\$0.00
Debt Issued During the Reporting Period:	\$0.00
Replenishment Reported During the Reporting Period:	\$0.00
Total Debt Authorized but Unissued:	\$0.00
Authorization Lapsed:	\$0.00
Total Authorization Remaining - End of Reporting Period:	\$0.00

Principal Outstanding



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CDIAC # : 2022-0324
Status: Submitted
11/22/2024

Principal Balance Upon Sale or at Beginning of the Reporting Period:	\$6,825,000.00
Accreted Interest – During Reporting Period:	\$0.00
Total Principal and Accreted Interest:	\$6,825,000.00
Principal Paid with Proceeds from Other Debt Issues – During the Reporting Period:	\$0.00
Principal Payments - During the Reporting Period (not reported as payments above):	\$155,000.00
Principal Outstanding – End of Reporting Period:	\$6,670,000.00

Refunding/Refinancing Issues

CDIAC #	Refunding/refinancing Amount	Redemption/Payment Date
No data available to display.		

Use of Proceeds

Report End Date	Begin Amount	Spent Amount	Remain Amount
6/30/2022	\$6,985,000.00	\$197,753.97	\$6,787,246.03
6/30/2023	\$6,787,246.03	\$0.00	\$6,787,246.03
6/30/2024	\$6,787,246.03	\$6,787,246.03	\$0.00

Proceeds Spent/Unspent (Fund Level)

Fund Category	Total Reportable Proceeds Available	Proceeds Spent Current Reporting Period	Proceeds Spent Prior Reporting Period(s)	Proceeds Unspent / Remaining
AUTHORITY DISCOUNT	\$197,753.97	\$0.00	\$197,753.97	\$0.00
REFUNDING ESCROW ACCOUNT	\$6,787,246.03	\$6,787,246.03	\$0.00	\$0.00
TOTAL:	\$6,985,000.00	\$6,787,246.03	\$197,753.97	\$0.00

Expenditures of Current Reporting Period

Fund Category	Purpose	Expenditure Amount
REFUNDING ESCROW ACCOUNT	DEBT SERVICE PAYMENT	\$6,787,246.03
TOTAL:		\$6,787,246.03



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CDIAC # : 2022-0324
Status: Submitted
11/22/2024

Expenditure Summary

Fund Category	Purpose	Expenditure In Current Reporting Period	Expenditure In Prior Reporting Period(s)	Total Expenditure All Periods
AUTHORITY DISCOUNT	AUTHORITY DISCOUNT	\$0.00	\$197,753.97	\$197,753.97
REFUNDING ESCROW ACCOUNT	DEBT SERVICE PAYMENT	\$6,787,246.03	\$0.00	\$6,787,246.03
TOTAL:		\$6,787,246.03	\$197,753.97	\$6,985,000.00

Refunded/Refinanced Issues

CDIAC #	Refunding/refinancing Amount	Redemption/Payment Date
2013-1196	\$6,985,000.00	9/1/2023

Filing Contact

Filing Contact Name: Brandon Bunk-Jensen
Agency/Organization Name: KeyAnalytics (California Financial Services)
Address: 555 Corporate Drive
City: Ladera Ranch
State: CA
Zip Code: 92694
Telephone: 949-2821077
Fax Number:
E-mail: bbunk-jensen@calschools.com

Comments

Issuer Comments:

ADTR Reportable

Principal Outstanding – End of Reporting Period: \$6,670,000.00
Proceeds Unspent – End of Reporting Period: \$0.00



ANNUAL DEBT TRANSPARENCY REPORT

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CDIAC # : 2022-0324
Status: Submitted
11/22/2024

ADTR Reportable Next Reporting Year:

Yes



Information as of Reporting Year End: 6/30/2024

Issuance Information

Issuer Name:	Poway Unified School District CFD No 12
Issue Name:	2022 Special Tax Bonds
Project Name:	Black Mountain Ranch Phase II - So Village & The Clusters Series A (Taxable)
Actual Sale Date:	3/24/2022
Settlement Date:	3/25/2022
Original Principal Amount:	\$3,765,000.00
Net Original Issue Premium/Discount:	\$0.00
Proceeds Used to Acquire Local Obligations (Marks- Roos Only):	\$0.00
Total Reportable Proceeds:	\$3,765,000.00
Total cost of issuance from Report of Final Sale:	\$0.00

Issuance Authorization

Authorization (1):	
Authorization Name:	Resolution No 34-2022
Original Authorized Amount:	\$5,000,000.00
Authorization Date:	3/10/2022
Amount Authorized - Beginning of the Reporting Period:	\$0.00
Amount Authorized - During the Reporting Period:	\$0.00
Total Debt Authorized:	\$0.00
Debt Issued During the Reporting Period:	\$0.00
Replenishment Reported During the Reporting Period:	\$0.00
Total Debt Authorized but Unissued:	\$0.00
Authorization Lapsed:	\$0.00
Total Authorization Remaining - End of Reporting Period:	\$0.00

Principal Outstanding



ANNUAL DEBT TRANSPARENCY REPORT

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CDIAC # : 2022-0325
Status: Submitted
11/22/2024

Principal Balance Upon Sale or at Beginning of the Reporting Period:	\$3,715,000.00
Accreted Interest – During Reporting Period:	\$0.00
Total Principal and Accreted Interest:	\$3,715,000.00
Principal Paid with Proceeds from Other Debt Issues – During the Reporting Period:	\$0.00
Principal Payments - During the Reporting Period (not reported as payments above):	\$55,000.00
Principal Outstanding – End of Reporting Period:	\$3,660,000.00

Refunding/Refinancing Issues

CDIAC #	Refunding/refinancing Amount	Redemption/Payment Date
No data available to display.		

Use of Proceeds

Report End Date	Begin Amount	Spent Amount	Remain Amount
6/30/2022	\$3,765,000.00	\$106,891.55	\$3,658,108.45
6/30/2023	\$3,658,108.45	\$0.00	\$3,658,108.45
6/30/2024	\$3,658,108.45	\$3,658,108.45	\$0.00

Proceeds Spent/Unspent (Fund Level)

Fund Category	Total Reportable Proceeds Available	Proceeds Spent Current Reporting Period	Proceeds Spent Prior Reporting Period(s)	Proceeds Unspent / Remaining
AUTHORITY DISCOUNT	\$106,891.55	\$0.00	\$106,891.55	\$0.00
REFUNDING ESCROW ACCOUNT	\$3,658,108.45	\$3,658,108.45	\$0.00	\$0.00
TOTAL:	\$3,765,000.00	\$3,658,108.45	\$106,891.55	\$0.00

Expenditures of Current Reporting Period

Fund Category	Purpose	Expenditure Amount
REFUNDING ESCROW ACCOUNT	DEBT SERVICE PAYMENT	\$3,658,108.45
TOTAL:		\$3,658,108.45



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CDIAC # : 2022-0325
Status: Submitted
11/22/2024

Expenditure Summary

Fund Category	Purpose	Expenditure In Current Reporting Period	Expenditure In Prior Reporting Period(s)	Total Expenditure All Periods
AUTHORITY DISCOUNT	AUTHORITY DISCOUNT	\$0.00	\$106,891.55	\$106,891.55
REFUNDING ESCROW ACCOUNT	DEBT SERVICE PAYMENT	\$3,658,108.45	\$0.00	\$3,658,108.45
TOTAL:		\$3,658,108.45	\$106,891.55	\$3,765,000.00

Refunded/Refinanced Issues

CDIAC #	Refunding/refinancing Amount	Redemption/Payment Date
2013-1197	\$3,765,000.00	9/1/2023

Filing Contact

Filing Contact Name: Brandon Bunk-Jensen
Agency/Organization Name: KeyAnalytics (California Financial Services)
Address: 555 Corporate Drive
City: Ladera Ranch
State: CA
Zip Code: 92694
Telephone: 949-2821077
Fax Number:
E-mail: bbunk-jensen@calschools.com

Comments

Issuer Comments:

ADTR Reportable

Principal Outstanding – End of Reporting Period: \$3,660,000.00
Proceeds Unspent – End of Reporting Period: \$0.00



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CDIAC # : 2022-0325
Status: Submitted
11/22/2024

ADTR Reportable Next Reporting Year:

Yes



Information as of Reporting Year End: 6/30/2024

Issuance Information

Issuer Name:	Poway Unified School District CFD No 13
Issue Name:	2022 Special Tax Bonds
Project Name:	The Lakes Series A (Taxable)
Actual Sale Date:	3/24/2022
Settlement Date:	3/25/2022
Original Principal Amount:	\$4,815,000.00
Net Original Issue Premium/Discount:	\$0.00
Proceeds Used to Acquire Local Obligations (Marks-Roos Only):	\$0.00
Total Reportable Proceeds:	\$4,815,000.00
Total cost of issuance from Report of Final Sale:	\$0.00

Issuance Authorization

Authorization (1):	
Authorization Name:	Resolution No 34-2022
Original Authorized Amount:	\$7,000,000.00
Authorization Date:	3/10/2022
Amount Authorized - Beginning of the Reporting Period:	\$0.00
Amount Authorized - During the Reporting Period:	\$0.00
Total Debt Authorized:	\$0.00
Debt Issued During the Reporting Period:	\$0.00
Replenishment Reported During the Reporting Period:	\$0.00
Total Debt Authorized but Unissued:	\$0.00
Authorization Lapsed:	\$0.00
Total Authorization Remaining - End of Reporting Period:	\$0.00

Principal Outstanding



ANNUAL DEBT TRANSPARENCY REPORT

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CDIAC # : 2022-0326
Status: Submitted
11/22/2024

Principal Balance Upon Sale or at Beginning of the Reporting Period:	\$4,710,000.00
Accreted Interest – During Reporting Period:	\$0.00
Total Principal and Accreted Interest:	\$4,710,000.00
Principal Paid with Proceeds from Other Debt Issues – During the Reporting Period:	\$0.00
Principal Payments - During the Reporting Period (not reported as payments above):	\$100,000.00
Principal Outstanding – End of Reporting Period:	\$4,610,000.00

Refunding/Refinancing Issues

CDIAC #	Refunding/refinancing Amount	Redemption/Payment Date
No data available to display.		

Use of Proceeds

Report End Date	Begin Amount	Spent Amount	Remain Amount
6/30/2022	\$4,815,000.00	\$133,269.15	\$4,681,730.85
6/30/2023	\$4,681,730.85	\$0.00	\$4,681,730.85
6/30/2024	\$4,681,730.85	\$4,681,730.85	\$0.00

Proceeds Spent/Unspent (Fund Level)

Fund Category	Total Reportable Proceeds Available	Proceeds Spent Current Reporting Period	Proceeds Spent Prior Reporting Period(s)	Proceeds Unspent / Remaining
AUTHORITY DISCOUNT	\$133,269.15	\$0.00	\$133,269.15	\$0.00
REFUNDING ESCROW ACCOUNT	\$4,681,730.85	\$4,681,730.85	\$0.00	\$0.00
TOTAL:	\$4,815,000.00	\$4,681,730.85	\$133,269.15	\$0.00

Expenditures of Current Reporting Period

Fund Category	Purpose	Expenditure Amount
REFUNDING ESCROW ACCOUNT	DEBT SERVICE PAYMENT	\$4,681,730.85
TOTAL:		\$4,681,730.85



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CDIAC # : 2022-0326
Status: Submitted
11/22/2024

Expenditure Summary

Fund Category	Purpose	Expenditure In Current Reporting Period	Expenditure In Prior Reporting Period(s)	Total Expenditure All Periods
AUTHORITY DISCOUNT	AUTHORITY DISCOUNT	\$0.00	\$133,269.15	\$133,269.15
REFUNDING ESCROW ACCOUNT	DEBT SERVICE PAYMENT	\$4,681,730.85	\$0.00	\$4,681,730.85
TOTAL:		\$4,681,730.85	\$133,269.15	\$4,815,000.00

Refunded/Refinanced Issues

CDIAC #	Refunding/refinancing Amount	Redemption/Payment Date
2013-1198	\$4,815,000.00	9/1/2023

Filing Contact

Filing Contact Name: Brandon Bunk-Jensen

Agency/Organization Name: KeyAnalytics (California Financial Services)

Address: 555 Corporate Drive

City: Ladera Ranch

State: CA

Zip Code: 92694

Telephone: 949-2821077

Fax Number:

E-mail: bbunk-jensen@calschools.com

Comments

Issuer Comments:

ADTR Reportable

Principal Outstanding – End of Reporting Period: \$4,610,000.00

Proceeds Unspent – End of Reporting Period: \$0.00



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CDIAC # : 2022-0326
Status: Submitted
11/22/2024

ADTR Reportable Next Reporting Year:

Yes