

Monday, March 4, 2024 4:00 PM

Audit/Finance Subcommittee

Board Room, 1130 Fifth Avenue, Chula Vista, CA **Members of the public may attend the meeting in person or may view the meeting online at https://www.youtube.com/user/suhsdk12

- A. Call to Order
- 1. Call to Order (Meeting Notice)
- **B.** Public Communication on Posted Items
- Public Communication on Posted Items Members of the public may attend the meeting in person to address the subcommittee on posted items.
- C. Items for Discussion
- 1. Election of Committee Chair
- 2. Audits
 - a. 2023-2024 Audit Engagements Crowe LLP
 - i. District Financial Audit
 - ii. Proposition O Financial and Performance Audits
 - iii. Measure DD Financial and Performance Audits
 - b. Other Ongoing and Completed External Audits & Reviews
- 3. Financial Reports
 - a. 2023-2024 First Interim Report
- 4. Internal Audit Items
 - a. Fraud Hotline Update
- 5. Calendar of Meetings 2024-2025
- 6. Timeline of District Deadlines
- 7. Review of Minutes
 - a. December 5, 2023
- 8. Committee Member Comments
 - a. Recap of Recommendations to the Board of Trustees
- D. Adjournment



March 4, 2024

Board Item - A.-1.

ATTACHMENTS:

Description

☐ Meeting Notice

Type

Backup Material

SWEETWATER UNION HIGH SCHOOL DISTRICT

NOTICE OF SPECIAL MEETING AUDIT/FINANCE SUBCOMMITTEE MEETING

Written notice is hereby given in accordance with Education Code Section 35144 and Government Code Section 54956 that the following special meeting of the Governing Board of the Sweetwater Union High School District will be held and in accordance with Government Code Section 54954.3(a), the board will provide an opportunity for members of the public to directly address the legislative body concerning any item that has been described in the notice for the meeting before or during consideration of that item.

DATE: Monday, March 4, 2024

TIME: 4:00 p.m.

PLACE: Sweetwater Union High School District

Board Room

1130 Fifth Avenue

Chula Vista, CA 91911

Members of the public may attend the meeting in-person to address the subcommittee, or may view the meeting online at https://www.youtube.com/user/suhsdk12.

Items to be considered are noted on the reverse side of this page.

Board of Trustees

Adrián Arancibia Marti Emerald Elva Lopez-Zepeda Nicholas Segura Arturo Solis

Superintendent

Moisés G. Aquirre, Ed.D.

Audit/Finance Subcommittee Members

Marti Emerald & Nicholas Segura

COMPLIANCE WITH AMERICANS WITH DISABILITIES ACT

Sweetwater Union High School District, in complying with the Americans With Disabilities Act (ADA), and California Government Code Section 54953.2, provides special accommodations to individuals who may need assistance with access, attendance and/or participation in board meetings, including alternative formats for agendas, documents constituting agenda packets, and materials distributed during public meetings. Upon written request to the district, disability-related modifications or accommodations, including auxiliary aids or services, will be provided. Contact Deanne Vicedo, clerk of the board, at (619) 585-4405 for specific information on existing resources or programs that may be available for such accommodations. Please call at least 48 hours in advance of meetings and five days in advance of scheduled services and activities. Translation and Hearing-Impaired services are also available.



Monday, March 4, 2024

- A. CALL TO ORDER
- B. PUBLIC COMMUNICATION ON POSTED ITEMS
- C. ITEMS FOR DISCUSSION
 - 1. ELECTION OF COMMITTEE CHAIR
 - 2. AUDITS
 - a. 2023-2024 AUDIT ENGAGEMENTS CROWE LLP
 - i. DISTRICT FINANCIAL AUDIT
 - ii. PROPOSITION O FINANCIAL AND PERFORMANCE AUDITS
 - iii. MEASURE DD FINANCIAL AND PERFORMANCE AUDITS
 - b. OTHER ONGOING AND COMPLETED EXTERNAL AUDITS & REVIEWS
 - 3. FINANCIAL REPORTS
 - a. 2023-2024 FIRST INTERIM REPORT
 - 4. INTERNAL AUDIT ITEMS
 - a. FRAUD HOTLINE UPDATE
 - 5. CALENDAR OF MEETINGS 2024-2025
 - 6. TIMELINE OF DISTRICT DEADLINES
 - 7. REVIEW OF MINUTES
 - a. DECEMBER 5, 2023
 - 8. COMMITTEE MEMBER COMMENTS
 - a. RECAP OF RECOMMENDATIONS TO THE BOARD OF TRUSTEES
- D. ADJOURNMENT



March 4, 2024

Board Item - C.-2.

ATTACHMENTS:

	Description	Туре
D	C2a Crowe LLP Client Service Plan	Backup Material
D	C2a District Financial Audit Engagement Letter	Backup Material
D	C2a Bond Audits Engagement Letter	Backup Material
D	C2b Other Ongoing & Completed External Audits	Backup Material



Client Service Plan March 4, 2024

Sweetwater Union High School District



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Exhibit A - Accounting and Auditing Developments



Crowe LLP
Independent Member Crowe Global

Sweetwater Union High School District Chula Vista, California

We appreciate the opportunity to discuss with you various issues related to planning our audit services and gaining an understanding of your expectations of us as your independent public accountants.

We will discuss with you how we plan to assist you to meet your needs, share our proposed client service plan, and review other key issues related to the audit. It is our philosophy to continually improve the quality of our service. We look forward to any comments you or others may have on our service. This client service plan should be considered a working document which will be updated during our meeting. We welcome your recommendations for additions or changes so that we can best meet all of your needs. An engagement letter for our services will provide a complete description of the services to be provided with the related terms and conditions.

Thank you for the opportunity to discuss the client service plan. We look forward to assisting you.

Sincerely,

Crowe LLP

nows LLP



Crowe Client Service Team

Role	Name	Phone	Email
Audit Partner	Kevin W. Smith*	•	
Technical Advisory Partner	Christine Torres		
National Officer Partner – GASB Expert	Tony Boras		
Senior Manager	Elizabeth Sav*		
Senior Manager	Charles Raibley		
Senior Associate	Tori Jokkel		
IT Audit Partner	Rich Perilloux		
IT Audit Senior Associate	Adonis Cimene		

Client Experience

Why Do Our Clients Choose Crowe?

Clients tell us when our industry expertise, thought leadership, and applied technology come together, exceptional service and value result. Proof of this can be found in what our clients say about us, through our client audit quality survey results.

Our most recent client audit quality survey results*, impressively show:

97%

Said that given the choice, they would do business with Crowe again

96%

Said they would recommend Crowe to a colleague

*Nearly 1,900 completed client surveys

Thought Leadership

To see all the ways Crowe can add value, please visit: https://www.crowe.com/insights

Technology - Crowe Insight®

Crowe Insight Center for Audit[®] combines innovative technology with functional knowledge and industry expertise. This advanced audit platform, along with our Crowe Secure Information Exchange, enhances audit quality, facilitates a more effective process, and enables our auditors to have deeper insight into higher-risk areas.

Testimonials

"I h eas cor

"I highly recommend Crowe for audit work. Their team understands our business and is easy to work with. They use technology that helps make the process more efficient...Good communications with our Audit Committee."

"The Crowe team is professional, responsive and utilizes technology well to support the audit process."

Audit Quality

We voluntarily publish an annual audit quality report (available at http://crowe.com) to communicate our commitment to audit quality. This report is designed to provide audit committees, boards of directors, shareholders, regulators, investors, and other capital market stakeholders with an understanding of our system of quality management within the firm and how it supports the consistent performance of quality audit engagements.

Collecting Your Feedback

We have learned from our clients that there are certain attributes important to their overall experience, and each client perceives value differently. Please take some time to complete our annual engagement survey which will allow us to evaluate our performance.

Your survey is scheduled to be sent to Dr. Jenny Salkeld on January 15, 2025 and will come from the following email address: qualtrics@crowe.com

In addition, if a client is faced with a challenge or issue that is unresolvable with their Crowe partner, we encourage clients to contact our dedicated client feedback manager by calling 877.430.3900 or emailing clientfeedback@crowe.com. The client feedback manager works with our clients and Crowe leaders to understand and resolve the issue(s), while ensuring that similar circumstances do not happen again.

Crowe's Services and Deliverables

We are committed to providing you with the highest level of professional service and to exceeding your expectations. We wish to ensure that we have an understanding of the services we are to perform and the deliverables that we are to provide.

Service	Deliverable
 Audit of the District's financial statements for the year ending June 30, 2024 Audit of the District's compliance with types of compliance requirements described in the State of California 2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting for the year ended June 30, 2024 Audit of the District's compliance with types of compliance requirements described 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 	 Annual Audit Report SAS 114 Required Communications Letter
Audit of the financial statements of Prop O and Measure DD Bond funds for the year ending June 30, 2024	Annual Audit Reports
Performance audit of Prop O and Measure DD Bond funds in accordance with the California Constitution, Proposition 39 and Education Code Section 15278	Prop O and Measure DD Performance Audit Reports

Audit Timeline

To ensure we appropriately understand your expectations regarding the timeframes for delivery and completion of our services, we wish to discuss with you the following draft timeline we have prepared.

Activity	Planned Date
Audit Planning Meeting	March 4, 2024
Infor financial system conversion assessment	April 2024
First Interim Fieldwork Attendance testing and Student Body – Internal Control Understanding (to the extent activity occurred during FY2023-24) – for the following sites: Middle School Bonita Vista Middle Montgomery Middle Montgomery Middle High School Bonita Vista High Olympian High Otay Ranch High Other Palomar High – Continuation	Week of May 13, 2024
Internal Controls:	Week of August 5, 2024
Year-end Testing	October 2024
Citizens' Bond Oversight Committee Meeting	November 2024
Conduct Meeting with District Audit Committee	December 2024
Finalize Audit Report on Financial Statements	December 2024
Conduct Meeting with District's Board of Trustees	December 2024
Submit Completed Audit Report to the State Controller's Office	Before December 15, 2024

Audit Planning Communications

Auditor's Responsibility Under Auditing Standards Generally Accepted in the United States of America

Our responsibility is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. The audit of the financial statements does not relieve you of your responsibilities and does not relieve management of their responsibilities. Refer to our engagement letter with the District for further information on the responsibilities of management and of Crowe LLP.

Auditor's Responsibility Under Government Auditing Standards

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts or disclosures. 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.

- These audits do not relieve management or the Audit Committee of your responsibilities.
- Our audits are designed to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error, fraudulent financial reporting or misappropriation of assets.
- These audits include:
 - Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.
 - Obtaining an understanding of internal control over financial reporting, and testing and evaluating the compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.
 - Assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.
 - o Communicating significant matters related to the audit to the Audit Committee.
- Accordingly, our audits are designed to obtain reasonable, rather than absolute, assurance about the financial statements. We believe that our audits will accomplish these objectives.
- Our understanding of the terms of the audit engagement are recorded in our engagement letter.

The Audit Planning Process

Our audit approach places a strong emphasis on obtaining an understanding of how your District functions. This enables us to perform an appropriate risk assessment, identify key transaction cycles and audit components, and tailor our procedures to the unique aspects of your business. The development of a specific audit plan will begin by meeting with you and with management to obtain an understanding of business objectives, strategies, risks, and performance.

We will obtain an understanding of internal control to assess the impact of internal control on determining the nature, timing and extent of audit procedures, and we will establish an overall materiality limit for audit purposes. We will conduct formal discussions among engagement team members to consider how and where your financial statements might be susceptible to material misstatement due to fraud or error.

We will use this knowledge and understanding, together with other factors, to first assess the risk that errors or fraud may cause a material misstatement at the financial statement level. The assessment of the risks of material misstatement at the financial statement level provides us with parameters within which to design the audit procedures for specific account balances and classes of transactions. Our risk assessment process at the account-balance or class-of-transactions level consists of:

- An assessment of inherent risk (the susceptibility of an assertion relating to an account balance or class
 of transactions to a material misstatement, assuming there are no related controls); and
- An evaluation of the design effectiveness of internal control over financial reporting and our assessment
 of control risk (the risk that a material misstatement could occur in an assertion and not be prevented
 or detected on a timely basis by the District's internal control).

We will then determine the nature, timing and extent of tests of controls and substantive procedures necessary given the risks identified and the controls as we understand them.

The audit planning process also includes inquiries of the audit committee as to whether it is aware of matters that might be relevant to the audit, including, but not limited to, knowledge of violations or possible violations of laws or regulations and complaints or concerns raised regarding financial reporting matters.



The Concept of Materiality in Planning and Executing the Audit

In planning the audit, the materiality limit is viewed as the maximum aggregate amount of misstatements, which if detected and not corrected, would cause us to modify our opinion on the financial statements. The materiality limit is an allowance not only for misstatements that will be detected and not corrected but also for misstatements that may not be detected by the audit. Our assessment of materiality throughout the audit will be based on both quantitative and qualitative considerations. Because of the interaction of quantitative and qualitative considerations, misstatements of a relatively small amount could have a material effect on the current financial statements as well as financial statements of future periods. At the end of the audit, we will inform you of all individual adjustments that were recorded in the financial statements and all individual unrecorded misstatements (unless they are clearly inconsequential) aggregated by us in connection with our evaluation of our audit test results.

Significant Risks

During the course of our audit, we make assessments of various business, fraud and IT controls risk factors and tailor our audit procedures such that areas representing higher risk receive appropriate audit emphasis.

We have summarized below the significant risks and their potential impact on this year's audit process. This is not intended to be a complete list of risk factors that you may face, instead this is focused on risks of material misstatement to the financial statements, whether due to error or fraud.

Audit Area	Current Developments / Issues
Revenue Recognition and Management Override of Controls	 Discuss fraud risk factors with engagement team. Obtain an understanding of Audit Committee concerns and expand inquiries related to fraud with management. Obtain an understanding of revenue recognition policies. Test journal entries and other adjustments, review accounting estimates and evaluate the business rationale for any significant or unusual transactions.
Long Term Debt	 Test accretion and amortization calculations and schedules. Test proceeds from issuance of new debt, if any. Test principal and interest payments. Pension and postretirement obligations: Review reasonableness of actuarial estimates and assumptions.
Associated Student Body (ASB)	For the sites selected, obtain an understanding of internal controls related to ASB accounts. Determine whether internal controls were effectively designed.
Prop O and Measure DD	 Discuss fraud risk factors with engagement team. Obtain an understanding of Audit Committee concerns and expand inquiries related to fraud with management. Test bond expenditures.
Litigation and Contingencies	 Review all contingencies and litigation and related accounting, if applicable. Send confirmations to the District's attorneys.

Audit Area	Current Developments / Issues	
Infor System Conversion	Review conversion process with management and consultant Assess management's controls over the conversion process ensuring completeness and accuracy of the key data involved in conversion Substantively test converted data from old system to new system to ensure completeness and accuracy	

Independence Considerations

Auditor independence ensures that the auditor is free to carry out his or her responsibilities to Audit Committees, shareholders and the marketplace.

Certain independence matters have been addressed including their potential effect on our services related to the District are described below.

- Independence Communication We communicate annually regarding our independence with respect to Sweetwater Union High School District.
- Hiring of Crowe LLP Personnel in a Financial Oversight Capacity A public accounting firm would
 not be considered independent of an audit client if the client's chief executive officer, controller, chief
 financial officer, chief accounting officer or equivalent officer was employed by the accounting firm and
 participated in the audit of the client during the two-year period before the beginning of the current audit.

Fraud Risk Discussion

- Auditor assessment of risks of fraud.
- Oversight of fraud risk by Audit Committee.
- Audit Committee awareness of any fraud or suspected fraud.
- Level of communication desired by Audit Committee from management.

Exhibit A - Accounting and Auditing Developments

Accounting and Auditing Developments

Recently Issued and Effective Accounting Standards: There are no applicable relevant standards in the 2023/24 fiscal year.

Recently Issued and Effective Auditing Standards: The following auditing guidance has been recently issued and is effective this year.

Statement on Auditing Standards No. 145, Understanding the Entity and Its Environment and In October 2021, the AS section 315, Understand Assessing the Risks of Months of this SAS are to enhanced.

In October 2021, the ASB issued SAS No. 145, which amends AU-C section 315, Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement. The overall objectives of this SAS are to enhance the requirements and guidance with respect to identifying and assessing the risks of material misstatement. in particular the guidance that addresses the work effort with respect to gaining an understanding of the entity's system of internal control. This includes revised requirements to evaluate the design of certain controls within the control activities component, including general information technology (IT) controls, and to determine whether such controls have been implemented. The standard provides new inherent risk factors (qualitative or quantitative), a revised definition of "significant risk", new requirements to separately assess inherent risk and control risk, and revised requirements for audit documentation. The standard includes guidance on the scalability of risk assessment and on maintaining professional skepticism during the risk assessment process. It also introduces a new "stand-back" requirement intended to drive an evaluation of the completeness of the auditor's identification of significant classes of transactions, account balance, and disclosures. SAS No. 145 is effective for audits of financial statements for periods ending on or after December 15, 2023.

Summary

Statement on Auditing Standards No. 144, Amendments to AU-C Sections 501, 540, and 620 Related to the Use of Specialists and the Use of Pricing Information Obtained from External Information Sources

Assessing the Risks of

C 315)

Material Misstatement (AU-

In June 2021, the ASB issued SAS No. 144 which amends AU-C section 501 (Audit Evidence—Specific Considerations for Selected Items), AU-C section 540 (Auditing Accounting Estimates and Related Disclosures), and AU-C section 620 (Using the Work of an Auditor's Specialist). The amendments to AU-C section 501 add application material on applying AU-C section 500, *Audit Evidence*, when management has used the work of a specialist in making accounting estimates. The amendment to AU-C Section 540 is the addition of a new appendix "Use of Pricing Information from Third Parties as Audit Evidence." The amendments to AU-C section 620 enhance the guidance related to using the work of an auditor's specialist. SAS No. 144 is effective for audits of financial statements for periods ending on or after December 15, 2023.

New Standard

Statement on Auditing Standards No. 143, Auditing Accounting Estimates and Related Disclosures

Summary

In July 2020, the ASB issued SAS No. 143 which supersedes SAS No. 122 and amends certain other AU-C sections. SAS No 143 addresses the auditor's responsibilities relating to accounting estimates such as accounting for fair value estimates and related disclosures. It is intended to enhance the auditor's focus on factors driving estimation uncertainty and potential management bias, including by emphasizing professional skepticism where estimation uncertainty is higher. This standard requires inherent risk and control risk to be assessed separately at the assertion level for accounting estimates as well as emphasizing that audit procedures need to be responsive to the reasons for the assessed risks of material misstatement, at the relevant assertion level. This standard requires the auditor to evaluate whether the accounting estimates and related disclosures are reasonable in context of the applicable financial reporting framework by addressing (a) the development of the accounting estimate. including selection of method, assumptions, and data, (b) the selection of management's point estimate (i.e., amount selected by management for recognition or disclosure in the financial statements as an accounting estimate), and (c) the disclosures surrounding the accounting estimate, including how the accounting estimate was developed and explaining the nature, extent, and sources of estimation uncertainty. This standard emphasizes the importance of the auditor's decisions about controls relating to accounting estimates, including decisions about whether there are controls relevant to the audit, for which the auditor is required to evaluate their design and determine whether they have been implemented and decisions about whether to test the operating effectiveness of relevant controls. The standard is intended to allow for a risk-based approach which is scalable for estimates that are relatively simple to those that are very complex. SAS No. 143 is effective for audits of financial statements for periods ending on or after December 15, 2023.

Other Matters:

State Compliance Audit Guide Updates for FY2023-24

- New Programs or Expanded Procedures to existing programs to be audited in FY 2024:
 - Art and Music in Public Schools Grant (Prop 28)
 - Home-to-School Transportation Reimbursement expanded procedures required
 - Educator Effectiveness expanded procedures required
 - Expanded Learning Opportunities Program (ELO-P)
 - Transitional Kindergarten expanded procedures required (Not applicable to Sweetwater)

Thank you!



Kevin Smith, Partner Kevin.W.Smith@crowe.com



Elizabeth Sav, Senior Manager Elizabeth.Sav@crowe.com



Crowe LLP

Independent Member Crowe Global

5810 Tennyson Parkway, Suite 450 Plano, TX 75024-4112 Tel +1 214 777 5200 Fax +1 214 777 5202 www.crowe.com

STATEMENT OF WORK NUMBER 1 to that certain INDEPENDENT CONTRACTOR SERVICES AGREEMENT BETWEEN THE SWEETWATER UNION HIGH SCHOOL DISTRICT AND CROWE LLP dated as of January 29, 2024 ("the Agreement")

February 19, 2024

Dr. Jenny Salkeld Chief Financial Officer Sweetwater Union High School District 1130 5th Avenue Chula Vista, California 91911-2812

Dear Dr. Salkeld:

This letter confirms the arrangements for Crowe LLP ("Crowe" or "us" or "we" or "our") to provide the professional services discussed in this letter and the Independent Contractor Services Agreement effective January 29, 2024, approved by the Board of Trustees, to Sweetwater Union High School District ("you", "your" or "Client"). The attached Crowe Engagement Terms, and any other attachments thereto, are integral parts of this letter, and such terms are incorporated herein.

AUDIT SERVICES

Our Responsibilities

We will audit and report on the financial statements of the Client for the year ending June 30, 2024.

We will audit and report on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the Client for the period(s) indicated.

In addition to our report on the financial statements, we plan to evaluate the presentation of the following supplementary information in relation to the financial statements as a whole, and to report on whether this supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

- Combining and Individual Fund Financial Statements and Schedules
- Organization
- Schedule of Average Daily Attendance
- Schedule of Instructional Time
- Schedule of Expenditures of Federal Awards
- Reconciliation of Unaudited Financial Report with Audited Financial Statements
- Schedule of Charter Schools

In addition to our report on the financial statements, we also plan to perform specified procedures in order to describe in our report whether the following required supplementary information is presented in accordance with applicable guidelines. However, we will not express an opinion or provide any assurance on this information due to our limited procedures.

- Management's Discussion and Analysis
- Budgetary Comparison Schedules
- Schedule of Changes in the Client's Total Other Postemployment Benefits (OPEB) Liability
- Schedule of the Client's Proportionate Share of the Net Pension Liability
- Schedule of Contributions

The document will also include the following additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will disclaim an opinion:

Schedule of Financial Trends and Analysis – Unaudited

The objective of the audit is the expression of an opinion on the financial statements. We will plan and perform the audit in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards require that we obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error or fraud, and that we report on the Schedule of Expenditures of Federal Awards (as noted above), and on your compliance with laws and regulations and on its internal controls as required for a Single Audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a quarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements 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 entity's compliance with the requirements of the federal programs as a whole. Because of inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with applicable standards. An audit is not designed to detect error or fraud that is immaterial to the financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks that the financial statements could be misstated by an amount that we believe would influence the judgment made by a reasonable user of these financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. As required by the standards, we will maintain professional skepticism throughout the audit.

In making our risk assessments, we 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 Client's internal control. However, we will communicate in writing to those charged with governance and management concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. We will communicate to management other deficiencies in internal control identified during the audit that have not been communicated to management by other parties and that, in our professional judgment, are of sufficient importance to merit management's attention. We will also

communicate certain matters related to the conduct of the audit to those charged with governance, including (1) fraud involving senior management, and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements, (2) illegal acts that come to our attention (unless they are clearly inconsequential) (3) disagreements with management and other significant difficulties encountered in performing the audit and (4) various matters related to the Client's accounting policies and financial statements. Our engagement is not designed to address legal or regulatory matters, which matters should be discussed by you with your legal counsel.

As part of our audit, we will conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Client's ability to continue as a going concern for a reasonable period of time.

We expect to issue a written report upon completion of our audit of the Client's financial statements. Our report will be addressed to the Board of Trustees of the Client. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis of matter or other matter paragraph or a separate section in the auditor's report, or withdraw from the engagement.

In addition to our report on the financial statements and supplemental information, we plan to issue the following reports:

- Independent Auditor's Report on Compliance with State Laws and Regulations The purpose of
 this report on compliance is solely to describe the scope of our testing of compliance with State
 Laws and Regulations, and the results of that testing, based on the requirements of the State of
 California's Guide for Annual Audits of K-12 Local Education Agencies and State Compliance
 Reporting. Accordingly, this report is not suitable for any other purpose.
- 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 The purpose of this 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 internal control over financial reporting or on compliance.
 This report is an integral part of an audit performed in accordance with Government Auditing
 Standards in considering the Client's internal control and compliance. Accordingly, this
 communication is not suitable for any other purpose.
- Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance -- 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.

We will also perform tests of controls including testing underlying transactions, as required by the Uniform Guidance, to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of your major federal awards programs. We will determine major programs in accordance with the Uniform Guidance. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed. We will inform you of any non-reportable conditions or other matters involving internal control, if any, as required by the Uniform Guidance.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of your compliance with applicable laws, regulations, contracts and grants. However, because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud or defalcations, may exist and not be detected by us. However, the objective of our audit of compliance relative to the financial statements will not be to provide an opinion on overall compliance

with such provisions, and we will not express such an opinion. We will advise you, however, of any matters of that nature that come to our attention, unless they are clearly inconsequential.

The Uniform Guidance requires that we plan and perform the audit to obtain reasonable assurance about whether you have complied with certain provisions of laws, regulations, contracts and grants. Our procedures will consist of the applicable procedures described in the United States Office of Management and Budget (OMB) Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of your major programs. The purpose of our audit will be to express an opinion on your compliance with requirements applicable to major Federal award programs. Because an audit is designed to provide reasonable assurance, but not absolute assurance, the audit is not designed to detect immaterial violations or instances of noncompliance.

Our audit and work product are intended for the benefit and use of the Client only. The audit will not be planned or conducted in contemplation of reliance by any other party or with respect to any specific transaction and is not intended to benefit or influence any other party. Therefore, items of possible interest to a third party may not be specifically addressed or matters may exist that could be assessed differently by a third party.

The working papers for this engagement are the property of Crowe and constitute confidential information.

However, we may be requested to make certain working papers available to your oversight agency or grantors pursuant to authority given to them by law, regulation, or contract. If requested, access to such working papers will be provided under the supervision of our personnel. Furthermore, upon request, we may provide photocopies of selected working papers to your oversight agency or grantors. The working papers for this engagement will be retained for a minimum of three years after the date our report is issued or for any additional period requested by the oversight agency or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the working papers.

Government Auditing Standards require that we provide you with a copy of our most recent peer review report, which accompanies this letter.

The Client's Responsibilities

The Client's 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. Management is also responsible 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 error or fraud.

The Client's management is also responsible for complying with applicable laws, regulations, contracts and grants and such responsibility extends to identifying the requirements and designing internal control policies and procedures to provide reasonable assurance that compliance is achieved. Management has the responsibility to make Crowe aware of significant contractor relationships in which the contractor is responsible for program compliance. Client's management is responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that the auditor reports. Additionally, it is management's responsibility to follow up and take corrective action on reported audit findings, to establish and maintain a process for tracking the status of findings and recommendations, and to prepare a summary schedule of prior audit findings, which should be available for our review, and a corrective action plan.

Management has the responsibility to adopt sound accounting policies, maintain an adequate and efficient accounting system, to safeguard assets, and to design and implement programs and controls to prevent and detect fraud. Management's judgments are typically based on its knowledge and experience about past and current events and its expected courses of action. Management's responsibility for

financial reporting includes establishing a process to prepare the accounting estimates included in the financial statements and to devise policies to ensure that the Client complies with applicable laws and regulations.

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 Client's ability to continue as a going concern for one year from the date the Financial Statements are available to be issued.

Management is responsible for providing to us, on a timely basis, all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters. Management is also responsible for providing such other additional information we may request for the purpose of the audit, and unrestricted access to persons within the Client from whom we determine it necessary to obtain audit evidence. Additionally, those charged with governance are responsible for informing us of their views about the risks of fraud within the Client, and their knowledge of any fraud or suspected fraud affecting the Client.

Management is responsible for adjusting the financial statements to correct material misstatements related to accounts or disclosures. As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit, including that the effects of any uncorrected misstatements aggregated by us during the audit are immaterial, both individually and in the aggregate, to the financial statements, and to the Client's compliance with the requirements of its Federal programs. Management acknowledges the importance of management's representations and responses to our inquiries, and that they will be utilized as part of the evidential matter we will rely on in forming our opinion. Because of the importance of such information to our engagement, you agree to waive any claim against Crowe and its personnel for any liability and costs relating to or arising from any inaccuracy or incompleteness of information provided to us for purposes of this engagement.

Management is responsible for the preparation of the supplementary information identified above in accordance with the applicable criteria. As part of our audit process, we will request from management certain written representations regarding management's responsibilities in relation to the supplementary information presented, including but not limited to its fair presentation in accordance with the applicable criteria, the method of measurement and presentation and any significant assumptions or interpretations underlying the supplementary information. In addition, it is management's responsibility to include the auditor's report on supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information. It is also management's responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by Client of the supplementary information and the auditor's report thereon.

Management is responsible for the preparation of the required supplementary information identified above in accordance with the applicable guidelines. We will request from management certain written representations regarding management's responsibilities in relation to the required supplementary information presented, including but not limited to whether it has been measured and presented in accordance with prescribed guidelines, the method of measurement and presentation and any significant assumptions or interpretations underlying the supplementary information.

At the conclusion of the engagement, it is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the designated federal clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of thirty days after receipt of the auditor's reports or nine months after the end of the audit period.

Management is responsible for report distribution responsibilities, including determining which officials or organizations will receive the report and making the report available to the public as applicable when the audit organization is responsible for report distribution.

OTHER SERVICES

Financial Statement Preparation

The Client will provide us with the necessary information to assist in the preparation of the draft financial statements including the notes thereto. We are relying on the Client to provide us with the detailed trial balance, note disclosure information and any other relevant report information in a timely fashion and ensure the data is complete and accurate. Management is solely responsible for the presentation of the financial statements.

Preparation of the Schedule of Expenditure of Federal Awards

The Client will provide us with the necessary information to prepare the draft schedule of expenditure of federal awards including the notes thereto. We are relying on the Client to provide us with all information required by the Uniform Guidance for the schedule, notes and other relevant reporting information in a timely fashion and ensure the data is complete and accurate. Management is solely responsible for the presentation of the schedule of expenditures of federal awards.

Recordkeeping Assistance

The Client will provide us with the necessary information to assist you in your recordkeeping. We will propose year end adjusting entries to management for your review and approval, including cash to accrual conversion entries. We are relying on the Client to provide us with the necessary information in a timely fashion and ensure the data is complete and accurate.

Data Collection Form input services

We will provide assistance in completing sections of the Data Collection Form (DCF) relative to its federal award programs pursuant to the requirements of Section §200.512 of the Uniform Guidance that are promulgated to be completed by the Client. While we may provide this data entry service and assist you in satisfying your electronic data communication requirements to the Federal Audit Clearinghouse, the completeness and accuracy of this information remains the responsibility of your management.

With respect to the above other services, we will perform the services in accordance with applicable professional standards. We, in our sole professional judgment, reserve the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities. In connection with performing the above other services, you agree to: assume all management responsibilities including making all management decisions; oversee the service by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services.

BOND OFFERINGS

With respect to any official statements issued by the Client with which Crowe is not involved, the official statement should indicate that the auditor is not involved with the contents of such official statement. The disclosure should read as:

"Crowe, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Crowe also has not performed any procedures relating to this official statement."

In delivering services to Client, Crowe may use subsidiaries owned and controlled by Crowe within and outside the United States. Crowe subsidiaries are subject to the same information security policies and requirements as Crowe LLP and will meet the requirements set forth in the confidentiality and data protection provisions of this Agreement.

FEES

Our fees are outlined below.

Description of Services	Fee Amount
Audit of the Client's financial statements and compliance for the year ending	\$130,000
June 30, 2024	

The above fee assumes no more than two federal programs will be subject to testing in the period ended June 30, 2024. Each additional program requiring testing will be billed at \$6,500 per program. We will invoice you as our services are rendered.

Additional fees and work will only be performed upon advanced written approval from Client.

In accordance with the requirements of Education Code Section 14505, the District will not be required to pay the final 10% of this amount until the current year audit report has been accepted by the State Controller's Office.

The fees outlined above are based on certain assumptions. Those assumptions may be incorrect due to incomplete or inaccurate information provided, or circumstances may arise under which we must perform additional work, which in either case will require additional billings for our services. Examples of such circumstances include, but are not limited to:

- Changing service requirements
- New professional standards or regulatory requirements
- New financial statement disclosures
- Work caused due to the identification of, and management's correction of, inappropriate application of accounting pronouncements
- Erroneous or incomplete accounting records
- Evidence of material weakness or significant deficiencies in internal controls
- Substantial increases in the number of significant deficiencies in internal controls
- Regulatory examination matters
- Change in your organizational structure or size due to merger and acquisition activity or other events
- Change in your controls
- New or unusual transactions
- Agreed-upon level of preparation and assistance from your personnel not provided
- Numerous revisions to your information
- Lack of availability of appropriate Client personnel during fieldwork.
- Additional audit procedures relating to the impact of COVID-19 on Client or additional regulatory requirements relating thereto.

Additionally, to accommodate requests to reschedule fieldwork without reasonable notice, additional billings for our services could be required, and our assigned staffing and ability to meet agreed upon deadlines could be impacted.

Due to such potential changes in circumstance, we reserve the right to revise our fees. However, if such a change in circumstances arises or if some other significant change occurs that causes our fees to exceed our estimate, we will advise management.

Our fees are exclusive of taxes or similar charges, as well as customs, duties or tariffs, imposed in respect of the Services, any work product or any license, all of which Client agrees to pay if applicable or if they become applicable (other than taxes imposed on Crowe's income generally), without deduction from any fees or expenses invoiced to Client by Crowe.

The Client and Crowe agree that the Client may periodically request Crowe to provide additional services for accounting and reporting advice regarding completed transactions and potential or proposed transactions. The fees for such additional services will be based on Crowe's hourly billing rates plus expenses or as mutually agreed upon between the Client and Crowe.

To facilitate Crowe's presence at Client's premises, Client will provide Crowe with internet access while on Client's premises. Crowe will access the internet using a secure virtual private network. Crowe will be responsible for all internet activity performed by its personnel while on Client's premises. In the event Client does not provide Crowe with internet access while on Client's premises, Client will reimburse Crowe for the cost of internet access through other means while on Client's site.

MISCELLANEOUS

As a regulated professional services firm, Crowe must follow professional standards when applicable, including the Code of Professional Conduct of the American Institute of Certified Public Accountants ("AICPA"). Thus, if circumstances arise that, in Crowe's professional judgment, prevent it from completing the engagement, Crowe retains the right to take any course of action permitted by professional standards, including declining to express an opinion or issue other work product or terminating the engagement.

No claim against Crowe, or any recovery from or against Crowe, may be sold, assigned or otherwise transferred, in whole or in part.

Crowe ("the Firm") and certain owners of the Firm are licensed by the California State Board of Accountancy. However, the Firm has owners not licensed by the California State Board of Accountancy who may provide Services under this agreement. If Client has any questions regarding licensure of the personnel performing Services under this engagement, please do not hesitate to contact Crowe.

Client and Crowe acknowledge the importance of retaining key personnel. In addition, hiring from one another could impair Crowe's independence. Therefore, both parties agree that during the period of Agreements, and for one (1) year after its expiration or termination, neither party will solicit any personnel or subcontractors (if any) of the other party for employment without the written consent of the other party.

Crowe LLP and its subsidiaries are independent members of Crowe Global, a Swiss organization. "Crowe" is the brand used by the Crowe Global network and its member firms, but it is not a worldwide partnership. Crowe Global and each of its members are separate and independent legal entities and do not obligate each other. Crowe LLP and its subsidiaries are not responsible or liable for any acts or omissions of Crowe Global or any other Crowe Global members, and Crowe LLP and its subsidiaries specifically disclaim any and all responsibility or liability for acts or omissions of Crowe Global or any other Crowe Global member. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Crowe LLP or any other member. Crowe Global and its other members are not responsible or liable for any acts or omissions of Crowe LLP and its subsidiaries and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe LLP and its subsidiaries. Visit www.crowe.com/disclosure for more information about Crowe LLP, its subsidiaries, and Crowe Global.

* * * * *

We are pleased to have this opportunity to serve you, and we look forward to a continuing relationship. If the terms of this Agreement are acceptable to you, please sign below and return one copy of this letter at your earliest convenience. Please contact us with any questions or concerns.

(Signature Page Follows)

ACCEPTANCE

I have reviewed the arrangements outlined above and I accept on behalf of the Client the terms and conditions as stated. By signing below, I represent and warrant that I am authorized by Client to accept the terms and conditions as stated.

IN WITNESS WHEREOF, Client and Crowe have duly executed this Agreement effective the date first written above.

Crowe LLP and the Engagement Authorized Signer below are licensed or otherwise authorized by the California Board of Accountancy.

Sweetwater Union High School District	Crowe LLP
Signature	Signature
	Kevin Smith
Printed Name	Printed Name
	Partner
Title	Title
 Date	Date



Report on the Firm's System of Quality Control

To the Partners of Crowe LLP and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Crowe LLP (the "Firm") applicable to engagements not subject to Public Company Accounting Oversight Board ("PCAOB") permanent inspection in effect for the year ended March 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants ("Standards").

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The Firm is responsible for designing and complying with a system of quality control to provide the Firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The Firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the Firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans; audits performed under Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA); and examinations of service organizations (SOC 1® and SOC 2® engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the Firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Crowe LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2022, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies), or fail. Crowe LLP has received a peer review rating of pass.

Cherry Bekaert LLP September 29, 2022

Cherry Bekaert LLP

cbh.com



National Peer Review Committee

October 20, 2022

Mark Baer Crowe LLP 225 W Wacker DR Ste 2600 Chicago, IL 60606-1228

Dear Mark Baer:

It is my pleasure to notify you that on October 13, 2022, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is September 30, 2025. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

Michael Wagner Chair, National PRC

+1.919.402.4502

cc: Jeffrey Sabetta, Jennifer Allen

Firm Number: 900010014904 Review Number: 592839



Crowe LLP

Independent Member Crowe Global

5810 Tennyson Parkway, Suite 450 Plano, TX 75024-4112 Tel +1 214 777 5200 Fax +1 214 777 5202 www.crowe.com

STATEMENT OF WORK NUMBER 1 to that certain INDEPENDENT CONTRACTOR SERVICES AGREEMENT BETWEEN THE SWEETWATER UNION HIGH SCHOOL DISTRICT AND CROWE LLP dated as of January 29, 2024 ("the Agreement")

February 21, 2024

Dr. Jenny Salkeld Chief Financial Officer Sweetwater Union High School District 1130 5th Avenue Chula Vista, California 91911-2812

Dear Dr. Salkeld:

This letter confirms the arrangements for Crowe LLP ("Crowe" or "us" or "we" or "our") to provide the professional services discussed in this letter and the Independent Contractor Services Agreement effective January 29, 2024, approved by the Board of Trustees, to Sweetwater Union High School District ("you", "your" or "Client"). The attached Crowe Engagement Terms, and any other attachments thereto, are integral parts of this letter, and such terms are incorporated herein.

AUDIT SERVICES

Our Responsibilities

We will audit and report on the financial statements of the Client's Proposition O and Measure DD General Obligation Bond Activity for the year ending June 30, 2024.

The objective of the audit is the expression of an opinion on the financial statements. We will plan and perform the audit in accordance with auditing standards generally accepted in the United States of America, and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error or fraud. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Because of inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with applicable standards. An audit is not designed to detect error or fraud that is immaterial to the financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the

assessment of the risks that the financial statements could be misstated by an amount that we believe would influence the judgment made by a reasonable user of these financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. As required by the standards, we will maintain professional skepticism throughout the audit.

In making our risk assessments, we 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 Client's internal control. However, we will communicate in writing to those charged with governance and management concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. We will communicate to management other deficiencies in internal control identified during the audit that have not been communicated to management by other parties and that, in our professional judgment, are of sufficient importance to merit management's attention. We will also communicate certain matters related to the conduct of the audit to those charged with governance, including (1) fraud involving senior management, and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements, (2) illegal acts that come to our attention (unless they are clearly inconsequential) (3) disagreements with management and other significant difficulties encountered in performing the audit and (4) various matters related to the Client's accounting policies and financial statements. Our engagement is not designed to address legal or regulatory matters, which matters should be discussed by you with your legal counsel.

As part of our audit, we will conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Client's ability to continue as a going concern for a reasonable period of time.

We expect to issue a written report upon completion of our audit of the Client's financial statements. Our report will be addressed to the Board of Trustees of the Client. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis of matter or other matter paragraph or a separate section in the auditor's report, or withdraw from the engagement.

In addition to our report on the financial statements and supplemental information, we plan to issue the following 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 — The purpose of this 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 internal control over financial reporting or on compliance.
This report is an integral part of an audit performed in accordance with Government Auditing
Standards in considering the Client's internal control and compliance. Accordingly, this
communication is not suitable for any other purpose.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of your compliance with applicable laws, regulations, contracts and grants. However, because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud or defalcations, may exist and not be detected by us. However, the objective of our audit of compliance relative to the financial statements will not be to provide an opinion on overall compliance with such provisions, and we will not express such an opinion. We will advise you, however, of any matters of that nature that come to our attention, unless they are clearly inconsequential.

PERFORMANCE AUDIT SERVICES

Our Responsibilities We will conduct a performance audit on the Client's Proposition O General Obligation Bond Activity for the year ending June 30, 2024. The objective of our Performance Audit will be to determine if the bond funds have been expended only on the specific projects listed in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution.

The objective of a performance audit is to provide assurance or conclusions based on an evaluation of sufficient, appropriate evidence against stated criteria, such as specific requirements, measures, or defined business practices. Performance audits provide objective analysis so that management and those charged with governance and oversight can use the information to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability. We will plan and perform the performance audit in accordance with performance audit standards contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Because of inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or material noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with applicable standards. An audit is not designed to detect error or fraud that is immaterial to the performance audit objectives.

In making our risk assessments, we consider internal control that is significant within the context of the audit objectives 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 Client's internal control. However, we will communicate in writing to those charged with governance and management concerning any significant deficiencies or material weaknesses in internal control significant within the context of the audit objectives that we have identified during the audit. Our engagement is not designed to address legal or regulatory matters, which matters should be discussed by you with your legal counsel.

FINANCIAL AND PERFORMANCE AUDIT SERVICES

Our Responsibilities

Our audit and work product are intended for the benefit and use of the Client only. The audit will not be planned or conducted in contemplation of reliance by any other party or with respect to any specific transaction and is not intended to benefit or influence any other party. Therefore, items of possible interest to a third party may not be specifically addressed or matters may exist that could be assessed differently by a third party.

The working papers for this engagement are the property of Crowe and constitute confidential information.

However, we may be requested to make certain working papers available to your oversight agency or grantors pursuant to authority given to them by law, regulation, or contract. If requested, access to such working papers will be provided under the supervision of our personnel. Furthermore, upon request, we may provide photocopies of selected working papers to your oversight agency or grantors. The working papers for this engagement will be retained for a minimum of three years after the date our report is issued or for any additional period requested by the oversight agency or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the working papers.

Government Auditing Standards require that we provide you with a copy of our most recent peer review report, which accompanies this letter.

The Client's Responsibilities

The Client's 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. Management is also responsible 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 error or fraud.

The Client's management is also responsible for complying with applicable laws, regulations, contracts and grants and such responsibility extends to identifying the requirements and designing internal control policies and procedures to provide reasonable assurance that compliance is achieved. Client's management is responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that the auditor reports. Additionally, it is management's responsibility to follow up and take corrective action on reported audit findings, to establish and maintain a process for tracking the status of findings and recommendations, and to prepare a summary schedule of prior audit findings, which should be available for our review, and a corrective action plan.

Management has the responsibility to adopt sound accounting policies, maintain an adequate and efficient accounting system, to safeguard assets, and to design and implement programs and controls to prevent and detect fraud. Management's judgments are typically based on its knowledge and experience about past and current events and its expected courses of action. Management's responsibility for financial reporting includes establishing a process to prepare the accounting estimates included in the financial statements.

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 Client's ability to continue as a going concern for one year from the date the Financial Statements are available to be issued.

Management is responsible for providing to us, on a timely basis, all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters. Management is also responsible for providing such other additional information we may request for the purpose of the audit, and unrestricted access to persons within the Client from whom we determine it necessary to obtain audit evidence. Additionally, those charged with governance are responsible for informing us of their views about the risks of fraud within the Client, and their knowledge of any fraud or suspected fraud affecting the Client.

Management is responsible for adjusting the financial statements to correct material misstatements related to accounts or disclosures. As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit, including that the effects of any uncorrected misstatements aggregated by us during the audit are immaterial, both individually and in the aggregate, to the financial statements, and to the Client's compliance with the requirements of its Federal programs. Management acknowledges the importance of management's representations and responses to our inquiries, and that they will be utilized as part of the evidential matter we will rely on in forming our opinion. Because of the importance of such information to our engagement, you agree to waive any claim against Crowe and its personnel for any liability and costs relating to or arising from any inaccuracy or incompleteness of information provided to us for purposes of this engagement.

Management is responsible for the preparation of the supplementary information identified above in accordance with the applicable criteria. As part of our audit process, we will request from management certain written representations regarding management's responsibilities in relation to the supplementary information presented, including but not limited to its fair presentation in accordance with the applicable criteria, the method of measurement and presentation and any significant assumptions or interpretations underlying the supplementary information. In addition, it is management's responsibility to include the auditor's report on supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information. It is also

management's responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by Client of the supplementary information and the auditor's report thereon.

Management is responsible for report distribution responsibilities, including determining which officials or organizations will receive the report and making the report available to the public as applicable when the audit organization is responsible for report distribution.

OTHER SERVICES

Financial Statement Preparation

The Client will provide us with the necessary information to assist in the preparation of the draft financial statements including the notes thereto. We are relying on the Client to provide us with the detailed trial balance, note disclosure information and any other relevant report information in a timely fashion and ensure the data is complete and accurate. Management is solely responsible for the presentation of the financial statements.

Recordkeeping Assistance

The Client will provide us with the necessary information to assist you in your recordkeeping. We will propose year end adjusting entries to management for your review and approval, including cash to accrual conversion entries. We are relying on the Client to provide us with the necessary information in a timely fashion and ensure the data is complete and accurate.

With respect to the above other services, we will perform the services in accordance with applicable professional standards. We, in our sole professional judgment, reserve the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities. In connection with performing the above other services, you agree to: assume all management responsibilities including making all management decisions; oversee the service by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services.

In delivering services to Client, Crowe may use subsidiaries owned and controlled by Crowe within and outside the United States. Crowe subsidiaries are subject to the same information security policies and requirements as Crowe LLP and will meet the requirements set forth in the confidentiality and data protection provisions of this Agreement.

FEES

Our fees are outlined below.

Description of Services	Fee Amount
Proposition O - Expanded Performance Bond Audit	\$35,000
Proposition O - Financial Statement Bond Audit	\$7,500
Measure DD – Expanded Performance Bond Audit	\$35,000
Measure DD – Financial Statement Bond Audit	\$7,500

We will invoice you as our services are rendered.

Our invoices are due and payable upon receipt. Invoices that are not paid within 30 days of receipt are subject to a monthly interest charge of one percent per month or the highest interest rate allowed by law, whichever is less, which we may elect to waive at our sole discretion, plus costs of collection including reasonable attorneys' fees. If any amounts invoiced remain unpaid 30 days after the invoice date, you agree that Crowe may, in its sole discretion, cease work until all such amounts are paid or terminate this engagement.

The fees outlined above are based on certain assumptions. Those assumptions may be incorrect due to incomplete or inaccurate information provided, or circumstances may arise under which we must perform additional work, which in either case will require additional billings for our services. Examples of such circumstances include, but are not limited to:

- · Changing service requirements
- New professional standards or regulatory requirements
- New financial statement disclosures
- Work caused due to the identification of, and management's correction of, inappropriate application of accounting pronouncements
- Erroneous or incomplete accounting records
- Evidence of material weakness or significant deficiencies in internal controls
- Substantial increases in the number of significant deficiencies in internal controls
- Regulatory examination matters
- Change in your organizational structure or size due to merger and acquisition activity or other
 events
- Change in your controls
- New or unusual transactions
- Agreed-upon level of preparation and assistance from your personnel not provided
- Numerous revisions to your information
- Lack of availability of appropriate Client personnel during fieldwork.
- Additional audit procedures relating to the impact of COVID-19 on Client or additional regulatory requirements relating thereto.

Additionally, to accommodate requests to reschedule fieldwork without reasonable notice, additional billings for our services could be required, and our assigned staffing and ability to meet agreed upon deadlines could be impacted.

Due to such potential changes in circumstance, we reserve the right to revise our fees. However, if such a change in circumstances arises or if some other significant change occurs that causes our fees to exceed our estimate, we will advise management.

Our fees are exclusive of taxes or similar charges, as well as customs, duties or tariffs, imposed in respect of the Services, any work product or any license, all of which Client agrees to pay if applicable or if they become applicable (other than taxes imposed on Crowe's income generally), without deduction from any fees or expenses invoiced to Client by Crowe.

The Client and Crowe agree that the Client may periodically request Crowe to provide additional services for accounting and reporting advice regarding completed transactions and potential or proposed transactions. The fees for such additional services will be based on Crowe's hourly billing rates plus expenses or as mutually agreed upon between the Client and Crowe.

To facilitate Crowe's presence at Client's premises, Client will provide Crowe with internet access while on Client's premises. Crowe will access the internet using a secure virtual private network. Crowe will be responsible for all internet activity performed by its personnel while on Client's premises. In the event Client does not provide Crowe with internet access while on Client's premises, Client will reimburse Crowe for the cost of internet access through other means while on Client's site.

MISCELLANEOUS

As a regulated professional services firm, Crowe must follow professional standards when applicable, including the Code of Professional Conduct of the American Institute of Certified Public Accountants ("AICPA"). Thus, if circumstances arise that, in Crowe's professional judgment, prevent it from completing the engagement, Crowe retains the right to take any course of action permitted by professional standards, including declining to express an opinion or issue other work product or terminating the engagement.

No claim against Crowe, or any recovery from or against Crowe, may be sold, assigned or otherwise transferred, in whole or in part.

Crowe ("the Firm") and certain owners of the Firm are licensed by the California State Board of Accountancy. However, the Firm has owners not licensed by the California State Board of Accountancy who may provide Services under this agreement. If Client has any questions regarding licensure of the personnel performing Services under this engagement, please do not hesitate to contact Crowe.

Client and Crowe acknowledge the importance of retaining key personnel. In addition, hiring from one another could impair Crowe's independence. Therefore, both parties agree that during the period of Agreements, and for one (1) year after its expiration or termination, neither party will solicit any personnel or subcontractors (if any) of the other party for employment without the written consent of the other party.

Crowe LLP and its subsidiaries are independent members of Crowe Global, a Swiss organization. "Crowe" is the brand used by the Crowe Global network and its member firms, but it is not a worldwide partnership. Crowe Global and each of its members are separate and independent legal entities and do not obligate each other. Crowe LLP and its subsidiaries are not responsible or liable for any acts or omissions of Crowe Global or any other Crowe Global members, and Crowe LLP and its subsidiaries specifically disclaim any and all responsibility or liability for acts or omissions of Crowe Global or any other Crowe Global member. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Crowe LLP or any other member. Crowe Global and its other members are not responsible or liable for any acts or omissions of Crowe LLP and its subsidiaries and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe LLP and its subsidiaries. Visit www.crowe.com/disclosure for more information about Crowe LLP, its subsidiaries, and Crowe Global.

* * * * *

We are pleased to have this opportunity to serve you, and we look forward to a continuing relationship. If the terms of this Agreement are acceptable to you, please sign below and return one copy of this letter at your earliest convenience. Please contact us with any questions or concerns.

(Signature Page Follows)

ACCEPTANCE

I have reviewed the arrangements outlined above and I accept on behalf of the Client the terms and conditions as stated. By signing below, I represent and warrant that I am authorized by Client to accept the terms and conditions as stated.

IN WITNESS WHEREOF, Client and Crowe have duly executed this Agreement effective the date first written above.

Crowe LLP and the Engagement Authorized Signer below are licensed or otherwise authorized by the California Board of Accountancy.

Sweetwater Union High School District	Crowe LLP
Signature	Signature
	Kevin Smith
Printed Name	Printed Name
	Partner
Title	Title
Date	Date



Report on the Firm's System of Quality Control

To the Partners of Crowe LLP and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Crowe LLP (the "Firm") applicable to engagements not subject to Public Company Accounting Oversight Board ("PCAOB") permanent inspection in effect for the year ended March 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants ("Standards").

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The Firm is responsible for designing and complying with a system of quality control to provide the Firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The Firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the Firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans; audits performed under Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA); and examinations of service organizations (SOC 1® and SOC 2® engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the Firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Crowe LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2022, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies), or fail. Crowe LLP has received a peer review rating of pass.

Cherry Bekaert LLP September 29, 2022

Cherry Bekaert LLP

cbh.com



National Peer Review Committee

October 20, 2022

Mark Baer Crowe LLP 225 W Wacker DR Ste 2600 Chicago, IL 60606-1228

Dear Mark Baer:

It is my pleasure to notify you that on October 13, 2022, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is September 30, 2025. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

Michael Wagner Chair, National PRC

+1.919.402.4502

cc: Jeffrey Sabetta, Jennifer Allen

Firm Number: 900010014904 Review Number: 592839

220 Leigh Farm Road, Durham, NC 27707-8110 T: +1.919.402.4502 F: +1.919.419.4713 aicpaglobal.com | cimaglobal.com | aicpa.org | cima.org



FISCAL SERVICES DIVISION Other Ongoing and Completed External Audits & Reviews March 4, 2024

	Program Review	Pending	Ongoing	Completed	Comments
	School Nutrition Program Administrative Review	X			On October 31, 2023, the district received a letter from the California Department of Education (CDE) to notify the scheduling of the School Nutrition Program (SNP) administrative review (AR). The SNP AR is the Nutrition Services Division (NSD) assessment of the school food authority (SFA) administration of the National School Lunch Program, School Breakfast Program, and other school nutrition programs.
	Fiscal Review	Pending	Ongoing	Completed	Comments
	None External Audits	Pending	Ongoing	Completed	Comments
1		0	Oligonig	Completed	
1.	CalPERS Pay Schedules and Payrates Review	X			On May 6, 2021, the district received a letter dated May 6, 2021, regarding the California Public Employees' Retirement System (CalPERS) review of pay schedules and payrates. The Office of Audit Services performed their in-person review on June 15-16, 2021. The object of their review was to determine whether employer pay schedules and payrates are in compliance with Government Code section 20636.1 and Title 2 of the California Code of Regulations section 570.5 for the period of January 1, 2016, through December 31, 2020. The final report was received on December 16, 2021, and is attached for your reference. The district has completed a corrective action plan to update the retirement records. Pending review of the Office of Audit Services for completion letter.
2.	AB139 Extraodinary Audit		X		The District received a letter from the San Diego County Office of Education (SDCOE) dated December 18, 2018, regarding an AB139 Extraordinary Audit (see attached). The SDCOE contracted with Fiscal Crisis Management Assistance Team (FCMAT) to perform the extraordinary audit. FCMAT representatives conducted their fieldwork and met with staff the week of April 29, 2019. FCMAT findings were provided at the June 22, 2020, Board Meeting with report made available on the FCMAT website on June 23, 2020. On August 17, 2020, the committee was provided an implementation plan. This plan was also provided to the full board on September 14, 2020. An update to the board was provided at their July 26, 2021, Board Meeting and most recently, the attached

					update was provided to the board on October 21, 2022. Please see attached.
3.	District Financial Audit for year ended June 30, 2024	X			Auditors from Crowe LLP will conduct their site fieldwork in May 2024. The financial fieldwork is scheduled to be conducted in August 2024 andd
					October 2024. Please refer to attached engagement letter.
	External Audits	Pending	Ongoing	Completed	Comments
4.	Proposition O Financial and Performance Audits as well as	Х			Auditors from Crowe LLP will conduct their bond fieldwork in August 2024 and October 2024. Please refer to attached engagement letter.



March 4, 2024

Board Item - C.-3.

ATTACHMENTS:

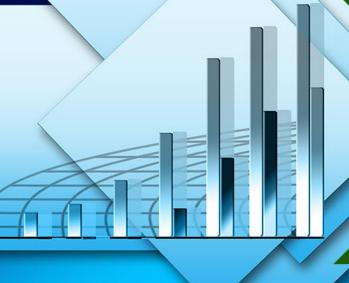
Description

C3a First Interim Board Presentation

Type

Backup Material

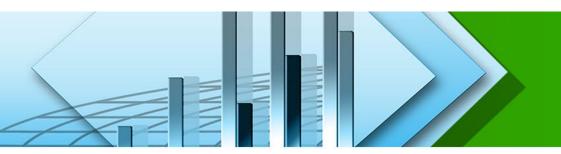




2023-24 First Interim Financial Status Report

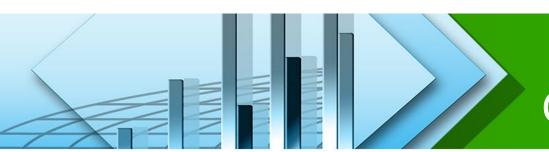
Board of Trustees Presentation December 11, 2023

Presented by: Dr. Jenny Salkeld Chief Financial Officer



Overview

- Requirements of the California Education Code
- Budget Timeline
- Current and Multi-Year Assumptions
- First Interim Budget and Multi-Year Projections
- Cash Flow
- Restricted Funds
- Staff Recommendation



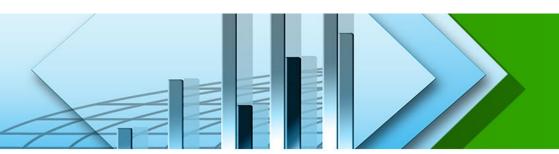
Requirements of the California Education Code

Education Code §42130 requires submittal of First Interim Financial Report by December 15, 2023

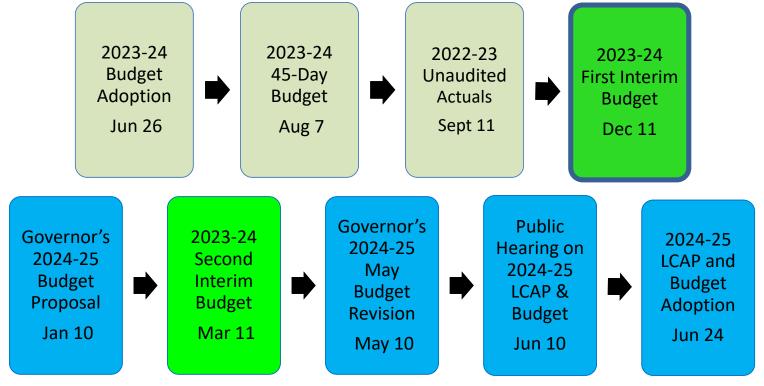
Reflecting the District's budget status as of October 31, 2023

The Board must certify projected financial condition for 2023-24, 2024-25 & 2025-26 with one of the following certifications:

- Positive— District will be able to meet its financial obligations
- Qualified— District may not be able to meet its financial obligations
- Negative— District will be unable to meet its financial obligations



Budget Timeline

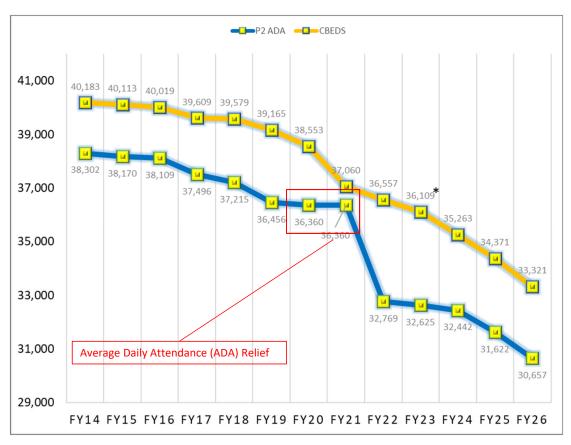


12/11/2023 4

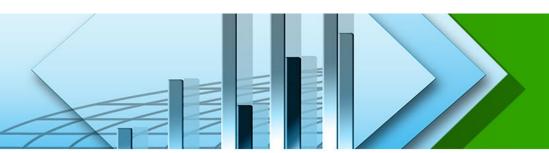




Enrollment and Average Daily Attendance



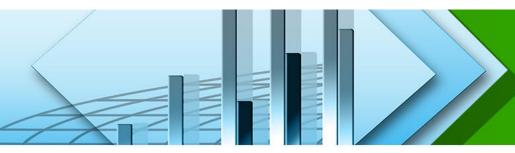
^{*} California Basic Educational Data System (CBEDS)



Enrollment

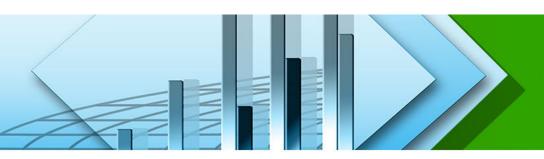
School Year	District Actual Enrollment	Difference From Prior Year	
2015-2016	40,019	0	
2016-2017	39,609	(410)	
2017-2018	39,579	(30)	
2018-2019	39,127	(452)	
2019-2020	38,553	(574)	
2020-2021	37,060	(1,493)	
2021-2022	36,557	(503)	
2022-2023	36,109	(448)	Budget Development
2023-2024 (CBEDS)*	35,263	(846)	35,510
2024-2025 (Projected)	34,343	(920)	34,810
2025-2026 (Projected)	33,292	(1,051)	33,910

^{*} California Basic Educational Data System (CBEDS)



Local Control Funding Formula Assumptions

		2023-24	2024-25	2025-26
2023-24 45-DAY BI	JDGET			
F	Revenues	\$488,210,872	486,622,665	484,837,660
F	unded ADA 7-8	9,428	8,722	8,470
F	funded ADA 9-12	24,952	24,380	23,765
ι	Induplicated % (Single Year)	62.80%	62.62%	62.81%
U	Induplicated % (3-Yr Avg)	64.45%	64.14%	62.74%
(COLA*	8.22%	3.54%	3.31%
P	ADA %	91.61%	91.62%	91.60%
FIRST INTERIM				
F	Revenues	\$488,057,613	\$487,995,697	\$484,732,038
F	unded ADA 7-8	9,427	8,721	8,462
F	funded ADA 9-12	24,943	24,334	23,638
l	Induplicated % (Single Year)	62.80%	62.80%	62.80%
U	Induplicated % (3-Yr Avg)	64.45%	64.20%	62.80%
(COLA*	8.22%	3.94%	3.29%
P	DA %	92.00%	92.00%	92.00%
REVENUE CHANGE	S	\$ (153,259)	\$ 1,373,032	\$ (105,622)



Expense Assumptions

Description	2023-24	2024-25	2025-26
Salaries			
Step and Column: Certificated	2.00%	2.00%	2.00%
Step and Column: Classified	1.30%	1.30%	1.30%
Pension Contributions			
STRS	19.10%	19.10%	19.10%
PERS	26.68%	27.70%	28.30%
Health and Welfare Premiums*	\$12,339	\$12,586	\$12,837
Materials and Supplies (CPI)	3.55%	3.03%	2.64%
Contracted Services (CPI)	3.55%	3.03%	2.64%
Utilities	15.2M	14M	14M
* Reflects Bargaining Considerations			

Revenue Assumptions

Description	2023-24	2024-25	2025-26
Federal			
ROTC, Wildlife Reserve (General Fund Unrestricted)	240,000	240,000	240,000
ESSER II (Gen Fund Restricted)	354,581	-	-
ESSER III (Gen Fund Restricted)	36,532,629	-	-
ESSER III-Learning Loss (Gen Fund Restricted)	12,383,186	-	-
Other State			
Discretionary Block Grant (Gen Fund Restricted)	20,013,165	-	-
Learning Recovery Grant (Gen Fund Restricted)	12,882,237	-	-
Lottery (GFU \$177/CY ADA)	5,720,640	5,575,500	5,404,695
Lottery (GFR \$72/CY ADA)	2,327,040	2,268,000	2,198,520
Mandate Block Grant 7-8 (\$ Per PY ADA)	38	39	41
	330,060	343,067	341,362
Mandate Block Grant 9-12 (\$ Per PY ADA)	73	76	78
	1,733,202	1,801,492	1,869,762
Local: Interest	3.49%	3.49%	3.49%
Transfers In			
Developer Fees (Fund 25) Admin Fees	70,000	70,000	70,000



Budget Projections General Fund Unrestricted – Current Year

	-A-		-B-		-C-		-C-		-D-	
			2023-24		2023-24	2023-24				
		Ad	opted Budget	45	5-Day Budget	F	First Interim			
1	BEGINNING BALANCE	\$	110,936,399	\$	110,936,399	\$	179,201,052			
2	Audit Adjustments									
3	Other Restatements									
4	ADJUSTED BEGINNING BALANCE	\$	110,936,399	\$	110,936,399	\$	179,201,052			
5	REVENUES									
6	LCFF Revenues	\$	487,710,872	\$	488,126,788	\$	487,557,613			
7	Federal Revenue		240,000		240,000		240,000			
8	State Revenue		7,587,274		7,814,144		7,783,902			
9	Local Revenue		2,898,330		2,898,330		2,972,954			
10	Transfers In		70,000		70,000		70,000			
11	Total Revenue	\$	498,506,476	\$	499,149,262	\$	498,624,469			
12	EXPENDITURES									
13	Certificated Salaries	\$	197,533,214	\$	197,533,214	\$	209,624,506*			
14	Classified Salaries		52,674,868		52,674,868		57,154,433*			
15	Employee Benefits		95,680,096		95,680,096		114,975,583*			
16	Supplies		37,492,194		38,134,980		33,872,394			
17	Contracted Services		40,518,484		40,518,484		46,492,053			
18	Capitalized Expenditures		335,000		335,000		9,570,993			
19	Other Outgo		(941,644)		(941,644)		(3,957,449)			
20	Transfers Out		50,000		50,000		50,000			
21	Contributions		100,216,083		100,216,083		106,168,573			
22	Total Expenditures	\$	523,558,295	\$	524,201,081	\$	573,951,087			
23	Revenue less Expenditures	\$	(25,051,819)	\$	(25,051,819)	\$	(75,326,618)	*Includes recent bargaining agreements		
24	ENDING BALANCE	\$	85,884,579	\$	85,884,579	\$	103,874,434	12		

Budget Projections General Fund Unrestricted Multi-Year

	-A-	-B-		-C-	-D-
		2023-2024		2024-25	2025-26
	Description	Projection		Projection	Projection
1	Net Beginning Fund Balance	\$ 179,201,052	\$	103,874,434	\$ 68,137,661
2	Audit Adjustment	-		-	-
3	Other Restatements	 -		-	
4	Adjusted Beginning Balance	\$ 179,201,052	\$	103,874,434	\$ 68,137,661
5	Revenues	\$ 498,554,469	\$	498,488,169	\$ 495,180,918
6	Expenditures	\$ 467,782,514	\$	431,428,629	\$ 431,826,317
7	Contributions	106,168,573		102,866,313	104,800,439
8	Total Expenditures	\$ 573,951,087	\$	534,294,942	\$ 536,626,756
9	Other Sources/Uses	\$ 70,000	\$	70,000	\$ 70,000
10	Revenue less Expenditures	\$ (75,326,618)	\$	(35,736,773)	\$ (41,375,838)
11	Ending Balance	\$ 103,874,434	\$	68,137,661	\$ 26,761,823
12	Components of Ending Fund Balance				
13	Nonspendable				
14	Revolving Cash	\$ 222,733	\$	231,509	\$ 239,125
15	Stores	510,000		510,000	510,000
16	Prepaid Items	3,000,000		3,000,000	3,000,000
17	School Site Carryover	 310,000		310,000	310,000
18	Total	\$ 4,042,733	\$	4,051,509	\$ 4,059,125
19	Committed				*
20	Declining Enrollment	\$ 59,455,276	\$	30,722,102	\$ -
21	Total	\$ 59,455,276	\$	30,722,102	\$ -
22	Assigned				*
23	Contingency (3%)	\$ 24,225,855	\$	20,018,430	\$ 9,996,138 [*]
24	Total	\$ 24,225,855	\$	20,018,430	\$ 9,996,138
25	Unassigned/Unappropriated		_		
26	Economic Uncertainties (2%)	\$ 16,150,570	\$	13,345,620	\$ 12,706,560
27	Total	\$ 16,150,570	\$	13,345,620	\$ 12,706,560
28	Net Balance	\$ -	\$	-	\$ -

*Includes impacts of bargained agreements





Cash Flow Projections





Line	Description	Ru	2023-24 dget Adoption	Rı	First Interim		Difference
Lille		ьu	•	ы			
	-A-		-B-		-C-		-D-
1	BEGINNING BALANCE	\$	11,024,937	\$	11,024,937	\$	-
2	Restatement						-
3	Adjusted Beginning Balance	\$	11,024,937	\$	11,024,937	\$	-
4	REVENUES						•
5	Federal Revenues	\$	1,059,990	\$	1,127,476	\$	67,486
6	State Revenues	·	18,615,170	·	18,628,859	·	13,689
7	Local Revenues		90,000		310,000		220,000
8	Transfers In		-		-		-
9	Total Revenues	\$	19,765,160	\$	20,066,335	\$	301,175
10	EXPENDITURES						
11	Certificated Salaries	\$	6,787,984	\$	7,778,519	\$	990,535
12	Classified Salaries	·	2,728,084	·	2,983,763	·	255,679
13	Employee Benefits		4,904,192		5,204,662		300,470
14	Supplies		2,296,434		3,240,088		943,654
15	Contracted Services		1,533,030		1,605,471		72,441
16	Capitalized Expenditures		3,744,687		7,765,611		4,020,924
17	Other Outgo		848,071		882,690		34,619
18	Other Outgo - Indirect Costs		553,009		563,823		10,813
19	Transfers Out		-		-		=
20	Total Expenditures	\$	23,395,492	\$	30,024,627	\$	6,629,135
21	Revenues Less Expenditures	\$	(3,630,332)	\$	(9,958,292)	\$	(6,327,960)
22	ENDING BALANCE	\$	7,394,605	\$	1,066,645	\$	(6,327,960)
23	RESERVES/RESTRICTIONS						
24	Reserve 2%	\$	467,910	\$	600,493	\$	132,583
25	Restricted	•	6,926,695		466,153		(6,460,542)
26	Total Restrictions/Reserves	\$	7,394,605	\$	1,066,645	\$	(6,327,960)
		_					

Adult Education (Fund 11)

			2023-24		First Interim	
Line	Description	Bu	dget Adoption	В	udget Projections	Difference
	-A-		-B-		-C-	-D-
1	BEGINNING BALANCE	\$	14,640,539	\$	14,640,539	\$ -
2	Restatement		-		-	-
3	Adjusted Beginning Balance	\$	14,640,539	\$	14,640,539	\$ -
4	REVENUES					•
5	Federal Revenues	\$	9,707,939	\$	10,995,029	\$ 1,287,090
6	State Revenues		5,500,000		6,130,024	630,024
7	Local Revenues		213,000		213,500	500
8	Transfers In		-		-	-
9	Total Revenues	\$	15,420,939	\$	17,338,553	\$ 1,917,614
10	EXPENDITURES					
11	Certificated Salaries	\$	-	\$	-	\$ -
12	Classified Salaries		5,820,638		6,403,835	583,197
13	Employee Benefits		2,620,070		2,727,895	107,825
14	Supplies		6,620,116		9,529,202	2,909,087
15	Contracted Services		360,115		505,259	145,144
16	Capitalized Expenditures		-		-	-
17	Other Outgo		-		-	-
18	Other Outgo - Indirect Costs		-		-	-
19	Transfers Out		-		-	-
20	Total Expenditures	\$	15,420,939	\$	19,166,191	\$ 3,745,252
						_
21	Revenues Less Expenditures	\$	-	\$	(1,827,638)	\$ (1,827,638)
22	ENDING BALANCE	\$	14,640,539	\$	12,812,901	\$ (1,827,638)
23	RESERVES/RESTRICTIONS					
24	Reserve 2%	\$	308,419	\$	383,324	\$ 74,905
25	Cash		-		-	-
26	Stores		-		-	-
27	Restricted		14,332,120		12,429,577	(1,902,543)
28	Total Restrictions/Reserves	\$	14,640,539	\$	12,812,901	\$ (1,827,638)

Cafeteria (Fund 13)

		2022-23			First Interim		
Line	Description	Вι	dget Adoption	Вι	udget Projections		Difference
	-A-		-B-		-C-		-D-
4	DECININUM C DALANCE	۸.	2 240 244	,	2 240 244	<u>,</u>	
1 2	BEGINNING BALANCE	\$	3,210,314	\$	3,210,314	\$	-
3	Restatement	Ċ	2 210 214	\$	2 210 214	Ċ	-
3	Adjusted Beginning Balance	\$	3,210,314	Ş	3,210,314	Ş	<u>-</u>
4	REVENUES						
5	LCFF Sources	\$	500,000	\$	500,000		=
6	State Revenues		-		-		-
7	Local Revenues		8,000		25,000		17,000
8	Transfers In		50,000		50,000		-
9	Total Revenues	\$	558,000	\$	575,000	\$	17,000
10	EXPENDITURES						
11	Classified Salaries	\$	-	\$	-	\$	-
12	Employee Benefits		-		-		-
13	Supplies		-		-		-
14	Contracted Services		1,779,949		1,880,943		100,994
15	Capitalized Expenditures		699,701		1,735,101		1,035,400
16	Other Outgo		-		-		-
17	Transfers Out		-		-		
18	Total Expenditures	\$	2,479,650	\$	3,616,044	\$	1,136,394
19	Revenues Less Expenditures	\$	(1,921,650)	\$	(3,041,044)	\$	(1,119,394)
20	ENDING BALANCE	\$	1,288,664	\$	169,270	\$	(1,119,394)
21	RESERVES/RESTRICTIONS						
22	Restricted	\$	1,288,664	\$	169,270	\$	(1,119,394)
23	Total Restrictions/Reserves	\$	1,288,664	\$	169,270	\$	(1,119,394)

Deferred Maintenance (Fund 14)

Line	e Description -A-		2023-24 udget Adoption -B-	Вι	First Interim udget Projections -C-		Difference -D-
1	BEGINNING BALANCE	\$	252,761,107	\$	252,761,107	\$	-
2 3	Restatement Adjusted Beginning Balance	\$	252,761,107	\$	252,761,107	\$	
	Adjusted beginning balance	٧	232,701,107	ڔ	232,701,107	٠,	
4	REVENUES						
5	Federal Revenues	\$	-	\$	-	\$	-
6	State Revenues		-		-		-
7	Local Revenues		1,530,000		4,244,000		2,714,000
8	Transfers In		-		-		-
9	Other Uses		-		-		-
10	Total Revenues	\$	1,530,000	\$	4,244,000	\$	2,714,000
11	EXPENDITURES						
12	Classified Salaries	\$	484,749	\$	524,848	\$	40,099
13	Employee Benefits		239,381		258,766		19,385
14	Supplies		2,333,069		1,836,375		(496,694)
15	Contracted Services		387,741		407,807		20,066
16	Capitalized Expenditures		255,062,696		251,318,750		(3,743,946)
17	Other Outgo		-		-		-
18	Transfers Out		-		-		
19	Total Expenditures	\$	258,507,636	\$	254,346,546	\$	(4,161,090)
20	Revenues Less Expenditures	\$	(256,977,636)	\$	(250,102,546)	\$	6,875,090
21	ENDING BALANCE	\$	(4,216,530)	\$	2,658,561	\$	6,875,090
22	RESERVES/RESTRICTIONS						
23	Restricted	\$ \$	(4,216,530)	\$	2,658,561	\$	6,875,090
24	Total Restrictions/Reserves	\$	(4,216,530)	\$	2,658,561	\$	6,875,090

Building Fund (Fund 21)

	/					Ú.,	
			2023-24		First Interim		
Line	Description	Bu	dget Adoption	В	udget Projections		Difference
	-A-		-B-		-C-		-D-
1	BEGINNING BALANCE	\$	6,403,161	\$	6,403,161	\$	-
2	Restatement		-		-		-
3	Adjusted Beginning Balance	\$	6,403,161	\$	6,403,161	\$	-
	, ,		, ,		· · ·	•	
4	REVENUES						
5	State Revenues	\$	_	\$	_	\$	-
6	Local Revenues		3,357,400	•	3,357,400	•	-
7	Transfers In		-		-		-
8	Total Revenues	\$	3,357,400	\$	3,357,400	\$	-
_			2,221,122	т	2,001,100	т	
9	EXPENDITURES						
10	Certificated Salaries	\$	_	\$	_	\$	-
11	Classified Salaries	Ψ	_	Ψ.	_	Ψ.	-
12	Employee Benefits		_		_		_
13	Supplies		440,072		440,072		_
14	Contracted Services		1,455,943		3,915,302		2,459,359
15	Capitalized Expenditures		40,000		53,950		13,950
16	Other Outgo				-		-
17	Transfers Out		70,000		70,000		_
18	Total Expenditures	\$	2,006,015	\$	4,479,323	\$	2,473,309
10	Total Expericitures	٧	2,000,013	ڔ	4,473,323	ڔ	2,473,303
10	Davanuas Lass Evacaditures	\$	1 251 205	۲.	(4 424 022)	۲	(2.472.200)
19	Revenues Less Expenditures	Ş	1,351,385	\$	(1,121,923)	Þ	(2,473,309)
20	ENDING BALANCE	۲.	7 7 7 4 7 4 7	۲.	F 201 220	۲	(2.472.200)
20	ENDING BALANCE	\$	7,754,547	Ş	5,281,238	Ş	(2,473,309)
24	DECEDIES (DECEDICATIONS						
21	RESERVES/RESTRICTIONS	,	7 754 547	<u>,</u>	E 204 222	,	(2.472.200)
22	Restricted	\$	7,754,547	\$		\$	(2,473,309)
23	Total Restrictions/Reserves	Ş	7,754,547	\$	5,281,238	\$	(2,473,309)

Capital Facilities (Fund 25)

			2023-24		First Interim		
Line	Description	Вι	udget Adoption	В	udget Projections		Difference
	-A-		-B-		-C-		-D-
1	BEGINNING BALANCE	\$	30,096,156	\$	30,096,156	\$	-
2	Restatement		-		-		-
3	Adjusted Beginning Balance	\$	30,096,156	\$	30,096,156	\$	-
4							
4	REVENUES						
5	Federal Revenues	\$	-	\$	-	\$	-
6	State Revenues		-		-		-
7	Local Revenues		220,000		220,000		-
8	Transfers In		-		-		-
9	Total Revenues	\$	220,000	\$	220,000	\$	-
		-					
10	EXPENDITURES						
11	Classified Salaries	\$	-	\$	-	\$	-
12	Employee Benefits		-		-		-
13	Supplies		-		-		-
14	Contracted Services		74,000		74,000		-
15	Capitalized Expenditures		122,123		-		(122,123)
16	Other Outgo		-		-		-
17	Transfers Out		-		-		-
18	Total Expenditures	\$	196,123	\$	74,000	\$	(122,123)
19	Revenues Less Expenditures	\$	23,877	\$	146,000	\$	122,123
	,	•	-,-	•	-,	•	, -
20	ENDING BALANCE	\$	30,120,033	\$	30,242,156	\$	122,123
-			, -,		, ,		,
21	RESERVES/RESTRICTIONS						
22	Restricted	Ś	30,120,033	\$	30,242,156	\$	122,123
23	Total Restrictions/Reserves	\$ \$	30,120,033	\$	30,242,156	\$	122,123
			55,125,055	7	55,2 12,130	~	122,123

County School Facilities (Fund 35)

			2023-24		First Interim		
Line	Description	В	udget Adoption	В	udget Projections		Difference
	-A-		-B-		-C-		-D-
1	BEGINNING BALANCE	\$	9,453,843	\$	9,453,843	\$	-
2	Restatement		-		-		-
3	Adjusted Beginning Balance	\$	9,453,843	\$	9,453,843	\$	-
4	REVENUES						
5	Federal Revenues	\$	-	\$	-	\$	-
6	State Revenues		-		-		-
7	Local Revenues		2,173,411		2,173,411		-
8	Transfers In		-		-		-
9	Total Revenues	\$	2,173,411	\$	2,173,411	\$	-
10	EXPENDITURES						
11	Classified Salaries	\$	-	\$	-	\$	-
12	Employee Benefits		-		-		-
13	Supplies		-		-		-
14	Contracted Services		1,387,322		1,654,220		266,898
15	Capitalized Expenditures		192,828		705,758		512,930
16	Other Outgo		-		-		-
17	Transfers Out		-		-		
18	Total Expenditures	\$	1,580,150	\$	2,359,978	\$	779,828
19	Revenues Less Expenditures	\$	593,261	\$	(186,567)	\$	(779,828)
20	ENDING BALANCE	\$	10,047,104	\$	9,267,276	\$	(779,828)
							<u> </u>
21	RESERVES/RESTRICTIONS						
22	Restricted	\$	10,047,104	\$	9,267,276	\$	(779,828)
23	Total Restrictions/Reserves	\$ \$	10,047,104	\$	9,267,276	\$	(779,828)
	,	<u> </u>	, , -	•	, , -	•	, , -1

Special Reserve for Capital Projects (Fund 40)

			2023-24		First Interim		
Line	Description	Вι	udget Adoption	Βι	dget Projections		Difference
	-A-		-B-		-C-		-D-
4	DECIMALING DALANCE	<u>,</u>	206 026 005	<u>,</u>	206 026 005	,	
1	BEGINNING BALANCE	\$	206,026,985	\$	206,026,985	\$	-
2	Restatement			<u>,</u>	- 200 020 005	<u>,</u>	-
3	Adjusted Beginning Balance	\$	206,026,985	\$	206,026,985	\$	<u>-</u>
4	REVENUES						
5	Federal Revenues	\$	_	\$	-	\$	<u>-</u>
6	State Revenues	Ψ	_	Υ.	-	Ψ.	-
7	Local Revenues		33,064,721		33,064,721		-
8	Transfers In		-		-		-
9	Total Revenues	\$	33,064,721	\$	33,064,721	\$	-
10	EXPENDITURES						
11	Classified Salaries	\$	616,427	\$	748,323	\$	131,897
12	Employee Benefits		299,534		349,076		49,542
13	Supplies		1,838,040		2,353,685		515,645
14	Contracted Services		502,823		770,890		268,066
15	Capitalized Expenditures		75,385,464		71,643,217		(3,742,247)
16	Other Outgo		10,933,100		10,933,100		-
17	Transfers Out		-		-		
18	Total Expenditures	\$	89,575,388	\$	86,798,291	\$	(2,777,097)
19	Revenues Less Expenditures	\$	(56,510,667)	\$	(53,733,570)	\$	2,777,097
20	ENDING BALANCE	\$	149,516,318	\$	152,293,415	\$	2,777,097
21	RESERVES/RESTRICTIONS						
22	Restricted	\$	149,516,318	\$	152,293,415	\$	2,777,097
23	Total Restrictions/Reserves	\$	149,516,318	\$	152,293,415	\$	2,777,097

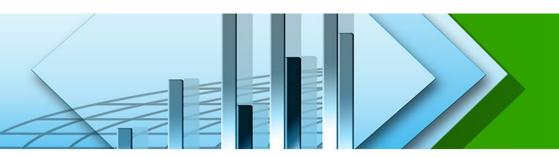
Community Facilities Districts (Fund 49)

			2023-24		First Interim	
Line	Description	Bud	get Adoptions	Вι	udget Projections	Difference
	-A-		-B-		-C-	-D-
1	BEGINNING BALANCE	\$	14,102	\$	14,102	\$ -
2	Restatement		-		-	-
3	Adjusted Beginning Balance	\$	14,102	\$	14,102	\$ -
4	REVENUES					
5	State Revenues	\$	-	\$	-	\$ -
6	Local Revenues		100		100	-
7	Transfers In		-		-	-
8	Total Revenues	\$	100	\$	100	\$
9	EXPENDITURES					
10	Certificated Salaries	\$	-	\$	-	\$ -
11	Classified Salaries		-		-	-
12	Employee Benefits		-		-	-
13	Supplies		-		-	-
14	Contracted Services		-		-	-
15	Capitalized Expenditures		-		-	-
16	Other Outgo		-		-	-
17	Total Expenditures	\$	-	\$	-	\$ - [
18	Revenues Less Expenditures	\$	100	\$	100	\$ -
19	ENDING BALANCE	\$	14,202	\$	14,202	\$ -
20	UNRESTRICTED RESERVES					
21	Unrestricted	\$	14,202	\$	14,202	\$ -
22	UNRESTRICTED RESERVES	\$	14,202	\$	14,202	\$ -
			•		•	

Foundation Trust (Fund 73)*

²⁵





Recommended Action

Staff recommends that the Board of Trustees approve the 2023-24 First Interim Report with a <u>Positive</u> <u>Certification</u> to submit to the San Diego County Office of Education (SDCOE) in accordance with Education Code 42130.



Questions?



March 4, 2024

Board Item - C.-4.

ATTACHMENTS:

Description

C4a Fraud Hotline Quarterly Report

Type

Backup Material



DATE: February 23, 2023

TO: Moisés Aguirre, Ed.D., Superintendent

FR: Robert Hughes, Chief Compliance Officer

RE: Fraud Hotline Quarterly Report – For the quarter ended December 31, 2023

About the Fraud Hotline

The Office of Internal Audit and the Compliance Department, through a third-party provider, administers the District's Fraud Hotline, designed for reporting suspected cases of fraud. The Fraud Hotline is not a substitute for instructional, curricular, student complaints or for employment related grievances or appeals, as existing district policy and procedures provide channels for resolution of these issues.

Upon the completion of a Fraud Hotline submission, the Office of Internal Audit and the Compliance Department is notified by the third-party provider. Fraud-related complaints are investigated by the Office of Internal Audit. Non-fraud related complaints are evaluated by an Intake and Review Committee ("Small Committee") consisting of staff from compliance and internal audit to determine action.

The length of an investigation is determined by the nature of the allegation, procedures that will need to be performed, and the priority level of the case.

Second Quarter Submissions

For the quarter ended December 31, 2023, there was one (1) Fraud Hotline submission.

Status of Hotline Reports

Of the three (3) submissions filed with the Fraud Hotline during fiscal year 2023-2024, all three (3) have been closed as they were investigated and determined the allegations were not substantiated, or found to not be within the scope of the Fraud Hotline. One (1) non-fraud complaint was closed on January 9, 2024, and is included in this quarterly report.

Status of Hotline Reports (continued)

The following table summarizes the types of reports received during fiscal year 2023-2024 and status as of December 31, 2023 (Includes closure of one (1) non-fraud complaint on January 9, 2024:

NO.	CASE ID ¹	DATE OF SUBMISSION	SITE/ DEPARTMENT	REVIEW BY	STATUS	REPORTER CLAIM DESCRIPTION
1	67871	08/13/23	District	Compliance	Closed 09/01/23 – Unsubstantiated	Non-fraud – Breach of Title IX compliance.
2	68207	08/24/23	Chula Vista High	Internal Audit	Closed 11/09/23 – Forwarded to administrator	Non-fraud/Not within scope of the Fraud Hotline – Complaints against school employees. Complaint identical to case ID 65749 received and closed in the prior year.
3	70605	12/11/23	Special Services	Compliance	Closed 01/09/2024- Unsubstantiated	Non-fraud – Complaint regarding employee activities

Conclusion

The Office of Internal Audit and the Compliance Department would like to express our appreciation to the staff who assisted throughout the performance of our procedures for their courtesy and cooperation.

C: Board of Trustees
Jenny Salkeld, Ph.D., Chief Financial Officer
Jennifer Carbuccia, General Counsel
Gerardo Moreno, M.Ed., Internal Auditor
Tony Hernandez, Staff Auditor

¹ Case ID numbers are assigned based on the total amount of cases filed through the third-party provider versus by sequential order for the District.



March 4, 2024

Board Item - C.-5.

ATTACHMENTS:

Description

☐ C5 Subcommittee Calendar

Type

Backup Material



1130 Fifth Avenue, Chula Vista, CA 91911-2896

AUDIT/FINANCE SUBCOMMITTEE – CALENDAR & STANDARD AGENDA ITEMS

Date	Agenda Items	Supporting Documents	Notes
JULY 15, 2024 4:00 pm Board Room	 Ongoing Review of External Audit Scope 2023/2024 District & Bond Audits a. Update from Crowe LLP Review of Financial Reports a. 2024/2025 Adopted Budget Internal Audit Items a. Internal Audit Plan 	Internal Audit Plan Financial Report	Proposed Budget for new Fiscal Year approved by BOT prior to July 1. Per Ed. Code 42127(a)(2)
OCTOBER 7, 2024 4:00 pm Board Room	 Ongoing Review of External Audit Scope 2023/2024 District & Bond Audits a. Update from Crowe LLP Review of Financial Reports a. 2023/2024 Unaudited Actuals Internal Audit Items 	Unaudited Actuals	Unaudited Actuals are Board approved on or before September 15. Per Ed Code 42100(a).
DECEMBER 9, 2024 4:00 pm Board Room	Ongoing Review of External Audit Scope 2023/2024 Audits – Update from Crowe LLP a. Draft Financial Audit Report b. Draft Bond Financial Audit Reports c. Draft Bond Performance Audit Reports 3. Internal Audit Items	Draft Financial Audit Draft Bond Financial Audits Draft Bond Performance Audits	 Financial audit to be reviewed by Board by January 31. Per Ed Code 41020.3. Bond Financial & Performance Audits must be received by BOT and CBOC no later than March 31. Per Ed. Code 15286
MARCH 3, 2025 4:00 pm Board Room (pending approved board calendar)	 Ongoing Review of External Audit Scope Review of Financial Report 2024/2025 First Interim Review Internal Audit Items Appointment of New Chair Charter Review 	First Interim Report Charter	1. First Interim to be certified by Board 45 days after the close of the period being reported (October 31). Per Ed Code 42131(a)(1)



March 4, 2024

Board Item - C.-6.

ATTACHMENTS:

D

Description

C6 Subcommittee Timeline of District Deadlines

Type

Backup Material



1130 Fifth Avenue, Chula Vista, CA 91911-2896

AUDIT/FINANCE SUBCOMMITTEE – DISTRICT DEADLINES										
Due Date	Item	Description	Education Code	Notes						
July 1	• Budget	District budget due to County Superintendent of Schools	• 42127(a)(2) and 42129	If not transmitted by due date, stipends, expenses & salaries for BOT/Supt. withheld.						
August Bd Mtg	 District Investment Reports 	Disclosure of district investmentsDisclosure of Mello-Roos, CFD investments	• GC53646, GC53646(e), GC53646(b)(1)	Period of April through June						
September 15	Unaudited Actual Data	District unaudited actual data, including Gann resolution due to COE	• 42100(a), 42132 • GC7906(f)	Due to CDE Oct. 15. If not approved by due date, stipends, expenses & salaries for BOT/Supt. withheld.						
November Bd Mtg	District Investment Reports	 Disclosure of district investments Disclosure of Mello-Roos, CFD investments 	• GC53646, GC53646(e), GC53646(b)(1)	Period of July through September						
December 15	• 1 st Interim	District 1 st Interim due to COE (also to State Superintendent of Public Instruction (SSPI) and State Controller if qualified or negative)	• 42131(a)(1) and (2)	Period ending October 31						
December 15	Financial Audit	District prior year financial audit due to COE, SSPI, and State Controller	• 41020(h) and 41020.3.	Reviewed by BOT prior to January 31						
January 31	 Financial Audit 	BOT reviews Audit Report	• 41020.3	Public Hearing						
February Bd Mtg	District Investment Reports	 Disclosure of district investments Disclosure of Mello-Roos, CFD investments 	• GC53646, GC53646(e), GC53646(b)(1)	Period of October through December						
March 17	• 2 nd Interim	District 2 nd Interim due to COE (also to SSPI and State Controller if qualified or negative)	• 42131(a)(1) and (2)	Period ending January 31						
March 31	Prop O Audits	Financial and Performance Audits due to BOT and CBOC	• 15286	BOT & CBOC must receive by 3/3 ²						
	3rd Interim	If 2 nd Interim is Negative or Qualified, district must submit	• 42131	Period ending April 30						
May Board Mtg	Budget	Review of Preliminary LCAP Review of Preliminary Budget	• AB189, 42100-42105 • 42127, 52060	Public Hearing LCAP must be reviewed first						
	District Investment Reports	Disclosure of district investmentsDisclosure of Mello-Roos, CFD investments	• GC53646, GC53646(e), GC53646(b)(1)	Period of January through March						
June 30	Budget	Adoption of District LCAP Adoption of District Budget	• AB1200, 52060	LCAP must be adopted first						

Source: http://www.cde.ca.gov/fg/sf/fr/calendar16district.asp

Legend: AB = Assembly Bill COE = County Office of Education GC = Government Code

CBOC = Citizens Bond Oversight Committee
CDE = California Department Of Education
CFD = Community Facilities Districts SSPI = State Superintendent of Public Instruction

Updated: February 26, 2024 C. De La Riva



March 4, 2024

Board Item - C.-7.

ATTACHMENTS:

Description

C7a 12 05 23 Unadopted Minutes

Type

Backup Material

AUDIT/FINANCE SUBCOMMITTEE MEETING

SWEETWATER UNION HIGH SCHOOL DISTRICT BOARD OF TRUSTEES

UNADOPTED MINUTES

4:00 p.m. December 5, 2023

Board: •Adrián Arancibia •Marti Emerald •Elva Lopez-Zepeda •Nicholas Segura •Arturo Solis
Superintendent: Moisés G. Aguirre •Student Board Representative: Izayah Ringfield

Order of Business

A. CALL TO ORDER

Member Segura called the meeting of the Audit/Finance Subcommittee to order at 4:02 p.m. In attendance were Nicholas Segura, board president; Marti Emerald, board member; Dan Gutowski, community member; Lisa Schmidt, community member; Jenny Salkeld, chief financial officer; and Daphne Enriquez, district auditor. Also in attendance were Moises Aguirre, superintendent; Gerardo Moreno, internal auditor; and Deanne Vicedo, clerk of the board.

B. PUBLIC COMMUNICATION ON POSTED ITEMS

There was no public comment.

C. ITEMS FOR DISCUSSION

1. AUDITS

- a. 2023-2024 Audit Updates Crowe LLP
 - i. District Financial Audit
 - ii. Proposition O Financial and Performance Audits
 - iii. Measure DD Financial and Performance Audits

Auditors from Crowe LLP, provided an update on the draft audits, and stated that the financial audit was issued with an unmodified opinion. They reviewed the Prop O and Measure DD audits, and discussed the compliance findings in both audits.

The committee accepted all the audit reports with unanimous consensus.

b. Update on Request for Proposal - Audit Firms

Dr. Salkeld provided an update on the RFP, and stated that the board of trustees approved Crowe LLP to continue as the audit firm. She stated that per Education Code, Crown will rotate partners for the next audits. There was discussion on the RFP process and award.

c. Other Ongoing and completed External Audits & Reviews

Dr. Salkeld provided an update on the other ongoing and completed audits.

2. INTERNAL AUDIT ITEMS

a. Ongoing and Completed Internal Audit Engagements

Daphne Enriquez provided an overview of updates since the last committee meeting. There was discussion regarding training and audit staff as well as cashless options in the district.

- b. Associated Student Body Spend Down Plans
 - i. Summary of Activity and Balances as of and for Fiscal Year and Year Ended June 30, 2023
 - ii. Spend-Down Activity Summary for Fiscal Year 2022-2023
 - iii. Example Spend-Down Request Fiscal Year 2022-2023
 - iv. Approved Spend-Down Plans Fiscal Year 2022-2023
 - v. Site Memos Related to Spend-Down Plans Fiscal Year 2022-2023
 - vi. Corrective Action Plans for Negative Fund Balances

Daphne Enriquez reviewed all the documents related to ASB Spend-Down Plans, and provided detailed information on the summary charts and spend-down requests.

3. DISCUSS COMMMITTEE CALENDAR AND TIMELINES

a. Audit/Finance Subcommittee Calendar and Timelines for 2023-2024

Dr. Salkeld reviewed the timeline and asked for confirmation from the committee members on the March 4, 2024, meeting date. All members confirmed they were available.

4. REVIEW OF MINUTES

a. October 16, 2023

The committee approved the minutes of October 16, 2023, by unanimous consensus.

5. COMMITTEE MEMBER COMMENTS

a. Recap of Recommendations to the Board of Trustees

Committee members expressed their appreciation to staff for all their hard work. Member Emerald provided information on the upcoming Voter Registration Drive.

D. ADJOURNMENT

The meeting was adjourned at 4:58 p.m.