Financial Statements
June 30, 2023

San Ramon Valley Unified School District

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Independent Auditor's Report

To the Board of Education
San Ramon Valley Unified School District
Danville, California

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

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

Qualified Opinions on Governmental Activities, the General Fund, and the Aggregate Remaining Fund Information

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, general fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on the Building Fund and Bond Interest and Redemption Fund

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the building fund and the bond interest and redemption fund of the District, as of June 30, 2023 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

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

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Matter Giving Rise to Qualified Opinions on Governmental Activities, the General Fund, and the Aggregate Remaining Fund Information

Management has reported transactions within a fiduciary fund that do not meet the GASB Statement No. 84, *Fiduciary Activities*, criteria for such reporting and accordingly should be reported within other applicable governmental funds. Furthermore, the description of other post-employment benefits (OPEB) described in the District's OPEB actuarial valuation are different that the OPEB benefits described in the agreements between the District and its bargaining units. Accordingly, the OPEB actuarial valuation may require recalculation using the same benefit terms agreed between the District and its bargaining units. The amount by which this departure would affect the assets, deferred inflows of resources, deferred outflows of resources, net position, fund balances, revenues, or expenses/expenditures of the governmental activities, the general fund, and the aggregate remaining fund Information has not been determined.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, local education agency organization structure, schedule of average daily attendance, schedule of instructional time, reconciliation of annual financial and budget report with audited financial statements, schedule of trends and analysis, and combining non-major governmental fund financial statements (supplementary information) as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. In our opinion, except for the effect on the supplementary information described in the Matter Giving Rise to Qualified Opinions on Governmental Activities, the General Fund, and the Aggregate Remaining Fund Information paragraph, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Menlo Park, California
May 21, 2024

This section of San Ramon Valley Unified School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023, with comparative information for the year ended June 30, 2022. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

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

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

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

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

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

- The *Fiduciary Funds* are prepared using the economic resources measurement focus and the accrual basis of accounting.

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

The Primary unit of the government is the San Ramon Valley Unified School District. The District also has three blended component units, the San Ramon Valley Unified School District Financing Corporation, the San Ramon Valley Unified School District Educational Facilities Corporation and the San Ramon Valley Unified School District Joint Powers Financing Authority. Both the Financing Corporation and the Educational Facilities Corporation are inactive and have no assets or liabilities and no activity in the current financial statements.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

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

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

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

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

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

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

Governmental Funds - Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement.

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

THE DISTRICT AS A TRUSTEE

Reporting the Districts Fiduciary Responsibilities

The District is the trustee, or fiduciary, for funds held on behalf of others, such as warrant pass-through funds. The District's fiduciary activities are reported in the *Statements of Fiduciary Net Position*. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

FINANCIAL HIGHLIGHTS

THE DISTRICT AS A WHOLE

Net Position

The District's net position was $478,095,520 for the fiscal year ended June 30, 2023. Of this amount, $(290,140,645) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use the net position for day-to-day operations. Our analysis below focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

	Governmental Activities	
	2023	2022
Assets		
Current and other assets	$ 260,719,757	$ 220,492,520
Capital assets	980,109,789	1,005,099,556
Total assets	1,240,829,546	1,225,592,076
Deferred outflows of resources	129,858,636	119,025,358
Liabilities		
Current liabilities	23,083,756	24,637,773
Other noncurrent	422,822,080	454,573,050
Aggregate net pension liability	316,507,647	201,864,113
Other post employment benefits plan	56,912,545	60,274,605
Total liabilities	819,326,028	741,349,541
Deferred inflows of resources	73,266,634	189,116,004
Net Position		
Net investment in capital assets	640,068,309	605,967,892
Restricted	128,167,858	87,789,855
Unrestricted	(290,140,647)	(279,605,858)
Total net position	$ 478,095,520	$ 414,151,889

The $(290,140,645) in unrestricted deficit net position of governmental activities represents the accumulated results of all past years' operations. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraint established by debt covenants, enabling legislations, or other legal requirements – increased from $(279,605,858).

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the *Statement of Activities* on page 17. Table 2 takes the information from the Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues for the year.

Table 2

	Governmental Activities	
	2023	2022
Revenues		
Program revenues		
Charges for services	$ 5,642,929	$ 3,011,663
Operating grants and contributions	124,879,480	87,204,467
Capital grants and contributions	20,809,153	10,048,252
General revenues		
Federal and State aid not restricted	112,660,810	89,825,955
Property taxes	272,207,813	258,503,649
Other general revenues	15,284,734	8,594,134
Total revenues	551,484,919	457,188,120
Expenses		
Instruction-related	327,911,580	281,432,312
Pupil services	52,863,706	45,787,748
Administration	26,822,505	22,531,606
Maintenance and operations	54,832,228	42,911,615
All other services	25,111,269	15,781,588
Total expenses	487,541,288	408,444,869
Change in net position	$ 63,943,631	$ 48,743,251

Governmental Activities

As reported in the *Statement of Activities* on page 17, the cost of all of our governmental activities this year was $487,541,288. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only $272,207,813 because the cost was paid by those who benefited from the programs ($5,642,929) or by other governments and organizations who subsidized certain programs with grants and contributions ($151,331,562). We paid for the remaining “public benefit” portion of our governmental activities with $112,660,810 of unrestricted Federal and State funds, and $15,284,734 with other revenues, like interest and general entitlements.

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

Table 3

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
Instruction-related	$ 327,911,580	$ 281,432,312	$ 236,716,072	$ 222,287,841
Pupil services	52,863,706	45,787,748	25,218,456	24,935,481
Administration	26,822,505	22,531,606	25,559,265	21,427,126
Maintenance and operations	54,832,228	42,911,615	47,851,411	40,482,998
All other services	25,111,269	15,781,588	864,522	(952,959)
Total	$ 487,541,288	$ 408,444,869	$ 336,209,726	$ 308,180,487

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of $236,316,664, which is an increase of $41,299,973 from last year (Table 4).

Table 4

	Balances and Activity			
Governmental Fund	June 30, 2022	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2023
General	$ 63,463,322	$ 465,063,071	$ 441,859,717	$ 86,666,676
Student Activity Fund	2,715,091	8,229,123	8,505,735	2,438,479
Cafeteria	2,742,435	13,527,976	11,277,019	4,993,392
Building	52,353,137	24,201,615	15,468,238	61,086,514
Capital Facilities	8,295,386	3,776,702	305,973	11,766,115
County School Facilities	-	20,809,153	20,809,153	-
Special Reserve Fund for Capital Outlay Projects	10,673,156	3,939,520	3,496,684	11,115,992
Bond Interest and Redemption	54,774,164	43,777,151	40,301,819	58,249,496
Total	$ 195,016,691	$ 583,324,311	$ 542,024,338	$ 236,316,664

The primary reasons for these increases are:

- The fund balance in the General Fund increased $23.2 million. This was primarily due to restricted one-time funding from the State in the Arts, Music, and Instructional Materials Discretionary Block Grant and the Learning Recovery Emergency Block Grant.
- Cafeteria Fund increased approximately $2.3 million. This was due to increased revenues from the state to support implementation of universal meals.
- The Building Fund increased $8.7 million. This was primarily due to transfer in of approximately $21 million from the County School Facilities Fund.
- The Capital Facilities Fund increased $3.5 million. This was primarily due to increased revenue from developer fees along with lower than expected expenditures.
- The Bond Interest and Redemption Fund increased $3.5 million to meet debt service needs.
- Our other funds remained relatively stable.

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was adopted on June 30, 2023.

A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 70.

The District originally projected a decrease in general fund balance of $1.9 million. This was later revised to an increase of $16.3 million which was the results of LCFF funding, increased Special Education revenue and the addition of carry-over from the prior year. In comparing the revised budget to the original adopted budget, revenues were $68.4 million higher, and expenditures were $50.1 million higher.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

At June 30, 2023, the District had $980,109,789 in a broad range of capital assets (net of depreciation), including land, buildings, furniture, and equipment. This amount represents a net decrease (including additions, deductions, and depreciation) of $24,989,767, or 2.49%, from last year (Table 5).

Table 5

	Governmental Activities	
	2023	2022
Land and construction in progress	$ 417,136,432	$ 491,500,156
Buildings and improvements	559,094,107	510,088,093
Equipment	3,879,250	3,511,307
Total	$ 980,109,789	$ 1,005,099,556

This year's additions included completed kitchen, classroom, and childcare building modernization projects, play structure, track and field replacements and pool renovation at several schools. The capital projects that are planned to continue in the 2023-24 year include modernization of school buildings and athletic facilities, ADA upgrades, play structures, and fencing. We present more detailed information about our capital assets in Note 5 to the financial statements.

Long-Term Liabilities

At the end of this year, the District had $796,242,272 in long-term liabilities outstanding versus $716,711,768 last year, an increase of 11.1%. Those long-term liabilities consisted of:

Table 6

	Governmental Activities	
	2023	2022
Long-Term Liabilities		
General obligation bonds	$ 383,235,000	$ 409,637,500
Lease Revenue bonds	6,800,000	8,450,000
Bonds premiums unamortized	20,702,689	23,733,767
Compensated absences	3,216,879	3,088,249
Other long-term liability	8,867,512	9,663,534
Net OPEB liability	56,912,545	60,274,605
Aggregate net pension liability	316,507,647	201,864,113
Total	$ 796,242,272	$ 716,711,768

The District's bond rating from Standard & Poor's is "AA+." The State limits the amount of general obligation debt that Districts can issue to 2.5% of the assessed value of all taxable property within the District's boundaries. The District's outstanding general obligation debt of $383,235,000 is below this statutorily - imposed limit.

At year-end, the District has a net pension liability of $316,507,647 versus $201,864,113 last year, an increase of $114,643,534, or 56.8%.

Other obligations include compensated absences payable, other post-employment benefits, and other long-term liabilities. We present more detailed information regarding our long-term liabilities in Note 9, Notre 10 and Note 13 of the financial statements.

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2022-23 ARE NOTED BELOW:

This was the thirteenth year the District used revenues from the parcel tax, originally passed in April 2009 and extended in May 2015 through the 2024-25 fiscal year, to fund teacher salaries and benefits. The tax is $144 per parcel and generates approximately $6.9 million in revenue for the 2022-23 school year and directly funds teacher salaries and benefits.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

As the COVID-19 pandemic receded, there were continued impacts the District. SRVUSD offered the option for either in-person instruction, and revamped its Independent Study offering to include distance learning. The unprecedented support from both Federal and State resources continued to assist with addressing learning loss from the pandemic, refreshing our 1:1 device program, as well as supporting student and staff mental health.

The District continues to experience declining enrollment. While the distribution of Federal and State one-time dollars helped the District navigate its pandemic response, the District will continue to make decisions about which programs will continue and how they will be funded.

The 2022-23 school year began with unprecedented revenues, with an ongoing increase to the LCFF base, as well as large one-time block grants to address learning loss, instructional materials, and operational costs such as pensions and healthcare. However, the good news of the current year is mixed as economic data points toward an uncertain future, with inflation still high and actions from the Federal Reserve geared towards slowing the overall economy. The slowing of state revenues and a lower-than-anticipated COLA will threaten school districts budgets in the near- and long-term. The District will continue to carefully analyze and take into account all of these considerations when contemplating new ongoing or one-time spending commitments.

The State continues to ask districts to cover increased pension contributions to the State Teachers' Retirement System (STRS) and the Public Employees' Retirement System (PERS). These rates are not set by the District. Several years ago, state level politicians made the decision to make local districts responsible for paying these increased rates after the state controlled pension funds predicted a shortfall in their investment strategy. Collectively, higher prices, increased pension costs, and continued declining enrollment will continue to put pressure on the District's budget.

In considering the District Budget for the 2023-24 year, the District Board and management used the following criteria:

The key assumptions in our revenue projections were:

- LCFF full funding, with a statutory COLA of 8.22%.
- 10.24% unduplicated pupil count.
- $6,717,617 in LCFF Supplemental funding.
- Enrollment is estimated to decline by 480 students compared to 2022-23 levels.
- Funded ADA average of the three prior year's ADA, calculated to be 29,397.
- Special Education funding assumes an increase in the base rate to $887.
- Mandated Cost Block Grant funding (K-8, $38, 9-12, $73).
- Lottery revenue of $170/ADA (unrestricted), $67/ADA (restricted).
- The parcel tax provides the District with $6.80 million in revenue.
- Federal Categorical funding remained primarily flat from prior year amounts.

Certificated staffing expenditures are based on the following ratios which exclude SDC classes, Del Amigo Continuation School and Venture Independent Study.

Grades transition kindergarten through third	24:1 (average)
Grades four and five	30:1
Grades six through eight	28:1
Grades nine through twelve	27:1

The key assumptions in our expenditure forecast are:

- Health & Welfare insurance rates would increase 10% over the prior year.
- STRS employer rate of 19.10 (flat).
- PERS employer rate of 26.68% (+1.31%).
- Maintaining Routine Restricted Maintenance to 3.0% of expenditures.
- The 3% Reserve for Economic Uncertainties is maintained.
- Local Control and Accountability Plan (LCAP) action plans are funded in accordance with the 2023-24 updated LCAP.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Chief Business Officer at San Ramon Valley Unified School District, 699 Old Orchard Drive, Danville, California, 94526, or email skemp@srvusd.net.

	Governmental Activities
Assets	
Deposits and investments	$ 223,096,266
Receivables	36,636,545
Prepaid expense	697,791
Stores inventories	289,155
Nondepreciable capital assets	417,136,432
Depreciable capital assets, net of accumulated depreciation/amortization	562,973,357
Total assets	1,240,829,546
Deferred Outflows of Resources	
Deferred charge on refunding	24,832,000
Related to OPEB	20,287,923
Related to pensions	84,738,713
Total deferred outflows of resources	129,858,636
Liabilities	
Accounts payable	13,865,542
Interest payable	2,705,180
Unearned revenue	6,513,034
Noncurrent liabilities	
Due within one year	
Compensated absences	1,000,000
Bonds	40,922,004
Due in more than one year	
Compensated absences	2,216,879
Bonds	378,683,197
Net other postemployment benefits liability	56,912,545
Aggregate net pension liabilities	316,507,647
Total liabilities	819,326,028
Deferred Inflows of Resources	
Related to OPEB	24,766,671
Related to pensions	48,499,963
Total deferred inflows of resources	73,266,634
Net Position	
Net investment in capital assets	640,068,309
Restricted for	
Debt service	59,673,627
Capital projects	19,211,650
Educational programs	42,067,356
Food services and student bondy	7,215,225
Unrestricted deficit	(290,140,647)
Total net position	$ 478,095,520

Functions/Programs	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
Governmental Activities					
Instruction	$ 272,526,073	$ 2,258,391	$ 59,657,577	$ 20,809,153	$ (189,800,952)
Instruction-related activities					
Supervision of instruction	17,847,604	34,615	4,936,675	-	(12,876,314)
Instructional library, media, and technology	8,406,784	34,565	825,109	-	(7,547,110)
School site administration	29,131,119	22,191	2,617,232	-	(26,491,696)
Pupil services					
Home-to-school transportation	9,215,254	-	4,244,471	-	(4,970,783)
Food services	11,759,309	990	14,635,292	-	2,876,973
All other pupil services	31,889,143	72,362	8,692,135	-	(23,124,646)
Administration					
Data processing	6,261,341	737	153,876	-	(6,106,728)
All other administration	20,561,164	1,066	1,107,561	-	(19,452,537)
Plant services	54,832,228	835,283	6,145,534	-	(47,851,411)
Ancillary services	14,874,926	135,843	9,072,218	-	(5,666,865)
Community services	1,256,183	-	7,147	-	(1,249,036)
Interest on long-term liabilities	8,473,010	-	-	-	(8,473,010)
Other outgo	507,150	2,246,886	12,784,653	-	14,524,389
Total governmental activities	$ 487,541,288	$ 5,642,929	$ 124,879,480	$ 20,809,153	(336,209,726)
General Revenues and Subventions					
Property taxes, levied for general purposes					221,163,025
Property taxes, levied for debt service					42,560,311
Taxes levied for other specific purposes					8,484,477
Federal and State aid not restricted to specific purposes					112,660,810
Interest and investment earnings					2,801,918
Interagency revenues					135,858
Miscellaneous					12,346,958
Subtotal, general revenues					400,153,357
Change in Net Position					63,943,631
Net Position, Beginning					414,151,889
Net Position, End of Year					$ 478,095,520

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets					
Deposits and investments	$ 70,969,104	$ 59,838,967	$ 58,189,020	$ 30,120,184	$ 219,117,275
Receivables	36,535,977	-	60,476	40,092	36,636,545
Due from other funds	114,529	2,226,038	-	934,684	3,275,251
Prepaid expenditures	697,791	-	-	-	697,791
Stores inventories	72,509	-	-	216,646	289,155
Total assets	$ 108,389,910	$ 62,065,005	$ 58,249,496	$ 31,311,606	$ 260,016,017
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 11,944,050	$ 977,935	$ -	$ 797,238	$ 13,719,223
Due to other funds	3,353,450	556	-	113,090	3,467,096
Unearned revenue	6,425,734	-	-	87,300	6,513,034
Total liabilities	21,723,234	978,491	-	997,628	23,699,353
Fund Balances					
Nonspendable	929,000	-	-	216,646	1,145,646
Restricted	42,067,356	61,086,514	58,249,496	24,201,393	185,604,759
Committed	-	-	-	5,895,939	5,895,939
Assigned	6,275,506	-	-	-	6,275,506
Unassigned	37,394,814	-	-	-	37,394,814
Total fund balances	86,666,676	61,086,514	58,249,496	30,313,978	236,316,664
Total liabilities and fund balances	$ 108,389,910	$ 62,065,005	$ 58,249,496	$ 31,311,606	$ 260,016,017

Total Fund Balance - Governmental Funds		$ 236,316,664
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	$ 1,582,180,231	
Accumulated depreciation is	(602,070,442)	
Net capital assets		980,109,789
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(2,705,180)
The assets and liabilities of the internal service fund are included with governmental activities.		4,024,517
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the governmental funds. Deferred outflows of resources amounted to and related to		
Ddeferrered charge on refunding	24,832,000	
Net other postemployment benefits (OPEB)	20,287,923	
Aggregate net pension liability	84,738,713	
		129,858,636
Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported in the governmental funds. Deferred inflows of resources amount to and related to		
Net other postemployment benefits (OPEB)	(24,766,671)	
Aggregate net pension liability	(48,499,963)	(73,266,634)
Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(316,507,647)
The District's net OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		(56,912,545)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Long-term liabilities at year-end consist of		
General obligation bonds	$ (383,235,000)	
Capital leases	(8,867,512)	
Lease Revenue Bonds	(6,800,000)	
Compensated absences (vacations)	(3,216,879)	
Bond premiums/Discounts, net of amortization	(20,702,689)	
Total long-term liabilities		(422,822,080)
Total net position - governmental activities		$ 478,095,520

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Local Control Funding Formula	$ 321,806,139	$ -	$ -	$ -	$ 321,806,139
Federal sources	13,618,960	-	-	3,795,940	17,414,900
State sources	94,807,289	-	133,883	30,485,941	125,427,113
Local sources	34,697,383	3,392,462	43,643,268	13,102,608	94,835,721
Total revenues	464,929,771	3,392,462	43,777,151	47,384,489	559,483,873
Expenditures					
Current					
Instruction	269,748,868	-	-	-	269,748,868
Instruction-related activities					
Supervision of instruction	17,716,748	-	-	-	17,716,748
Instructional library, media, and technology	8,216,808	-	-	-	8,216,808
School site administration	28,714,851	-	-	-	28,714,851
Pupil services					
Home-to-school transportation	9,083,104	-	-	-	9,083,104
Food services	371,022	-	-	11,277,019	11,648,041
All other pupil services	31,505,034	-	-	-	31,505,034
Administration					
Data processing	6,018,870	-	-	-	6,018,870
All other administration	19,472,941	-	-	-	19,472,941
Plant services	41,234,178	4,758,576	-	268,881	46,261,635
Ancillary services	4,867,368	-	-	8,505,735	13,373,103
Community services	1,185,403	-	-	-	1,185,403
Other outgo	507,150	-	-	-	507,150
Capital outlay	319,387	10,709,662	-	37,092	11,066,141
Debt service					
Principal	-	-	33,165,000	2,446,022	35,611,022
Interest and other	-	-	7,136,819	917,362	8,054,181
Total expenditures	438,961,732	15,468,238	40,301,819	23,452,111	518,183,900
Excess (Deficiency) of Revenues Over Expenditures	25,968,039	(12,075,776)	3,475,332	23,932,378	41,299,973
Other Financing Sources (Uses)					
Transfers in	133,300	20,809,153	-	2,897,985	23,840,438
Transfers out	(2,897,985)	-	-	(20,942,453)	(23,840,438)
Total other financing sources (uses)	(2,764,685)	20,809,153	-	(18,044,468)	-
Net Change in Fund Balances	23,203,354	8,733,377	3,475,332	5,887,910	41,299,973
Fund Balance, Beginning of Year	63,463,322	52,353,137	54,774,164	24,426,068	195,016,691
Fund Balance, End of Year	$ 86,666,676	$ 61,086,514	$ 58,249,496	$ 30,313,978	$ 236,316,664

Amounts Reported for Governmental Activities in The Statement of Activities are Different Because		
Total Net Change in Fund Balances - Governmental Funds		$ 41,299,973
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activites, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.		
This is the amount by which depreciation exceeds capital outlays in the period.		
Depreciation expense	$ (37,061,831)	
Capital outlays	12,089,361	
Net expense adjustment		(24,972,470)
Gain on disposal of capital assets is reported in the government-wide Statement of Net Position, but is not recorded in the governmental funds.		(17,297)
In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount is the difference between vacation earned and used.		(128,630)
In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year.		17,015,968
In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows, and net OPEB liability during the year.		2,129,206

Governmental funds report the effect of premiums, discounts, and the deferred charge on refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.	
Premium amortization	3,031,078
Deferred charge on refunding amortization	(3,744,000)
Payment of principal on long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the statement of activities.	
General obligation bond principal, net of corrections	26,402,500
Lease revenue bonds	1,650,000
Other long-term liability	796,022
Interest on long-term liabilities is recorded as an expenditure in the funds when it is due; however, in the Statement of Activities, interest expense is recognized as the interest accretes or accrues, regardless of when it is due.	294,093
An internal service fund is used by management to charge the costs of the self insurance program to the individual funds. The net revenue of the Internal Service Fund is reported with governmental activities.	187,188
Change in net position of governmental activities	$ 63,943,631

	Governmental Activities - Internal Service Fund
Assets	
Current assets	
Deposits and investments	$ 3,978,991
Due from other funds	192,753
Total assets	4,171,744
Liabilities	
Current liabilities	
Accounts payable	146,319
Due to other funds	908
Total liabilities	147,227
Net Position	
Unrestricted	4,024,517
Total net position	$ 4,024,517

	Governmental Activities - Internal Service Fund
Operating Revenues	
In-district premiums	$ 4,222,576
Operating Expenses	
Claims paid	3,675,812
Excess insurance premiums	487,664
Total operating expenses	4,163,476
Operating gain	59,100
Nonoperating Revenues (Expenses)	
Net decrease in fair value of investments	(4,148)
Investment earnings	132,236
Total nonoperating revenues (expenses)	128,088
Change in Net Position	187,188
Total Net Position - Beginning	3,837,329
Total Net Position - Ending	$ 4,024,517

	Governmental Activities - Internal Service Fund
Operating Activities	
Receipts from interfund charges for risk management services	$ 4,036,919
Payments to providers for excess insurance premiums	(496,345)
Cash payments for claims	(3,675,812)
Net Cash Used for Operating Activities	(135,238)
Cash Flows from Investing Activities	
Interest on investments	128,088
Net change in Cash and Cash Equivalents	(7,150)
Cash and Cash Equivalents, Beginning of Year	3,986,141
Cash and Cash Equivalents, End of Year	$ 3,978,991
Reconciliation of Operating Income to Net Cash Used for Operating Activities	
Operating gain	$ 59,100
Adjustments	
Interfund receivables	(185,657)
Accounts payable	(9,589)
Interfund payables	908
Net Cash Used for Operating Activities	$ (135,238)

	Custodial Fund
	Warrant Clearing
Assets	
Deposits and investments	$ 18,710,681
Total assets	18,710,681
Liabilities	
Due to others	18,710,681
Total liabilities	$ 18,710,681
Net Position	
Total net position	$ -

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The San Ramon Valley Unified School District (the District) was organized on July 1, 1965 under the laws of the State of California. The District operates under a locally elected five member Board form of government and provides educational services to grades K-12 as mandated by the State and/or Federal agencies. The District operates twenty one elementary, eight middle, four high schools, a continuation school, and an independent study school.

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

Component Units

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

Basis of Presentation - Fund Accounting

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

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

Major Governmental Funds

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

The *Building Fund* exists primarily to account separately for proceeds from the sale of bonds (*Education Code* Section 15146) and may not be used for any purposes other than those for which the bonds were issued.

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

Non-Major Governmental Funds

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

- **Student Activity Fund** The Student Activity Fund is used to account separately for the operating activities of the associated student body accounts that are not fiduciary in nature, including student clubs, general operations, athletics, and other student body activities.

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

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

- **Capital Facilities Fund** The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* sections 17620-17626 and Government Code Section 65995 et seq.). Expenditures are restricted to the purposes specified in Government Code Sections 65970-65981 or to the items specified in agreements with the developer (Government Code Section 66006).

- **Special Reserve Fund for Capital Outlay Projects** The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (*Education Code* Section 42840).

- **County School Facilities Fund** The *County School Facilities Fund* is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D), or the 2016 State School Facilities Fund (Proposition 51) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070 et seq).

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

- **Internal Service Fund** Internal Service funds may be used to account for goods or services provided to other funds of the District on a cost-reimbursement basis. The District operates a self-insurance program that is accounted for in an internal service fund.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the District and are not available to support the District's own programs. The District's custodial fund is a warrant clearing fund.

Basis of Accounting - Measurement Focus

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

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and of the District and for each governmental function, and exclude fiduciary activity. Direct expenses are those that are specifically associated with a service, program, or department and are therefore, clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the *Statement of Activities*, except for depreciation. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District. Eliminations have been made to minimize the double counting of internal activities.

Net position should be reported as restricted when constraints placed on net position are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities result from special revenue funds and the restrictions on their use.

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

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

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

- **Fiduciary Funds** Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the District.

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

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

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

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

Cash and Cash Equivalents

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

Investments

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

Prepaid Expenditures (Expenses)

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

Stores Inventories

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the weighted average basis. The costs of inventory items are recorded as expenditures in the governmental funds when used.

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the District. The District maintains a capitalization threshold of $20,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized but are expensed as incurred.

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

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 10 to 50 years; improvements/infrastructure, 11 to 36 years; equipment, 2 to 20 years.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2023.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables”. These amounts are eliminated in the governmental activities column of the statement of net position.

Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide statement of net position. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are reported in the fund from which the employees who have accumulated leave are paid.

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

Accrued Liabilities and Long-Term Liabilities

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

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

Debt Issuance Costs, Premiums and Discounts

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

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the period the bonds are issued. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures in the period the bonds are issued.

Deferred Outflows/Inflows of Resources

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

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

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Leases and Subscription Based Information Technology Arrangements (SBITA)

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

As lessee/subscriber: At the commencement of a lease/SBITA, the District initially measures the lease/SBITA liability at the present value of payments expected to be made during the lease/subscription term. Subsequently, the lease liability is reduced by the principal portion of lease/subscription payments made. The lease/subscription asset is initially measured as the initial amount of the lease/subscription liability, adjusted for lease/subscription payments made at or before the lease/subscription commencement date, plus certain initial direct costs. Subsequently, the lease/subscription asset is amortized on a straight-line basis over its useful life.

Fund Balances - Governmental Funds

As of June 30, 2023, fund balances of the governmental funds are classified as follows:

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

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

Committed - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the governing board or chief business officer/assistant superintendent of business services may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

Spending Order Policy

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

Minimum Fund Balance Policy

The governing board adopted a minimum fund balance policy for the General Fund in order to protect the District against revenue shortfalls or unpredicted one-time expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than 2% of General Fund expenditures and other financing uses.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position net of investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report $125,837,582 of restricted net position, all of which is restricted by enabling legislation.

Operating Revenues and Expenses

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

Interfund Activity

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

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

Estimates

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

Property Tax

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

Effects of New Pronouncements

As of July 1, 2022, the District implemented the following GASB Statement:

GASB Statement No. 96 – In May 2020, GASB issued Statement No. 96*, Subscription-Based Information Technology Arrangements*. The objectives of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Implementation did not result in a material change to the District's financial statements.

The District is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB statements:

GASB Statement No. 99 – In April 2022, GASB Issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Certain requirements of this statement have been implemented as of June 30, 2022. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 100 – In June 2022, GASB Issued Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023 and all reporting periods thereafter.

GASB Statement No. 101 – In June 2022, GASB Issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 102 – In December 2023, GASB Issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

GASB Statement No. 103 – In April 2024, GASB Issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to provide five areas of updates to government financial statements: management's discussion and analysis, display of unusual or infrequent items, the presentation of proprietary fund statements, the presentation of major component units information, and moving the presentation of budgetary comparison information. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

Note 2 - Deposits and Investments

Summary of Deposits and Investments

Deposits and investments as of June 30, 2023, are classified in the accompanying financial statements as follows:

Governmental funds	$ 219,117,275
Proprietary funds	3,978,991
Fiduciary funds	18,710,681
Total deposits and investments	$ 241,806,947

Deposits and investments as of June 30, 2023, consist of the following:

Cash on hand and in banks	$ 5,954,546
Cash in revolving	158,700
Investments	235,693,701
Total deposits and investments	$ 241,806,947

Policies and Practices

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

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

Investment in the State Investment Pool - The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California government code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in the Pool is reported in the accompanying financial statement at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis.

General Authorizations

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

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to change in market interest rate. The District manages its exposure to interest rate risk by investing in the County Pool, LAIF and having the Pool purchase a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Weighted Average Maturity

The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. Information about the weighted average maturity of the District's portfolio is presented in the following schedule:

Investment Type	Reported Amount	Weighted Average Maturity Days
County Treasury Investment Pool	$ 235,428,440	253
Local Agency Investment Pool	265,261	260
Total	$ 235,693,701	

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the County Investment Pool and LAIF are unrated as of June 30, 2023.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). As of June 30, 2023, approximately $5.3 million of the District's bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Note 3 - Fair Value Measurements

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. Investment in the county treasury investment pool is not measured using the input levels because the participant's transactions are uncategorized. All contributions and redemptions are transacted at fair value measurements.

Note 4 - Receivables

Receivables at June 30, 2023, consisted of intergovernmental grants, entitlements, interest and other local sources. All receivables are considered collectible in full.

	General Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total
Federal Government				
Categorical aid	$ 5,839,143	$ -	$ 40,092	$ 5,879,235
State Government				
Categorical aid	13,150,306	-	-	13,150,306
Lottery	1,727,737	-	-	1,727,737
Local Government				
Interest	252,722	-	-	252,722
Other local sources	15,566,069	60,476	-	15,626,545
Total	$ 36,535,977	$ 60,476	$ 40,092	$ 36,636,545

Note 5 - Capital Assets

Capital assets activity for the fiscal year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	$ 336,607,628	$ -	$ -	$ 336,607,628
Construction in progress	154,892,528	10,853,010	(85,216,734)	80,528,804
Total capital assets not being depreciated	491,500,156	10,853,010	(85,216,734)	417,136,432
Capital Assets Being Depreciated				
Land improvements	75,204,015	10,370,420	-	85,574,435
Buildings and improvements	982,847,077	74,846,315	-	1,057,693,392
Furniture and equipment	20,911,632	1,236,350	(372,010)	21,775,972
Total capital assets being depreciated	1,078,962,724	86,453,085	(372,010)	1,165,043,799
Total capital assets	1,570,462,880	97,306,095	(85,588,744)	1,582,180,231
Accumulated Depreciation				
Land improvements	(55,819,692)	(2,632,561)	-	(58,452,253)
Buildings and improvements	(492,143,307)	(33,578,160)	-	(525,721,467)
Furniture and equipment	(17,400,325)	(851,110)	354,713	(17,896,722)
Total accumulated depreciation	(565,363,324)	(37,061,831)	354,713	(602,070,442)
Governmental Activities capital assets, net	$ 1,005,099,556	$ 60,244,264	$ (85,234,031)	$ 980,109,789

Depreciation expense was charged as a direct expense to governmental as follows:

Governmental Activities	
Instruction	$ 21,167,324
Supervision of instruction	1,389,422
Instructional library, media, and technology	651,307
School site administration	2,263,598
Home-to-school transportation	723,532
Food services	927,847
All other pupil services	2,476,546
Data processing	476,545
All other administration	1,550,380
Plant services	3,684,912
Ancillary Services	1,062,408
Community Services	94,424
Enterprise Activities	593,586
Total depreciation expenses governmental activities	$ 37,061,831

Note 6 - Interfund Transactions

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2023, between major and non-major governmental funds, internal service funds, and fiduciary funds are as follows:

	Due From				
Due To	General Fund	Building Fund	Non-Major Governmental Funds	Proprietary Funds	Total
General Fund	$ -	$ 2,226,038	$ 934,659	$ 192,753	$ 3,353,450
Building Fund	556	-	-	-	556
Non-Major Governmental Funds	113,065	-	25	-	113,090
Proprietary Funds	908	-	-	-	908
Total	$ 114,529	$ 2,226,038	$ 934,684	$ 192,753	$ 3,468,004

Balances resulted from the time lag between the date that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transaction are recorded in the accounting system, and (3) payments between funds are made.

Operating Transfers

Interfund transfers for the year ended June 30, 2023, consisted of the following:

	Transfer From		
Transfer To	General Fund	Non-Major Governmental Funds	Total
General Fund	$ -	$ 133,300	$ 133,300
Building Fund	-	20,809,153	20,809,153
Non-Major Governmental Funds	2,897,985	-	2,897,985
Total	$ 2,897,985	$ 20,942,453	$ 23,840,438

The County School Facilities Non-Major Governmental Fund transferred to the Building Fund for OPSC reimbursements.	$ 20,809,153
The General Fund transferred to the Special Reserve for Capital Outlay Projects Non-Major for Capital Outlay Projects for the debt services QSCB+ CREBS.	2,897,985
The Special Reserve for Capital Outlay Projects Non-Major Governmental Fund transferred to the General Fund for District-wide Emergency Operations Committee plans	133,300
Total	$ 23,840,438

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 7 - Accounts Payable

Accounts payable at June 30, 2023, consisted of the following:

	General Fund	Building Fund	Non-Major Governmental Funds	Total	Proprietary Funds
Vendor payables	$ 8,127,129	$ 977,935	$ 760,737	$ 9,865,801	$ 146,319
LCFF apportionment	2,349,332	-	-	2,349,332	-
Salaries and benefits	1,467,589	-	36,501	1,504,090	-
Total	$ 11,944,050	$ 977,935	$ 797,238	$ 13,719,223	$ 146,319

Note 8 - Unearned Revenue

Unearned revenue at June 30, 2023, consisted of the following:

	General Fund	Non-Major Governmental Funds	Total
Federal financial assistance	$ 871,931	$ 87,300	$ 959,231
State categorical aid	5,553,803	-	5,553,803
Total	$ 6,425,734	$ 87,300	$ 6,513,034

Note 9 - Long-Term Liabilities Other than OPEB and Pensions

Summary

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

	Balance July 1, 2022	Corrections and Additions	Deductions	Balance June 30, 2023	Due in One Year
Long-Term Liabilities					
General obligation bonds	$ 409,637,500	$ 6,762,500	$ (33,165,000)	$ 383,235,000	$ 35,395,000
Lease revenue bonds	8,450,000	-	(1,650,000)	6,800,000	1,665,000
Unamortized bond premiums	23,733,767	-	(3,031,078)	20,702,689	3,031,078
Financed purchase	9,663,534	-	(796,022)	8,867,512	830,926
Compensated absences	3,088,249	128,630	-	3,216,879	1,000,000
Total	$ 454,573,050	$ 6,891,130	$ (38,642,100)	$ 422,822,080	$ 41,922,004

Payments for general obligation bonds are made by the Bond Interest and Redemption fund. Lease revenue bonds and other long-term liability payments are made by the Special Reserve Fund for Capital Outlays Project. Compensated absences will be paid for by the funds for which the employee worked.

General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Corrected, Bonds Outstanding July 1, 2022	Redeemed	Bonds Outstanding June 30, 2023
1/17/2013	2031	3.00-4.00%	$ 52,200,000	$ 10,365,000	$ (6,360,000)	$ 4,005,000
7/17/2012	2029	1.00-5.00%	167,945,000	10,975,000	(10,975,000)	-
4/20/2015	2040	4.00-5.00%	125,000,000	2,575,000	(125,000)	2,450,000
12/8/2018	2027	4.00-5.00%	60,005,000	34,715,000	(5,915,000)	28,800,000
10/1/2020	2027	.259-1.18%	105,165,000	101,440,000	(3,735,000)	97,705,000
10/14/2021	2031	.202-2.014%	256,330,000	256,330,000	(6,055,000)	250,275,000
				$ 416,400,000	$ (33,165,000)	$ 383,235,000

Debt Service Requirements to Maturity

The general obligation bonds mature through 2032 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2024	$ 35,395,000	$ 6,388,357	$ 41,783,357
2025	36,910,000	5,810,391	42,720,391
2026	39,230,000	5,214,420	44,444,420
2027	41,685,000	4,575,987	46,260,987
2028	44,210,000	4,026,574	48,236,574
2029-2032	185,805,000	9,079,058	194,884,058
Total	$ 383,235,000	$ 35,094,787	$ 418,329,787

On October 14, 2021, the District issued $256,330,000 in general obligation refunding bonds to refund the District's outstanding Election of 2012, Series 2013 bonds, a portion of the outstanding Series 2013 bonds, and a portion of the outstanding Election of 2012, Series 2015 bonds. The net proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt services payments. The balance in the escrow account at June 30, 2023 was $237,246,000.

Capital Financing Agreement

On December 1, 2015, the District and the San Ramon Valley Unified School District Joint Powers Financing Authority (the Authority) entered into an agreement with HAS OBS Op A LLC for the purpose of financing solar projects at 15 school sites. The terms of the agreement were a 25-year lease with a principal amount of $12,518,667 at 3.86% interest rate per annum.

The finance agreement matures through 2032 as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 830,926	$ 326,249	$ 1,157,175
2025	866,882	293,481	1,160,363
2026	903,920	259,305	1,163,225
2027	942,070	223,678	1,165,748
2028	981,362	186,555	1,167,917
2029-2032	4,342,352	343,513	4,685,865
Total	$ 8,867,512	$ 1,632,781	$ 10,500,293

Lease Revenue Bonds

On July 20, 2010, the District issued $25,000,000 Federally Taxable Lease Revenue Bonds with interest ranging from 2.397% to 6.254%. The bonds were issued to finance construction of solar panels at several school sites. Interest with respect to the Bonds is payable semi-annually on each November 1 and May 1. The lease revenue bonds mature through May 1, 2027 as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 1,665,000	$ 452,472	$ 2,117,472
2025	1,690,000	341,683	2,031,683
2026	1,710,000	229,230	1,939,230
2027	1,735,000	115,447	1,850,447
Total	$ 6,800,000	$ 1,138,832	$ 7,938,832

Note 10 - Net Other Postemployment Benefit (OPEB) Liability

For the fiscal year ended June 30, 2023, the District reported a net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plans	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Retiree Health Plan	$ 55,491,043	$ 20,287,923	$ 24,766,671	$ 2,168,964
Medicare Premium Payment (MPP) Program	1,421,502	-	-	(324,595)
Total	$ 56,912,545	$ 20,287,923	$ 24,766,671	$ 1,844,369

The details of each plan are as follows:

District Plan

Plan Administration

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is an agent multi-employer plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses.

Employees Covered by Benefit Terms

At June 30, 2022, the valuation date, the Plan membership consisted of 1,610 active employees and 904 retirees.

Summary of Benefits Provided

Benefit terms vary depending on bargaining unit. In general, the Plan provides medical, dental, vision, and life insurance benefits to eligible retirees and their spouses upon retirement from the District with ten years of continual service immediately preceding retirement, and at age 55. The District’s governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

Contributions

The contribution requirements of the Plan members and the District are established and may be amended by the District, the Teacher Education Association (TEA), the local California Service Employees Association (CSEA), and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually through the agreements with the District, TEA, CSEA, and the unrepresented groups. For the year period of June 30, 2023, the District contributed $3,553,186 to the Plan, all of which was used for current premiums.

Net OPEB Liability of the District and Actuarial Assumptions

The District’s net OPEB liability of $55.5 million was measured as the total OPEB liability, less the OPEB plan’s fiduciary net position. The net OPEB liability is measured as of June 30, 2022, using an actuarial valuation as of June 30, 2022. A summary of the principal assumptions and methods used to determined the net OPEB liability is shown below and, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary increases	2.75 percent, average, including inflation
Discount rate	5.03 percent
Investment rate of return	5.03 percent, net of OPEB plan investment expense
Healthcare cost trend rates	4 percent
Retirees’ share of benefit-related costs	Based on healthcare trend rates

The discount rate was based on the Bond Buyer 20-bond General Obligation Index.

Mortality rates were based on the 2020 CalSTRS Mortality Table for certificated employees and the 2021 CalPERS Active Mortality for Miscellaneous Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reeducation. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actual assumptions used in the June 30, 2022, valuation were based on the results of an actual experience study for the period July 1, 2021 to June 30, 2022.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
All Equity	7.545%
All Fixed Income	4.25%
Treasury Inflation Protected Securities (TIPS)	3.00%
All Commodities	7.545%
Real Estate Investment Trusts	7.25%

Discount Rate

The discount rate used to measure the total OPEB liability was 5.03 percent. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB lability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance, June 30, 2021	$ 92,975,075	$ 34,446,567	$ 58,528,508
Service cost	3,227,164	-	3,227,164
Interest	-	-	-
Employer contributions	-	3,622,753	(3,622,753)
Net investment income	3,650,961	(4,515,161)	8,166,122
Changes of benefit terms	-	-	-
Difference between expected and actual experience	2,371,817	-	2,371,817
Changes of assumptions and other inputs	(13,188,370)	-	(13,188,370)
Benefit payments	(3,557,836)	(3,557,836)	-
Administrative expense	-	(8,555)	8,555
Net change in total OPEB liability	(7,496,264)	(4,458,799)	(3,037,465)
Balance, June 30, 2022	$ 85,478,811	$ 29,987,768	$ 55,491,043

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

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

Discount Rate	Net OPEB Liability
1% decrease (4.03%)	$ 67,946,335
Current discount rate (5.03%)	55,491,043
1% increase (6.03%)	45,274,687

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

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

Healthcare Cost Trend Rates	Net OPEB Liability
1% decrease (3%)	$ 43,364,589
Current healthcare cost trend rate (4%.)	55,491,043
1% increase (5%)	70,856,432

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

For the year ended June 30, 2023, the District recognized OPEB expense of $2,168,964. At June 30, 2023, the District reported deferred outflows of resources for OPEB contributions subsequent to measurement date of $3,553,186.

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 3,553,186	$ -
Differences between expected and actual experience	2,102,292	5,624,243
Changes of assumptions	12,120,464	19,142,428
Net difference between projected and actual earnings on OPEB plan investments	2,511,981	-
Total	$ 20,287,923	$ 24,766,671

The deferred outflows of resources for OPEB contributions subsequent to measurement date will be recognized as reduction of the net/total OPEB liability in the subsequent fiscal year. The remaining deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ (2,511,072)
2025	(1,282,382)
2026	(1,372,639)
2027	(293,594)
2028	(1,665,482)
Thereafter	(906,765)
Total	$ (8,031,934)

Medicare Premium Payment (MPP) Program

Plan Description

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

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

Net OPEB Liability and OPEB Expense

At June 30, 2023, the District reported a liability of $1,421,502 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2022 and June 30, 2021, respectively, was 0.4315%, and 0.4378%, resulting in a net decrease in the proportionate share of 0.0063%.

For the year ended June 30, 2023, the District recognized OPEB credit of $324,595.

Actuarial Methods and Assumptions

The June 30, 2022 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total OPEB liability to June 30, 2022, using the assumptions listed in the following table:

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

For the valuation as of June 30, 2021, CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 209 or an average of 0.14% of the potentially eligible population (145,282).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2022, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2022, is 3.54%. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.54%, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2022, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate increased 1.38% from 2.16% as of June 30, 2021.

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

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

Discount Rate	Net OPEB Liability
1% decrease (2.54%)	$ 1,549,710
Current discount rate (3.54%)	1,421,502
1% increase (4.54%)	1,310,489

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

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

Medicare Costs Trend Rate	Net OPEB Liability
1% decrease (3.5% Part A and 4.4% Part B)	$ 1,304,280
Current Medicare costs trend rate (4.5% Part A and 5.4% Part B)	1,421,502
1% increase (5.5% Part A and 6.4% Part B)	1,554,378

Note 11 - Fund Balances

Fund balances are composed of the following as of June 30, 2023:

	General Fund	Building Funds	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total
Nonspendable					
Revolving cash	$ 158,700	$ -	$ -	$ -	$ 158,700
Stores inventories	72,509	-	-	216,646	289,155
Prepaid expenditures	697,791	-	-	-	697,791
Total nonspendable	929,000	-	-	216,646	1,145,646
Restricted					
Educational programs	42,067,356	-	-	-	42,067,356
Food service	-	-	-	4,776,746	4,776,746
Capital projects	-	61,086,514	-	16,986,168	78,072,682
Debt services	-	-	58,249,496	-	58,249,496
Student body	-	-	-	2,438,479	2,438,479
Total restricted	42,067,356	61,086,514	58,249,496	24,201,393	185,604,759
Committed					
Facilities maintenance and improvements	-	-	-	1,060,576	1,060,576
Capital investments	-	-	-	2,723,209	2,723,209
Safety related improvements	-	-	-	1,106,551	1,106,551
Child Care Buildings, maintenance and improvements	-	-	-	446,187	446,187
DVMS fields	-	-	-	477,461	477,461
DVHS CSA	-	-	-	81,955	81,955
Total committed	-	-	-	5,895,939	5,895,939
Assigned					
Declining enrollment		-	-	-	-
Supplemental education	2,630,532	-	-	-	2,630,532
Professional development	300,953	-	-	-	300,953
Technology upgrades	67,683	-	-	-	67,683
Student body	83,915	-	-	-	83,915
Instructional materials	1,567,474	-	-	-	1,567,474
Safety	77,948	-	-	-	77,948
Lottery carryover	1,547,001	-	-	-	1,547,001
Total assigned	6,275,506	-	-	-	6,275,506
Unassigned					
Reserve for economic uncertainties	34,954,911	-	-	-	34,954,911
Remaining unassigned	2,439,903	-	-	-	2,439,903
Total unassigned	37,394,814	-	-	-	37,394,814
Total	$ 86,666,676	$ 61,086,514	$ 58,249,496	$ 30,313,978	$ 236,316,664

Note 12 - Risk Management

Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2023, the District contracted with Northern California Regional Liability Excess Fund for property and liability insurance coverage. Settled claims have not exceeded this coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2023, the District participated in the Contra Costa County Schools Insurance Group, an insurance purchasing pool. The intent of the Contra Costa County Schools Insurance Group is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the Contra Costa County Schools Insurance Group. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in the Contra Costa County Schools Insurance Group. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of each participating school district. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the Contra Costa County Schools Insurance Group. Participation in the Contra Costa County Schools Insurance Group is limited to districts that can meet the Contra Costa County Schools Insurance Group selection criteria.

Claims Liabilities

The District records an estimated liability for indemnity torts and other claims against the District. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses), and an estimate for claims incurred, but not reported based on historical experience. The fund establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claims adjustment expenses. The following represents the changes in approximate aggregate liabilities for the District from July 1, 2021 to June 30, 2023.

	Dental and Vision	Property and Liability	Total
Liability Balance, July 1, 2021	$ 117,591	$ -	$ 117,591
Claims and changes in estimates	4,020,001	181,500	4,201,501
Claims payments	(3,981,684)	(181,500)	(4,163,184)
Liability Balance, June 30, 2022	155,908	-	155,908
Claims and changes in estimates	3,762,955	400,521	4,163,476
Claims payments	(3,821,101)	(351,056)	(4,172,157)
Liability Balance, June 30, 2023	$ 97,762	$ 49,465	$ 147,227

Note 13 - Employee Retirement Systems

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

For the fiscal year ended June 30, 2023, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 199,795,010	$ 47,145,882	$ 39,545,043	$ 15,495,707
CalPERS	116,712,637	37,592,831	8,954,920	11,099,442
Total	$ 316,507,647	$ 84,738,713	$ 48,499,963	$ 26,595,149

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

The STRP provisions and benefits in effect at June 30, 2023, are summarized as follows:

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

Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers’ Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2023, are presented above and the District’s total contributions were $28,960,084.

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

At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share	
Proportionate share of net pension liability	$ 199,795,010
State's proportionate share of the net pension liability	100,056,560
Total	$ 299,851,570

The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2022 and June 30, 2021, respectively was 0.2875% and 0.2912%, resulting in a net decrease in the proportionate share of 0.0037%.

For the fiscal year ended June 30, 2023, the District recognized pension expense of $15,495,707. In addition, the District recognized pension expense and revenue of $8,069,495 for support provided by the State. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 28,960,084	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	8,113,525	14,794,224
Differences between projected and actual earnings on pension plan investments	-	9,770,363
Differences between expected and actual experience in the measurement of the total pension liability	163,894	14,980,456
Changes of assumptions	9,908,379	-
Total	$ 47,145,882	$ 39,545,043

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ (7,177,057)
2025	(7,775,125)
2026	(11,679,819)
2027	16,861,638
Total	$ (9,770,363)

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ 3,300,740
2025	(3,207,546)
2026	(5,059,753)
2027	(1,948,376)
2028	(3,009,881)
Thereafter	(1,664,066)
Total	$ (11,588,882)

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Experience study	July 1, 2015 through June 30, 2018
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2022, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	42%	4.8%
Real estate	15%	3.6%
Private equity	13%	6.3%
Fixed income	12%	1.3%
Risk mitigating strategies	10%	1.8%
Inflation sensitive	6%	3.3%
Cash/liquidity	2%	(0.4%)

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 339,326,030
Current discount rate (7.10%)	199,795,010
1% increase (8.10%)	83,942,313

California Public Employees Retirement System (CalPERS)

Plan Description

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

A full description of the pension plans regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

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

The CalPERS provisions and benefits in effect at June 30, 2023, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	8.00%
Required employer contribution rate	25.37%	25.37%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2023, are presented above and the total District contributions were $14,651,033.

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

As of June 30, 2023, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $116,712,637. The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2022 and June 30, 2021, respectively was 0.3392% and 0.3410%, resulting in a net decrease in the proportionate share of 0.0018%.

For the year ended June 30, 2023, the District recognized pension expense of $11,099,442. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 14,651,033	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	-	6,050,960
Differences between projected and actual earnings on pension plan investments	13,780,588	-
Differences between expected and actual experience in the measurement of the total pension liability	527,473	2,903,960
Changes of assumptions	8,633,737	-
Total	$ 37,592,831	$ 8,954,920

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ 2,298,164
2025	2,038,313
2026	1,041,195
2027	8,402,916
Total	$ 13,780,588

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	$ (653,122)
2025	(490,916)
2026	1,448,869
2027	(98,541)
Total	$ 206,290

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

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

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	42%	4.8%
Real estate	15%	3.6%
Private equity	13%	6.3%
Fixed income	12%	1.3%
Risk mitigating strategies	10%	1.8%
Inflation sensitive	6%	3.3%
Cash/liquidity	2%	(0.4%)

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (5.90%)	$ 168,597,313
Current discount rate (6.90%)	116,712,637
1% increase (7.90%)	73,831,858

Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use the TDA as its alternative plan. Contributions made by the District and an employee vest immediately. The District contributes 6.2% of an employee's gross earnings. An employee is required to contribute 6.2% of his or her gross earnings to the pension plan.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of $16,051,152 (10.828% of annual payroll).

Note 14 - Commitments and Contingencies

Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2023.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2023.

Construction Commitments

As of June 30, 2023, the District had $5.1 million of commitments with respect to the unfinished capital projects.

Note 15 - Related Party Transactions

The District is a member of the Contra Costa County School Insurance Group, Northern California Regional Excess Liability Fund, and the School Excess Liability Fund public entity risk pools. The District pays an annual premium to the applicable entity for its workers' compensation and property liability coverage. The relationship between the District and the pools are such that they are not component units of the District for financial reporting purposes.

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

The District has appointed a board member to the governing board of Contra Costa County Schools Insurance Group and to the Northern California Regional Excess Liability Fund.

Required Supplementary Information

San Ramon Valley Unified School District

	Budgeted Amounts			Variance
	Original	Final	Actual	Final to Actual
Revenues				
Local control funding formula	$ 299,983,160	$ 321,822,738	$ 321,806,139	$ (16,599)
Federal sources	6,616,181	17,028,814	13,618,960	(3,409,854)
Other State sources	57,403,127	90,991,931	94,807,289	3,815,358
Other local sources	27,379,977	29,914,820	34,697,383	4,782,563
Total revenues	391,382,445	459,758,303	464,929,771	5,171,468
Expenditures				
Current				
Certificated salaries	163,808,062	182,686,221	184,677,547	(1,991,326)
Classified salaries	58,973,953	65,321,147	64,813,673	507,474
Employee benefits	114,851,684	121,304,544	118,006,984	3,297,560
Books and supplies	13,242,805	25,619,402	16,314,888	9,304,514
Services and operating expenditures	44,143,982	49,178,622	48,761,540	417,082
Other outgo	993,996	993,996	5,636,231	(4,642,235)
Capital outlay	150,000	1,178,460	750,869	427,591
Total expenditures	396,164,482	446,282,392	438,961,732	7,320,660
Excess (Deficiency) of Revenues Over Expenditures	(4,782,037)	13,475,911	25,968,039	12,492,128
Other Financing Sources (Uses)				
Transfers in	-	-	133,300	133,300
Transfers out	2,854,361	2,854,361	(2,897,985)	(5,752,346)
Other uses	-	-	-	-
Net financing sources (uses)	2,854,361	2,854,361	(2,764,685)	(5,619,046)
Net Change in Fund Balances	(1,927,676)	16,330,272	23,203,354	6,873,082
Fund Balance - Beginning	63,463,322	63,463,322	63,463,322	-
Fund Balance - Ending	$ 61,535,646	$ 79,793,594	$ 86,666,676	$ 6,873,082

	2023	2022	2021	2020	2019	2018
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability						
Service cost	$ 3,227,164	$ 3,140,792	$ 2,489,543	$ 3,467,506	$ 4,072,668	$ 3,783,579
Interest	3,650,961	3,712,288	3,791,693	3,859,600	3,439,513	3,274,173
Difference between expected and actual experience	2,371,817	(1,063,734)	(793,720)	(7,681,948)	-	-
Changes of assumptions	(13,188,370)	9,065,046	7,604,806	(11,057,393)	(7,858,440)	-
Benefit payments	(3,557,836)	(3,169,464)	(3,031,931)	(3,183,103)	(2,952,650)	(2,922,892)
Net change in total OPEB liability	(7,496,264)	11,684,928	10,060,391	(14,595,338)	(3,298,909)	4,134,860
Total OPEB Liability - Beginning	92,975,075	81,290,147	71,229,756	85,825,094	89,124,003	84,989,143
Total OPEB Liability - Ending (a)	$ 85,478,811	$ 92,975,075	$ 81,290,147	$ 71,229,756	$ 85,825,094	$ 89,124,003
Plan Fiduciary Net Position						
Contributions - employer	$ 3,622,753	$ 3,215,468	$ 3,032,837	$ 3,183,103	$ 2,751,146	$ 2,586,962
Net investment income	(4,515,161)	7,294,595	1,352,555	1,308,787	1,786,399	2,128,849
Benefit payments	(3,557,836)	(3,169,464)	(3,031,931)	(3,183,103)	(2,952,650)	(2,922,892)
Administrative expense	(8,555)	(10,013)	(12,429)	(20,140)	(11,955)	-
Other expense	-	-	-	115,763	(30,342)	(20,140)
Net change in plan fiduciary net position	(4,458,799)	7,330,586	1,341,032	1,404,410	1,542,598	1,772,779
Plan Fiduciary Net Position - Beginning	34,446,567	27,115,981	25,774,949	24,370,539	22,827,941	21,055,162
Plan Fiduciary Net Position - Ending (b)	$ 29,987,768	$ 34,446,567	$ 27,115,981	$ 25,774,949	$ 24,370,539	$ 22,827,941
Net OPEB Liability - Ending (a) - (b)	$ 55,491,043	$ 58,528,508	$ 54,174,166	$ 45,454,807	$ 61,454,555	$ 66,296,062
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	35.08%	37.05%	33.36%	36.19%	28.40%	25.61%
Covered-Employee Payroll	$ 193,862,738	$ 180,020,117	$ 173,361,385	$ 167,085,464	$ 171,306,193	$ 162,906,880
Net OPEB Liability as a Percentage of Covered-Employee Payroll	29%	33%	31%	27%	36%	41%

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

Year ended June 30,	2023	2022	2021	2020	2019	2018
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Proportion of the net OPEB liability	0.4315%	0.4378%	0.4200%	0.4698%	Not available	Not available
Proportionate share of the net OPEB liability	$ 1,421,502	$ 1,746,097	$ 2,030,157	$ 1,749,503	Not available	Not available
Covered-employee payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	-0.94%	-0.80%	-0.71%	-0.81%	-0.40%	0.01%

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

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

	2023	2022	2021	2020
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
CalSTRS				
Proportion of the net pension liability	0.2875%	0.2912%	0.2749%	0.2656%
Proportionate share of the net pension liability	$ 199,795,010	$ 132,533,466	$ 266,431,851	$ 132,533,466
State's proportionate share of the net pension liability	100,056,560	66,685,700	137,345,651	130,854,979
Total	$ 299,851,570	$ 199,219,166	$ 403,777,502	$ 263,388,445
Covered payroll	$ 165,267,104	$ 98,114,093	$ 163,527,450	$ 147,536,511
Proportionate share of the net pension liability as a percentage of its covered payroll	120.89%	135.08%	162.93%	89.83%
Plan fiduciary net position as a percentage of the total pension liability	81%	87%	72%	73%
CalPERS				
Proportion of the net pension liability	0.3392%	0.3410%	0.3524%	0.3511%
Proportionate share of the net pension liability	$ 116,712,637	$ 69,330,647	$ 108,125,899	$ 69,330,647
Covered payroll	$ 52,610,210	$ 17,082,382	$ 61,117,585	$ 49,126,786
Proportionate share of the net pension liability as a percentage of its covered payroll	221.84%	405.86%	176.91%	141.13%
Plan fiduciary net position as a percentage of the total pension liability	70%	81%	70%	70%

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

Measurement Date	2019 June 30, 2018	2018 June 30, 2017	2017 June 30, 2016	2016 June 30, 2015
CalSTRS				
Proportion of the net pension liability	0.2866%	0.2698%	0.2869%	0.2850%
Proportionate share of the net pension liability	$ 263,362,593	$ 249,500,993	$ 232,086,252	$ 192,063,676
State's proportionate share of the net pension liability	150,787,402	147,602,680	132,122,563	150,787,402
Total	$ 414,149,995	$ 397,103,673	$ 364,208,815	$ 342,851,078
Covered payroll	$ 143,753,881	$ 146,357,051	$ 138,557,027	$ 130,188,756
Proportionate share of the net pension liability as a percentage of its covered payroll	183.20%	170.47%	167.50%	147.53%
Plan fiduciary net position as a percentage of the total pension liability	71%	69%	70%	74%
CalPERS				
Proportion of the net pension liability	0.3646%	0.3635%	0.3641%	0.3659%
Proportionate share of the net pension liability	$ 97,205,339	$ 86,784,137	$ 71,903,017	$ 53,926,804
Covered payroll	$ 45,247,672	$ 45,778,024	$ 43,183,886	$ 39,866,072
Proportionate share of the net pension liability as a percentage of its covered payroll	214.83%	189.58%	166.50%	135.27%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%	74%	79%

Note : In the future, as data becomes available

	2023	2022	2021	2020	2019	2018	2017	2016
CalSTRS								
Contractually required contribution	$ 28,960,084	$ 27,963,194	$ 15,845,426	$ 27,963,194	$ 24,018,944	$ 20,743,685	$ 18,411,717	$ 14,867,169
Less contributions in relation to the contractually required contribution	28,960,084	27,963,194	15,845,426	27,963,194	24,018,944	20,743,685	18,411,717	14,867,169
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 151,623,476	$ 165,267,104	$ 98,114,093	$ 163,527,450	$ 147,536,511	$ 143,753,881	$ 146,357,051	$ 138,557,027
Contributions as a percentage of covered payroll	19.10%	16.92%	16.15%	17.10%	16.28%	14.43%	12.58%	10.73%
CalPERS								
Contractually required contribution	$ 14,651,033	$ 12,052,999	$ 3,536,053	$ 12,052,999	$ 8,873,280	$ 7,027,416	$ 6,357,652	$ 5,115,995
Less contributions in relation to the contractually required contribution	14,651,033	12,052,999	3,536,053	12,052,999	8,873,280	7,027,416	6,357,652	5,115,995
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 57,749,440	$ 52,610,210	$ 17,082,382	$ 61,117,585	$ 49,126,786	$ 45,247,672	$ 45,778,024	$ 43,183,886
Contributions as a percentage of covered payroll	25.370%	22.910%	20.700%	19.721%	18.0620%	15.5310%	13.8880%	11.8470%

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

Note 1 - Purpose of Schedules

Budgetary Comparison Schedule

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

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

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

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

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

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation
- *Changes of Assumptions* – The discount rate was changed from 3.93% to 5.03%.

Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program

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

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuations.
- *Changes of Assumptions* – The plan rate of investment changed from 2.16% to 3.54% since the previous valuation.

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

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

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- *Changes of Assumptions* – There were no changes in economic assumptions for the CalSTRS plan from the previous valuations. The CalPERS plan rate of investment return assumption was changed from 7.15% to 6.90% since the previous valuation.

Schedule of District Contributions

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

Supplementary Information
June 30, 2023

San Ramon Valley Unified School District

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed Through California Department of Education (CDE)			
Special Education Cluster (IDEA)			
Basic Local Assistance Entitlement, Part B, Section 611	84.027	13379	$ 5,754,743
COVID-19 ARP IDEA Part B, Sec. 611, Local Assistance Coordinated Early Intervening Services	84.027	15638	107,544
IDEA Local Assistance, Part B, Sec 611, Private School ISPs	84.027	10115	22,780
Mental Health Average Daily Attendance Allocation, Part B, Sec 611	84.027A	15197	361,724
Alternate Dispute Resolution, Part B, Sec 611	84.027A	13007	14,922
COVID-19 ARP IDEA Part B, Sec. 619, Preschool Grants Coordinated Early Intervening Services	84.173	15639	14,328
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	224,530
IDEA Preschool Staff Development, Part B, Sec 619	84.173A	13431	1,000
Total Special Education Cluster			6,501,571
COVID-19 Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	1,232,383
COVID-19 Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	75,988
COVID-19 Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	84.425D	15618	1,714,223
COVID-19 Expanded Learning Opportunities (ELO) Grant GEER II	84.425C	15619	644,637
COVID-19 Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425U	15620	1,201,573
COVID-19 American Rescue Plan - Homeless Children and Youth II (ARP HYC II)	84.425W	15566	10,866
COVID-19 Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	17,837
Program Total			4,897,507
ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	390,361
ESEA: ESSA School Improvement (CSI) Funding for LEAs	84.010	15438	225,836
ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	282,732
ESEA (ESSA) : Title III, English Learner Student Program	84.365	14346	204,833
ESEA (ESSA) Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	41,861
Special Ed: IDEA Early Intervention Grants, Part C	84.181	23761	75,121
Strengthening Career and Technical Education for the 21st Century (Perkins V): Secondary, Sec. 131	84.048	14894	103,636
Workforce Initiatives	84.126	n/a	58,191
Total U.S. Department of Education			12,781,649
U.S. Department of Agriculture			
Passed Through California Department of Education			
Child Nutrition Cluster			
Child Nutrition: School Programs (NSL Sec 4)	10.555	13523	1,662,343
Child Nutrition: School Programs (NSL Sec 11)	10.555	13524	496,949
Child Nutrition: School Programs (School Breakfast Basic)	10.553	13525	360,321
Supply Chain Assistance (SCA) Funds	10.555	15655	602,802
Commodities	10.553	13526	592,149
Total Child Nutrition Cluster			3,714,564
Total U.S. Department of Agriculture			3,714,564
Federal Communications Commission			
Emergency Connectivity Fund Program	32.009	N/A	837,312
Total Federal Communications Commission			837,312
Total Federal Financial Assistance			$ 17,333,525

ORGANIZATION

The San Ramon Valley Unified School District was established on July 1, 1965 and consists of an area comprising approximately 104 square miles. The District operates twenty one elementary schools, eight middle schools, four high schools, a continuation, and an independent study school. There were no boundary changes during the year.

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Rachel Hurd	President	2026
Laura Bratt	Vice President	2024
Shelley Clark	Clerk	2024
Susanna Ordway	Member	2026
Jesse VanZee	Member	2026

ADMINISTRATION

NAME	TITLE
Dr. John Malloy	Superintendent
Dr. Stella Kemp	Assistant Superintendent, Business Operations/ Chief Business Officer
Christine Huajardo	Assistant Superintendent, Educational Services
Melanie Jones	Assistant Superintendent, Human Resources

	Final Report		As Adjusted per Audit	
	Second Period Report	Annual Report	Second Period Report	Annual Report
Regular ADA				
Transitional kindergarten through third	7,501.45	7,526.87	7,499.27	7,522.89
Fourth through sixth	6,169.70	6,178.26	6,169.70	6,178.26
Seventh and eighth	4,533.02	4,536.84	4,533.02	4,536.84
Ninth through twelfth	9,929.15	9,905.68	9,929.15	9,905.68
Total Regular ADA	28,133.32	28,147.65	28,131.14	28,143.67
Extended Year Special Education				
Transitional kindergarten through third	8.07	8.07	8.07	8.07
Fourth through sixth	3.47	3.47	3.47	3.47
Seventh and eighth	2.77	2.77	2.77	2.77
Ninth through twelfth	11.34	11.34	11.34	11.34
Total Extended Year Special Education	25.65	25.65	25.65	25.65
Special Education, Nonpublic, Nonsectarian Schools				
Transitional kindergarten through third	4.18	4.39	4.18	4.39
Fourth through sixth	4.08	5.48	4.08	5.48
Seventh and eighth	2.85	3.57	2.85	3.57
Ninth through twelfth	19.03	19.68	19.03	19.68
Total Special Education, Nonpublic, Nonsectarian Schools	30.14	33.12	30.14	33.12
Extended Year Special Education, Nonpublic, Nonsectarian Schools				
Transitional kindergarten through third	0.59	0.59	0.59	0.59
Fourth through sixth	0.45	0.45	0.45	0.45
Seventh and eighth	0.74	0.74	0.74	0.74
Ninth through twelfth	3.49	3.49	3.49	3.49
Total Extended Year Special Education, Nonpublic, Nonsectarian Schools	5.27	5.27	5.27	5.27
Total ADA	28,194.38	28,211.69	28,192.20	28,207.71

Grade Level	1986-1987 Minutes Requirement	2022-2023 Actual Minutes	Number of Minutes Credited Form J-13A*	Total Minutes Offered	Number of Actual Days	Number of Days Credited Form J-13A*	Total Days Offered	Status
Kindergarten	36,000	37,140	-	37,140	180	-	180	Complied
Grades 1 - 3	50,400							
Grade 1		50,540	-	35,540	180	-	180	Complied
Grade 2		54,380	-	54,380	180	-	180	Complied
Grade 3		54,380	-	54,380	180	-	180	Complied
Grades 4 - 8	54,000							
Grade 4		55,870	-	55,870	180	-	180	Complied
Grade 5		55,870	-	55,870	180	-	180	Complied
Grade 6		56,385	350	56,735	179	1	180	Complied
Grade 7		56,388	350	56,738	179	1	180	Complied
Grade 8		56,284	350	56,634	179	1	180	Complied
Grades 9 - 12	64,800							
Grade 9		65,754	-	65,754	180	-	180	Complied
Grade 10		65,754	-	65,754	180	-	180	Complied
Grade 11		65,754	-	65,754	180	-	180	Complied
Grade 12		65,754	-	65,754	180	-	180	Complied

* District received an approved J-13A for 1 day.

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

	General Fund
Fund Balance	
Balance, June 30, 2023, Unaudited Actuals	$ 84,226,772
Increase in	
Accounts receivable	2,439,904
Balance, June 30, 2023, Audited Financial Statements	$ 86,666,676

	(Budget) 2024 [1]	2023	2022 [1]	2021 [1]
General Fund [1]				
Revenues	$ 447,257,004	$ 464,929,771	$ 394,313,522	$ 373,206,061
Other sources	107,403	133,300	904,393	524,898
Total Revenues and Other Sources	447,364,407	465,063,071	395,217,915	373,730,959
Expenditures	446,482,274	438,961,732	396,896,527	362,251,481
Other uses and transfers out	2,768,292	2,897,985	2,427,125	3,795,116
Total Expenditures and Other Uses	449,250,566	441,859,717	399,323,652	366,046,597
Increase/(Decrease) in Fund Balance	(1,886,159)	23,203,354	(4,105,737)	7,684,362
Ending Fund Balance	$ 84,780,517	$ 86,666,676	$ 63,463,322	$ 67,569,059
Available Reserves	$ 13,477,517	$ 37,394,814	$ 11,979,711	$ 11,313,412
Available Reserves as a Percentage of Total Outgo [2]	3.00%	8.46%	3.00%	3.09%
Long-Term Liabilities	$ 754,320,268	$ 796,242,272	$ 716,711,768	$ 885,448,988
K-12 Average Daily Attendance at P-2	27,780	28,192	28,750	30,964

The General Fund balance has increased by $19,097,617 over the past two years. The fiscal year 2023-2024 budget projects a decrease of $1,886,159 (2.2%). For a district this size, the State recommends available reserves of at least 3% of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in two of the past three years and anticipates incurring an operating deficit during the 2023-2024 fiscal year. Total long-term liabilities have increased by $89,206,716 over the past two years.

Average daily attendance has decreased by 2,772 over the past two years. Additional decline of 412 ADA is anticipated during fiscal year 2023-2024.

[1] Financial information for 2024, 2022, and 2021 are included for analytical purposes only and has not been subjected to audit.

[2] Available reserves is the general fund's unassigned fund balance. 2024, 2022, and 2021 columns have not been adjusted to comply with GASB fund balance definitions.

	Student Activity Fund	Cafeteria Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
Assets					
Deposits and investments	$ 2,438,479	$ 5,555,206	$ 11,805,838	$ 10,320,661	$ 30,120,184
Receivables	-	40,092	-	-	40,092
Due from other funds	-	20,995	118,358	795,331	934,684
Stores inventories	-	216,646	-	-	216,646
Total assets	$ 2,438,479	$ 5,832,939	$ 11,924,196	$ 11,115,992	$ 31,311,606
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ -	$ 744,013	$ 53,225	$ -	$ 797,238
Due to other funds	-	8,234	104,856	-	113,090
Unearned revenue		87,300	-	-	87,300
Total liabilities	-	839,547	158,081	-	997,628
Fund Balances					
Nonspendable	-	216,646	-	-	216,646
Restricted	2,438,479	4,776,746	11,766,115	5,220,053	24,201,393
Committed	-	-	-	5,895,939	5,895,939
Total fund balances	2,438,479	4,993,392	11,766,115	11,115,992	30,313,978
Total liabilities and fund balances	$ 2,438,479	$ 5,832,939	$ 11,924,196	$ 11,115,992	$ 31,311,606

	Student Activity Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
Revenues						
Federal sources	$ -	$ 3,795,940	$ -	$ -	$ -	$ 3,795,940
Other state sources	-	9,676,788	-	20,809,153	-	30,485,941
Other local sources	8,229,123	55,248	3,776,702	-	1,041,535	13,102,608
Total revenues	$ 8,229,123	13,527,976	3,776,702	20,809,153	1,041,535	47,384,489
Expenditures						
Current						
Pupil services						
Food services	-	11,277,019	-	-	-	11,277,019
Plant services	-	-	268,881	-	-	268,881
Ancillary services	8,505,735	-	-	-	-	8,505,735
Capital Outlay	-	-	37,092	-	-	37,092
Debt service						
Principal	-	-	-	-	2,446,022	2,446,022
Interest and other	-	-	-	-	917,362	917,362
Total expenditures	8,505,735	11,277,019	305,973	-	3,363,384	23,452,111
Excess (Deficiency) of Revenues Over Expenditures	(276,612)	2,250,957	3,470,729	20,809,153	(2,321,849)	23,932,378
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	2,897,985	2,897,985
Transfers out	-	-	-	(20,809,153)	(133,300)	(20,942,453)
Total other financing sources (uses)	-	-	-	(20,809,153)	2,764,685	(18,044,468)
Net Change in Fund Balances	(276,612)	2,250,957	3,470,729	-	442,836	5,887,910
Fund Balance - Beginning	2,715,091	2,742,435	8,295,386	-	10,673,156	24,426,068
Fund Balance - Ending	$ 2,438,479	$ 4,993,392	$ 11,766,115	$ -	$ 11,115,992	$ 30,313,978

Note 1 - Purpose of Schedules

Schedule of Expenditures of Federal Awards (SEFA)

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2023. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the San Ramon Valley Unified School District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the San Ramon Valley Unified School District.

Summary of Significant Accounting Policies

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

Indirect Cost Rate

The District has not elected to use the ten percent de minimis cost rate as covered in Section 200.414 Indirect (F&A) costs of the Uniform Guidance.

Local Education Agency Organization Structure

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration. There were no boundary changes during the year.

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. The District has met its target funding. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code* Sections 46200 through 46207.

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

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Financial Trends and Analysis

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

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

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

Independent Auditor's Reports
June 30, 2023

San Ramon Valley Unified School District

CPAs & BUSINESS ADVISORS

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

To the Board of Education
San Ramon Valley Unified School District
Danville, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the San Ramon Valley Unified School District (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 21, 2024. Our independent auditor's report on the financial statements is qualified for misstatements involving other post-employment benefits and fiduciary activities.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

The District's Response to Findings

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

Purpose of this Report

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

Eide Bailly LLP

Menlo Park, California
May 21, 2024

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

To the Governing Board
San Ramon Valley Unified School District
Danville, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited San Ramon Valley Unified School District's (District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Eide Bailly LLP

Menlo Park, California
May 21, 2024

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on State Compliance

To the Governing Board
San Ramon Valley Unified School District
Danville, California

Report on Compliance

Qualified and Unmodified Opinions on State Compliance

We have audited San Ramon Valley Unified School District's (the District) compliance with the requirements specified in the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to the District's state program requirements identified below for the year ended June 30, 2023.

Qualified Opinion on Gann Limit Calculation and Immunizations

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2023.

Unmodified Opinion on Each of the Other Programs

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2023, except as described in the accompanying Schedule of Findings and Questioned Costs.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards)*, and the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Matters Giving Rise to Qualified Opinion on Gann Limit Calculation and Immunizations

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding Gann Limit Calculation (2023-002) and Immunizations (2023-003).

Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and

- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

2022-2023 K-12 Audit Guide Procedures	Procedures Performed
Local Education Agencies Other Than Charter Schools	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No (see below)
Continuation Education	No (see below)
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No (see below)
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	No (see below)
Middle or Early College High Schools	No (see below)
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	No (see below)
Comprehensive School Safety Plan	Yes
District of Choice	No (see below)
Home to School Transportation Reimbursement	Yes
Independent Study Certification for ADA Loss Mitigation	Yes
School Districts, County Offices of Education, and Charter Schools	
California Clean Energy Jobs Act	No (see below)
After/Before School Education and Safety Program:	No (see below)
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Yes
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	No (see below)
Transitional Kindergarten	Yes

Charter Schools	
Attendance	No (see below)
Mode of Instruction	No (see below)
Nonclassroom-Based Instruction/Independent Study	No (see below)
Determination of Funding for Nonclassroom-Based Instruction	No (see below)
Annual Instructional Minutes – Classroom Based	No (see below)
Charter School Facility Grant Program	No (see below)

Independent Study
The District did not offer Independent Study; therefore, we did not perform procedures related to Independent Study.

Continuation Education
We did not perform Continuation Education procedures because the ADA was below the audit threshold.

Early Retirement Incentive
The District did not offer an Early Retirement Incentive Program during the current year; therefore, we did not perform procedures related to the Early Retirement Incentive Program.

Juvenile Court Schools
We did not perform Juvenile Court Schools procedures because the program is not offered by the District.

Middle or Early College High Schools
We did not perform Middle or Early College High Schools procedures because the program is not offered by the District.

Apprenticeship: Related and Supplemental Instruction
We did not perform Apprenticeship: Related and Supplemental Instruction procedures because the program is not offered by the District.

District of Choice
The District did not elect to operate as a school district of choice; therefore, we did not perform procedures related to District of Choice.

California Clean Energy Jobs Act
We did not perform California Clean Energy Jobs Act procedures because the related procedures were performed in a previous year.

After/Before School Education and Safety Program
We did not perform procedures for the After/Before School Education and Safety Program because the District did not offer the program.

Career Technical Education Incentive Grant
We did not perform Career Technical Education Incentive Grant procedures because the District did not receive funding for this grant.

Charter Schools
The District does not operate any Charter Schools; therefore, we did not perform procedures for Charter School Programs.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying Schedule of Findings and Questioned Costs as items 2023-002 and 2023-003.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-002 and 2023-003 to be material weaknesses.

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

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Menlo Park, California
May 21, 2024

Schedule of Findings and Questioned Costs
June 30, 2023

San Ramon Valley Unified School District

Financial Statements

Type of auditor's report issued	
Governmental activities, general fund, aggregate remaining fund information	Qualified
All other opinion units	Unmodified
Internal control over financial reporting	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

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

Identification of major programs

Name of Federal Program or Cluster	Federal Financial Assistance Listing Number
Covid-19 Education Stabilization Fund	84.425D, 84.425C, 84.425W, 84.425U
Special Education Cluster (IDEA)	84.027, 84.173
COVID-19 Emergency Connectivity Fund	32.009

Dollar threshold used to distinguish between type A and type B programs	$750,000
Auditee qualified as low-risk auditee?	No

State Compliance

Internal control over state compliance programs	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for programs	

Unmodified for all programs except for the following programs which were qualified

Name of Program
Gann Limit Calculation
Immunizations

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

Five Digit Code	AB 3627 Finding Type
30000	Internal Control

2023-001 30000 – Material Weakness in Internal Control Over Financial Reporting and Qualified Opinion on the Financial Statements

Criteria: The District's management is responsible for the preparation and fair presentation of the District's financial statements. Management's responsibilities include the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Condition: Regarding other post-employment benefits (OPEB) and GASB Statement No. 84, *Fiduciary Activities*, the District had not compiled the information necessary to present them according to generally accepted accounting principles for governmental entities as follows:

> For OPEB, the description of OPEB benefit terms per the District's bargaining agreements is different than the description of OPEB benefit terms described in the OPEB actuarial valuation.
>
> GASB Statement No. 84, *Fiduciary Activities,* was required to be implemented for reporting periods beginning after December 15, 2018.

Furthermore, in conjunction with completing the audit, we were requested to draft the financial statements and related notes to the financial statements. Management reviewed, approved, and accepted responsibility for the financial statements and notes before issuance.

Other adjustments involving fair value, capital expenditures, debt and leases were identified through out audit procedures and although immaterial for the current year, could be material in a future reporting period.

Cause: The District relied on the external financial auditor for advice regarding the implementation of new accounting standards.

Effect: The financial statements contain material deviations from US-GAAP regarding OPEB and items previously reported in a fiduciary fund.

Furthermore, relying on the external auditors to prepare the financial statements and disclosures is considered a material weakness because action of our Firm cannot be viewed as part of the Districts internal control.

Recommendation: We recommend that the District prepare a revised actuarial valuation using the same benefit terms that are defined as being provided to employees within the agreement between the District and the employees. We also recommend the District implement GASB Statement No. 84. Adjusting entries should be compiled for the beginning and ending periods.

Views of Responsible Officials: The District's management agrees with this finding. See the separately issued corrective action plan.

None reported.

The following findings represent material instances of noncompliance including questioned costs and material weaknesses in internal control that are required to be reported by the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. The findings have been coded as follows:

Five Digit Code	AB 3627 Finding Type
40000	State Compliance

2023-002 40000 – Gann Limit Calculation

Criteria or Specific Requirements
According to the 2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, prescribed in the California Code of Regulations and published by the Education Audit Appeals Panel, district's prior year Gann ADA and prior year appropriations limit used by the district should match the data on the prior year appropriations limit calculation previously submitted to the CDE. If the district has made adjustments to the prior year data, the district is required to recalculate the prior year appropriations limit and attached a copy of the recalculation to the current year appropriation limit.

Condition
We noted a difference of 21.12 ADA between current year Gann ADA reported on prior year Form GANN and prior year Gann ADA reported on current year Form GANN, but Gann limit was not recalculated.

Questioned Costs
None.

Context
Current year Gann ADA per prior year Form GANN was 28,786.06 and prior year Gann ADA per current year Form GANN was $28,764.94.

Effect
The District was not in compliance with the requirements prescribed in the 2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, prescribed in the California Code of Regulations and published by the Education Audit Appeals Panel.

Cause
In June 2023, the District received notice from the California Department of Education that the 2021-22 Form GANN had been revised due to an error in the Standardized Account Code Structure (SACS) software, and supplied an updated Form GANN and noted that no further action was required. The Form GANN supplied by the CDE showed a different P-2 ADA than the original Form GANN erroneously calculated by the SACS software.

Repeat Finding
No.

Recommendation
Management should ensure the data used by the District is accurate and ensure that the prior year Gann ADA and prior year appropriations limit used by the district matches the data on the prior year appropriation limit calculation previously submitted to the CDE. If the district has made adjustments to the prior year data, the District should recalculate the prior year appropriations limit and attached a copy of the recalculation to the current year appropriations limit.

Corrective Action Plan and Views of Responsible Officials
Form GANN is calculated by state-issued software, is pre-loaded with data from the Unaudited Actuals file, and is not editable by the District. Further, nine month after the 2021-22 Form GANN was submitted by the District, we received a new Form GANN updated by the CDE and directed to take no further action. The District followed direction from the CDE. Because Form GANN is not editable, the District will continue follow direction from the CDE in calculating and submitting Form GANN.

2023-003 **40000 - Immunizations**

Criteria or Specific Requirements
According to the 2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, prescribed in the California Code of Regulations and published by the Education Audit Appeals Panel and Title 17, California Code of Regulations Section 6020, pupils are required to have two doses of a varicella vaccine and two doses of measles vaccine prior to admission into transitional kindergarten, kindergarten, or first grade, or have a current medical exemption on file.

Condition
We noted six pupils reported in the combined conditional admission and overdue rates greater than 10 percent in kindergarten had only one dose of either vaccine prior to admission and not have a second dose within four calendar months, these pupils were not excluded from attendance.

Questioned Costs
Approximately $22,467 (2.18 ADA disallowed for P2).

Context
6 out of 21 pupils tested did not have the required doses of vaccine prior to admission.

Effect
District was not in compliance with the immunization requirements as noted in the Criteria or Specific Requirements above.

Cause
District nursing review all incoming kindergarten student immunization records to ensure that students have the required immunizations prior to admission to the district, or have a current medical exemption on file. For those students that lack the required doses, staff work with families to ensure that the required immunizations are administered according to the California Code of Regulations. In this case, it appears that while it was communicated that certain students lacked the required immunizations, the families failed to follow through and did not fully vaccinate the students on the timelines allowed under California Code of Regulations, and staff did not appropriately follow up and request that the families refrain from sending their students to school until all vaccinations were completed.

Repeat Finding
No.

Recommendation
Management should develop procedures to ensure compliance with the Immunizations requirements described in the Criteria or Specific Requirements section above.

Corrective Action Plan and Views of Responsible Officials
District nursing and front office staff have received additional training on vaccination schedules and requirements, and next steps to take if a family fails to provide proof of vaccination.

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

Financial Statement Findings

2022-001 30000 – Internal Control

Criteria or Specific Requirements
Management is responsible for the design, implementation, and maintenance of internal controls to ensure the financial statements are free from material misstatement, whether due to error or fraud. Additionally, management is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles (GAAP).

Current Status
See 2023-001.

State Compliance Findings

2022-002 **10000 - Attendance**

Criteria or Specific Requirements
According to the 2021-2022 Guide for Annual Audit of K-12 Local Education Agencies and State Compliance Reporting, prescribed in the California Code of Regulations and published by the Education Audit Appeals Panel, attendance reports must be amended for any change in ADA. [Education Code Sections 41341 (a)(1) and 14503 (a)].

Current Status
Resolved