LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

ALAMEDA COUNTY

AUDIT REPORT

For the Fiscal Year Ended June 30, 2023

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT
For the Fiscal Year Ended June 30, 2023
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A Professional Accountancy Corporation

INDEPENDENT AUDITORS' REPORT

Board of Education
Livermore Valley Joint Unified School District
Livermore, California

Report on the Audit of the Financial Statements

Opinions
We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Livermore Valley Joint Unified School District, as of and for the fiscal 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Livermore Valley Joint Unified School District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.* Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA | Jessica Berry, CPA | Angelika Vartikyan, CPA

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Change in Accounting Principle
As discussed in Note 1 to the financial statements, the District has implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Auditors' 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 auditors' 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 proportionate share of the net pension liability, schedule of pension contributions, schedule of changes in the District's total OPEB liability and related ratios, schedule of the District's proportionate share of the net OPEB liability-MPP Program, and the notes to the required supplementary information 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information, except for the LEA Organization Structure, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and other supplementary information listed in the table of contents, except for the LEA Organization Structure, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The LEA Organization Structure has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards,* we have also issued our report dated December 13, 2023 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.

Nigro & Nigro, PC

Murrieta, California
December 13, 2023

INTRODUCTION

The following discussion and analysis provides an overview of the financial position and activities of the District for the year ended June 30, 2023. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes thereto which follow this section.

The Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in its Statement No. 34 (Basic Financial Statements – and Management's Discussion and Analysis – for the State and Local Governments) issued June 1999. Certain comparative information between the current and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

This section provides an overview of the District's financial activities.

- The District's financial status increased overall as a result of this year's operations. Net position of governmental activities increased by $43.8 million.
- Governmental expenses were about $206.5 million. Revenues were about $250.2 million.
- The District acquired over $23.1 million in new capital assets during the year.
- Governmental funds increased by $26.3 million, or 24.6%.
- Reserves for the General Fund increased by $0.3 million or 6.0%. Revenues and financing sources were $206.3 million, and expenditures and other financing uses were $196.7 million.

FUND FINANCIAL STATEMENTS

The District tracks revenue and expenditures for accounting purposes through fifteen active funds. Some funds are required by bond covenants and by State law and other funds are established by the District to control and manage a variety of activities for particular purposes, such as repaying its long-term debts. The detailed information about the most significant funds is provided in the fund financial statements.

FUND FINANCIAL STATEMENTS (continued)

The District maintains two classes of funds:

1. **Governmental funds**: Most of the District's basic services are included in governmental funds, which include the General Fund (01), the Building Fund (21), the Capital Facilities Fund (25), the County Schools Facility Fund (35), the Special Reserve Fund for Capital Outlay (40), the Bond Interest and Redemption Fund (51), special revenue funds (08, 11, 12, and 13), and special reserve funds (14, 17, 19, and 20). These funds generally focus on how cash and other financial assets flow in and out as well as the balances left at year-end that are available for spending in subsequent years. Consequently, the governmental funds statements provide a detailed short-term view that helps in the determination of whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, we provide additional information on a separate reconciliation page that explains the relationship (or differences) between them.

2. **Proprietary funds:** The proprietary fund category includes Enterprise and Internal Service Funds. The Internal Service funds report activities that provide supplies and services for other programs and activities of the District. The District has no Enterprise funds. Proprietary funds are reported in the same way as the District-wide statements. Currently, the District has one internal service fund—the Property Self-Insurance Fund (67).

STATEMENT OF NET POSITION

The Statement of Net Position presents the assets and liabilities of the District as of the end of the fiscal year. It is prepared using the accrual basis of accounting, which is similar to that used by most private-sector businesses. The Statement of Net Position is a "point in time" financial statement. Its purpose is to present to the readers a fiscal snapshot of the District. The Statement of Net Position presents end-of-year data for assets, deferred outflows/inflows, liabilities (current and non-current) and net position (assets plus deferred outflows minus liabilities minus deferred inflows).

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the District. Readers are also able to determine the amount owed by the District to vendors and employees. Finally, the Statement of Net Position provides a picture of the net position and the availability of those assets for expenditure.

The difference between total assets, deferred outflows and total liabilities, deferred inflows (net position) is one indicator of the current financial condition of the District. The change in net position is an indicator of whether the overall financial condition has improved or worsened during the year. In this regard, assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost less an allocation for depreciation expense.

The net position is presented in two major categories. The first category provides the information in regards to equity amounts in property, plant, and equipment owned by the District. The second category provides information on unrestricted net position that is available for obligations as may be approved by the Board of Education.

STATEMENT OF NET POSITION (continued)

The Statement of Net Position as of June 30, 2022 and June 30, 2023 is summarized below:

	2023	2022
Assets		
Deposits and investments	$ 134,962,856	$ 110,809,805
Accounts receivable and prepaid expenditures	15,878,320	11,875,261
Stores inventories	456,392	454,394
Capital assets, net	299,146,641	284,449,524
Total Assets	450,444,209	407,588,984
Deferred Outflows of Resources		
Deferred outflows of resources - pensions	65,770,197	42,703,796
Deferred outflows of resources - OPEB	1,548,508	1,830,360
Deferred amounts on refunding	432,317	551,697
Total Deferred Outflows of Resources	67,751,022	45,085,853
Liabilities		
Long-term liabilities	277,328,433	273,153,842
Net pension liability	156,169,348	95,878,289
Other liabilities	21,269,070	19,548,724
Total Liabilities	454,766,851	388,580,855
Deferred Inflows of Resources		
Deferred inflows of resources - pensions	26,308,925	70,718,473
Deferred inflows of resources - OPEB	1,220,122	1,149,213
Deferred amounts on refunding	408,262	488,110
Total Deferred Inflows of Resources	27,937,309	72,355,796
Net Position		
Net investment in capital assets	88,105,800	88,679,496
Restricted	68,453,583	29,879,576
Unrestricted	(121,068,312)	(126,820,886)
Total Net Position	$ 35,491,071	$ (8,261,814)

- Cash is invested with the Alameda County Treasury as is explained in the notes accompanying the financial statements.
- Accounts receivable are primarily amounts due from the State and Federal government for the operation of categorical programs.

STATEMENT OF NET POSITION (continued)

- Long-term liabilities includes the State Teachers Retirement System (STRS) and Public Employee Retirement System (PERS) net pension liability based on GASB 68.
- Other liabilities consist of accounts payable to vendors, payroll and related expenses as well as unearned revenues for categorical programs deferred into the next fiscal year.

STATEMENT OF ACTIVITIES

Changes in total net position, as presented on the Statement of Net Position, are based on the activity presented in the Statement of Activities. The purpose of this statement is to present the total revenues earned, whether received or not and the total expenses incurred, whether paid or not, by all the District's governmental and proprietary funds. Thus, this Statement presents the District's results of operations in all governmental and proprietary funds.

The Statement of Activities for the year ended June 30, 2022 and for the year ended June 30, 2023 is summarized below:

	2023	2022
Revenues		
Program revenues:		
Charges for services	$ 952,454	$ 381,825
Operating grants and contributions	49,501,751	38,098,443
Capital grants and contributions	27,844,273	-
General revenues:		
Property taxes	102,557,395	95,068,297
Grants, subsidies and contributions unrestricted	66,798,356	57,533,263
Interest and investment earnings	409,415	190,553
Transfers from other agencies	512,091	332,840
Other	1,656,265	1,236,095
Total revenues	250,232,000	192,841,316
Expenses		
Instruction	105,722,427	90,561,106
Instruction related services	24,498,247	20,101,620
Pupil services	21,758,942	19,821,408
Ancillary services	3,054,659	2,759,396
Community services	253,691	201,363
General administration	11,768,260	8,277,495
Plant services	21,550,624	16,575,289
Other outgo	3,112,886	2,723,234
Debt service	6,977,221	7,538,961
Depreciation (unallocated)	7,249,452	6,301,802
Amortization (unallocated)	532,706	-
Total expenses	206,479,115	174,861,674
Increase (decrease) in Net Position	43,752,885	17,979,642
Net Position, Beginning of Year	(8,261,814)	(26,241,456)
Net Position, End of Year	$ 35,491,071	$ (8,261,814)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2023, the District had $299.1 million invested in net capital assets, primarily related to land, buildings, and other capital improvements.

Note 6 to the financial statement provides additional information on capital assets. A summary of capital assets, net of depreciation, is presented below:

	2023	2022
Land	$ 17,656,768	$ 17,656,768
Improvements of Sites	33,384,514	34,908,739
Buildings	187,525,507	146,833,492
Equipment	1,281,595	1,153,322
Construction in Progress	58,094,664	83,897,203
Subscription Assets	1,203,593	-
Net capital assets	$ 299,146,641	$ 284,449,524

Debt Administration

Note 7 to the financial statement provides additional information on outstanding debt. Note 8 describes the OPEB liability. Note 9 to the financial statements provides more information on the net pension liability. A summary of the District's outstanding debt at year-end is presented below:

	2023	2022
General Obligation Bonds	$ 237,660,000	$ 246,710,000
Unamortized Premium	17,022,518	18,465,851
Equipment Purchase Financing	13,638,427	-
Subscription Liability	1,217,781	-
Compensated Absences	1,231,760	1,077,044
Net OPEB Liability	6,557,947	6,900,947
Net Pension Liability	156,169,348	95,878,289
Total long-term debt	$ 433,497,781	$ 369,032,131

GENERAL FUND BUDGET

During the fiscal year, the Board of Education authorized revisions to the original budget to take account of differences in actual expenditures. A summary budgetary comparison schedule for the General Fund is presented on page 53.

Variations between the original and final budget amounts were primarily due to carryover of unspent dollars and new funding for categorical programs. These amounts were unknown at the time the original budget was adopted.

ECONOMIC FACTORS THAT MAY AFFECT THE FUTURE

State Budget
The Legislature passed an initial budget package on June 15, 2023. The Legislature's budget package adopted LAO estimates of local property tax revenues, which resulted in an increase to the Proposition 98 guarantee by $2.1 billion across 2022-23 and 2023-24. The legislative package used this additional funding primarily to help maintain previously approved programs. Relative to the May Revision, the Legislature's budget package also: (1) reallocated projected unspent funds in child care and State Preschool programs to increase provider rates and reduce family fees beginning October 1, 2023; (2) included a slightly different mix of reductions as the Governor from climate change-related packages (although a similar overall level); (3) restored $1 billion in 2023-24 in proposed General Fund reductions to transit capital funding and added flexibility to allow local agencies to use this funding for operations; (4) rejected the Governor's proposals to use General Fund cash to pay for certain capital outlay project costs, instead using lease revenue bond financing to pay for these costs; and (5) accelerated the time line to spend funds for MCO tax-related augmentations to around four years from eight to ten years. The Legislature passed an amended budget act and associated trailer bills on June 27, 2023 and June 29, 2023.

K-14 Education
Funds Modest Increase in School and Community College Funding
The Proposition 98 minimum guarantee depends upon various formulas that adjust for several factors, including changes in state General Fund revenue. For 2022-23, the guarantee is down $3 billion (2.7 percent) compared with the estimates made in June 2022. The decrease in the guarantee is primarily attributable to lower General Fund revenue estimates, somewhat offset by higher local property tax revenue. For 2023-24, the guarantee increases by $953 million (0.9 percent) relative to the revised 2022-23 level. For 2023-24, projected increases in property tax revenue offset declines associated with lower General Fund revenue estimates.

Increase in Required Reserve Deposits
In certain circumstances, the Constitution requires the state to deposit some of the available Proposition 98 funding into a statewide reserve account for schools and community colleges. Under the adopted budget plan, the state deposits a total of $7.5 billion into this account across the 2021-22 through 2023-24 period—an increase of $1.3 billion compared with the estimates made in June 2022. The higher required deposits are primarily due to revenue estimates from the administration that have capital gains accounting for a larger share of General Fund revenue over the period.

Provides Large COLA to School and Community College Districts
In addition to the required reserve deposits, the budget package has several ongoing and one-time increases. The largest ongoing augmentation is $4.8 billion to provide an 8.22 percent COLA for K-12 and community college programs. In K-12, the budget also includes $300 million ongoing targeted to low-income schools with relatively high rates of student mobility within the school year, as well as $250 million one time for literacy coaches and reading specialists.

Budget Has Notable K-14 Structural Gap
The 2023-24 Proposition 98 spending level is not sufficient to fully fund all ongoing spending authorized in the budget package. To cover these costs, the budget package uses $1.9 billion in one-time, prior-year funding to fund the primary school and community college funding formulas ($1.6 billion for schools and $290 million for California Community Colleges). Using one-time funds to cover ongoing costs creates a deficit in the Proposition 98 budget the following year.

ECONOMIC FACTORS THAT MAY AFFECT THE FUTURE (continued)

Funds School Facilities Grants
The 2022-23 budget package provided $1.3 billion one-time non-Proposition 98 General Fund to cover the state share for new construction and modernization projects under the School Facility Program (SFP). The 2022-23 budget package also included intent language to provide an additional $2.1 billion in 2023-24 and $875 million in 2024-25. The budget provides about $2 billion to the SFP in 2023-24, which is $100 million less than the previously intended augmentation, and continues to assume an additional $875 million will be provided in 2024-25. The budget also delays the intended $550 million non-Proposition 98 General Fund increase to the California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program from 2023-24 to 2024-25.

All of these factors were considered in preparing the Livermore Valley Joint Unified School District budget for the 2023-24 fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the community, investors, creditors, etc. with a general overview of the District's financial condition and to show the District's accountability for the funding it receives. If you have questions regarding this report or need additional financial information, contact Teresa Fiscus, Assistant Superintendent, Business Services, (925) 606-3253, Livermore Valley Joint Unified School District, 685 E. Jack London Blvd., Livermore, CA.

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	Governmental Activities
ASSETS	
Deposits and investments	$ 134,962,856
Accounts receivable	15,878,320
Inventories	456,392
Capital assets:	
Non-depreciable capital assets	75,751,432
Depreciable capital assets	323,516,620
Less accumulated depreciation	(101,325,004)
Subscription assets	1,736,299
Less accumulated amortization	(532,706)
Total assets	450,444,209
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts on refunding	432,317
Deferred outflows related to OPEB	1,548,508
Deferred outflows related to pensions	65,770,197
Total deferred outflows of resources	67,751,022
LIABILITIES	
Accounts payable	16,672,510
Accrued interest payable	3,465,740
Unearned revenue	1,130,820
Noncurrent liabilities:	
Due or payable within one year	11,189,295
Due in more than one year:	
Other than OPEB and pensions	259,581,191
Total OPEB liability	6,557,947
Net pension liability	156,169,348
Total liabilities	454,766,851
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts on refunding	408,262
Deferred inflows related to OPEB	1,220,122
Deferred inflows related to pensions	26,308,925
Total deferred inflows of resources	27,937,309
NET POSITION	
Net investment in capital assets	88,105,800
Restricted for:	
Capital projects	27,772,907
Debt service	13,815,028
Student activities	1,092,568
Self-insurance programs	62,962
Categorical programs	25,710,118
Unrestricted	(121,068,312)
Total net position	$ 35,491,071

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Statement of Activities

For the Fiscal Year Ended June 30, 2023

		Program Revenues			Net Revenue (Expense) and Changes in Net Position
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
Governmental Activities:					
Instruction	$ 105,722,427	$ 322,007	$ 19,796,744	$ 27,844,273	$ (57,759,403)
Instruction-Related Services:					
Supervision of instruction	6,548,996	23,468	1,459,601	-	(5,065,927)
Instructional library, media and technology	5,533,731	7,639	2,548,000	-	(2,978,092)
School site administration	12,415,520	3,450	1,756,735	-	(10,655,335)
Pupil Support Services:					
Home-to-school transportation	3,288,120	37,752	878,506	-	(2,371,862)
Food services	5,303,567	-	6,709,346	-	1,405,779
All other pupil services	13,167,255	101,075	5,302,614	-	(7,763,566)
General Administration Services:					
Data processing services	482,221	-	-	-	(482,221)
Other general administration	11,286,039	280	3,557,746	-	(7,728,013)
Plant services	21,550,624	17,030	147,320	-	(21,386,274)
Ancillary services	3,054,659	642	1,665,789	-	(1,388,228)
Community services	253,691	-	73,024	-	(180,667)
Interest on long-term debt	6,977,221	-	-	-	(6,977,221)
Other outgo	3,112,886	439,111	5,606,326	-	2,932,551
Depreciation (unallocated)	7,249,452	-	-	-	(7,249,452)
Amortization (unallocated)	532,706	-	-	-	(532,706)
Total Governmental Activities	$ 206,479,115	$ 952,454	$ 49,501,751	$ 27,844,273	(128,180,637)

General Revenues:	
Property taxes	102,557,395
Federal and state aid not restricted to specific purpose	66,798,356
Interest and investment earnings	409,415
Interagency revenues	512,091
Miscellaneous	1,656,265
Subtotal general revenues	171,933,522
Change in net position	43,752,885
Net position - July 1, 2022	(8,261,814)
Net position - June 30, 2023	$ 35,491,071

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Balance Sheet – Governmental Funds
June 30, 2023

	General Fund	Building Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Deposits and investments	$ 26,542,090	$ 48,297,301	$ 24,603,136	$ 16,858,032	$ 18,466,517	$ 134,767,076
Accounts receivable	14,388,874	349,331	145,605	6,351	987,149	15,877,310
Due from other funds	100,435	-	-	-	179,953	280,388
Stores inventories	287,079	-	-	-	169,313	456,392
Total Assets	$ 41,318,478	$ 48,646,632	$ 24,748,741	$ 16,864,383	$ 19,802,932	$ 151,381,166
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	$ 11,675,457	$ 3,825,417	$ -	$ 705,940	$ 331,868	$ 16,538,682
Due to other funds	179,953	-	-	-	100,435	280,388
Unearned revenue	972,753	-	-	-	158,067	1,130,820
Total Liabilities	12,828,163	3,825,417	-	705,940	590,370	17,949,890
Fund Balances						
Nonspendable	337,079	-	-	-	169,313	506,392
Restricted	21,985,552	44,821,215	24,748,741	16,158,443	18,966,999	126,680,950
Assigned	186,266	-	-	-	76,250	262,516
Unassigned	5,981,418	-	-	-	-	5,981,418
Total Fund Balances	28,490,315	44,821,215	24,748,741	16,158,443	19,212,562	133,431,276
Total Liabilities and Fund Balances	$ 41,318,478	$ 48,646,632	$ 24,748,741	$ 16,864,383	$ 19,802,932	$ 151,381,166

Total fund balances - governmental funds		$ 133,431,276
In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets less accumulated depreciation and lease and subscription assets less accumulated amortization.		
Capital assets at historical cost:	399,268,052	
Accumulated depreciation:	(101,325,004)	
Subscriptions assets at historical cost	1,736,299	
Accumulated amortization	(532,706)	
Net:		299,146,641
In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatured interest owing at the end of the period was:		(3,465,740)
Deferred amounts on refunding represent amounts paid to an escrow agent in excess of the outstanding debt at the time of the payment for refunded bonds which have been defeased. In the government-wide statements it is recognized as a deferred outflow. The remaining deferred amounts on refunding at the end of the period were:		
Deferred outflows of resources	432,317	
Deferred inflows of resources	(408,262)	
Total		24,055
In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:		
General obligation bonds payable	254,682,518	
Equipment purchase financing	13,638,427	
Subscription liability	1,217,781	
Compensated absences payable	1,231,760	
Other postemployment benefits	6,557,947	
Net pension liability	156,169,348	
Total		(433,497,781)
In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported. Deferred outflows and inflows relating to OPEB for the period were:		
Deferred outflows of resources	1,548,508	
Deferred inflows of resources	(1,220,122)	
Total		328,386
In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported. Deferred inflows and outflows relating to pensions for the period were:		
Deferred outflows of resources	65,770,197	
Deferred inflows of resources	(26,308,925)	
Total		39,461,272
Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to operate for the benefit of governmental activities, assets and liabilities of internal service funds are reported with governmental activities in the statement of net position. Net position for internal service funds is:		62,962
Total net position - governmental activities		$ 35,491,071

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2023

	General Fund	Building Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay	Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
LCFF sources	$ 142,842,555	$ -	$ -	$ -	$ -	$ 142,842,555
Federal sources	7,580,920	-	-	-	2,575,304	10,156,224
Other state sources	33,795,028	-	28,533,989	959,415	6,402,708	69,691,140
Other local sources	20,310,332	(170,521)	(408,325)	(73,204)	19,051,422	38,709,704
Total Revenues	204,528,835	(170,521)	28,125,664	886,211	28,029,434	261,399,623
EXPENDITURES						
Current:						
Instruction	120,203,786	-	-	-	588,588	120,792,374
Instruction-Related Services:						
Supervision of instruction	7,313,701	-	-	-	13,222	7,326,923
Instructional library, media and technology	5,593,606	-	-	-	1,765	5,595,371
School site administration	13,334,094	-	-	-	238,533	13,572,627
Pupil Support Services:						
Home-to-school transportation	3,285,242	-	-	-	-	3,285,242
Food services	3,189	-	-	-	5,502,993	5,506,182
All other pupil services	14,794,242	-	-	-	22,818	14,817,060
Ancillary services	1,512,728	-	-	-	1,626,020	3,138,748
Community services	249,616	-	-	-	-	249,616
General Administration Services:						
Data processing services	1,671,460	-	-	-	-	1,671,460
Other general administration	9,430,009	-	-	-	25,000	9,455,009
Transfers of indirect costs	(123,730)	-	-	-	123,730	-
Plant services	16,869,960	661,386	-	23,439	235,254	17,790,039
Capital outlay	24,750	23,686,464	-	1,722,756	618,495	26,052,465
Intergovernmental transfers	2,002,090	-	-	-	1,110,796	3,112,886
Debt service:						
Principal	518,518	-	-	-	9,050,000	9,568,518
Interest	28,542	-	-	-	8,504,696	8,533,238
Total Expenditures	196,711,803	24,347,850	-	1,746,195	27,661,910	250,467,758
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,817,032	(24,518,371)	28,125,664	(859,984)	367,524	10,931,865
OTHER FINANCING SOURCES (USES)						
Interfund transfers in	15,404	-	-	3,380,000	-	3,395,404
Interfund transfers out	-	(2,650)	(3,380,000)	-	(12,754)	(3,395,404)
Proceeds from SBITAs	1,736,299	-	-	-	-	1,736,299
Proceeds from equipment purchase agreement	-	-	-	13,638,427	-	13,638,427
Total Other Financing Sources and Uses	1,751,703	(2,650)	(3,380,000)	17,018,427	(12,754)	15,374,726
Net Change in Fund Balances	9,568,735	(24,521,021)	24,745,664	16,158,443	354,770	26,306,591
Fund Balances, July 1, 2022	18,921,580	69,342,236	3,077	-	18,857,792	107,124,685
Fund Balances, June 30, 2023	$ 28,490,315	$ 44,821,215	$ 24,748,741	$ 16,158,443	$ 19,212,562	$ 133,431,276

Total net change in fund balances - governmental funds		$ 26,306,591
Amounts reported for governmental *activities* in the statement of activities are different because:		
In governmental funds, the costs of capital assets and lease assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets and lease assets are allocated over their estimated useful lives and their lease terms as depreciation expense and amortization expense, respectively. The difference between capital outlay expenditures and depreciation expense and amortization expense for the period is:		
Expenditures for capital outlay	24,826,808	
Depreciation expense	(7,249,452)	
Amortization expense	(532,706)	
Net:		17,044,650
In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as a reduction of liabilities. Expenditures for repayment of the principal portion of long-term debt were:		9,568,518
In governmental funds, issuances of debt are recognized as other financing sources. In the government-wide statements, issuances from debt are reported as increases to liabilities. Amounts recognized in governmental funds, net of issue premium were:		(15,374,726)
Deferred amounts on refunding represent amounts paid to an escrow agent in excess of the outstanding debt at the time of the payment for refunded bonds which have been defeased. In governmental funds these charges are recognized as an expenditure. However, in the statement of activities these amounts are amortized over the shorter of the life of the refunded bonds or the refunding bonds. The difference between current year amounts and the current year amortization was:		(39,532)
In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss was:		(2,347,533)
In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an other financing source or an other financing use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premiums or discount for the period was:		1,443,333
In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:		152,216
In the statement of activities, compensated absences 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).		(154,716)
In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:		7,184,890
In government funds, OPEB costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. This year, the difference between accrual-basis OPEB costs and actual employer contributions was:		(9,761)
The internal service fund is used by management to charge the cost of self-insurance activities. The net revenue (expense) of the internal service fund is reported with governmental activities.		(21,045)
Change in net position of governmental activities		$ 43,752,885

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT
Statement of Net Position – Proprietary Fund
June 30, 2023

	Governmental Activities
	Internal Service Funds
ASSETS	
Deposits and investments	$ 195,780
Accounts receivable	1,010
Total Assets	196,790
LIABILITIES	
Accounts payable	8,397
Estimated liability for open claims	125,431
Total Liabilities	133,828
NET POSITION	
Restricted for self-insurance	$ 62,962

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund
For the Fiscal Year Ended June 30, 2023

	Governmental Activities Internal Service Funds
OPERATING REVENUES	
Charges to other funds	$ 1,141,348
OPERATING EXPENSES	
Supplies and materials	10,408
Services and other operating expenses	1,150,293
Total operating expenses	1,160,701
Operating Income (Loss)	(19,353)
NON-OPERATING REVENUES	
Interest income	(1,692)
Change in net position	(21,045)
Net position, July 1, 2021	84,007
Net position, June 30, 2022	$ 62,962

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT
Statement of Cash Flows – Proprietary Fund
For the Fiscal Year Ended June 30, 2023

	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from self-insurance premiums	$ 1,141,348
Cash paid for operating expenses	(1,157,403)
Net cash provided (used) by operating activities	(16,055)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	(2,330)
Net increase (decrease) in cash	(18,385)
Cash, July 1, 2022	214,165
Cash, June 30, 2023	$ 195,780
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	$ (19,353)
Changes in Operating Assets and Liabilities:	
Increase in accounts payable and estimated liability for open claims	3,298
Net Cash Provided (Used) by Operating Activities	$ (16,055)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Livermore Valley Joint Unified School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The following is a summary of the more significant policies:

A. Reporting Entity

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

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

The District has identified no organizations that are required to be reported as component units.

B. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

District-Wide Financial Statements
The Statement of Net Position and the Statement of Activities display information about the primary government (the District). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) 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, including all taxes, are presented as general revenues.

Fund Financial Statements
The fund financial statements provide information about the District's funds. Separate statements for each fund category – *governmental and proprietary* - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Major Governmental Funds
The District maintains the following major governmental funds:

General Fund: This is the chief operating fund for the District. 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 District also maintains a Deferred Maintenance Fund, a Special Reserve Fund for Other Than Capital Outlay Projects, and a Special Reserve Fund for Postemployment Benefits. The Deferred Maintenance Fund does not currently meet the definition of a special revenue fund as it is not primarily composed of restricted or committed revenue sources. In addition, the Special Reserve Fund for Other Than Capital Outlay Projects and the Special Reserve Fund for Postemployment Benefits are not substantially composed of restricted or committed revenue sources. Because these funds do not meet the definition of special revenue funds under GASB 54, the activity in those funds is being reported within the General Fund.

Building Fund: This 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.

County School Facilities Fund: This fund is used primarily to account for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070.10 et seq.).

Special Reserve Fund for Capital Outlay: This fund exists primarily to provide for the accumulation of general fund moneys for capital outlay purposes (*Education Code* Section 42840). This fund may also be used to account for any other revenues specifically for capital projects that are not restricted to fund 21, 25, 30, 35, or 49.

Non-Major Governmental Funds
The District maintains the following non-major governmental funds:

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

Student Activity Fund: The District maintains a separate fund for each school that operates an ASB fund, whether it is organized or not.

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

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

Cafeteria Fund: This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code* Sections 38090 and 38093).

Foundation Fund: This fund is used to account for resources received from gifts or bequests pursuant to *Education Code* Section 41031 under which both earnings and principal may be used for purposes that support the LEA's own programs and where there is a formal trust agreement with the donor.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Non-Major Governmental Funds (continued)

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

Capital Facilities Fund: This fund is used to primarily account separately for moneys received from fees levied on development projects as a condition of approval (*Education Code* Sections 17620-17626 and *Government Code* Section 65995 et seq.).

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

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

Proprietary Funds
Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service. The District has the following proprietary fund:

Self-Insurance Fund: Self-insurance funds are used to separate moneys received for self-insurance activities from other operating funds in the District. Separate funds may be established for each type of self-insurance activity, such as workers' compensation, health and welfare, and deductible property loss (*Education Code* Section 17566).

2. Measurement Focus, Basis of Accounting
The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resource or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

2. Measurement Focus, Basis of Accounting (continued)
current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

As a general rule the effect of interfund activity has been eliminated from the District-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the District's proprietary funds and various other functions of the District. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

3. Revenues - Exchange and Non-Exchange Transactions
In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

C. Budgetary Data
The budgetary process is prescribed by provisions of the California *Education Code* and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. 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. For budget purposes, on behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

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

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Cash Equivalents
The District considers cash and cash equivalents to be cash on hand and demand deposits. In addition, because the Treasury Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

2. Inventories and Prepaid Items
Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

3. Capital Assets
Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The District established capitalization thresholds for land at $1; and land improvements, buildings, and building improvements at $100,000 per project; equipment purchased with federal funds at $5,000 and $11,000 if purchased with state or local funds.

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

Description	Estimated Lives
Buildings and Improvements	25-50 years
Furniture and Equipment	15-20 years
Vehicles	8 years

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

Certain grants received that have not met eligibility requirements are recorded as unearned revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as unearned revenue.

5. Deferred Outflows/Inflows of Resources
In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

6. Compensated Absences
The liability for compensated absences reported in the District-wide statements consists of unpaid and accumulated annual balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

7. Leases

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

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long- term debt on the statement of net position.

Lessor:
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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

7. Leases (continued)

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

8. Subscription-Based Information Technology Arrangements

A SBITA is defined as a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction.

The subscription term includes the period during which the District has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend or to terminate.

The District recognizes a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. The District recognizes the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability is measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the interest rate the SBITA vendor charges the District which may be implicit, or the District's incremental borrowing rate if the interest rate is not readily determinable. The District recognizes amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

9. 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 CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, the Plans recognize 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

10. 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 District's California State Teachers Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) plans and addition 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. Investments are reported at fair value.

11. Fund Balances

The fund balance for Governmental Funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Nonspendable: Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid assets.

Restricted: Fund balance is reported as restricted when the constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provision or by enabling legislation.

Committed: The District's highest decision-making level of authority rests with the District's Board. Fund balance is reported as committed when the Board passes a resolution that places specified constraints on how resources may be used. The Board can modify or rescind a commitment of resources through passage of a new resolution.

Assigned: Resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

Unassigned: Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the District for any purpose. When expenditures are incurred, and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

12. Net Position

Net position is classified into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

12. Net Position (continued)

- **Restricted** - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

F. Minimum Fund Balance Policy

The District has not adopted a formal minimum fund balance policy, as recommended by GASB Statement No. 54; however, the District follows the guidelines recommended in the Criteria and Standards of Assembly Bill (AB) 1200, which recommend a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than three percent of total General Fund expenditures and other financing uses.

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.

G. Property Tax Calendar

The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions including the schools and special districts within the County. The Board of Supervisors levies property taxes as of September 1 on property values assessed on July 1. Secured property tax payments are due in two equal installments. The first is generally due November 1 and is delinquent with penalties on December 10, and the second is generally due on February 1 and is delinquent with penalties on April 10. Secured property taxes become a lien on the property on January 1.

H. Use of Estimates

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

NOTE 2 – DEPOSITS AND INVESTMENTS

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

Governmental funds	$ 134,767,076
Proprietary funds	195,780
Total deposits and investments	$ 134,962,856

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

Cash on hand and in banks	$ 1,270,234
Cash in revolving fund	50,000
Cash with fiscal agent	13,638,427
Cash collections awaiting deposit	115,054
Investments	119,889,141
Total deposits and investments	$ 134,962,856

Pooled Funds
In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the interest-bearing Alameda County Treasurer's Pooled Investment Fund. The District is considered to be an involuntary participant in an external investment pool. The fair value of the District's investment in the pool is reported in the 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 polio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized basis.

Custodial Credit Risk – Deposits
Custodial credit risk 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. Deposits held in noninterest bearing transaction accounts are fully insured regardless of the amount in the account through December 31, 2012, and other cash balances held in banks are insured up to $250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, the *California Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

As of June 30, 2023, $1.3 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 agency, but not in the name of the District.

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Investments - Interest Rate Risk
The District's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District's investment policy limits investment purchases to investments with a term not to exceed three years. Investments purchased with maturity terms greater than three years require approval by the Board of Trustees. Investments purchased with maturities greater than one year require written approval by the Superintendent prior to commitment. Maturities of investments held at June 30, 2023, consist of the following:

			Maturity		
	Rating	Reported Amount	Less Than One Year	One Year Through Five Years	Fair Value Measurement
Investment maturities:					
Alameda County Investment Pool	N/A	$ 119,889,141	$ 119,889,141	$ -	Uncategorized

Investments - Credit Risk
The District's investment policy limits investment choices to obligations of local, state and federal agencies, commercial paper, certificates of deposit, repurchase agreements, corporate notes, banker acceptances, and other securities allowed by *State Government Code* Section 53600. At June 30, 2023, all investments represented governmental securities which were issued, registered and held by the District's agent in the District's name.

Investments - Concentration of Credit Risk
The District does not place limits on the amount it may invest in any one issuer. At June 30, 2023, the District had no investments outside of the county treasury.

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

Level 1 – Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 – Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that date if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized – Investments in the Alameda County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at $1.00 net asset value per share.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2023, consisted of the following:

	Governmental Activities						
	General Fund	Building Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay	Non-Major Governmental Funds	Total Governmental Funds	Self-Insurance Funds
Federal Government:							
Categorical aid programs	$ 4,441,761	$ -	$ -	$ -	$ 307,958	$ 4,749,719	$ -
State Government:							
Special education	413,377	-	-	-	-	413,377	-
Lottery	786,200	-	-	-	-	786,200	-
Categorical aid programs	8,188,773	-	-	-	552,097	8,740,870	-
Local:							
Interest	174,353	349,331	145,605	6,351	93,129	768,769	1,010
Other local	384,410	-	-	-	33,965	418,375	-
Total	$ 14,388,874	$ 349,331	$ 145,605	$ 6,351	$ 987,149	$ 15,877,310	$ 1,010

NOTE 4 – INTERFUND TRANSACTIONS

A. Due to/From Other Funds

Balances due to/from other funds at June 30, 2023 were as follows:

Child Development Fund due to General Fund for indirect costs and expense reclassification	$ 10,435
Cafeteria Fund due to General Fund for indirect costs	90,000
General Fund due to Adult Education Fund for indirect costs and expense reclassification	179,953
Total	$ 280,388

B. Transfers To/From Other Funds

Transfers to/from other funds during the fiscal year ended June 30, 2023, consisted of the following:

Adult Education Fund transfer to General Fund for retiree benefits	$ 706
Cafeteria Fund transfer to General Fund for retiree benefits	11,208
Building Fund transfer to General Fund for retiree benefits	2,650
County School Facilities Fund transfer to Special Reserve Fund for Capital Outlay for state school facilities project	3,380,000
Capital Facilities Fund transfer to General Fund for retiree benefits	840
Total	$ 3,395,404

NOTE 5 – FUND BALANCES

At June 30, 2023, fund balances of the District's governmental funds were classified as follows:

	General Fund	Building Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay	Non-Major Governmental Funds	Total
Nonspendable:						
Revolving cash	$ 50,000	$ -	$ -	$ -	$ -	$ 50,000
Stores inventories	287,079	-	-	-	169,313	456,392
Total Nonspendable	337,079	-	-	-	169,313	506,392
Restricted:						
Categorical programs	21,985,552	-	-	-	586,076	22,571,628
Student activities	-	-	-	-	1,290,479	1,290,479
Child nutrition program	-	-	-	-	2,771,266	2,771,266
Capital projects	-	44,821,215	24,748,741	16,158,443	504,150	86,232,549
Debt service	-	-	-	-	13,815,028	13,815,028
Total Restricted	21,985,552	44,821,215	24,748,741	16,158,443	18,966,999	126,680,950
Assigned:						
Deferred maintenance program	9,045	-	-	-	-	9,045
Postemployment benefits	177,221	-	-	-	-	177,221
Other assignments	-	-	-	-	76,250	76,250
Total Assigned	186,266	-	-	-	76,250	262,516
Unassigned:						
Remaining unassigned balances	5,981,418	-	-	-	-	5,981,418
Total Unassigned	5,981,418	-	-	-	-	5,981,418
Total	$ 28,490,315	$ 44,821,215	$ 24,748,741	$ 16,158,443	$ 19,212,562	$ 133,431,276

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

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

	Balance, July 1, 2022	Additions	Retirements	Balance, June 30, 2023
Capital assets not being depreciated:				
Land	$ 17,656,768	$ -	$ -	$ 17,656,768
Construction in progress	83,897,203	20,283,655	46,086,194	58,094,664
Total capital assets not being depreciated	101,553,971	20,283,655	46,086,194	75,751,432
Capital assets being depreciated:				
Improvement of sites	52,398,622	1,096,804	-	53,495,426
Buildings	222,850,868	47,433,518	3,017,125	267,267,261
Machinery and equipment	2,597,644	362,726	206,437	2,753,933
Total capital assets being depreciated	277,847,134	48,893,048	3,223,562	323,516,620
Accumulated depreciation for:				
Improvement of sites	(17,489,883)	(2,621,029)	-	(20,110,912)
Buildings	(76,017,376)	(4,439,321)	(714,943)	(79,741,754)
Equipment	(1,444,322)	(189,102)	(161,086)	(1,472,338)
Total accumulated depreciation	(94,951,581)	(7,249,452)	(876,029)	(101,325,004)
Total capital assets being depreciated, net	182,895,553	41,643,596	2,347,533	222,191,616
Capital assets, net	284,449,524	61,927,251	48,433,727	297,943,048
Subscription assets:				
Subscription assets	-	1,736,299	-	1,736,299
Less accumulated amortization	-	(532,706)	-	(532,706)
Subscription assets, net	-	1,203,593	-	1,203,593
Governmental capital assets	$ 284,449,524	$ 63,130,844	$ 48,433,727	$ 299,146,641

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR PENSIONS

Changes in long-term debt for the year ended June 30, 2023, were as follows:

	Balance, July 1, 2022	Additions	Deductions	Balance, June 30, 2023	Amount Due Within One Year
General Obligation Bonds:					
Principal Payments	$ 246,710,000	$ -	$ 9,050,000	$ 237,660,000	$ 9,215,000
Unamortized Premium	18,465,851	-	1,443,333	17,022,518	1,443,333
Total - General Obligation Bonds	265,175,851	-	10,493,333	254,682,518	10,658,333
Equipment Purchase Financing	-	13,638,427	-	13,638,427	-
Subscription Liability	-	1,736,299	518,518	1,217,781	530,962
Compensated Absences	1,077,044	154,716	-	1,231,760	-
Totals	$ 266,252,895	$ 15,529,442	$ 11,011,851	$ 270,770,486	$ 11,189,295

Payments for general obligation bonds are made by the Bond Interest and Redemption Fund. Accumulated vacation will be paid for by the fund for which the employee worked. The subscription liability will be paid by the General Fund. The equipment purchase financing will be paid from an escrow account in the Special Reserve Fund for Capital Outlay.

A. General Obligation Bonds

2016 Election
On June 7, 2016, the voters of the Livermore Valley Joint Unified School District approved by more than 55% Measure "J", authorizing the issuance and sale of $245.0 million of general obligation bonds. The bonds are being issued to finance the construction and modernization of school facilities and to pay costs of issuance of the bonds. The Board of Supervisors of each county is empowered and is obligated to levy ad valorem taxes upon all property subject to taxation by the District for the payment of principal and interest on the bonds.

Defeasance of Debt
The District has defeased certain general obligation bonds by placing the proceeds of new refunding bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2023, the principal balance outstanding on the defeased debt amounted to $20,280,000.

The difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. At June 30, 2023, deferred outflows on refunding were $432,317, and deferred inflows on refunding were $408,262.

A summary of all bonds issued and outstanding at June 30, 2023 follows:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance, July 1, 2022	Additions	Redemptions	Balance, June 30, 2023
Election of 2016 (Measure J)								
2016A	10/13/2016	8/1/2046	2.0%-4.0%	$ 82,000,000	$ 66,500,000	$ -	$ -	$ 66,500,000
2019	8/14/2019	8/1/2047	2.0%-5.0%	100,000,000	80,400,000	-	-	80,400,000
2021	10/27/2021	8/1/2047	3.0%-4.0%	63,000,000	56,290,000	-	2,675,000	53,615,000
Refunding Bonds								
2014 Refunding	11/18/2014	8/1/2024	2.0%-5.0%	52,810,000	11,135,000	-	3,520,000	7,615,000
2020 Refunding	5/5/2020	8/1/2026	5.0%	11,355,000	9,355,000	-	2,145,000	7,210,000
2021 Refunding	10/27/2021	8/1/2029	0.256%-1.924%	23,030,000	23,030,000	-	710,000	22,320,000
					$ 246,710,000	$ -	$ 9,050,000	$ 237,660,000

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR PENSIONS (continued)

A. General Obligation Bonds (continued)

The annual requirements to amortize all general obligation bonds payable outstanding as of June 30, 2023, are as follows:

Fiscal Year	Principal	Interest	Total
2023-2024	$ 9,215,000	$ 8,128,041	$ 17,343,041
2024-2025	7,645,000	7,784,679	15,429,679
2025-2026	6,870,000	7,556,622	14,426,622
2026-2027	7,370,000	7,392,440	14,762,440
2027-2028	6,625,000	7,234,660	13,859,660
2028-2033	23,840,000	34,018,064	57,858,064
2033-2038	39,430,000	28,541,975	67,971,975
2038-2043	60,030,000	19,853,225	79,883,225
2043-2048	76,635,000	6,923,450	83,558,450
Totals	$ 237,660,000	$ 127,433,156	$ 365,093,156

B. Equipment Purchase Financing

On February 28, 2023, the District entered into an Equipment Lease/Purchase Agreement with Banc of America Public Capital Corporation to acquire energy conservation equipment and improvements at all 18 of the District's school sites. Under the terms of the agreement, the District takes immediate title to all equipment and improvements, so the agreement is essentially a financed purchase rather than a lease. Under the terms of the agreement, the District will make annual payments beginning on July 28, 2024 and ending on July 28, 2042, with an interest rate of 3.699% per annum.

Future payment obligations under this agreement are as follows:

Fiscal Year	Principal	Interest	Total
2023-2024	$ -	$ -	$ -
2024-2025	(25,044)	714,688	689,644
2025-2026	217,217	505,412	722,629
2026-2027	259,765	497,377	757,142
2027-2028	305,484	487,768	793,252
2028-2033	2,338,408	2,231,000	4,569,408
2033-2038	4,081,877	1,678,142	5,760,019
2038-2043	6,460,720	757,787	7,218,507
Totals	$ 13,638,427	$ 6,872,174	$ 20,510,601

NOTE 7 – LONG-TERM LIABILITIES OTHER THAN OPEB OR PENSIONS (continued)

C. Subscription Based Information Technology Arrangements

The District is involved in several arrangements for subscription-based software. The initial terms for these subscriptions range from 3 to 5 years. There are no variable payments not included in the measurement of the lease liability, no residual value guarantees provided and no commitments before the commencement of the lease terms. The District used the State's incremental borrowing rate of 2.4% at inception to discount the subscription payments to the net present value. Other key assumptions and policies can be found in Note 1.E. The related asset disclosures are presented in Note 6.

Future payment obligations under these agreements are as follows:

Fiscal Year	Principal	Interest	Total
2023-2024	$ 530,962	$ 16,097	$ 547,059
2024-2025	543,706	3,354	547,060
2025-2026	70,708	1,697	72,405
2026-2027	72,405	-	72,405
Totals	$ 1,217,781	$ 21,148	$ 1,238,929

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 5,883,420	$ 1,548,508	$ 1,220,122	$ 620,339
MPP Program	674,527	-	-	(106,111)
Totals	$ 6,557,947	$ 1,548,508	$ 1,220,122	$ 514,228

The details of each plan are as follows:

District Plan

Plan Description
The District's single-employer defined benefit OPEB plan provides OPEB for eligible certificated, classified, and management employees of the District. The authority to establish and amend the benefit terms and financing requirements are governed by collective bargaining agreements with plan members. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Benefits Provided
The District offers the same healthcare plans for its under-age 65 retirees as for its active employees. Upon reaching age 65, the retiree ceases to be eligible to receive District-paid benefits. Benefits vary based on age, service, date of retirement, and classification, as follows:

	Certificated Management	Certificated	Classified Management	Classified	SEIU
Benefit types provided	Medical, Dental and Vision	Medical, Dental and Vision	Medical, Dental and Vision	Medical, Dental and Vision	Medical, Dental and Vision
Duration of Benefits	7 years but not beyond Age 65	7 years but not beyond Age 65	7 years but not beyond Age 65	7 years but not beyond Age 65	7 years but not beyond Age 65
Required Service	7 years	10 years	15 years*	15 years	15 years
Minimum Age	Age 55	Age 55	Age 55	Age 55	Age 55
Dependent Coverage	Yes	Yes	Yes	Yes	Yes
Distribution Contribution %	100% up to cap	100% up to cap	100% up to cap	100% up to cap	100% up to cap
District Cap	$7,500 annually	$7,000 annually	$7,000 annually	$7,000 annually	$5,900 annually

*Classified Management Employees in the LMA bargaining group require 7 years of service.

Employees Covered by Benefit Terms
At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	87
Active employees	1,178
Total	1,265

Total OPEB Liability
The District's total OPEB liability of $5,883,420 for the Plan was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2023.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

District Plan (continued)

Actuarial Assumptions and Other Inputs
The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2023
Inflation	2.50 percent
Salary increases	2.75 percent
Healthcare cost trend rates	4.00 percent

Discount Rate
The discount rate of 3.65% percent is based on the Bond Buyer 20-Bond Index as of June 30, 2023.

Mortality Rates
Mortality rates were based on the 2020 CalSTRS mortality tables and the 2021 CalPERS mortality tables for miscellaneous and schools employees.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2022	$ 6,120,309
Changes for the year:	
Service cost	370,782
Interest	214,293
Differences between expected and actual experience	(188,361)
Changes of assumptions	(129,136)
Benefit payments	(504,467)
Net changes	(236,889)
Balance at June 30, 2023	$ 5,883,420

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

District Plan (continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate
The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

Discount Rate	OPEB Liability
1% decrease	$ 6,180,139
Current discount rate	$ 5,883,420
1% increase	$ 5,596,494

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates
The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates. The numbers are identical for all three sets of trend rates because the District's contribution is limited to a dollar cap that is always exceeded.

Healthcare Cost Trend Rate	OPEB Liability
1% decrease	$ 5,883,420
Current trend rate	$ 5,883,420
1% increase	$ 5,883,420

OPEB Expense and 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 $620,339. In addition, at June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,062,908	$ 175,416
Changes of assumptions	485,600	1,044,706
Totals	$ 1,548,508	$ 1,220,122

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

District Plan (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)
Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2024	$ 280,789	$ 237,122
2025	271,251	234,753
2026	271,249	234,751
2027	116,973	67,376
2028	116,973	67,376
Thereafter	491,273	378,744
Totals	$ 1,548,508	$ 1,220,122

Medicare Premium Payment (MPP) Program

Plan Description
The MPP Program is a cost-sharing multiple-employer other postemployment benefit (OPEB) plan established pursuant to Chapter 1032, Statutes of 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefit 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. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: https://www.calstrs.com/general-information/gasb-6768.

Benefits Provided
The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the 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. Members who retire on or after July 1, 2012, are not eligible for coverage under the MPP Program.

As of June 30, 2022, 4,770 retirees participated in the MPP Program; however, the number of retired members who will participate in the program in the future is unknown as eligibility cannot be predetermined.

The MPP Program is funded on a pay-as-you-go basis from a portion of monthly employer contributions. In accordance with Education Code section 22950, 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.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Medicare Premium Payment (MPP) Program (continued)

Total OPEB Liability
At June 30, 2023, the District reported a liability of $674,527 for its proportionate share of the net OPEB liability for the MPP Program. The total OPEB liability for the MPP Program as of June 30, 2022, 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. 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 and the State, actuarially determined. The District's proportions of the net OPEB liability for the two most recent measurement periods were:

	Percentage Share of MPP Program		
	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2022	Change Increase/ (Decrease)
Measurement Date	June 30, 2022	June 30, 2021	
Proportion of the Net OPEB Liability	0.204768%	0.195715%	0.009053%

For the year ended June 30, 2023, the District reported OPEB expense of $(106,111).

Actuarial Assumptions and Other Inputs
The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	June 30, 2022
Valuation Date	June 30, 2021
Experience Study	June 30, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	3.54%
Healthcare Cost Trend Rates	4.5% for Medicare Part A, and 5.4% for Medicare Part B

Assumptions were made about future participation (enrollment) into the MPP Program as 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' ages increase. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility but 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 of 145,282.

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 our 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.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Medicare Premium Payment (MPP) Program (continued)

Discount Rate
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 (SMIF), which is a pooled investment program administered by the California State Treasurer.

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

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

Discount Rate	MPP OPEB Liability
1% decrease	$ 900,277
Current discount rate	674,527
1% increase	621,850

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

Medicare Cost Trend Rates	MPP OPEB Liability
1% decrease	$ 618,904
Current trend rate	674,527
1% increase	737,579

NOTE 9 – PENSION PLANS

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

NOTE 9 – PENSION PLANS (continued)

For the fiscal year ended June 30, 2023, the District reported 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	$ 94,806,185	$ 32,898,551	$ 12,375,789	$ 4,082,575
CalPERS	61,363,163	32,871,646	13,933,136	8,927,832
Totals	$ 156,169,348	$ 65,770,197	$ 26,308,925	$ 13,010,407

The details of each plan are as follows:

A. 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: https://www.calstrs.com/general-information/gasb-6768.

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 a multiple-employer, cost-sharing defined benefit plan composed of four programs: Defined Benefit (DB) Program, Defined Benefit Supplement (DBS) Program, Cash Balance Benefit (CBB) Program and Replacement Benefits (RB) Program. A Supplemental Benefit Maintenance Account (SBMA) exists within the STRP and provides purchasing power protection for DB Program benefits. The STRP holds assets for the exclusive purpose of providing benefits to members of these programs and their beneficiaries. 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 and obligor of the trust. In addition, the state is both an employer and non-employer contributing entity to the STRP. The District contributes exclusively to the STRP Defined Benefit Program; thus, disclosures are not included for the other plans.

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

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 Member Contribution Rate	10.25%	10.205%
Required Employer Contribution Rate	19.10%	19.10%
Required State Contribution Rate	10.828%	10.828%

Contributions
The parameters for member, employer and state contribution rates are set by the California Legislature and the Governor and detailed in the Teachers' Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014, and various subsequent legislation.

The CalSTRS Funding Plan established a schedule of contribution rate increases shared among members, employers and the state to bring CalSTRS toward full funding by 2046. California Senate Bill 90 (Chapter 33, Statutes of 2019) and California Assembly Bill 84 (Chapter 16, Statutes of 2020) (collectively, special legislation)—signed into law in June 2019 and June 2020, respectively —provided supplemental contributions to the DB Program along with supplemental contribution rate relief to employers through fiscal year 2021–22.

The contribution rates for each program for the year ended June 30, 2023, are presented above, and the District's total contributions were $15,917,068.

Pension Liabilities, Pension Expense, and 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:

District's proportionate share of net pension liability	$	94,806,185
State's proportionate share of the net pension liability associated with the District		47,478,567
Total	$	142,284,752

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

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

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 proportions of the net pension liability for the two most recent measurement periods were:

	Percentage Share of Risk Pool		
	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2022	Change Increase/ (Decrease)
Measurement Date	June 30, 2022	June 30, 2021	
Proportion of the Net Pension Liability	0.136439%	0.130202%	0.006237%

For the year ended June 30, 2023, the District recognized pension expense of $4,082,575. In addition, the District recognized pension expense and revenue of $(3,551,051) 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	Deferred Inflows
Pension contributions subsequent to measurement date	$ 15,917,068	$ -
Net change in proportionate share of net pension liability	12,202,028	631,097
Difference between projected and actual earnings on pension plan investments	-	4,636,206
Changes of assumptions	4,701,697	-
Differences between expected and actual experience	77,770	7,108,486
Totals	$ 32,898,563	$ 12,375,789

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. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability 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 7 years.

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)
Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2024	$ 6,840,190	$ 5,349,294
2025	2,940,756	5,289,725
2026	2,801,490	7,118,011
2027	1,866,069	(6,787,879)
2028	1,098,271	1,032,820
Thereafter	1,434,719	373,818
Totals	$ 16,981,495	$ 12,375,789

Actuarial Methods and Assumptions
The total pension liability for the 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. In determining the total pension liability, the financial reporting actuarial valuation used the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.00%
Inflation	2.75%
Payroll 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 our 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 investment rate of return assumption 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 investment staff and investment consultants as inputs 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.

NOTE 9 – PENSION PLANS (continued)

A. California State Teachers' Retirement System (CalSTRS) (continued)

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 expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2022, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public Equity	42.0%	4.8%
Real Estate	15.0%	3.6%
Private Equity	13.0%	6.3%
Fixed Income	12.0%	1.3%
Risk Mitigating Strategies	10.0%	1.8%
Inflation Sensitive	6.0%	3.3%
Cash/Liquidity	2.0%	(0.4%)

Discount Rate
The discount rate used to measure the total pension liability was 7.10%, which was unchanged from prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers are made at statutory contribution rates in accordance with the rate increases. 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 expenses occur midyear. Based on those 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 the 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%)	$ 161,016,066
Current discount rate (7.10%)	94,806,185
1% increase (8.10%)	39,832,078

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 pursuant to Sections 22954, 22955, and 22955.1 of the Education Code and Public Resources Code Section 6217.5. Through the special legislation approved in June 2019 and June 2020, the State made supplemental contributions of approximately $2.2 billion to CalSTRS on behalf of employers to supplant the amounts submitted by employers for fiscal years 2019–20 through 2021–22. Under accounting principles generally accepted in the United States of America, these amounts are reported as revenues and expenditures in the fund financial statements. The total amount recognized by the District for its proportionate share of the State's on-behalf contributions is $7,616,568.

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS)

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021 annual actuarial valuation report, Schools Pool Accounting Report. 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/employers/actuarial-resources/gasb.

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:

	Schools 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
Required Employee Contribution Rate	7.00%	8.00%
Required Employer Contribution Rate	25.37%	25.37%

Contributions
The benefits for the defined benefit pension plans are funded by contributions from members, employers, non-employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer’s benefit formulas. In some circumstances, contributions are made by the employer to satisfy member contribution requirements. Member and employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Non-employer contributions are not expected each year, but when provided they are accrued for. The contribution rates are expressed as a 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 $7,829,312.

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

Pension Liabilities, Pension Expense, and 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 $61,363,163. 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 proportions of the net pension liability for the two most recent measurement periods were:

	Percentage Share of Risk Pool		
	Fiscal Year Ending June 30, 2023	**Fiscal Year Ending June 30, 2022**	**Change Increase/ (Decrease)**
Measurement Date	June 30, 2022	June 30, 2021	
Proportion of the Net Pension Liability	0.178334%	0.180117%	(0.001783%)

For the year ended June 30, 2023, the District recognized pension expense of $8,927,832. 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	Deferred Inflows
Pension contributions subsequent to measurement date	$ 7,829,312	$ -
Net change in proportionate share of net pension liability	1,368,831	794,783
Difference between projected and actual earnings on pension plan investments	18,856,880	11,611,559
Changes of assumptions	4,539,298	-
Differences between expected and actual experience	277,325	1,526,794
Totals	$ 32,871,646	$ 13,933,136

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. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability 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.

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)
Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2024	$ 7,605,126	$ 4,676,256
2025	6,879,371	4,676,256
2026	6,139,896	4,467,166
2027	4,417,941	113,458
2028	-	-
Thereafter	-	-
Totals	$ 25,042,334	$ 13,933,136

Actuarial Methods and Assumptions
Total pension liability for the Schools Pool was determined by applying update procedures to a 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
Experience Study	2000-2019
Actuarial Cost Method	Entry age normal
Discount Rate	6.9%
Inflation Rate	2.3%
Salary Increases	Varies by entry age and service

Post-retirement mortality rates are based on CalPERS' experience and include generational mortality improvement using 80 percent of Scale MP 2020 published by the Society of Actuaries. These tables are used to estimate the value of benefits expected to be paid for service and disability retirements. For disability retirements, impaired longevity is recognized by a separate table.

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.

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS) (continued)

Actuarial Methods and Assumptions (continued)
The target asset allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Real Return
Global Equity Cap-weighted	30.00%	4.54%
Global Equity Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

Discount Rate
The discount rate used to measure the total pension liability was 6.9%. The discount rate is not adjusted for administrative expenses. The fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return for the pension plan's investments was applied to all periods of projected benefit payments to determine the 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 (5.9%)	$ 88,642,197
Current discount rate (6.9%)	61,363,163
1% increase (7.9%)	38,818,045

C. 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 Social Security as its alternative plan.

D. Payables to the Pension Plans
At June 30, 2023, the District reported payables of $2,420,567 and $954,772 for the outstanding amount of legally required contributions to the CalSTRS and CalPERS pension plans, respectively, for the fiscal year ended June 30, 2023.

NOTE 10 – JOINT VENTURES

Livermore Valley Joint Unified School District participates in a joint venture under a joint powers agreement (JPA) with the Alameda County Schools Insurance Group (ACSIG). The District also participated in Northern California ReLiEF for excess property and liability insurance. The District also participated in the Protected Insurance Program for Schools Authority (PIPS) to pool risk associated with workers' compensation. The relationship between Livermore Valley Joint Unified School District and the JPA is such that the JPA is not a component unit of the District for financial reporting purposes.

The JPA arranges for and provide workers' compensation insurance for its member school districts. The JPA is governed by a board consisting of a representative from each member district. The governing board controls the operations of the JPA independent of any influence by the member districts beyond their representation on the governing board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionately to its participation in the JPA.

Financial information can be obtained separately from each JPA.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

A. State and Federal Allowances, Awards, and Grants

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

B. Litigation

The District is involved in certain legal matters that arose out of the normal course of business. The District has not accrued a liability for any potential litigation against it because it does not meet the criteria to be considered a liability at June 30, 2023.

C. Construction Commitments

As of June 30, 2023, the District has commitments with respect to unfinished capital projects of $10.1 million to be paid from local funds.

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 participated in the Northern California ReLiEF public entity risk pool for property and liability insurance coverage. Settled claims have not exceeded this commercial 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 2022-23, the District participated in the ACSIG JPA for workers' compensation.

Employee Medical Benefits

The District has contracted with California Valued Trust to provide employee health and welfare benefits.

NOTE 12 – RISK MANAGEMENT (continued)

Claims Liability
The District records an estimated liability for property 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.

Unpaid Claims Liabilities
The District establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses.

The following represent the changes in approximate aggregate liabilities for the District from July 1, 2021 to June 30, 2023:

	Claims Liability
Liability Balance, July 1, 2021	$ 86,789
Claims and changes in estimates	79,710
Claims payments	(41,068)
Liability Balance, June 30, 2022	125,431
Claims and changes in estimates	47,064
Claims payments	(47,064)
Liability Balance, June 30, 2023	$ 125,431
Assets available to pay claims at June 30, 2023	$ 196,790

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Required Supplementary Information

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LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	(Budgetary Basis)	Pos (Neg)
Revenues				
LCFF Sources	$ 136,686,401	$ 142,619,739	$ 142,842,555	$ 222,816
Federal	5,101,291	12,448,256	7,580,920	(4,867,336)
Other State	22,499,196	36,318,256	33,795,028	(2,523,228)
Other Local	15,402,702	20,205,254	20,311,926	106,672
Total Revenues	179,689,590	211,591,505	204,530,429	(7,061,076)
Expenditures				
Current:				
Certificated Salaries	79,679,687	84,681,937	85,162,808	(480,871)
Classified Salaries	28,423,251	30,013,739	30,197,347	(183,608)
Employee Benefits	48,093,358	48,486,938	47,594,911	892,027
Books and Supplies	5,377,694	15,972,851	6,591,099	9,381,752
Services and Other Operating Expenditures	19,505,284	25,620,981	22,919,994	2,700,987
Transfers of indirect costs	(125,962)	(178,103)	(123,730)	(54,373)
Capital Outlay	14,169	475,923	1,820,221	(1,344,298)
Other Outgo	1,940,864	1,958,982	2,549,149	(590,167)
Total Expenditures	182,908,345	207,033,248	196,711,799	10,321,449
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,218,755)	4,558,257	7,818,630	3,260,373
Other Financing Sources and Uses				
Interfund Transfers In	13,662	14,757	15,404	647
Proceeds from SBITAs	-	-	1,736,299	1,736,299
Total Other Financing Sources and Uses	13,662	14,757	1,751,703	1,736,946
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,205,093)	4,573,014	9,570,333	4,997,319
Fund Balance, July 1, 2022	10,872,966	18,732,078	18,732,077	(1)
Fund Balance, June 30, 2023	$ 7,667,873	$ 23,305,092	28,302,410	$ 4,997,318

Other Fund Balances included in the Statement of Revenues, Expenditures and Changes in Fund Balances:

Deferred Maintenance Fund	9,045
Special Reserve Fund for Other Than Capital Outlay	1,639
Special Reserve Fund for Postemployment Benefits	177,221
Total reported General Fund balance on the Statement of Revenues, Expenditures and Changes in Fund Balances:	$ 28,490,315

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Schedule of Proportionate Share of the Net Pension Liability-CalSTRS
For the Fiscal Year Ended June 30, 2023

Last Ten Fiscal Years

	2021-22	2020-21	2019-20	2018-19	2017-18
District's proportion of the net pension liability	0.1364%	0.1302%	0.1305%	0.1274%	0.1226%
District's proportionate share of the net pension liability	$ 94,806,185	$ 59,252,539	$ 126,446,773	$ 115,049,072	$ 112,637,219
State's proportionate share of the net pension liability associated with the District	47,478,567	29,813,579	65,183,326	62,766,949	64,490,076
Totals	$ 142,284,752	$ 89,066,118	$ 191,630,099	$ 177,816,021	$ 177,127,295
District's covered-employee payroll	$ 76,571,313	$ 73,100,310	$ 69,224,865	$ 69,361,284	$ 65,791,802
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	123.81%	85.82%	182.66%	165.87%	171.20%
Plan fiduciary net position as a percentage of the total pension liability	81%	87%	72%	73%	71%

	2016-17	2015-16	2014-15	2013-14
District's proportion of the net pension liability	0.1143%	0.1130%	0.1170%	0.1150%
District's proportionate share of the net pension liability	$ 105,682,072	$ 91,395,530	$ 78,769,080	$ 67,202,550
State's proportionate share of the net pension liability associated with the District	62,520,621	52,037,505	41,660,048	40,580,209
Totals	$ 168,202,693	$ 143,433,035	$ 120,429,128	$ 107,782,759
District's covered-employee payroll	$ 60,902,846	$ 56,859,487	$ 53,538,423	$ 51,482,036
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	173.53%	160.74%	147.13%	130.54%
Plan fiduciary net position as a percentage of the total pension liability	69%	70%	74%	77%

** This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Schedule of Proportionate Share of the Net Pension Liability-CalPERS
For the Fiscal Year Ended June 30, 2023

*Last Ten Fiscal Years**

	2021-22	2020-21	2019-20	2018-19	2017-18
District's proportion of the net pension liability	0.1783%	0.1801%	0.1757%	0.1780%	0.1707%
District's proportionate share of the net pension liability	$ 61,363,163	$ 36,625,750	$ 53,912,342	$ 51,874,206	$ 45,522,209
District's covered-employee payroll	$ 27,451,899	$ 25,963,488	$ 24,421,556	$ 24,717,938	$ 22,556,654
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	223.53%	134.39%	220.76%	209.86%	201.81%
Plan fiduciary net position as a percentage of the total pension liability	70%	81%	70%	70%	71%

	2016-17	2015-16	2014-15	2013-14
District's proportion of the net pension liability	0.1616%	0.1615%	0.1642%	0.1682%
District's proportionate share of the net pension liability	$ 38,572,724	$ 31,896,350	$ 24,203,242	$ 19,094,795
District's covered-employee payroll	$ 21,034,893	$ 20,420,486	$ 18,212,837	$ 17,386,672
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	183.37%	156.20%	132.89%	109.82%
Plan fiduciary net position as a percentage of the total pension liability	72%	74%	79%	83%

** This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

Schedule of Pension Contributions-CalSTRS
For the Fiscal Year Ended June 30, 2023

*Last Ten Fiscal Years**

	2022-23	2021-22	2020-21	2019-20	2018-19
Contractually required contribution	$ 15,917,068	$ 12,955,866	$ 11,805,700	$ 11,837,452	$ 11,292,017
Contributions in relation to the contractually required contribution	15,917,068	12,955,866	11,805,700	11,837,452	11,292,017
Contribution deficiency (excess):	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 83,335,430	$ 76,571,313	$ 73,100,310	$ 69,224,865	$ 69,361,284
Contributions as a percentage of covered-employee payroll	19.10%	16.92%	16.15%	17.10%	16.28%

	2017-18	2016-17	2015-16	2014-15
Contractually required contribution	$ 9,493,757	$ 7,661,578	$ 6,101,023	$ 4,754,212
Contributions in relation to the contractually required contribution	9,493,757	7,661,578	6,101,023	4,754,212
Contribution deficiency (excess):	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 65,791,802	$ 60,902,846	$ 56,859,487	$ 53,538,423
Contributions as a percentage of covered-employee payroll	14.43%	12.58%	10.73%	8.88%

** This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT
Schedule of Pension Contributions-CalPERS
For the Fiscal Year Ended June 30, 2023

*Last Ten Fiscal Years**

	2022-23	2021-22	2020-21	2019-20	2018-19
CalPERS					
Contractually required contribution	$ 7,829,312	$ 6,289,230	$ 5,374,442	$ 4,816,175	$ 4,464,554
Contributions in relation to the contractually required contribution	7,829,312	6,289,230	5,374,442	4,816,175	4,464,554
Contribution deficiency (excess):	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 30,860,512	$ 27,451,899	$ 25,963,488	$ 24,421,556	$ 24,717,938
Contributions as a percentage of covered-employee payroll	25.370%	22.910%	20.700%	19.721%	18.062%

	2017-18	2016-17	2015-16	2014-15
Contractually required contribution	$ 3,503,274	$ 2,921,326	$ 2,419,215	$ 2,143,833
Contributions in relation to the contractually required contribution	3,503,274	2,921,326	2,419,215	2,143,833
Contribution deficiency (excess):	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 22,556,654	$ 21,034,893	$ 20,420,486	$ 18,212,837
Contributions as a percentage of covered-employee payroll	15.531%	13.888%	11.847%	11.771%

** This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Schedule of Changes in the District's Total OPEB Liability and Related Ratios
For the Fiscal Year Ended June 30, 2023

*Last Ten Fiscal Years**

	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Employer's Fiscal Year	**2022-23**	**2021-22**	**2020-21**	**2019-20**	**2018-19**	**2017-18**
Measurement Period	**2022-23**	**2021-22**	**2020-21**	**2019-20**	**2018-19**	**2017-18**
Total OPEB liability						
Service cost	$ 370,782	$ 437,970	$ 218,122	$ 211,769	$ 239,343	$ 244,523
Interest	214,293	140,970	111,714	113,825	183,267	163,927
Differences between expected and actual experience	(188,361)	-	797,906	1,079,944	-	-
Changes in assumptions	(129,136)	(507,066)	630,983	(1,171,637)	62,543	(73,379)
Benefit payments	(504,467)	(519,742)	(318,824)	(327,785)	(645,523)	(376,732)
Net change in total OPEB liability	(236,889)	(447,868)	1,439,901	(93,884)	(160,370)	(41,661)
Total OPEB liability - beginning	6,120,309	6,568,177	5,128,276	5,222,160	5,382,530	5,424,191
Total OPEB liability - ending	$ 5,883,420	$ 6,120,309	$ 6,568,177	$ 5,128,276	$ 5,222,160	$ 5,382,530
Covered-employee payroll	$ 95,934,064	$ 93,366,486	$ 90,867,626	$ 88,435,646	$ 91,867,859	$ 88,138,734
Total OPEB liability as a percentage of covered-employee payroll	6.1%	6.6%	7.2%	5.80%	5.68%	6.11%

** This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program
For the Fiscal Year Ended June 30, 2023

*Last Ten Fiscal Years**

Employer's Fiscal Year	**2022-23**	**2021-22**	**2020-21**	**2019-20**	**2018-19**	**2017-18**
Measurement Period	**2021-22**	**2020-21**	**2019-20**	**2018-19**	**2017-18**	**2016-17**
District's proportion of net OPEB liability	0.2048%	0.1957%	0.1977%	0.1969%	0.1927%	0.1819%
District's proportionate share of net OPEB liability	$ 674,527	$ 780,638	$ 838,002	$ 733,182	$ 737,690	$ 765,184
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A
District's net OPEB liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	(0.94%)	(0.71%)	(0.71%)	-0.81%	0.40%	0.01%

** This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*

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 States of America as prescribed by the *Governmental Accounting Standards Board* and provisions of the *California Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoptions 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 the District's Proportionate Share of the Net Pension Liability
This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

Change in benefit terms – There were no changes in benefit terms since the previous valuations for either CalSTRS and CalPERS.

Change of assumptions **-** There were no changes in economic assumptions since the previous valuations for either CalSTRS or CalPERS.

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.

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

Change in benefit terms – There were no changes in benefit terms since the previous valuation.

Change of assumptions – Liability changes resulting from changes in economic and demographic assumptions are deferred based on the average working life. The discount rate was changed from 3.54 percent to 3.65 percent since the previous valuation.

NOTE 1 – PURPOSE OF SCHEDULES (continued)

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

Change in benefit terms – There were no changes in benefit terms since the previous valuation.

Change of assumptions – The discount rate was changed from 2.16 percent to 3.54 percent since the previous valuation.

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Supplementary Information

Livermore Valley Joint Unified School District was formed on July 1, 1966 and is comprised of an area of approximately 240 square miles located in Alameda and Contra Costa Counties. There were no changes in the boundaries of the District during the current year. The District operates nine elementary, three middle, two K-8 and three high schools, one of which is a continuation high school. The District also maintains an Adult Education Program and an Independent Study School.

The Board of Education and the District Administrators for the fiscal year ended June 30, 2023 were as follows:

BOARD OF EDUCATION

Member	Office	Term Expires
Craig Bueno	President	November, 2026
Emily Prusso	Clerk	November, 2026
Steven Drouin	Member	November, 2026
Yanira Guzmán	Member	November, 2024
Kristie Wang	Member	November, 2024

DISTRICT ADMINISTRATORS

Chris Van Schaack,
Superintendent

Kelly Manke,
Assistant Superintendent of Administrative Services

Teresa Fiscus,
Assistant Superintendent of Business Services

Dr. Melissa Theide,
Assistant Superintendent of Educational Services

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT
Schedule of Average Daily Attendance
For the Fiscal Year Ended June 30, 2023

	Second Period Report	Annual Report
Regular ADA & Extended Year:		
Grades TK-3	3,686.11	3,702.65
Grades 4-6	2,662.77	2,671.93
Grades 7-8	1,763.20	1,766.31
Grades 9-12	4,024.35	4,005.43
Total Regular ADA	12,136.43	12,146.32
Special Education, Nonpublic, Nonsectarian Schools:		
Grades TK-3	3.74	4.75
Grades 4-6	5.89	6.26
Grades 7-8	1.38	1.54
Grades 9-12	16.77	15.66
Total Special Education, Nonpublic, Nonsectarian Schools ADA	27.78	28.21
Total ADA	12,164.21	12,174.53

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT
Schedule of Instructional Time
For the Fiscal Year Ended June 30, 2023

Grade Level	Instructional Minutes Requirement	Instructional Minutes Offered	Instructional Days Offered	Status
Kindergarten	36,000	42,945	180	Complied
Grade 1	50,400	53,200	180	Complied
Grade 2	50,400	53,200	180	Complied
Grade 3	50,400	53,200	180	Complied
Grade 4	54,000	54,160	180	Complied
Grade 5	54,000	54,160	180	Complied
Grade 6	54,000	56,729	180	Complied
Grade 7	54,000	56,729	180	Complied
Grade 8	54,000	56,729	180	Complied
Grade 9	64,800	64,915	180	Complied
Grade 10	64,800	64,915	180	Complied
Grade 11	64,800	64,915	180	Complied
Grade 12	64,800	64,915	180	Complied

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT
Schedule of Financial Trends and Analysis
For the Fiscal Year Ended June 30, 2023

General Fund	(Budget) 2024 [2]	2023 [3]	2022	2021
Revenues and other financing sources	$ 192,620,524	$ 206,282,132	$ 179,529,053	$ 172,362,536
Expenditures and other financing uses	205,299,216	196,711,799	177,657,524	167,156,423
Change in fund balance (deficit)	(12,678,692)	9,570,333	1,871,529	5,206,113
Ending fund balance	$ 15,623,718	$ 28,302,410	$ 18,732,077	$ 16,860,548
Available reserves [1]	$ 6,303,349	$ 5,981,418	$ 5,641,434	$ 6,758,889
Available reserves as a percentage of total outgo	3.1%	3.0%	3.2%	4.0%
Total long-term debt	$ 422,308,486	$ 433,497,781	$ 369,031,131	$ 403,781,521
Average daily attendance at P-2	12,256	12,164	12,051	N/A

The General Fund balance has increased by $11.4 million over the past two years. The fiscal year 2023-24 adopted budget projects a decrease of $12.7 million. For a district of 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 an operating deficit in none of the past three years, but anticipates incurring an operating deficit during the 2023-24 fiscal year. Long-term debt has increased by $29.7 million over the past two years.

ADA increased by 113 compared to 2021-22. Budgeted ADA projects an increase of 92 for 2023-24.

[1] Available reserves consist of all unassigned fund balances in the General Fund.

[2] Revised budget September, 2023.

[3] The actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Deferred Maintenance Fund, the Special Reserve Fund for Other Than Capital Outlay, and the Special Reserve Fund for Postemployment Benefits, in accordance with the fund type definitions promulgated by GASB Statement No. 54.

	Special Reserve Fund for Capital Outlay Projects
June 30, 2023, annual financial and budget report (SACS) fund balance	$ 2,520,016
Adjustments and reclassifications:	
Increasing (decreasing) the fund balance:	
Deposits and investments understated	13,638,427
June 30, 2023, audited financial statement fund balance	$ 16,158,443

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Cluster Expenditures	Federal Expenditures
Federal Programs:				
U.S. Department of Agriculture:				
Passed through California Dept. of Education (CDE):				
Child Nutrition Cluster:				
School Breakfast Program - Basic	10.553	13525	$ 36,885	
School Breakfast Program - Especially Needy	10.553	13526	135,019	
National School Lunch Program	10.555	13523	1,396,581	
Supply Chain Assistance (SCA) Funds	10.555	15655	307,696	
USDA Donated Foods	10.555	N/A	438,534	
Subtotal Child Nutrition Cluster				$ 2,314,715
Child and Adult Care Food Program Cluster:				
Child and Adult Care Food Program	10.558	13393	85,271	
Cash in Lieu of Commodities	10.558	N/A	4,517	
Subtotal Child and Adult Care Food Program				89,788
Total U.S. Department of Agriculture				2,404,503
U.S. Department of Labor				
Youth Build Program	17.274	N/A		536,907
Total U.S. Department of Labor				536,907
U.S. Department of Education:				
Indian Education	84.060	N/A		41,166
Magnet Schools Assistance Program	84.165A	N/A		218,728
Latinx Grant	84.215K	N/A		270,053
Passed through California Dept. of Education (CDE):				
Adult Education - State Grants Cluster:				
Adult Basic Education and ELA	84.002A	14508	88,160	
Adult Secondary Education	84.002	13978	18,175	
English Literacy and Civics Education	84.002A	14109	16,830	
Total Adult Education - State Grants Cluster				123,165
Every Student Succeeds Act (ESSA):				
Title I, Part A, Basic Grants, Low-Income and Neglected	84.010	14329		455,206
Title II, Part A, Supporting Effective Instruction	84.367	14341		186,099
Title III, Limited English Proficiency	84.365	14346		187,701
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396		7,852
Carl D. Perkins Career and Technical Education: Adult, Sec. 130	84.048	14893		54,962
COVID-19 Education Stabilization Fund:				
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	493,658	
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	148,942	
Expanded Learning Opportunities (ELO) Grant: ESSER II State Reserve	84.425D	15618	37,338	
Expanded Learning Opportunities (ELO) Grant GEER II	84.425C	15619	61,135	
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425U	15620	5,939	
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425U	15621	908,710	
American Rescue Plan - Homeless Children and Youth II	84.425	15566	1,508	
Subtotal Education Stabilization Fund				1,657,230
Individuals with Disabilities Education Act (IDEA):				
COVID-19: ARP IDEA Part B, Sec. 611, Local Assistance Entitlement	84.027	15638	276,466	
COVID-19: ARP IDEA Part B, Sec. 611, Local Assistance Private School ISPs	84.027	10169	13,923	
COVID-19: ARP IDEA Part B, Sec. 619, Preschool Grants	84.173	15639	57,325	
Basic Local Assistance Entitlement	84.027	13379	3,384,579	
Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	76,119	
Mental Health Allocation Plan, Part B, Sec 611	84.027A	15197	150,639	
Preschool Staff Development, Part B, Sec 619	84.173A	13431	740	
Total Special Education (IDEA) Cluster				3,959,791
Total U.S. Department of Education				7,161,953
U.S. Department of Health & Human Services:				
Mental Health Awareness Training Project	93.243	N/A		5,226
Total U.S. Department of Health & Human Services				5,226
Total Expenditures of Federal Awards				$ 10,108,589

Of the federal expenditures presented in the schedule, the District provided no awards to recipients.

NOTE 1 – PURPOSE OF SCHEDULES

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

Schedule of Instructional Time
This schedule presents information on the number of instructional days offered by the District and whether the District complied with Article 8 (commencing with Section 46200) of Chapter 2 Part 26 of the *Education Code*.

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.

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 Expenditures of Federal Awards
The schedule of expenditures of Federal awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements. The District did not elect to use the ten percent de minimis indirect cost rate.

The following schedule provides a reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance and the related expenditures reported on the Schedule of Expenditures of Federal Awards.

	Assistance Listing Number	Amount
Total Federal Revenues from the Statement of Revenues, Expenditures, and Changes in Fund Balances		$ 10,156,224
Differences between Federal Revenues and Expenditures:		
Supply Chain Assistance (SCA) Funds	10.555	(1,435)
ARP California State Preschool Program One-time Stipend	93.575	(46,200)
Total Schedule of Expenditures of Federal Awards		$ 10,108,589

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Other Independent Auditors' Reports

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INDEPENDENT AUDITORS' 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*

Board of Education
Livermore Valley Joint Unified School District
Livermore, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Livermore Valley Joint Unified School 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 December 13, 2023.

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

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

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

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA | Jessica Berry, CPA | Angelika Vartikyan, CPA

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Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the District's financial statements are free of 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*.

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

Nigro & Nigro, PC

Murrieta, California
December 13, 2023

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Livermore Valley Joint Unified School District
Livermore, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program
We have audited the Livermore Valley Joint Unified School District's 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 Livermore Valley Joint Unified School District's major federal programs for the year ended June 30, 2023. The Livermore Valley Joint Unified School 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 Livermore Valley Joint Unified School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the audit requirements of Title 2 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 Livermore Valley Joint Unified School 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 Livermore Valley Joint Unified School 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 Livermore Valley Joint Unified School District's federal programs.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Livermore Valley Joint Unified School 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 Livermore Valley Joint Unified School 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 Livermore Valley Joint Unified School 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.

Nigro & Nigro, PC

Murrieta, California
December 13, 2023

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Education
Livermore Valley Joint Unified School District
Livermore, California

Report on Compliance

Opinion
We have audited the Livermore Valley Joint Unified School District's (District) compliance with the requirements specified in the *2022-23 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.

In our opinion, Livermore Valley Joint Unified School District complied in all material aspects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2023.

Basis for Opinion
We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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

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Auditors' 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 2022-23 *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 *2022-23 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 *2022-23 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:

Description	Procedures Performed
Local Education Agencies Other Than Charter Schools:	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Yes
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Yes
Independent Study Certification for ADA Loss Mitigation	Yes

Description	Procedures Performed
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study – Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
Transitional Kindergarten	Yes
Charter Schools:	
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes – Classroom-Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

Areas marked as "Not Applicable" were not operated by the District.

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

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 identity 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 *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Nigro & Nigro, PC

Murrieta, California
December 13, 2023

Schedule of Findings and Questioned Costs

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Financial Statements

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(s) identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(s) identified not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance Sec. 200.516 (a)?	No
Identification of major programs:	

Assitance Listing Numbers	Name of Federal Program or Cluster
84.425C, 84.425D, & 84.425U	Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	Yes

State Awards

Type of auditors' report issued on compliance for state programs:	Unmodified

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards.* Pursuant to Assembly Bill (AB) 3627, all audit findings must be identified as one or more of the following categories:

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

There were no financial statement findings in 2022-23.

This section identifies the audit findings required to be reported by the Uniform Guidance, Section 200.516 (e.g., significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

There were no federal award findings or questioned costs in 2022-23.

This section identifies the audit findings pertaining to noncompliance with state program rules and regulations.

There were no state award findings or questioned costs in 2022-23.

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LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2023

There were no findings or questioned costs in 2021-22.