WESTERN PLACER UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS

June 30, 2022

WESTERN PLACER UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022

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Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Western Placer Unified School District
Lincoln, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Western Placer Unified School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Western Placer Unified School 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 Western Placer Unified School District, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Western Placer Unified School 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 Western Placer Unified School 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.

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Western Placer Unified School 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 Western Placer Unified School 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 on pages 4 to 13 and the General Fund Budgetary Comparison Schedule, the Schedule of Changes in the District's Net Other Postemployment Benefits (OPEB) Liability, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 54 to 59 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.

(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Western Placer Unified School District's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and, except for that portion marked "unaudited," was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the 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 14, 2022 on our consideration of Western Placer Unified School 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 Western Placer Unified School 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 Western Placer Unified School District's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Sacramento, California
December 14, 2022

The management's discussion and analysis of Western Placer Unified School District's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2022. Management has prepared the financial statements and the related footnote disclosures along with this discussion and analysis. The intent of this discussion and analysis is to look at the District's financial performance as a whole.

To provide a complete understanding of the District's financial performance, please read it in conjunction with the Independent Auditor's Report on pages 1 through 3, notes to the financial statements on pages 23 through 54, and the District's financial statements, which begin on page 14.

FINANCIAL HIGHLIGHTS

- In 2021-22, the District's Total Assets increased by $9,264,353 which represents a 2.27% increase from the 2020-21 fiscal year. The increase was primarily due to increases in cash and investments of $20,836,660, due to one-time federal CARES Act and state Learning Loss Mitigation Funding related to the 2019 Novel Coronavirus (COVID-19) pandemic. Correspondingly, capital assets (net of accumulated depreciation decreased by $10.8 million due to the completion of Twelve Bridges High School.

- The District's Net Position increased by $19.6 million from June 30, 2021. Total revenues were $133,265,460, compared to $113,697,175 in expenditures.

- The fund balance of the General Fund increased overall by $1,400,161 from the prior year, ending the year at $22,563,161. The fund balance in the undesignated fund balance category increased by $1,063,365, having begun the year with a balance of $14,392,611. This reserve also includes the 3% Reserve for Economic Uncertainty of $2,792,228. Deficit spending was projected in the 2021-22 fiscal year in both the original and revised budgets adopted by the board. Fund balance increased at year-end due to restricted.

- District enrollment in 2021-22 was 7,235 at Second Period reporting, an increase of 201 students, or 2.9%. Due to State LCFF hold harmless funding, the District was funded on the 2019-20 ADA of 7,015. The attendance rate for 2021-22 was 92.3%. District enrollment is projected to increase by 296 students during 2022-23 due to increase enrollment growth in the Twelve Bridges attendance area with a projected attendance rate of 94%.

- The District continues to see an uptick in construction growth, specifically in the Twelve Bridges area of Lincoln. As we continue to see steady growth in new housing, we are adjusting our student enrollment growth.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements are organized to provide the reader first with a look at the financial status of the entire Western Placer Unified School District. The statements then proceed to provide an increasingly detailed look at specific financial activities. This annual report consists of three parts:

- Management's Discussion and Analysis – this section, which provides an overall review of the financial activity for the past fiscal year as well as a look at the future years.

- Basic Financial Statements – a look at Western Placer Unified School District's financial statement as a whole for the entire operating entity. The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

- Required Supplementary Information – detailed information for specific financial activities including required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Reporting on the District as a Whole
Statement of Net Position and Statement of Activities

These two statements provide information about the District as a whole using the accrual accounting methods similar to those used by private-sector companies. They help answer the question, "How did we do financially during 2021-22?"

The change in net position is reported in the Statement of Net Position. This change in net position is important because it tells the reader whether the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some of them financial and some not. Over time, the increases or decreases in the District's net position, as reported in the Statement of Activities, are one indicator of whether its financial health is improving or deteriorating.

All current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid. The relationship between revenues and expenses indicates the District's operating results. It is important to remember, the District's goal is to provide services to its students, not to generate profits as is necessary in commercial entities. One must consider many other non-financial factors, such as the quality of education provided and the safety of the schools in order to assess the overall health of the District.

In the District-wide financial statements, the District's activities are divided into two categories:

- Governmental Activities – All of the District's services are reported here, including regular and special education, general administration, transportation, food services, plant services, facilities acquisition and construction, interest, and long-term debt. State support from LCFF and categorical apportionments finance most of these activities.

- Business-type Activities – The District does not currently have any business type activities.

Reporting the District's Most Significant Funds
Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required to be established by State law, bond covenants, or through grant or program restrictions.

- The District establishes other funds to control and manage money for specific purposes (like repaying its long-term debts) or to show that it is properly using certain revenues (like federal grants).

A District may have three kinds of funds:

- Governmental Funds – Most of the District's activities are reported in governmental funds. The major governmental funds of the District are the General Fund, Building Fund, Capital Facilities Fund, County School Facilities Fund, and Mello Roos Fund. Governmental funds focus on how money flows into and out of the funds and the balances that remain at the end of the year. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and services that help determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

- Proprietary Funds – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds use the full accrual basis of accounting, the same as the District-wide statements. The District does not have programs classified in this category.

- Fiduciary Funds – The District is the trustee, or fiduciary, for assets that belong to others, such as the Retiree Benefits fund. The District is responsible for ensuring that the assets that are reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the District-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

The District as a Whole

Statement of Net Position

The District's total assets increased by $9,264,353 to $416,929,995 during the 2021-22 fiscal year. Cash and cash equivalent accounts increased $20,836,660, mostly due increased in federal and state one-time CARES COVID-19 funding. Deferred outflows of resources for pensions decreased by $3,275,412 due to the continued implementation of GASB 68.

Total liabilities decreased $49,104,855 primarily due to the decrease of long-term liabilities due after one year by $49,662,487. Deferred inflows of resources for pensions and OPEB increased by $35,525,511 due to the continued implementation of GASB 68.

The District's net position for FY 2021-22 was $24,041,298 an increase of $19,568,285 (100%) from FY 2020-21. Of this balance, $53,430,856 was restricted while ($43,934,448) was unrestricted. Net investment in capital assets accounted for $14,544,890 of the total net position.

The Statement of Net Position is included in the table below and provides the detail information for 2020-21 and 2021-22, along with the variances between the years.

Table 1
Net Position
June 30, 2021 and 2022
Governmental Activities

	2020-21	2021-22	$ Difference	% Difference
Assets:				
Cash and investments	$ 52,223,963	$ 73,060,623	$ 20,836,660	39.90%
Receivables	15,661,788	14,754,031	(907,757)	-5.80%
Prepaid expenses	83,744	248,805	165,061	100.00%
Stores inventory	21,336	45,323	23,987	100.00%
Other current assets	1,342	1,342	-	0.00%
Capital assets (net of accumulated depreciation)	339,673,159	328,819,871	(10,853,288)	-3.20%
Total assets	**407,665,332**	**416,929,995**	**9,264,663**	**2.27%**
Deferred Outflows of Resources:				
Deferred outflows of resources-pensions and OPEB	21,168,019	18,138,296	(3,029,723)	-14.31%
Deferred outflow from advance refunding of debt	6,409,022	6,163,333	(245,689)	-3.83%
Total deferred outflows of resources - pensions	**27,577,041**	**24,301,629**	**(3,275,412)**	**-11.88%**
Liabilities:				
Accounts payable	10,893,450	9,451,154	(1,442,296)	-13.24%
Unearned revenue	467,788	2,180,037	1,712,249	100.00%
Long-term liabilities				
Due within one year	5,987,845	6,275,834	287,989	4.81%
Due after one year	409,793,574	360,131,087	(49,662,487)	-12.12%
Total liabilities	**427,142,657**	**378,038,112**	**(49,104,545)**	**-11.50%**
Deferred Inflows of Resources:				
Deferred inflows of resources-pensions and OPEB	**3,626,703**	**39,152,214**	**35,525,511**	**100.00%**
Net Position				
Invested in capital assets, net of related debt	22,708,091	14,544,890	(8,163,201)	-35.95%
Restricted	31,963,936	53,430,856	21,466,920	67.16%
Unrestricted	(50,199,014)	(43,934,448)	6,264,566	-12.48%
Net Investment in Capital Assets	**$ 4,473,013**	**$ 24,041,298**	**$ 19,568,285**	**100.00%**

Statement of Activities

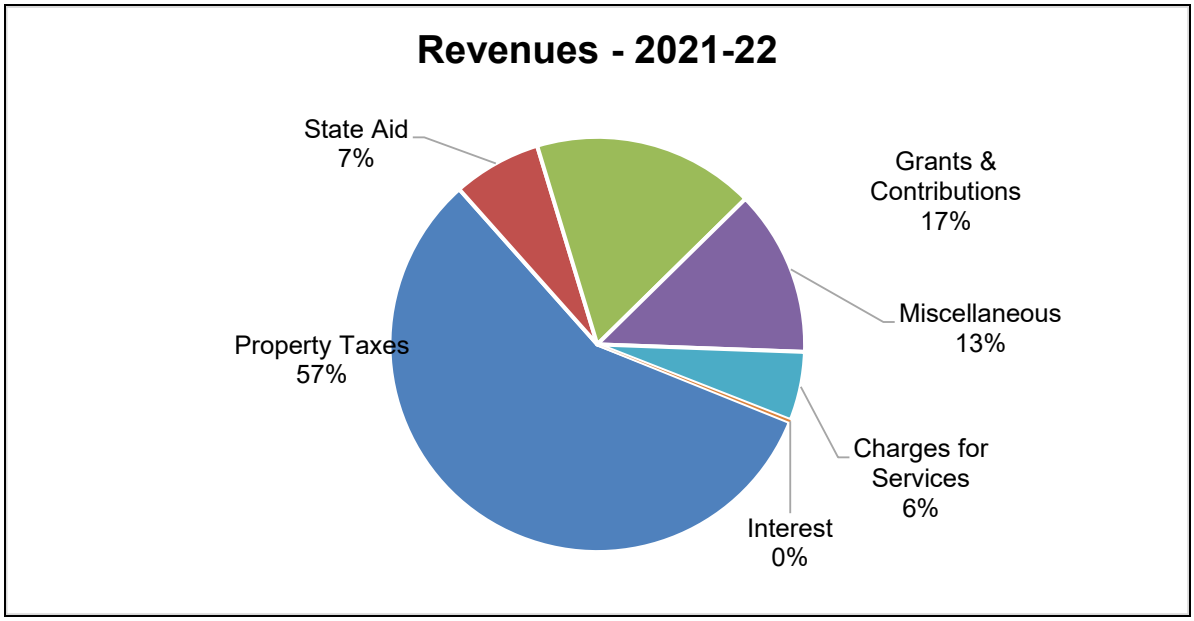
The District's total expenses were $113,697,175; $889,115 higher in 2021-22 than 2020-21. Program revenues were $40,534,771; $7,049,101 higher in 2021-22 than 2020-21. General revenues were $92,730,689; $3,679,854 higher than 2020-21.

Table 2
Statement of Activities
June 30, 2021 and 2022

	Governmental Activities			
	2020-21	**2021-22**	**$ Difference**	**% Difference**
General Revenues				
Taxes Levied for General Purposes	$ 57,486,982	$ 62,186,067	$ 4,699,085	8.17%
Taxes Levied for Debt Service	7,469,942	7,354,936	(115,006)	-1.54%
Taxes Levied for Specific Purposes	6,596,586	6,853,765	257,179	3.90%
Unrestricted Federal and State Aid	9,726,395	9,175,478	(550,917)	-5.66%
Interest and Investment Earnings	792,735	210,840	(581,895)	-73.40%
Interagency Revenues	301,744	318,939	17,195	5.70%
Miscellaneous	6,676,451	6,630,664	(45,787)	-0.69%
Total General Revenues	**89,050,835**	**92,730,689**	**3,679,854**	**4.13%**
Program Revenues				
Charges for Services	3,353,693	7,168,559	3,814,866	100.00%
Operating Grants & Contributions	27,029,847	23,057,763	(3,972,084)	-14.70%
Capital Grants & Contributions	3,102,130	10,308,449	7,206,319	100.00%
Total Program Revenues	**33,485,670**	**40,534,771**	**7,049,101**	**21.05%**
Total Revenues	**122,536,505**	**133,265,460**	**10,728,955**	**8.76%**
Expenses				
Instruction	59,624,710	57,011,061	(2,613,649)	-4.38%
Supervision of Instruction	3,112,031	2,976,986	(135,045)	-4.34%
Instructional Library, Media & Technology	2,689,095	915,658	(1,773,437)	-65.95%
School Administration	5,742,146	5,559,403	(182,743)	-3.18%
Pupil Support Services	4,065,210	5,664,115	1,598,905	39.33%
Home-to-School Transportation	1,614,346	1,508,609	(105,737)	-6.55%
Food Service	2,388,967	2,562,818	173,851	7.28%
General Administration	7,965,455	13,838,129	5,872,674	73.73%
Plant Services	11,755,329	9,616,808	(2,138,521)	-18.19%
Ancillary Services	999,736	1,323,150	323,414	32.35%
Community Services	53,182	68,394	15,212	28.60%
Transfer Between Agencies	1,978,959	1,922,871	(56,088)	-2.83%
Interest on Debt and Fiscal Charges	10,818,894	10,729,173	(89,721)	-0.83%
Total Expenses	**112,808,060**	**113,697,175**	**889,115**	**0.79%**
Change in Net Position	**9,728,445**	**19,568,285**	**9,839,840**	100.00%
Net Position - Beginning	**(5,255,432)**	**4,473,013**	**9,728,445**	-100.00%
Cumulative Effect of GASB 84 implementation	**330,453**			
Net Position - Ending	**$ 4,473,013**	**$ 24,041,298**	**$ 19,568,285**	**100.00%**

The users of the District's programs paid $7,168,559 of the cost. The federal and state governments subsidized certain programs with grants and contributions of $23,057,763. This included over $5.3 million in one-time COVID-related funds. Similar to 2020-21, the District received over $6.0 million in one-time COVID-related funds. Most of the governmental activities were paid with $76,394,768 in property taxes, $9,175,478 of unrestricted state aid based on the statewide Local Control Funding Formula, and $210,840 of investment earnings. Miscellaneous revenues of $6,630,664 is comprised of a number of items, including interest revenue, facilities use fees, developer fees, Mello-Roos receipts, interagency revenues and site co-curricular revenues.

Sources of Western Placer USD's Revenue for the 2021-22 Fiscal Year
Figure 1

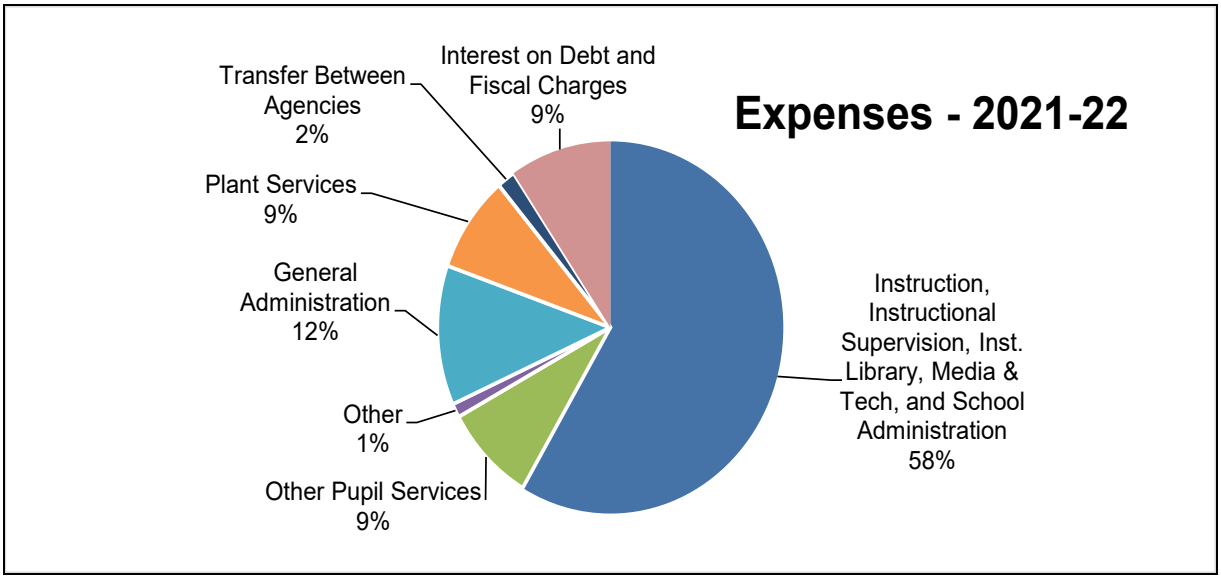


As reported in the Statement of Activities, the cost of all of the District's governmental activities this year was $113,697,175.

Instruction, supervision of instructional, instructional library, media & technology, and school administration expenses made up approximately 58% of total 2021-22 expenditures, a 5% decrease from 2020-21. General administration accounted for approximately 12% of the expenditure budget, a 5% increase from 2020-21. Interest on debt, fiscal charges and transfers between agencies represented 9% of all outgo, a 1% decrease from 2020-21, and pupil services accounted for 9% of expenditures, a 2% decrease from 2020-21. Plant maintenance and operations accounted for 9% of the expenditure budget, a 1% decrease from 2020-21. The net increase on 4% in general administration and plant maintenance and operations are directly tied to COVID-19 funds received by the district, as much of those funds went towards technology infrastructure, HVAC systems and safety/cleaning/PPE items.

Figure 2 charts the Districts expenditures for the 2021-22 school year.

Western Placer USD's Expenses for the Fiscal Year 2021-22
Figure 2



FINANCIAL ANALYSIS OF THE FUND STATEMENTS

The fund financial statements focus on individual parts of the District's operations in more detail than the government-wide statements. The individual fund statements provide information on inflows and outflows and balances of spendable resources.

The District's Governmental Funds reported a combined fund balance of $80.5 million, an increase of $19.8 million from the previous fiscal year's combined ending balance of $60.7 million. The funds with greatest change were:

- Building Fund decreasing by a net $2.9 million due to the completion and final payments for Twelve Bridges High School.
- Capital Facilities Fund increasing by $5.7 million due to increased developer fee and interest revenues, in excess of facilities expenditures and transfers out to the Mello Roos Fund,
- Mello-Roos Fund increasing by $4.5 million due to Mello Roos revenues and transfers from the Capital Facilities Fund in excess of debt payments,
- County School Facilities Fund increasing by $10.3 million due to the receipt of State grant funding for the Glen Edwards Middle School
- Cafeteria fund increasing $499,851 due to changes to the National School Lunch Program, which allowed for federal reimbursement for all meals provided to students regardless of free/reduced status, and
- General Fund increasing nearly $1.4 million, primarily due to state and federal revenues received but not spent. These funds will carry over and be spent in 2022-23 or later.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget regularly. Significant budget adjustments fell into the following categories:

- Budget revisions acknowledging the inclusion of restricted ending balances, deferred revenue, and carryover from the prior year.
- Budget revisions to update revenues to actual enrollment information and to update expenditures for staffing adjustments related to actual enrollments.
- Budget revisions to reflect salary settlements.
- Other budget revisions are routine in nature, including adjustments to categorical revenues and expenditures based on final awards, and adjustments between expenditure categories for school and department budgets.

The final revised budget for the General Fund reflected a net decrease to the ending balance of approximately $4.45 million. Actual audited activity reflected a net increase to the ending balance of $1.4 million. The difference between the final budget and the actual ending balance is due primarily to unspent federal and state program fund carryovers, including one-time federal and state COVID-related funds.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of the 2021-22 fiscal year, the District had invested $328.8 million in a broad range of capital assets, including school sites, school buildings, site improvements, vehicles, and equipment. This amount represents an increase of $10.8 million from the previous fiscal year, which consists of construction work in progress, building construction, site improvement and equipment additions totaling $133.7 million, net of deletions and depreciation expense in the current fiscal year of $144.6 million.

Table 3
Capital Assets
(net of depreciation)

	2020-21	2021-22	$ Difference	% Difference
Land	47,681,849	47,681,849	$ -	0.00%
Site Improvements	16,147,764	32,244,627	16,096,863	99.68%
Buildings	135,584,556	246,847,450	111,262,894	82.06%
Equipment & Vehicles	1,607,744	2,045,945	438,201	27.26%
Work in Progress (WIP)	138,651,246	-	(138,651,246)	-100.00%
Total	**$ 339,673,159**	**$ 328,819,871**	**$ (10,853,288)**	**-3.20%**

Long-Term Debt

At June 30, 2022, the District had $366,406,921 in long-term debt outstanding.

Table 4
Outstanding Liabilities

	2020-21	2021-22
General Obligation Bonds	$ 112,035,000	$ 109,235,000
Bond Anticipation Notes	53,525,000	53,525,000
Special Tax Bond	9,282,163	8,714,099
Unamortized Premiums	13,708,469	13,260,753
Other Post Employment Benefits	9,764,124	2,349,978
Compensated Absences	372,065	391,493
Cerfiticates of Participation	141,957,598	140,157,598
Net Pension Liability	75,137,000	38,773,000
TOTAL	**$ 415,781,419**	**$ 366,406,921**

The General Obligation Bonds are financed by the local taxpayers and represent 29.8% of the District's long-term debt. Bond Anticipation Notes are financed through a lease financing paid by local taxpayers and represents 14.6% of the District's long-term debt. Certificates of Participation (COPs) are defeased through Mello-Roos special taxes and developer fees. COPs represent an additional 38.3% of the District long-term debt. The District's Net Pension Liability represents 10.6% of the District's long-term liability. The District's remaining debt is composed off other post-employment benefits, special tax bond, unamortized premiums and compensated absences.

FACTORS BEARING ON THE DISTRICT'S FUTURE

Over the last several years, the District has seen a progressing increase in growth as new housing developments are completed and new homeowners moved into the District. Over the last ten years since 2011-12, the district has increased enrollment by 680 students (or 10.2%) with an average of 1% enrollment over that same period of time.

In 2020-21, the District experienced a decrease in enrollment of 175 students from 2020-21, mainly due to students moving out of the area, to another district or home schooling due to the COVID-19 pandemic. If we were to exclude the 2020-21 enrollment decrease due to the COVID-19 pandemic, the average enrollment growth rate would increase to 1.4%

In 2021-22, the District saw many students return to school with an increase in enrollment of 201 students from 2020-21.

For 2022-23, we are projecting to continue to see students return to school and growth in the Twelve Bridges area of Lincoln, and at First Interim reporting we have updated our original Adopted enrollment projections to 7,531 students, an increase of 296 students (4.1%) from 2021-22 with an ADA-to-enrollment rate of 94% and projected ADA of 7,079. This increase included the normal 1.4% average enrollment growth and additional students enrolling in the Twelve Bridges elementary, middle and high schools for the first time due to new housing development in the area and students returning to our schools from other instructional settings during the COVID-19 pandemic. For 2023-24, we are projecting 1.0 % enrollment growth with an increased ADA-to-

enrollment rate of 94.5%, resulting in a projected ADA of 7,188, an increase of 109 ADA from the projected 2022-23 ADA.

The District's greatest challenge continues to be maintaining a viable relationship between its revenues and expenditures while at the same time expanding its infrastructure and services to address the educational, technology and facility needs of its existing and future students. The District must also continue to use one-time state and federal funding for one-time purposes. The District is committed to a balanced budget and maintaining a minimum reserve of 3% of expenditures for economic uncertainties.

The 2022-23 State Budget was approved by June 30, 2022. The final budget for 2022-23 included a statutory COLA of 6.56%, plus additional base grant funding on the Local Control Funding Formula (LCFF) of 6.70% to increase the funded COLA of 13.26%.

In 2022-23, the District's First Interim Budget reporting shows the General Fund with a planned structural deficit of $.4.7 million, largely due to $13.9 million in prior year unspent funds budgeted to be spent in 2022-23, $4.7 million in 2022/23 employee settlement costs and $1.6 million in increased staffing costs due to enrollment growth that are now included in the budgeted expenditures. Although the district projects deficit spending, it still maintains the required 3% reserve for Economic Uncertainty plus an additional 2.6%, 2% and 1.9% of unassigned surplus for 2023-24, 2024-25 and 2025-26.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Western Placer Unified School District, 600 Sixth Street, Suite 400, Lincoln, CA 95648, (916) 645-6350.

BASIC FINANCIAL STATEMENTS

WESTERN PLACER UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2022

	Governmental Activities
ASSETS	
Cash and investments (Note 2)	$ 73,060,623
Receivables	14,754,031
Prepaid expenses	248,805
Stores inventory	45,323
Other current assets	1,342
Non-depreciable capital assets (Note 4)	47,681,849
Depreciable capital assets, net of accumulated depreciation (Note 4)	281,138,022
Total assets	416,929,995
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pensions (Notes 7 and 8)	14,349,561
Deferred outflows of resources - OPEB (Note 9)	3,788,735
Deferred outflow from advance refunding of debt	6,163,333
Total deferred outflows of resources	24,301,629
LIABILITIES	
Accounts payable	9,451,154
Unearned revenue	2,180,037
Long-term liabilities (Note 5):	
Due within one year	6,275,834
Due after one year	360,131,087
Total liabilities	378,038,112
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pensions (Notes 7 and 8)	31,059,000
Deferred inflows of resources - OPEB (Note 9)	8,093,214
Total deferred inflows of resources	39,152,214
NET POSITION	
Net investment in capital assets	14,544,890
Restricted:	
Legally restricted programs	7,956,671
Capital projects	39,945,855
Debt service	5,528,330
Unrestricted	(43,934,448)
Total net position	$ 24,041,298

See accompanying notes to financial statements.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Change in Net Position: Governmental Activities
Governmental activities:					
Instruction	$ 57,011,061	$ 519,775	$ 9,833,945	$ 10,308,449	$ (36,348,892)
Instruction-related services:					
Supervision of instruction	2,976,986	51,341	1,291,281	-	(1,634,364)
Instructional library, media and technology	915,658	-	161,590	-	(754,068)
School site administration	5,559,403	315	228,693	-	(5,330,395)
Pupil services:					
Home-to-school transportation	1,508,609	-	41,050	-	(1,467,559)
Food services	2,562,818	(19,066)	3,296,218	-	714,334
All other pupil services	5,664,115	13,221	798,379	-	(4,852,515)
General administration:					
Data processing	2,828,311	10,953	1,982,913	-	(834,445)
All other general administration	11,009,818	146,457	766,176	-	(10,097,185)
Plant services	9,616,808	36,073	540,146	-	(9,040,589)
Ancillary services	1,323,150	1,225	378,932	-	(942,993)
Community services	68,394	-	56,013	-	(12,381)
Other outgo	1,922,871	6,408,265	3,682,427	-	8,167,821
Interest on long-term liabilities	10,729,173	-	-	-	(10,729,173)
Total governmental activities	$ 113,697,175	$ 7,168,559	$ 23,057,763	$ 10,308,449	(73,162,404)
General revenues:					
Taxes and subventions:					
Taxes levied for general purposes					62,186,067
Taxes levied for debt service					7,354,936
Taxes levied for other specific purposes					6,853,765
Federal and state aid not restricted to specific purposes					9,175,478
Interest and investment earnings					210,840
Interagency transfers					318,939
Miscellaneous					6,630,664
Total general revenues					92,730,689
Change in net position					19,568,285
Net position, July 1, 2021					4,473,013
Net position, June 30, 2022					$ 24,041,298

See accompanying notes to financial statements.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	General Fund	Building Fund	Capital Facilities Fund	County School Facilities Fund	Mello Roos Fund	All Non-Major Funds	Total Governmental Funds
ASSETS							
Cash and investments:							
Cash in County Treasury	$ 21,378,035	$ 10,542,968	$ 9,437,812	$ 4,528,007	$ 18,250,577	$ 8,103,085	$ 72,240,484
Cash in banks	-	-	-	-	-	655,732	655,732
Revolving cash	5,000	-	-	-	-	-	5,000
Cash with fiscal agent	-	113,219	-	-	25,579	-	138,798
Collections awaiting deposit	3,823	-	-	-	16,786	-	20,609
Receivables	8,449,569	11,282	4,015	5,758,709	7,897	522,559	14,754,031
Prepaid expenditures	248,805	-	-	-	-	-	248,805
Stores inventory	-	-	-	-	-	45,323	45,323
Other current assets	-	-	-	-	-	1,342	1,342
Due from other funds	101,030	-	-	50,000	1,050,000	200,235	1,401,265
Total assets	$ 30,186,262	$ 10,667,469	$ 9,441,827	$ 10,336,716	$ 19,350,839	$ 9,528,276	$ 89,511,389
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	$ 5,332,829	$ -	$ 35,397	$ -	$ 7,300	$ 71,679	$ 5,447,205
Unearned revenue	2,090,037	-	-	-	-	90,000	2,180,037
Due to other funds	200,235	50,000	1,050,000	-	-	101,030	1,401,265
Total liabilities	7,623,101	50,000	1,085,397	-	7,300	262,709	9,028,507
Fund balances:							
Nonspendable	253,805	-	-	-	-	45,323	299,128
Restricted	6,128,604	10,617,469	8,356,430	10,336,716	19,343,539	9,220,244	64,003,002
Assigned	724,776	-		-	-	-	724,776
Unassigned	15,455,976	-	-	-	-	-	15,455,976
Total fund balances	22,563,161	10,617,469	8,356,430	10,336,716	19,343,539	9,265,567	80,482,882
Total liabilities and fund balances	$ 30,186,262	$ 10,667,469	$ 9,441,827	$ 10,336,716	$ 19,350,839	$ 9,528,276	$ 89,511,389

See accompanying notes to financial statements.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2022

Total fund balances - Governmental Funds		$ 80,482,882
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used for governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is $398,714,803 and the accumulated depreciation is $69,894,932 (Note 4).		328,819,871
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 statements, it is recognized in the period that it is incurred.		(4,003,949)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds Long-term liabilities at June 30, 2022 consisted of (Note 5):		
Special Tax Bonds	$ (8,714,099)	
General Obligation Bonds	(109,235,000)	
Bond Anticipation Notes	(53,525,000)	
Unamortized premiums	(13,260,753)	
Certificates of Participation	(140,157,598)	
Net OPEB liability (Note 9)	(2,349,978)	
Net pension liability (Notes 7 and 8)	(38,773,000)	
Compensated absences	(391,493)	
		(366,406,921)
In governmental funds, deferred inflows and deferred outflows of resources resulting from defeasance of debt are not recorded. In governmental activities, for advance refundings resulting in defeasance of debt reported in governmental activities, the difference between reacquisition price and the net carrying amount of the retired debt are reported as deferred inflows or deferred outflows of resources:		6,163,333
In governmental funds, deferred outflows and inflows of resources relating to to pensions and OPEB are not reported because they are applicable to future periods. In the statement net position, deferred outflows and inflows of resources relating to pensions are reported (Notes 7, 8 and 9).		
Deferred outflows of resources relating to pensions	14,349,561	
Deferred outflows of resources relating to OPEB	3,788,735	
Deferred inflows of resources relating to pensions	(31,059,000)	
Deferred inflows of resources relating to OPEB	(8,093,214)	
		(21,013,918)
Total net position - governmental activities		$ 24,041,298

See accompanying notes to financial statements.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	General Fund	Building Fund	Capital Facilities Fund	County School Facilities Fund	Mello Roos Fund	All Non-Major Funds	Total Governmental Funds
Revenues:							
Local Control Funding Formula (LCFF):							
State apportionment	$ 25,361,638	$ -	$ -	$ -	$ -	$ -	$ 25,361,638
Local sources	44,452,580	-	-	-	-	-	44,452,580
Total LCFF	69,814,218	-	-	-	-	-	69,814,218
Federal sources	9,712,548	-	-	-	-	2,915,596	12,628,144
Other state sources	9,159,250	-	-	10,307,818	-	164,602	19,631,670
Other local sources	5,763,895	38,817	7,216,851	631	10,731,461	8,855,777	32,607,432
Total revenues	94,449,911	38,817	7,216,851	10,308,449	10,731,461	11,935,975	134,681,464
Expenditures:							
Current:							
Certificated salaries	39,135,549	-	-	-	-	-	39,135,549
Classified salaries	11,990,218	208,549	106,424	-	-	789,051	13,094,242
Employee benefits	23,317,919	94,119	44,954	-	-	372,728	23,829,720
Books and supplies	5,169,359	608,941	25,205	-	-	2,384,640	8,188,145
Services and other operating expenditures	9,860,923	103,759	243,974	2,382	26,365	81,689	10,319,092
Other outgo	1,922,871	-	-	-	-	-	1,922,871
Capital outlay	1,728,468	421,562	-	-	-	94,552	2,244,582
Debt service:							
Principal retirement	-	-	-	-	2,368,064	2,800,000	5,168,064
Interest	-	1,527,580	-	-	4,856,880	4,623,075	11,007,535
Total expenditures	93,125,307	2,964,510	420,557	2,382	7,251,309	11,145,735	114,909,800
Excess (deficiency) of revenues over (under) expenditures	1,324,604	(2,925,693)	6,796,294	10,306,067	3,480,152	790,240	19,771,664
Other financing sources (uses):							
Transfers in	100,949	-	-	-	1,050,000	25,392	1,176,341
Transfers out	(25,392)	-	(1,050,000)	-	-	(100,949)	(1,176,341)
Total other financing sources (uses)	75,557	-	(1,050,000)	-	1,050,000	(75,557)	-
Change in fund balances	1,400,161	(2,925,693)	5,746,294	10,306,067	4,530,152	714,683	19,771,664
Fund balances, July 1, 2021	21,163,000	13,543,162	2,610,136	30,649	14,813,387	8,550,884	60,711,218
Fund balances, June 30, 2022	$ 22,563,161	$ 10,617,469	$ 8,356,430	$ 10,336,716	$ 19,343,539	$ 9,265,567	$ 80,482,882

See accompanying notes to financial statements.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

Net change in fund balances - Total Governmental Funds		$ 19,771,664
Amounts reported for governmental activities in the statement of activities are different because:		
Acquisition of capital assets is an expenditure in the governmental funds, but increases capital assets in the statement of net position (Note 4).	$ 2,092,388	
Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4).	(5,912,530)	
Loss from disposal of capital assets: In governmental funds, the disposal of capital assets are reported as revenue. In the statement of activities, only the resulting loss is reported (Note 4).	(9,198)	
Cost write-off for canceled capital projects: If a planned capital project is canceled and will not be completed, costs previously capitalized as Work in Progress must be written off to expense. Costs written off for canceled projects were (Note 4):	(7,023,948)	
Repayment of principal on long-term liabilities is an expenditure in the governmental funds, but decreases the long-term liabilities in the statement of net position (Note 5).	5,168,064	
Unmatured interest on long-term liabilities is not recorded in the governmental funds until it becomes due, but increases the liabilities in the statement of net position.	76,334	
In governmental funds, debt issued at a premium is recognized as an other financing source. In the is amortized as interest over the life of the debt (Note 5).	447,716	
In government-wide statements, any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Deferred gain or loss from debt refunding for the period is:	(245,689)	

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was (Notes 5, 7,and 8):	$ 6,125,916	
In the statement of activities, expenses related to the net OPEB liability and compensated absences are measured by the amounts earned during the year. In the governmental funds, expenditures are measured by the amount of financial resources used (Notes 5 and 9).	(922,432)	(203,379)
Change in net position of governmental activities		$ 19,568,285

See accompanying notes to financial statements.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
TRUST FUNDS
June 30, 2022

	Trust Funds	
	Scholarship	Retiree Benefits
ASSETS		
Cash and investments (Note 2):		
Cash in County Treasury	$ 162,656	$ 7,312
Accounts receivable	71	3
Total assets	162,727	7,315
NET POSITION		
Restricted for scholarships and retiree benefits	$ 162,727	$ 7,315

See accompanying notes to financial statements.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
TRUST FUNDS
For the Year Ended June 30, 2022

	Trust Funds	
	Scholarship	Retiree Benefits
Additions:		
Other local sources	$ 452	$ 20
Deductions:		
Services and other operating expenditures	1,500	-
Change in net position	(1,048)	20
Net position, July 1, 2021	163,775	7,295
Net position, June 30, 2022	$ 162,727	$ 7,315

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Western Placer 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:

Reporting Entity: The Board of Trustees is the level of government which has governance responsibilities over all activities related to public school education in the District. The Board is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board since Board members have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

Mello-Roos Community Facilities District: The District and the Mello-Roos Community Facilities District (the "CFD") have a financial and operational relationship that meets the reporting entity definition criteria of GASB Codification Section 2100, *The Financial Reporting Entity*, for inclusion of the CFD as a blended component unit of the District. Accordingly, the financial activities of the CFD have been included in the financial statements of the District within the Mello-Roos Fund, a debt service fund. Special tax bonds issued by the CFD are included in long-term liabilities on the government-wide financial statements.

Western Placer Unified School District Financing Corporation: The District and the Western Placer Unified School District Financing Corporation (the Corporation) have a financial and operational relationship that meets the reporting entity definition criteria of GASB Codification Section 2100, *The Financial Reporting Entity*, for inclusion of the Corporation as a blended component unit of the District. Accordingly, the financial activities of the Corporation have been included in the general-purpose financial statements of the District within the Building Fund, a capital projects fund. The certificates of participation issued by the Corporation are included in long-term liabilities on the government-wide financial statements.

The following are those aspects of the relationship between the District and the Corporation and the District and the CFD and Corporation which satisfy *Codification of Governmental Accounting and Financial Reporting Standards, Section 2100*, as amended by criteria:

A - Accountability:

1. The CFD and Corporation's Board of Directors were appointed by the District's Board of Trustees.
2. The CFD and Corporation have no employees. The District's Assistant Superintendent, Business and Operations functions as the agent of the CFD and Corporation and does not receive additional compensation for work performed in this capacity.
3. The District's Board exercises significant influence over operations of the CFD and Corporation as the District is the sole lessee of all facilities owned by the CFD and Corporation.
4. All major financing arrangements, contracts, and other transactions of the CFD and Corporation must have the consent of the District.
5. Any deficits incurred by the CFD and Corporation will be reflected in the lease payments of the District. Any surpluses of the CFD and Corporation revert to the District at the end of the lease period.
6. The District's lease payments are the sole revenue source of the CFD and Corporation.
7. The District has assumed a "moral obligation," and potentially a legal obligation, for any debt incurred by the CFD and Corporation.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B - Scope of Public Service - The CFD and Corporation were formed for the sole purpose of financially assisting the District. The CFD and Corporation were formed to provide financing assistance to the District for construction, rehabilitation and acquisition of major capital facilities to support the student population.

C - Financial Presentation - For financial presentation purposes, the CFD and Corporation's financial activity have been blended with the financial data of the District. The basic financial statements present the CFD and Corporation's financial activity within the Mello-Roos and Building Funds, respectively.

Basis of Presentation - Financial Statements: The basic financial statements include a Management's Discussion and Analysis (MD & A) section providing an analysis of the District's overall financial position and results of operations, financial statements prepared using full accrual accounting for all of the District's activities, including infrastructure, and a focus on the major funds.

Basis of Presentation - Government-Wide Financial Statements: The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. Custodial funds are not included in the government-wide financial statements. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities.

The Statement of Net Position and the Statement of Activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of Governmental Accounting Standards Board Codification Section (GASB Cod. Sec.) N50.118-.121.

Program Revenues: Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

Allocation of Indirect Expenses: The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term liabilities is considered an indirect expense and is reported separately on the Statement of Activities.

Basis of Presentation - Fund Accounting: The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A - Major Funds

General Fund - The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund. The activities of the Special Reserve for Other Than Capital Outlay Fund have been included in the General Fund for financial reporting purposes.

Building Fund - The Building Fund is a capital projects fund used to account for resources used for the acquisition of capital facilities by the District.

Capital Facilities Fund - The Capital Facilities Fund is used to account for resources used for the acquisition or construction of capital facilities by the District.

County School Facilities Fund - The County School Facilities Fund is a capital projects fund used to account for resources used for the acquisition of capital facilities by the District.

Mello-Roos Fund - The Mello-Roos Fund is a debt service fund used to account for the accumulation of resources for, and the payment of, Mello-Roos debt principal, interest, and related costs.

B - Other Funds

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. This classification includes the Student Activity, Adult Education, Child Development and Cafeteria Funds.

Capital Projects Fund - The Capital Projects Fund is used to account for resources used for the acquisition or construction of capital facilities by the District. This classification includes the Special Reserve for Capital Outlay Fund.

Debt Service Funds - The Bond Interest and Redemption Fund is a debt service fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Trust Funds - The Trust Funds are used to account for assets held by the District as Trustee. The District maintains two expendable trust funds, the Scholarship Trust, which is to be used to provide financial assistance to students of the District, and the Retiree Benefits Fund, which is used by the District to reserve for funds to pay for retiree benefits.

Basis of Accounting: Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Accrual: The governmental activities in the government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Modified Accrual: The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term liabilities, if any, is recognized when due.

Budgets and Budgetary Accounting: By state law, the Board of Trustees must adopt a final budget by July 1. A public hearing is conducted to receive comments prior to adoption. The Board of Trustees complied with these requirements.

Receivables: Receivables are made up principally of amounts due from the State of California and Categorical programs. The District has determined that no allowance for doubtful accounts was needed as of June 30, 2022.

Stores Inventory: Inventory is stated at cost (average cost) which does not exceed replacement cost. Inventory consists of expendable supplies held for future use in the following period by the District's operating units, transportation supplies, and food held for consumption. Maintenance and other supplies held for physical plant repair are not included in inventory; rather, these amounts are recorded as expenditures when purchased.

Capital Assets: Capital assets purchased or acquired, with an original cost of $5,000 or more, are recorded at historical cost or estimated historical cost. Contributed assets are reported at acquisition value for the contributed asset. Additions, improvements and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over 5 - 50 years depending on asset types.

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position includes 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(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred loss on refunding reported, which is in the Statement of Net Position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. Also, the District has recognized a deferred outflow of resources relate to recognition of the net pension liability and net OPEB liability reported in the Statement of Net Position.

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(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized a deferred inflow of resources related to the recognition of the net pension liability and net OPEB liability reported in the Statement of Net Position.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State Teachers' Retirement Plan (STRP) and Public Employers Retirement Fund B (PERF B) and additions to/deductions from STRP's and PERF B's fiduciary net position have been determined on the same basis as they are reported by STRP and PERF B. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Certain investments are reported at fair value. The following is a summary of pension amounts in the aggregate as of June 30, 2022:

	STRP	PERF B	Total
Deferred outflows of resources	$ 10,488,644	$ 3,860,917	$ 14,349,561
Deferred inflows of resources	$ 25,298,000	$ 5,761,000	$ 31,059,000
Net pension liability	$ 24,262,000	$ 14,511,000	$ 38,773,000
Pension expense	$ 3,731,826	$ 1,626,050	$ 5,357,876

Compensated Absences: Compensated absences totaling $391,493 are recorded as a liability of the District. The liability is for the earned but unused benefits.

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

Unearned Revenue: Revenue from federal, state, and local special projects and programs is recognized when qualified expenditures have been incurred. Funds received but not earned are recorded as unearned revenue until earned.

Interfund Activity: Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Net Position: Net position is displayed in three components:

1. *Net Investment in Capital Assets* – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position:

2. *Restricted Net Position* - Restrictions of the ending net position indicate the portions of net position not appropriable for expenditure or amounts legally segregated for a specific future use. The restriction for legally restricted programs represents the portion of net position restricted to specific program expenditures. The restriction for capital projects represents the portion of net position restricted for capital projects. The restriction for debt service represents the portion of net position available for the retirement of debt. The restriction for scholarships represents the portion of net position to be used to provide financial assistance to students of the District. The restriction for retiree benefits represents the portion of net position available for the former employees of the district. It is the District's policy to use restricted net position first when allowable expenditures are incurred.

3. *Unrestricted Net Position* – All other net position that do not meet the definitions of "restricted" or "net investment in capital assets".

Fund Balance Classifications: Governmental Accounting Standards Board Codification Sections 1300 and 1800, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB Cod. Sec. 1300 and 1800) implements a five-tier fund balance classification hierarchy that depicts the extent to which a government is bound by spending constraints imposed on the use of its resources. The five classifications, discussed in more detail below, are nonspendable, restricted, committed, assigned and unassigned.

A - *Nonspendable Fund Balance*: The nonspendable fund balance classification reflects amounts that are not in spendable form, such as revolving fund cash, prepaid expenditures and stores inventory.

B - *Restricted Fund Balance*: The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation. These are the same restrictions used to determine restricted net position as reported in the government-wide and fiduciary trust fund statements.

C - *Committed Fund Balance*: The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Board of Trustees. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. Formal action by the Board of Trustees is required to remove any commitment from any fund balance. At June 30, 2022, the District had no committed fund balances.

D - *Assigned Fund Balance*: The assigned fund balance classification reflects amounts that the District's Board of Trustees has approved to be used for specific purposes, based on the District's intent related to those specific purposes. The Board of Trustees can designate personnel with the authority to assign fund balances, however, as of June 30, 2022, no such designation has occurred.

E - *Unassigned Fund Balance*: In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In any fund other than the General Fund, a positive unassigned fund balance is never reported because amounts in any other fund are assumed to have been assigned, at least, to the purpose of that fund. However, deficits in any fund, including the General Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

Fund Balance Policy: The District has an expenditure policy relating to fund balances. For purposes of fund balance classifications, expenditures are to be spent from restricted fund balances first, followed in order by committed fund balances (if any), assigned fund balances and lastly unassigned fund balances.

While GASB Cod. Sec. 1300 and 1800 do not require districts to establish a minimum fund balance policy or a stabilization arrangement, GASB Cod. Sec. 1300 and 1800 do require the disclosure of a minimum fund balance policy and stabilization arrangements, if they have been adopted by the Board of Trustees. At June 30, 2018, the District has established a minimum General Fund fund balance policy of 5% of General Fund total outgo. As of June 30, 2022, the District has an unassigned balance of $15,455,976.

Property Taxes: Secured property taxes are attached as an enforceable lien on property as of March 1. Taxes are due in two installments on or before December 10 and April 10. Unsecured property taxes are due in one installment on or before August 31. The County of Placer bills and collects taxes for the District. Tax revenues are recognized by the District when received.

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. All encumbrances are liquidated as of June 30.

Eliminations and Reclassifications: In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Estimates: The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions 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 reporting period. Accordingly, actual results may differ from those estimates.

New Accounting Pronouncements: In June 2017, the GASB issued GASB Statement No. 87, *Leases.* GASB Statement No. 87 requires the recognition of certain assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this statement a lease is required to be recognized as a lease liability and an intangible right to use lease asset and the lessor is required to recognize a lease receivable and deferred inflow of resources. This statement was originally effective for fiscal years beginning after December 15, 2019, but due to the adoption of GASB Statement No. 95, the implementation date was extended to reporting periods beginning after June 15, 2021. District management performed an analysis and determined that the implementation of GASB 87 did not have a material impact on the District's financial statements.

(Continued)

NOTE 2 - CASH AND INVESTMENTS

Cash and investments at June 30, 2022 are reported at fair value and consisted of the following:

	Governmental Activities	Fiduciary Activities
Pooled Fund:		
Cash in County Treasury	$ 72,240,484	$ 169,968
Deposits:		
Cash on hand and in banks	655,732	-
Cash in revolving fund	5,000	-
Cash awaiting deposit	20,609	-
Investments:		
Cash with Fiscal Agent	138,798	-
Total cash and investments	$ 73,060,623	$ 169,968

Pooled Funds: In accordance with Education Code Section 41001, the Office of Education maintains substantially all of its cash in the interest bearing Placer County Treasurer's Pooled Investment Fund. The Office of Education is considered to be an involuntary participant in an external investment pool. The fair value of the Office of Education's investment in the pool is reported in the financial statements at amounts based upon the Office of Education's prorata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Deposits - Custodial Credit Risk: The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2022, the carrying amount of the District's accounts was $660,732 and the bank balance was $675,035, $451,369 of which was insured by the FDIC .

Cash with Fiscal Agent: The Cash with Fiscal Agent of $138,798 in the Mello-Roos Fund represents debt proceeds that have been set aside for capital projects and the repayment of long-term liabilities. These amounts are held by a third party custodian in the District's name.

Interest Rate Risk: The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2022, the District had no significant interest rate risk related to cash and investments held.

Credit Risk: The District does not have a formal investment policy that limits its investment choices other than the limitations of state law.

Concentration of Credit Risk: The District does not place limits on the amount it may invest in any one issuer. At June 30, 2022, the District had no concentration of credit risk.

(Continued)

NOTE 3 - INTERFUND TRANSACTIONS

Interfund Activity: Transactions between funds of the District are recorded as transfers. The unpaid balances at year end, as a result of such transactions, are shown as due to and due from other funds.

Interfund Receivables/Payables: Individual interfund receivable and payable balances at June 30, 2022 were as follows:

Fund	Interfund Receivables	Interfund Payables
Major Funds:		
General	$ 101,030	$ 200,235
Building	-	50,000
Capital Facilities	-	1,050,000
County School Facilities	50,000	-
Mello-Roos	1,050,000	-
Non-Major Funds:		
Adult Education	25,754	2,537
Cafeteria	174,481	73,988
Special Reserve	-	24,505
Totals	$ 1,401,265	$ 1,401,265

Transfers: Transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended. Transfers for the 2021-22 fiscal year were as follows:

Transfer from the General Fund to the Adult Education for TPP.	$ 25,392
Transfer from Adult Education Fund to the General Fund for indirect costs.	2,456
Transfer from the Cafeteria Fund to the General Fund for indirect costs.	73,988
Transfer from the Special Reserve Fund to the General Fund for indirect costs.	24,505
Transfer from the Capital Facilities Fund to the Mello Roos Fund for debt repayment.	1,050,000
	$ 1,176,341

(Continued)

NOTE 4 - CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2022 is shown below:

Governmental Activities	Balance July 1, 2021	Transfers and Additions	Transfers and Deletions	Balance June 30, 2022
Non-depreciable:				
Land	$ 47,681,849	$ -	$ -	$ 47,681,849
Work-in-process	138,651,246	-	138,651,246	-
Depreciable:				
Buildings	192,014,060	115,954,363	12,282	307,956,141
Equipment	6,199,898	402,022	113,510	6,488,410
Site improvements	19,235,060	17,363,301	9,958	36,588,403
Totals, at cost	403,782,113	133,719,686	138,786,996	398,714,803
Less accumulated depreciation:				
Buildings	(56,429,504)	(4,684,788)	(5,601)	(61,108,691)
Equipment	(4,250,564)	(302,894)	(110,993)	(4,442,465)
Site improvements	(3,428,886)	(924,848)	(9,958)	(4,343,776)
Total accumulated depreciation	(64,108,954)	(5,912,530)	(126,552)	(69,894,932)
Capital assets, net	$ 339,673,159	$ 127,807,156	$ 138,660,444	$ 328,819,871

Depreciation expense was charged to governmental activities as follows:

Instruction	$ 4,730,025
Instructional supervision and administration	5,786
Instructional library, media and technology	2,218
School site administration	95,519
Home-to-School transportation	162,933
Food services	5,249
General administrative	5,241
Centralized data processing	50,505
Plant services	855,054
Total depreciation expense	$ 5,912,530

(Continued)

NOTE 5 - LONG-TERM LIABILITIES

Special Tax Bonds: On March 10, 2015, the District issued Community Facilities District No. 1 Special Tax Bonds in the amount of $12,376,387, to provide funds for refunding all of the Series 2005 Bonds. The Mello-Roos Bonds are authorized pursuant to the Mello-Roos Community Facilities Act of 1982 and are payable from the proceeds of an annual Special Tax to be levied and collected on property within the District. The Special tax is to be levied according to the rate and method of apportionment determined by a formula approved by the Board, as the legislative body of the District, and by the registered voters within the District.

The bonds bear interest rates ranging from 2.44% to 3.5% and are scheduled to mature in September 2034.

Scheduled payments on Series 2015 Special Tax Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 586,747	$ 294,725	$ 881,472
2024	604,595	273,877	878,472
2025	626,816	252,327	879,143
2026	648,467	230,010	878,477
2027	674,814	206,852	881,666
2028-2032	3,728,527	657,944	4,386,471
2033-2035	1,844,133	80,363	1,924,496
	$ 8,714,099	$ 1,996,098	$ 10,710,197

General Obligation Bonds and Bond Anticipation Notes: A summary of General Obligation Bonds and Bond Anticipation Notes payable as of June 30, 2022 follows:

Series	Interest Rate	Date of Issue	Original Maturity	Amount of Original Issue	Balance July 1, 2021	Current Year Issuance	Current Year Refunded and Matured	Balance June 30, 2022
2015 Series A	3.0%-5.0%	2015	2041	$ 20,000,000	$ 17,480,000	$ -	$ 575,000	$ 16,905,000
2016 Series A	3.0%-5.0%	2016	2048	30,000,000	28,435,000	-	610,000	27,825,000
2014 Series B	3.0%-5.0%	2017	2048	25,000,000	23,735,000	-	490,000	23,245,000
2014 Series C	3.4%-5.0%	2019	2044	15,000,000	14,130,000	-	380,000	13,750,000
2016 Series B	3.5%-5.0%	2019	2044	30,000,000	28,255,000	-	745,000	27,510,000
2020 BAN D1	2.0%	2020	2025	30,000,000	18,545,000	-	-	18,545,000
2020 BAN D2	2.0%	2020	2025	30,000,000	34,980,000	-	-	34,980,000
Total					$ 165,560,000	$ -	$ 2,800,000	$ 162,760,000

(Continued)

NOTE 5 - LONG-TERM LIABILITIES (Continued)

The annual requirements to amortize the General Obligation Bonds payable and outstanding as of June 30, 2022 are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 2,920,000	$ 5,582,351	$ 8,502,351
2024	3,035,000	5,458,451	8,493,451
2025	56,690,000	5,335,051	62,025,051
2026	3,280,000	4,135,926	7,415,926
2027	3,420,000	3,996,351	7,416,351
2027-2031	19,390,000	17,659,517	37,049,517
2032-2036	23,845,000	13,170,906	37,015,906
2037-2041	27,770,000	7,835,501	35,605,501
2042-2046	19,315,000	2,372,450	21,687,450
2047-2048	3,095,000	61,900	3,156,900
	$ 162,760,000	$ 65,608,404	$ 228,368,404

Certificates of Participation (COP): In September 2016, the District issued $69,520,000 Refinancing Project COP, with interest rates ranging from 3.75% to 5.0%, maturing in 2048. Bond proceeds from the issuance were used to refund both the 2008 COP, and 2008B COP.

In September 2017, the District issued $51,795,000 Refinancing Project COP, with interest rates ranging from 2.0% to 5.0%, maturing in 2050. Bond proceeds from the issuance were used to refund the 2009 refinancing COP.

On October 29, 2019, the District issued Certificates of Participation 2019 Refinancing Project in the amount of $8,285,000 to advance refund the Certificates of Participation 2011 Refinancing Project. The 2019 Refinancing Certificates of Participation mature in varying amounts during the succeeding year through November 2037 with interest rates ranging from 2.0% to 3.7%.

In December 2019, the District issued $18,887,598 in Certificates of Participation, with interest rates ranging from 242% to 4.25%, maturing in 2035. Proceeds from the issuance were used to finance a portion of the costs to construct Twelve Bridges High School and to fund modernization projects at Lincoln High School and Glenn Edwards Middle School.

(Continued)

NOTE 5 - LONG-TERM LIABILITIES (Continued)

The Certificates of Participation are scheduled to mature as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 1,915,000	$ 4,948,028	$ 6,863,028
2024	2,210,000	4,885,635	7,095,635
2025	3,025,000	4,819,815	7,844,815
2026	2,365,000	5,031,173	7,396,173
2027	2,465,000	4,917,908	7,382,908
2027-2031	25,924,211	21,736,257	47,660,468
2032-2036	26,163,387	15,956,217	42,119,604
2037-2041	25,785,000	11,120,341	36,905,341
2042-2046	29,815,000	6,664,559	36,479,559
2047-2050	20,490,000	1,629,681	22,119,681
	$ 140,157,598	$ 81,709,614	$ 221,867,212

Schedule of Changes in Long-Term Liabilities: A schedule of changes in long-term liabilities for the year ended June 30, 2022 is shown below:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Amounts Due Within One Year
Debt:					
Special Tax Bonds	$ 9,282,163	$ -	$ 568,064	$ 8,714,099	$ 586,747
Bond Anticipation Notes	53,525,000	-	-	53,525,000	-
General Obligation Bonds	112,035,000	-	2,800,000	109,235,000	2,920,000
Unamortized premiums	13,708,469	-	447,716	13,260,753	462,594
Certificates of Participation:					
Certificates of Participation	141,957,598	-	1,800,000	140,157,598	1,915,000
Other long-term liabilities:					
Net OPEB liability (Note 9)	9,764,124	-	7,414,146	2,349,978	-
Net pension liability (Notes 7 and 8)	75,137,000	-	36,364,000	38,773,000	-
Compensated absences	372,065	19,428	-	391,493	391,493
Total	$ 415,781,419	$ 19,428	$ 49,393,926	$ 366,406,921	$ 6,275,834

Payments on the Special Tax Bonds, Certificates of Participation and Bond Anticipation Notes are made from the Mello-Roos Fund. Payments on the General Obligation Bonds are made from the Bond Interest and Redemption Fund. Payments for the net OPEB liability, net pension liability and the compensated absences are made from the fund for which the related employee worked.

(Continued)

NOTE 6 - FUND BALANCES

Fund balances, by category, at June 30, 2022 consisted of the following:

	General Fund	Building Fund	Capital Facilities Fund	County School Facilities Fund	Mello Roos Fund	All Non-Major Funds	Total
Nonspendable:							
Revolving cash fund	$ 5,000	$ -	$ -	$ -	$ -	$ -	$ 5,000
Prepaid expenditures	248,805	-	-	-	-	-	248,805
Stores inventory	-	-	-	-	-	45,323	45,323
Subtotal nonspendable	253,805	-	-	-	-	45,323	299,128
Restricted:							
Legally restricted programs:							
Grant programs	6,128,604	-	-	-	-	-	6,128,604
Student Activities	-	-	-	-	-	655,732	655,732
Adult Education						22,908	22,908
Child Development	-	-	-	-	-	11,327	11,327
Cafeteria	-	-	-	-	-	1,092,777	1,092,777
Capital projects	-	10,617,469	8,356,430	10,336,716	19,343,539	1,909,170	50,563,324
Debt service	-	-	-	-	-	5,528,330	5,528,330
Subtotal restricted	6,128,604	10,617,469	8,356,430	10,336,716	19,343,539	9,220,244	64,003,002
Assigned:							
Special Reserve for Other Than Capital Outlay Fund	724,776	-	-	-	-	-	724,776
Unassigned:							
Reserve for economic uncertainty	2,792,228	-	-	-	-	-	2,792,228
Undesignated	12,663,748	-	-	-	-	-	12,663,748
Subtotal unassigned	15,455,976	-	-	-	-	-	15,455,976
Total fund balances	$ 22,563,161	$ 10,617,469	$ 8,356,430	$ 10,336,716	$ 19,343,539	$ 9,265,567	$ 80,482,882

(Continued)

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN

General Information about the State Teachers' Retirement Plan

Plan Description: Teaching-certified employees of the District are provided with pensions through the State Teachers' Retirement Plan (STRP) – a cost-sharing multiple-employer defined benefit pension plan administered by the California State Teachers' Retirement System (CalSTRS). The Teachers' Retirement Law (California Education Code Section 22000 et seq.), as enacted and amended by the California Legislature, established this plan and CalSTRS as the administrator. The benefit terms of the plans may be amended through legislation. CalSTRS issues a publicly available financial report that can be obtained at http://www.calstrs.com.

Benefits Provided: The STRP Defined Benefit Program has two benefit formulas:

- CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS.
- CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS.

The Defined Benefit (DB) Program provides retirement benefits based on members' final compensation, age and years of service credit. In addition, the retirement program provides benefits to members upon disability and to survivors/beneficiaries upon the death of eligible members. There are several differences between the two benefit formulas which are noted below.

CalSTRS 2% at 60 - CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor up to the is 2.4 percent maximum.

CalSTRS calculates retirement benefits based on a one-year final compensation for members who retired on or after January 1, 2001, with 25 or more years of credited service, or for classroom teachers with less than 25 years of credited service if the employer elected to pay the additional benefit cost prior to January1, 2014. One-year final compensation means a member's highest average annual compensation earnable for 12 consecutive months calculated by taking the creditable compensation that a member could earn in a school year while employed on a full-time basis, for a position in which the person worked. For members with less than 25 years of credited service, final compensation is the highest average annual compensation earnable for any 36 consecutive months of credited service.

CalSTRS 2% at 62 - CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

All CalSTRS 2% at 62 members have their final compensation based on their highest average annual compensation earnable for 36 consecutive months of credited service.

(Continued)

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

Contributions: Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in 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 of California to bring CalSTRS toward full funding by fiscal year 2046. California Senate Bill 90 and California Assembly Bill 84 (collectively the "Special Legislation"), were signed into law in June 2019 and June 2020, respectively, and provided supplemental contributions to the DB Program along with supplemental contribution rate relief to employers through fiscal year 2021-22.

A summary of statutory contribution rates and other sources of contributions to the DB Program pursuant to the CalSTRS Funding Plan and the Special Legislation, are as follows:

A summary of statutory contribution rates and other sources of contributions to the DB Program pursuant to the CalSTRS Funding Plan, SB 90 and SB84, are as follows:

Members - Under CalSTRS 2% at 60, the member contribution rate was 10.250 percent of applicable member earnings for fiscal year 2021-22.

Under CalSTRS 2% at 62, members contribute 50 percent of the normal cost of their retirement plan, which resulted in a contribution rate of 10.205 percent of applicable member earnings for fiscal year 2021-22.

According to current law, the contribution rate for CalSTRS 2% at 62 members is adjusted if the normal cost increases or decreases by more than 1 percent since the last time the member contribution rate was set. Based on the June 30, 2020, valuation adopted by the board in June 2021, the increase in normal cost was less than 1 percent. Therefore, the contribution rate for CalSTRS 2% at 62 members did not change effective July 1, 2021.

Employers – 16.920 percent of applicable member earnings. This rate reflects the original employer contribution rate of 19.10 percent resulting from the CalSTRS Funding Plan and subsequently reduced for the 2.18 percentage points to be paid on behalf of employers pursuant to the Special Legislation.

Beginning in fiscal year 2021–22, the CalSTRS Funding Plan authorizes the board to adjust the employer supplemental contribution rate up or down by a maximum of 1% for a total rate of no higher than 20.25% and no lower than 8.25%. In June 2021, the CalSTRS board voted to keep the employer supplemental contribution rate the same for fiscal year 2021–22; it remained at 10.85% effective July 1, 2021.

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. Specifically, employers will remit 1.03%, 2.95% and 2.18% less than is required by the CalSTRS Funding Plan for fiscal years 2019–20, 2020–21 and 2021–22, respectively.

(Continued)

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

The CalSTRS employer contribution rates effective for fiscal year 2021-22 through fiscal year 2046-47 are summarized in the table below:

Effective Date	Base Rate	Supplemental Rate Per CalSTRS Funding Plan	Rate Adjustment Per Special Legislation	Total
July 1, 2021	8.250%	10.850%	(2.180%)	16.920%
July 1, 2022 to June 30, 2046	8.250%	(1)	N/A	(1)
July 1, 2046	8.250%	Increase from AB 1469 rate ends in 2046-47		

(1) The CalSTRS Funding Plan authorizes the board to adjust the employer contribution rate up or down by up to 1% each year, but no higher than 20.250% total and no lower than 8.250%.

The District contributed $6,248,644 to the plan for the fiscal year ended June 30, 2022.

State – 10.828 percent of the members' calculated based on creditable compensation from two fiscal years prior.

The state is required to contribute a base contribution rate set in statute at 2.017%. Pursuant to the CalSTRS Funding Plan, the state also has a supplemental contribution rate, which the board can increase by up to 0.5% each fiscal year to help eliminate the state's share of the CalSTRS unfunded actuarial obligation by 2046. In June 2021, the board approved an increase of 0.5% for fiscal year 2021-22, which will increase the state supplemental contribution rate to 6.311% effective July 1, 2021.

Special legislation appropriated supplemental state contributions to reduce the state's portion of the unfunded actuarial obligation of the DB Program in fiscal years 2019-20 through 2022-23. These contributions are funded from future excess General Fund revenues, pursuant to the requirements of California Proposition 2, Rainy-Day Budget Stabilization Fund Act, which passed in 2014. Accordingly, the contribution amounts are subject to change each year based on the availability of funding. For fiscal year 2020–21, CalSTRS received $297.0 million in supplemental state contributions from Proposition 2 funds. Of this total, approximately $170.0 million is designated to cover forgone contributions due to the suspension of the 0.5% increase to the state supplemental contribution rate in fiscal year 2020–21. The remaining $127.0 million is designated to reduce the state's share of CalSTRS' unfunded actuarial obligation.

(Continued)

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

The CalSTRS state contribution rates effective for fiscal year 2021-22 and beyond are summarized in the table below.

Effective Date	Base Rate	Supplemental Rate Per CalSTRS Funding Plan	SBMA Funding[1]	Total
July 01, 2021	2.017%	6.311%	2.50%	10.828%
July 01, 2022 to June 30, 2046	2.017%	[2]	2.50%	[2]
July 01, 2046	2.017%	[3]	2.50%	[3]

(1) The SBMA contribution rate excludes the $72 million that is reduced from the required contribution in accordance with Education Code section 22954.
(2) The board has limited authority to adjust the state contribution rate annually through June 2046 in order to eliminate the remaining unfunded actuarial obligation. The board cannot increase the supplemental rate by more than 0.5% in a fiscal year, and if there is no unfunded actuarial obligation, the supplemental contribution rate imposed would be reduced to 0%.
(3) From July 1, 2046, and thereafter, the rates in effect prior to July 1, 2014, are reinstated, if necessary, to address any remaining unfunded actuarial obligation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2022, 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 the net pension liability	$ 24,262,000
State's proportionate share of the net pension liability associated with the District	14,436,000
Total	$ 38,698,000

The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school districts and the State. At June 30, 2021, the District's proportion was 0.053 percent, which was a decrease of 0.003 percent from its proportion measured as of June 30, 2020.

(Continued)

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

For the year ended June 30, 2022, the District recognized pension expense of $3,731,826 and revenue of $4,055,229 for support provided by the State. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 61,000	$ 2,582,000
Changes of assumptions	3,438,000	-
Net differences between projected and actual earnings on investments	-	19,192,000
Changes in proportion and differences between District's contributions and proportionate share of contributions	741,000	3,524,000
Contributions made subsequent to measurement date	6,248,644	-
Total	$ 10,488,644	$ 25,298,000

$6,248,644 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2023	$ (4,156,017)
2024	$ (3,702,017)
2025	$ (5,412,517)
2026	$ (6,326,183)
2027	$ (846,433)
2028	$ (614,833)

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 7 years as of the June 30, 2021 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

Actuarial Methods and Assumptions: The total pension liability for the STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2020, and rolling forward the total pension liability to June 30, 2021 . The financial reporting actuarial valuation as of June 30, 2020, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2020
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2.00% simple for DB, maintain 85% Purchasing power level for DB, not applicable for DBS/CBB

Discount Rate: The discount rate used to measure the total pension liability was 71.0 percent, which was unchanged from the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increase per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense 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.

Mortality: CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS investment staff and investment consultants as inputs to the process.

(Continued)

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

The actuarial investment rate of return assumption was adopted by the CalSTRS board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS consulting actuary reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term* Expected Real Rate of Return
Public Equity	42%	4.8%
Real Estate Assets	15	3.6
Private Equity	13	6.3
Fixed Income	12	1.3
Risk Mitigating Strategies	10	1.8
Inflation Sensitive	6	3.3
Cash / Liquidity	2	(0.4)

* 20-year geometric average

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	$ 49,390,000	$ 24,262,000	$ 3,407,000

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS financial report.

(Continued)

NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B

General Information about the Public Employer's Retirement Fund B

Plan Description: The schools cost-sharing multiple-employer defined benefit pension plan Public Employer's Retirement Fund B (PERF B) is administered by the California Public Employees' Retirement System (CalPERS). Plan membership consists of non-teaching and non-certified employees of public schools (K-12), community college districts, offices of education, charter and private schools (elective) in the State of California.

The Plan was established to provide retirement, death and disability benefits to non-teaching and noncertified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at:

https://www.calpers.ca.gov/docs/forms-publications/acfr- 2021.pdf

Benefits Provided: The benefits for the defined benefit plans are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years (10 years for State Second Tier members) of credited service.

Contributions: The benefits for the defined benefit pension plans are funded by contributions from members and 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. 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. Employer contributions, including lump sum contributions made when districts first join PERF B, are credited with a market value adjustment in determining contribution rates.

The required contribution rates of most active plan members are based on a percentage of salary in excess of a base compensation amount ranging from zero dollars to $863 monthly.

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2022, were as follows:

Members - The member contribution rate was 7.0 percent of applicable member earnings for fiscal year 2021-22.

Employers - The employer contribution rate was 22.91 percent of applicable member earnings.

The District contributed $2,595,917 to the plan for the fiscal year ended June 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2021, the District reported a liability of $14,511,000 or its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school districts. At June 30, 2021 the District's proportion was 0.071 percent, which was an increase of 0.004 percent from its proportion measured as of June 30, 2020.

(Continued)

NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

For the year ended June 30, 2022, the District recognized pension expense of $1,626,050. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 433,000	$ 34,000
Changes of assumptions	-	-
Net differences between projected and actual earnings on investments	-	5,569,000
Changes in proportion and differences between District contributions and proportionate share of contributions	832,000	158,000
Contributions made subsequent to measurement date	2,595,917	-
Total	$ 3,860,917	$ 5,761,000

$2,595,917 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2023	$ (915,667)
2024	$ (959,667)
2025	$ (1,072,166)
2026	$ (1,548,500)

Differences between expected and actual experience, changes in assumptions and changes in proportion and differences between District contributions and proportionate share of contributions are amortized over a closed period equal to the average remaining service life of plan members, which is 4 years as of the June 30, 2021 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

Actuarial Methods and Assumptions: The total pension liability for the Plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2020 , and rolling forward the total pension liability to June 30, 2021. The financial reporting actuarial valuation as of June 30, 2020, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2020
Experience Study	June 30, 1997 through June 30, 2015
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.15%
Consumer Price Inflation	2.50%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.50% thereafter

The mortality table used was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90% of scale MP 2016. For more details on this table, please refer to the 2017 experience study report.

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS' website.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	Long-Term* Assumed Asset Allocation	Expected Real Rate of Return Years (1-10)(1)	Expected Real Rate of Return Years 11+(2)
Global Equity	50%	4.80%	5.98%
Fixed Income	28	1.00	2.62
Inflation Assets	-	0.77	1.81
Private Equity	8	6.30	7.23
Real Estate Assets	13	3.75	4.93
Liquidity	1	-	(0.92)

* 10-year geometric average
(1) An expected inflation rate of 2.00% used for this period.
(2) An expected inflation rate of 2.92% used for this period.

Discount Rate: The discount rate used to measure the total pension liability was 7.15 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan. The results of the crossover testing for the Plan are presented in a detailed report that can be obtained at CalPERS' website.

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

(Continued)

NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
District's proportionate share of the net pension liability	$ 24,467,000	$ 14,511,000	$ 6,245,000

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS

Plan Description: In addition to the pension benefits described in Notes 7 and 8, the District established an Other Postemployment Benefits Plan which is a single-employer defined benefit healthcare plan. The District participates in the California Employer's Retiree Benefit Trust Program (CERBT) to pre-fund OPEB liabilities. The CERBT is an agent multiple employer plan consisting of an aggregation of single-employer plans, with pooled administrative and investment functions that are administered by PERS. A copy of the aggregated CERBT annual financial report may be obtained at www.calpers.ca.gov. CERBT serves as an irrevocable trust, to ensure that funds contributed into the Trust are dedicated to service the needs of member districts, and their employees and retirees.

The CERBT fund, which is an Internal Revenue Code (IRC) Section 115 Trust, is set up for the purpose of (i) receiving employer contributions to prefund health and other post-employment benefits for retirees and their beneficiaries, (ii) invest contributed amounts and income therein, and (iii) disburse contributed amounts and income therein, if any, to pay for costs of administration of the fund and to pay for health care costs or other post-employment benefits in accordance with the terms of the District's OPEB plan.

(Continued)

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Employees Covered by Benefit Terms: The following is a table of plan participants at June 30, 2022:

	Number of Participants
Inactive employees receiving benefits	17
Inactive employees entitled to but not receiving benefits	-
Participating active employees	545
	562

Benefits Provided*:* The District pays the full cost of health care benefits to age 65 for employees who retired prior to June 30, 1990 and had reached age 60. The full cost of benefits is limited to the amount the District was paying as of June 30, 1990. After age 65, the District continues to pay 50% of the current certificate cap and the retiree pays the remainder. As of June 30, 2022, there were 6 retirees receiving benefits under this agreement.

The District's certificated retirees who had at least fifteen years of service and had reached a minimum age of 55 and retire after July 1, 2001 receive up to $6,455 per year in health care benefits for a maximum of 10 years or until age 65, whichever comes first. As of June 30, 2022, there were 9 retired employees receiving benefits under this agreement.

The District pays up to $2,775 per year in healthcare benefits for classified employees who had at least fifteen years of service and had reached age 55 and retired after July 1, 2003. These benefits cease after a maximum of five years or at age 65, whichever comes first. As of June 30, 2022, there were 3 retired employees receiving benefits under this agreement.

Contributions*:* California Government Code specifies that the District's contribution requirements for covered employees are established and may be amended by the Governing Board. Retirees participating in the group insurance plans offered by the District are required to contribute 100% of the active premiums. In future years, contributions are assumed to increase at the same rate as premiums. The District's premium rates being charged to these retirees are lower than the expected cost for a retiree population under age 65. Thus, an implicit subsidy exists as a result of this difference between the actual cost and the true retiree cost.

Contributions to the Plan from the District were $317,535 for the year ended June 30, 2022. Employees are not required to contribute to the OPEB plan.

OPEB Plan Investments: The plan discount rate of 6.75% was determined using the following asset allocation and assumed rate of return:

Asset Class	Percentage of Portfolio	Rate of Return*
Equities	59%	7.545%
Fixed income	25%	4.250%
Real Estate Investment Trusts	8%	7.250%
Commodities	3%	7.545%
Treasury Inflation Protected Securities (TIPS)	5%	3.000%

* Geometric average

(Continued)

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Rolling periods of time for all asset classes were used to appropriately reflect correlation between asset classes. This means that the average returns for any asset class do not necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average. Additionally, the historic 20 year real rates of return for each asset class along with the assumed long-term inflation assumption was used to set the discount rate. The investment return was offset by assumed investment expenses of 25 basis points. It was further assumed that contributions to the plan would be sufficient to fully fund the obligation over a period not to exceed 20 years.

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

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Fiscal Year End	June 30
Actuarial Value of Assets	Market Value
Mortality Rate	PERS - Non-work related rated developed in 2017 California PERS experience study. STRS - Match rates developed in 2020 experience study.
Discount Rate as of June 30, 2021	6.75% Based on the long-term expected rate of return.
Assumed Investment Return	6.75%
Retirement Rate	Retirement rates match rates developed in the most Recent experience studies for California PERS (2017) and California STRS (2020)
Inflation Rate	2.50% per year
Dependent Coverage	Female spouses are assumed to be three years younger than male spouses. 80% of retirees are assumed to be married. Current retirees are valued based on elected coverage.
Funding Method	Entry Age Cost Method (Level Percentage of Pay).
Health Trend Rate	4%
Salary Increases	2.75%
Termination Rate	Termination rates match rates developed in the most recent experience studies for California PERS (2017) and California STRS (2020).
Funding Method	Entry Age Cost Method (Level Percentage of Pay).

(Continued)

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2021	$ 14,637,337	$ 4,873,213	$ 9,764,124
Changes for the year:			
Service cost	1,653,094	-	1,653,094
Interest	397,608	-	397,608
Expected investment income	-	341,060	(341,060)
Administrative expense	-	(1,844)	1,844
Employer contributions	-	317,535	(317,535)
Expected minus actual benefit payments	(25,027)	-	(25,027)
Experience gains/losses	(3,652,047)	-	(3,652,047)
Changes in assumptions	(4,132,739)	-	(4,132,739)
Investments gains/losses	-	998,284	(998,284)
Benefit payments	(317,535)	(317,535)	-
Net change	(6,076,646)	1,337,500	(7,414,146)
Balance at June 30, 2022	$ 8,560,691	$ 6,210,713	$ 2,349,978

Fiduciary Net Position as a % of the Total OPEB Liability, at June 30, 2022: 72.5%

There were no changes between the measurement date and the year ended June 30, 2022 which had a significant effect on the District's total OPEB liability. The change in assumed rate of return from 2.60% to 6.75% resulted in an decrease to the liability of $4,132,739.

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB liability	$ 3,131,876	$ 2,349,978	$ 1,628,995

(Continued)

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the net OPEB Liability of the District, as well as what the District's net OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (3%)	Healthcare Cost Trend Rates Rate (4%)	1% Increase (5%)
Net OPEB liability	$ 1,366,815	$ 2,349,978	$ 3,503,366

OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2022, the District recognized OPEB expense of $1,220,539. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 639,699	$ 3,416,294
Changes of assumptions	2,846,005	3,812,371
Net differences between projected and actual earnings on investments	97,930	864,549
Benefits paid subsequent to measurement date	205,101	-
Total	$ 3,788,735	$ 8,093,214

$205,101 reported as deferred outflows of resources related to benefits paid subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2023	$ (490,947)
2024	$ (459,985)
2025	$ (442,507)
2026	$ (475,148)
2027	$ (275,492)
Thereafter	$ (2,365,501)

(Continued)

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 13.6 years as of the June 30, 2021 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

NOTE 10 - JOINT POWERS AGREEMENT

Schools Insurance Group: The District is a member with other school districts of a Joint Powers Authority, Schools Insurance Group (SIG), for the operation of a common risk management and insurance program for property and liability coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage in the prior year.

Schools Excess Liability Fund: The District is also a member with other school districts of a Joint Powers Authority, Schools Excess Liability Fund (SELF), for the operation of a common risk management and insurance program for excess property and liability coverage. SELF is governed by a Governing Board consisting of representatives from member districts. The Board controls the operations of SELF, including selections of management and approval of operating budgets. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from coverage in the prior year.

The following is a summary of financial information for SIG and SELF at June 30, 2021 (most recent):

	SIG	SELF
Total assets	$ 115,062,160	$ 193,642,022
Deferred outflows of resources	$ 274,347	$ 241,554
Total liabilities	$ 37,079,788	$ 153,709,630
Deferred inflows of resources	$ 77,117	$ 5,124
Total net position	$ 78,179,602	$ 40,168,822
Total revenues	$ 96,442,660	$ 44,573,829
Total expenditures	$ 88,802,310	$ 38,080,919
Change in net position	$ 7,640,350	$ 6,492,910

The relationship between the District and the Joint Powers Authority is such that the Joint Powers Authority is not component unit of the District for financial reporting purposes.

(Continued)

NOTE 11 - CONTINGENCIES

The District is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the District.

The District has received federal and state funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in expenditure disallowances under terms of the grants, it is management's opinion that any required reimbursements of future revenue offsets subsequently determined will not have a material effect on the District's financial position or results of operations.

REQUIRED SUPPLEMENTARY INFORMATION

WESTERN PLACER UNIFIED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2022

	Budget			Variance Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
Local Control Funding Formula:				
State apportionment	$ 26,425,947	$ 27,092,205	$ 25,361,638	$ (1,730,567)
Local sources	42,504,650	43,171,401	44,452,580	1,281,179
Total LCFF	68,930,597	70,263,606	69,814,218	(449,388)
Federal sources	2,450,016	11,321,099	9,712,548	(1,608,551)
Other state sources	6,395,761	10,356,685	9,159,250	(1,197,435)
Other local sources	4,756,812	5,699,936	5,763,895	63,959
Total revenues	82,533,186	97,641,326	94,449,911	(3,191,415)
Expenditures:				
Current:				
Certificated salaries	36,857,354	39,175,818	39,135,549	40,269
Classified salaries	11,354,552	11,942,587	11,990,218	(47,631)
Employee benefits	23,350,681	23,527,987	23,317,919	210,068
Books and supplies	5,071,777	10,129,605	5,169,359	4,960,246
Contract services and operating expenditures	8,132,882	11,933,754	9,860,923	2,072,831
Other outgo	2,022,140	2,022,140	1,922,871	99,269
Capital outlay	60,000	2,196,023	1,728,468	467,555
Total expenditures	86,849,386	100,927,914	93,125,307	7,802,607
(Deficiency) excess of revenues (under) over expenditures	(4,316,200)	(3,286,588)	1,324,604	4,611,192
Other financing sources (uses):				
Transfers in	121,276	106,551	100,949	(5,602)
Transfers out	(256,881)	(25,360)	(25,392)	(32)
Total other financing sources (uses)	(135,605)	81,191	75,557	(5,634)
Change in fund balance	(4,451,805)	(3,205,397)	1,400,161	4,605,558
Fund balance, July 1, 2021	21,163,000	21,163,000	21,163,000	-
Fund balance, June 30, 2022	$ 16,711,195	$ 17,957,603	$ 22,563,161	$ 4,605,558

See accompanying note to required supplementary information.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN NET OTHER POSTEMPLOYMENT
BENEFITS (OPEB) LIABILITY
For the Year Ended June 30, 2022

Last 10 Fiscal Years

	2018	2019	2020	2021	2022
Total OPEB liability					
Service cost	$ 595,188	$ 611,556	$ 628,374	$ 1,320,447	$ 1,653,094
Interest	445,026	304,091	419,364	468,257	397,608
Changes in assumptions	-	2,035,583	335,636	1,343,055	(4,132,739)
Experience gains/losses	-	-	881,913	-	(3,652,047)
Expected minus actual benefit payments	-	-	-	(28,413)	(25,027)
Actual Benefit payments	(151,318)	(196,373)	(233,717)	(285,096)	(317,535)
Net change in total OPEB liability	888,896	2,754,857	2,031,570	2,818,250	(6,076,646)
Total OPEB liability, beginning of year	6,143,764	7,032,660	9,787,517	11,819,087	14,637,337
Total OPEB liability, end of year (a)	$ 7,032,660	$ 9,787,517	$ 11,819,087	$ 14,637,337	$ 8,560,691
Plan fiduciary net position					
Employer contributions	$ 151,318	$ 196,373	$ 170,861	$ 285,096	$ 317,535
Investment gains/losses	-	154,790	87,416	(163,218)	998,284
Net investment income	393,328	172,733	186,309	329,561	341,060
Administrative expense	(1,996)	(7,637)	(950)	(2,300)	(1,844)
Benefits payment	(151,318)	(196,373)	(170,861)	(285,096)	(317,535)
Change in plan fiduciary net position	391,332	319,886	272,775	164,043	1,337,500
Fiduciary trust net position, beginning of year	3,725,177	4,116,509	4,436,395	4,709,170	4,873,213
Fiduciary trust net position, end of year (b)	$ 4,116,509	$ 4,436,395	$ 4,709,170	$ 4,873,213	$ 6,210,713
Net OPEB liability, ending (a) - (b)	$ 2,916,151	$ 5,351,122	$ 7,109,917	$ 9,764,124	$ 2,349,978
Covered payroll	$ 38,720,231	$ 39,795,256	$ 42,124,259	$ 45,315,078	$ 47,919,898
Plan fiduciary net position as a percentage of the total OPEB liability	59%	45%	40%	33%	73%
Net OPEB liability as a percentage of covered payroll	8%	13%	17%	22%	5%

This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.

See accompanying note to required supplementary information.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2022

State Teachers' Retirement Plan
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension liability	0.055%	0.056%	0.057%	0.057%	0.059%	0.058%	0.056%	0.053%
District's proportionate share of the pension liability	$ 32,101,000	$ 37,482,000	$ 45,850,000	$ 52,519,000	$ 53,798,000	$ 52,504,000	$ 54,439,000	$ 24,262,000
State's proportionate share of the net pension liability associated with the District	19,384,000	19,824,000	26,104,000	31,070,000	30,802,000	28,645,000	29,751,000	14,436,000
Total net pension liability	$ 51,485,000	$ 57,306,000	$ 71,954,000	$ 83,589,000	$ 84,600,000	$ 81,149,000	$ 84,190,000	$ 38,698,000
District's covered payroll	$ 24,468,000	$ 25,841,000	$ 28,252,000	$ 30,309,000	$ 30,944,000	$ 31,461,000	$ 32,124,000	$ 33,799,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	131.20%	145.05%	162.29%	173.28%	173.86%	166.89%	169.47%	71.78%
Plan fiduciary net position as a percentage of the total pension liability	76.52%	74.02%	70.04%	69.46%	70.99%	72.56%	71.82%	87.21%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

All years prior to 2015 are not available.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2022

Public Employer's Retirement Fund B
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension	0.063%	0.065%	0.068%	0.069%	0.070%	0.068%	0.067%	0.071%
District's proportionate share of the net pension liability	$ 7,110,000	$ 9,545,000	$ 13,361,000	$ 16,589,000	$ 18,622,000	$ 19,776,000	$ 20,698,000	$ 14,511,000
District's covered payroll	$ 6,575,000	$ 7,169,000	$ 8,116,000	$ 8,855,000	$ 9,219,000	$ 9,405,000	$ 9,724,000	$ 9,962,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	108.14%	133.14%	164.63%	187.34%	202.00%	210.27%	212.85%	145.66%
Plan fiduciary net position as a percentage of the total pension liability	83.38%	79.43%	73.89%	71.87%	70.85%	70.05%	70.00%	80.97%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

All years prior to 2015 are not available.

See accompanying note to required supplementary information.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2022

State Teachers' Retirement Plan
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	$ 2,294,702	$ 3,031,452	$ 3,812,851	$ 4,465,253	$ 5,121,861	$ 5,493,192	$ 5,458,596	$ 6,248,644
Contributions in relation to the contractually required contribution	(2,294,702)	(3,031,452)	(3,812,851)	(4,465,253)	(5,121,861)	(5,493,192)	(5,458,596)	(6,248,644)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 25,841,000	$ 28,252,000	$ 30,309,000	$ 30,944,000	$ 31,461,000	$ 32,124,000	$ 33,799,000	$ 36,931,000
Contributions as a percentage of covered payroll	8.88%	10.73%	12.58%	14.43%	16.28%	17.10%*	16.15%**	16.92%***

All years prior to 2015 are not available.

* This rate reflects the original employer contribution rate of 18.13 percent under AB1469, reduced for the 1.03 percentage points to be paid on behalf of employers pursuant to SB 90.

** This rate reflects the original employer contribution rate of 19.10 percent under AB1469, reduced for the 2.95 percentage points to be paid on behalf of employers pursuant to SB 90.

*** This rate reflects the original employer contribution rate of 19.10 percent under AB1469, reduced for the 2.18 percentage points to be paid on behalf of employers pursuant to SB 90.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2022

Public Employer's Retirement Fund B
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	$ 843,887	$ 961,530	$ 1,229,817	$ 1,431,741	$ 1,698,812	$ 1,917,766	$ 2,062,049	$ 2,595,917
Contributions in relation to the contractually required contribution	(843,887)	(961,530)	(1,229,817)	(1,431,741)	(1,698,812)	(1,917,766)	(2,062,049)	(2,595,917)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 7,169,000	$ 8,116,000	$ 8,855,000	$ 9,219,000	$ 9,405,000	$ 9,724,000	$ 9,962,000	$ 11,331,000
Contributions as a percentage of covered payroll	11.77%	11.85%	13.89%	15.53%	18.06%	19.72%	20.70%	22.91%

All years prior to 2015 are not available.

See accompanying note to required supplementary information.

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. The budgets are revised during the year by the Board of Education to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

Schedule of Changes in Net OPEB Liability: The Schedule of Changes in Net OPEB liability is presented to illustrate the elements of the District's Net OPEB liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of the District's Proportionate Share of the Net Pension Liability: The Schedule of the District's Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District's Net Pension Liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of the District's Contributions: The Schedule of the District's Contributions is presented to illustrate the District's required contributions relating to the pensions. There is a requirement to show information for 10 years. However, until a full 10- year trend is compiled, governments should present information for those years for which information is available.

Changes of Benefit Terms: There are no changes in benefit terms reported in the Required Supplementary Information.

Changes of Assumptions: The discount rate for OPEB was 7.0%, 4.2%, 3.8%, 2.6% and 6.75% in the June 30, 2017, 2018, 2019, 2020 and 2021, actuarial reports, respectively.

The discount rates used for the Public Employer's Retirement Fund B (PERF B) was 7.50, 7.65, 7.65, 7.15, 7.15, 7.15, 7.15 and 7.15 percent in the June 30, 2013, 2014, 2015, 2016, 2017, 2018, 2019 and 2020 actuarial reports, respectively.

The following are the assumptions for State Teachers' Retirement Plan:

	Measurement Period						
Assumption	As of June 30, 2021	As of June 30 2020	As of June 30, 2019	As of June 30, 2018	As of June 30, 2017	As of June 30, 2016	As of June 30, 2015
Consumer price inflation	2.75%	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%
Investment rate of return	7.10%	7.10%	7.10%	7.10%	7.10%	7.60%	7.60%
Wage growth	3.50%	3.50%	3.50%	3.50%	3.50%	3.75%	3.75%

SUPPLEMENTARY INFORMATION

WESTERN PLACER UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NON-MAJOR FUNDS
June 30, 2022

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Special Reserve for Capital Outlay Fund	Bond Interest Redemption Fund	Total
ASSETS							
Cash in County Treasury	$ -	$ (24,320)	$ 20,130	$ 648,371	$ 1,932,827	$ 5,526,077	$ 8,103,085
Cash in banks	655,732	-	-	-	-	-	655,732
Accounts receivable	-	26,364	9	493,085	848	2,253	522,559
Stores inventory	-	-	-	45,323	-	-	45,323
Due from other funds	-	25,754	-	174,481	-	-	200,235
All other current assets	-	-	-	1,342	-	-	1,342
Total assets	$ 655,732	$ 27,798	$ 20,139	$ 1,362,602	$ 1,933,675	$ 5,528,330	$ 9,528,276
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	$ -	$ 2,353	$ 8,812	$ 60,514	$ -	$ -	$ 71,679
Unearned revenue	-	-	-	90,000	-	-	90,000
Due to other funds	-	2,537	-	73,988	24,505	-	101,030
Total liabilities	-	4,890	8,812	224,502	24,505	-	262,709
Fund balances:							
Nonspendable	-	-	-	45,323	-	-	45,323
Restricted	655,732	22,908	11,327	1,092,777	1,909,170	5,528,330	9,220,244
Total fund balance	655,732	22,908	11,327	1,138,100	1,909,170	5,528,330	9,265,567
Total liabilities and fund balances	$ 655,732	$ 27,798	$ 20,139	$ 1,362,602	$ 1,933,675	$ 5,528,330	$ 9,528,276

WESTERN PLACER UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
ALL NON-MAJOR FUNDS
June 30, 2022

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Special Reserve for Capital Outlay Fund	Bond Interest Redemption Fund	Total
Revenues:							
Federal sources	$ -	$ 25,123	$ -	$ 2,890,473	$ -	$ -	$ 2,915,596
Other state sources	-	-	-	164,602	-	-	164,602
Other local sources	1,501,405	(32)	56	(15,307)	5,416	7,364,239	8,855,777
Total revenues	1,501,405	25,091	56	3,039,768	5,416	7,364,239	11,935,975
Expenditures:							
Current:							
Classified salaries	-	29,214	-	759,837	-	-	789,051
Employee benefits	-	16,387	-	356,341	-	-	372,728
Books and supplies	1,202,571	2,268	-	1,179,801	-	-	2,384,640
Services and other operating expenditures	-	158	-	75,398	6,133	-	81,689
Capital outlay	-	-	-	94,552	-	-	94,552
Debt service:							
Principal retirement	-	-	-	-	-	2,800,000	2,800,000
Interest	-	-	-	-	-	4,623,075	4,623,075
Total expenditures	1,202,571	48,027	-	2,465,929	6,133	7,423,075	11,145,735
Excess (deficiency) of revenues over (under) expenditures	298,834	(22,936)	56	573,839	(717)	(58,836)	790,240
Other financing sources (uses):							
Transfers in	-	25,392	-	-	-	-	25,392
Transfers out	-	(2,456)	-	(73,988)	(24,505)	-	(100,949)
Total other financing sources (uses)	-	22,936	-	(73,988)	(24,505)	-	(75,557)
Net change in fund ballances	298,834	-	56	499,851	(25,222)	(58,836)	714,683
Fund balance, July 1, 2021	356,898	22,908	11,271	638,249	1,934,392	5,587,166	8,550,884
Fund balance, June 30, 2022	$ 655,732	$ 22,908	$ 11,327	$ 1,138,100	$ 1,909,170	$ 5,528,330	$ 9,265,567

Western Placer Unified School District, a political subdivision of the State of California, was established in 1966 and is comprised of an area of approximately 170 square miles located in Placer County. There were no changes in the boundaries of the District during the year. The District currently operates seven elementary schools, two middle schools, two comprehensive high schools, one continuation high school and one independent study academy.

GOVERNING BOARD

Name	Office	Term Expires
Damian Armitage	President	November 2022
Jason Price	Vice President	November 2024
Criste Freymond	Clerk	November 2024
Kris Wyatt	Member	November 2022
April Nitsos	Member	November 2022

ADMINISTRATION

Kerry Callahan
Superintendent

Scott Pickett
Deputy Superintendent, Educational Services

Audrey Kilpatrick
Assistant Superintendent, Business and Operations

Cliff DeGraw
Assistant Superintendent of Personnel Services

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
June 30, 2022

	Second Period Report	Annual Report
Certificate #:	ED75B7CB	610E1558
Elementary:		
Transitional Kindergarten through Third	1,993	2,006
Fourth through Sixth	1,490	1,493
Seventh through Eighth	1,002	979
Special Education	10	11
Total Elementary	4,495	4,489
Secondary:		
Ninth through Tweifth	2,069	2,044
Continuation Education	94	89
Special Education	20	20
Total Secondary	2,183	2,153
ADA Totals	6,678	6,642

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
For the Year Ended June 30, 2022

Grade Level	Minutes Requirement	Actual Minutes	Number of Days	Status
Kindergarten	36,000	43,260	180	In Compliance
Grade 1	50,400	55,400	180	In Compliance
Grade 2	50,400	55,400	180	In Compliance
Grade 3	50,400	55,400	180	In Compliance
Grade 4	54,000	56,760	180	In Compliance
Grade 5	54,000	56,760	180	In Compliance
Grade 6	54,000	63,960	180	In Compliance
Grade 7	54,000	63,960	180	In Compliance
Grade 8	54,000	63,960	180	In Compliance
Grade 9	64,800	65,594	180	In Compliance
Grade 10	64,800	65,594	180	In Compliance
Grade 11	64,800	65,594	180	In Compliance
Grade 12	64,800	65,594	180	In Compliance

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education - Passed through California Department of Education			
	Special Education Cluster:		
84.027	Special Ed: IDEA Basic and Local Assistance Entitlement, Part B, Sec 611 (Formerly 94-142)	13379	$ 1,324,313
84.027A	Special Ed: IDEA Mental Health Allocation Plan, Part B, Sec 611	15197	91,908
84.173	Special Ed: IDEA Preschool Grants, Part B, Sec. 619	13430	33,771
	Subtotal Special Education Cluster		1,449,992
	ESEA: Title I Programs:		
84.010	ESEA: Title I, Part A, Basic Grants Low-Income and Neglected	14329	794,371
84.010	ESEA: ESSA School Improvement (CSI) Funding for LEAs	15438	133,948
	Subtotal ESEA: Title I Programs		928,319
	COVID-19: Education Stabilization Fund (ESF) Programs:		
84.425	Elementary and Secondary School Emergency Relief (ESSER) Fund - COVID-19	15536	50
84.425	Elementary and Secondary School Emergency Relief II (ESSER II) Fund - COVID-19	15547	1,379,173
84.425	Elementary and Secondary School Emergency Relief III (ESSER III) Fund - COVID-19	15559	2,789,200
84.425U	Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss - COVID-19	10155	980,142
84.425	Expanded Learning Opportunities (ELO) Grant: ESSER II State Reserve - COVID-19	15618	630,152
84.425	Expanded Learning Opportunities (ELO) Grant: GEER II - COVID-19	15619	146,349
84.425	Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve Emergency Needs - COVID-19	15620	235,805
84.425	Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve Learning Loss - COVID-19	15621	739,280
	Subtotal ESF Programs		6,900,151

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education - Passed through California Department of Education (Continued)			
84.367	ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grants	14341	$ 86,451
84.424	ESEA (ESSA) Title IV, Part A, Student Support and Academic Enrichment Grants	15396	1,692
84.126	Department of Rehabilitation: Workability II, Transitions Partnership Program	10006	25,123
84.048	Carl D. Perkins Career and Technical Education: Secondary, Section 131 (Vocational Education)	14894	40,148
84.365	ESEA: Title III, English Learner Student Program	14346	57,524
	Total U.S. Department of Education		9,489,400
U.S. Department of Agriculture - Passed through California Department of Education			
	Child Nutrition Cluster:		
10.555	Child Nutrition: School Programs	13523	2,880,324
10.555	Supply Chain Assistance for School Meals	15655	174,481
	Total Child Nutrition Cluster and U.S. Department of Agriculture		3,054,805
U.S. Department of Treasury - Passed through California Department of Education			
21.019	COVID-19: Coronavirus Relief Fund (CRF) :Learning Loss Mitigation	25516	73,951
10.649	Pandemic EBT Local Administrative Grant - COVID-19	15644	3,063
	Total U.S. Department of Treasury		77,014
	Total Federal Awards		$ 12,621,219

See accompanying notes to supplementary information.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
RECONCILIATION OF UNAUDITED ACTUAL FINANCIAL REPORT
WITH AUDITED FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

There were no adjustments proposed to any funds of the District.

See accompanying notes to supplementary information.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
For the Year Ended June 30, 2022
(UNAUDITED)

	(Adopted Budget) 2023	2022	2021	2020
General Fund				
Revenues and other financing sources	$ 108,018,440	$ 94,550,860	$ 90,713,468	$ 80,918,554
Expenditures	94,804,671	93,125,307	85,104,802	77,239,923
Other uses and transfers out	25,360	25,392	72,733	78,358
Total outgo	94,830,031	93,150,699	85,177,535	77,318,281
Change in fund balance	$ 13,188,409	$ 1,400,161	$ 5,535,933	$ 3,600,273
Ending fund balance	$ 35,751,570	$ 22,563,161	$ 21,163,000	$ 15,627,067
Available reserves	$ 16,495,484	$ 15,455,976	$ 14,392,611	$ 12,913,439
Designated for economic uncertainties	$ 2,841,875	$ 2,792,228	$ 2,555,211	$ 2,325,046
Undesignated fund balance	$ 13,653,609	$ 12,663,748	$ 11,837,400	$ 10,588,393
Available reserves as percentages of total outgo	17.39%	16.59%	16.90%	16.70%
All Funds				
Total long-term liabilities	$ 360,131,087	$ 366,406,921	$ 415,781,419	$ 415,630,474
Average daily attendance at P-2	6,927	6,678	6,947	6,947

The General Fund fund balance has increased by $10,536,367 over the past three years. The fiscal year 2022-2023 budget projects an increase of $13,188,409. For a district this size, the state recommends available reserves of at least 3% of total General Fund expenditures, transfers out, and other uses. For the year ended June 30, 2022, the District met this requirement.

The District has incurred operating surpluses in each of the past three years and anticipates an operating deficit in fiscal year 2022-2023.

Total long-term liabilities have decreased by $49,223,553 over the past two years.

Average daily attendance has decreased by 269 over the past two years. An increase of 249 of ADA is projected for the 2022-2023 fiscal year.

See accompanying notes to supplementary information.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
For the Year Ended June 30, 2022

Charter Schools Chartered by District	Included in District Financial Statements, or Separate Report
0015 - Horizon Charter School	Separate report
1715 - John Adams Academy	Separate report

See accompanying notes to supplementary information.

NOTE 1 - PURPOSE OF SCHEDULES

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

Schedule of Instructional Time: The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District, and whether the District complied with the provisions of Education Code Sections 46201 through 46206.

Schedule of Expenditure of Federal Awards: The Schedule of Expenditure of Federal Awards includes the federal award activity of Western Placer Unified School District, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Expenditures are recognized following the cost principles in in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Reconciliation of Unaudited Actual Financial Report with Audited Financial Statements: This schedule provides the information necessary to reconcile the Unaudited Actual Financial Report to the audited financial statements.

Schedule of Financial Trends and Analysis – Unaudited: This schedule provides information on the District's financial condition over the past three years and its anticipated condition for the 2022-2023 fiscal year, as required by the State Controller's Office.

Schedule of Charter Schools: This schedule provides information for the California Department of Education to monitor financial reporting by Charter Schools.

NOTE 2 - EARLY RETIREMENT INCENTIVE PROGRAM

Education Code Section 14502 requires certain disclosure in the financial statements of districts which adopt Early Retirement Incentive Programs pursuant to Education Code Sections 22714 and 44929. For the fiscal year ended June 30, 2022, the District did not adopt this program.

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Board of Trustees
Western Placer Unified School District
Lincoln, California

Report on Compliance with State Laws and Regulations

Opinion on Compliance with State Laws and Regulations

We have audited Western Placer Unified School District's compliance with the types of compliance requirements described in the State of California's *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (the "Audit Guide") applicable to the state laws and regulations listed below for the year ended June 30, 2022.

Description	Procedures Performed
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	No, see below
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	No, see below
Middle or Early College High Schools	No, see below
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship - Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	Yes
District of Choice	No, see below
California Clean Energy Jobs Act	No, see below
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 Accountability Plan	Yes
Independent Study-Course based	No, see below
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes

(Continued)

In Person Instruction Grant	Yes
Charter Schools - Attendance	No, see below
Charter Schools - Mode of Instruction	No, see below
Charter Schools - Nonclassroom-Based Instruction/Independent Study	No, see below
Charter Schools - Determination of Funding for Nonclassroom-based instruction	No, see below
Charter Schools - Annual Instructional Minutes-Classroom Based	No, see below
Charter Schools - Charter School Facility Grant Program	No, see below

We did not perform any procedures related to the Early Retirement Incentive because the District did not offer this in the current year.

We did not perform any procedures related to the Juvenile Court Schools because the District does not offer Juvenile Court Schools.

We did not perform procedures related to Middle or Early college because the District does not offer Middle or Early College High Schools.

We did not perform any procedures related to the Apprenticeship - Related and Supplemental Instruction because the District does not operate an Apprenticeship Program.

We did not perform any procedures related to the District of Choice because the District did not elect to operate as a District of Choice.

We did not perform procedures related to California Clean Energy Jobs Act because the District did not receive or expend any California Clean Energy Jobs Act funds in the current fiscal year.

We did not perform procedures related to Independent Study-Course Based because the District did not report any ADA related to Independent Study-Course Based in the current fiscal year.

We did not perform procedures for the Charter School section because the charter schools sponsored by the District have separate reports.

In our opinion, except for the noncompliance described in the Basis of Qualified Opinion section of this report, Western Placer Unified School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the state laws and regulations referred to above for the year ended June 30, 2022.

Basis of Qualified Opinion on Compliance with State Laws and Regulations

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of the 2021-22 *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (Audit Guide). Our responsibilities under those standards and the Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

As described in Findings 2022-001 and 2022-002 in the accompanying Schedule of Audit Findings and Questioned Costs, Western Placer Unified School District did not comply with the requirements regarding Attendance and Immunizations. Compliance with such requirements is necessary, in our opinion, for Western Placer Unified School District to comply with the requirements applicable to the state laws and regulations referred to above.

(Continued)

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matter

Western Placer Unified School District's responses to the noncompliance findings identified in our audit are included in the accompanying Schedule of Audit Findings and Questioned Costs. Western Placer Unified School District's responses were not subjected to the auditing procedures applied in the audit of State Compliance and, accordingly, we express no opinion on them.

(Continued)

Purpose of this Report

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing based on the requirements of the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Sacramento, California
December 14, 2022

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Western Placer Unified School District
Lincoln, 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 Western Placer Unified School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Western Placer Unified School District's basic financial statements, and have issued our report thereon dated December 14, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Western Placer Unified School 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 Western Placer Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Western Placer Unified School 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.

(Continued)

Report on Compliance and Other Matters

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

Purpose of this Report

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

Crowe LLP

Crowe LLP

Sacramento, California
December 14, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Western Placer Unified School District
Lincoln, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Western Placer 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 Western Placer Unified School District's major federal programs for the year ended June 30, 2022. Western Placer 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, Western Placer Unified School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Western Placer 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 Western Placer 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 Western Placer Unified School District's federal programs.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Western Placer 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 Western Placer 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 Western Placer 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.

Crowe LLP

Crowe LLP

Sacramento, California
December 14, 2022

FINDINGS AND RECOMMENDATIONS

SECTION I – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

Internal control over major programs:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiency(ies) identified not considered to be material weakness(es)?	____ Yes	X 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 2 CFR 200.516(a)?	____ Yes	X No

Identification of major programs:

AL Number(s)	Name of Federal Program or Cluster
10.555	Child Nutrition Cluster
84.010	Title I Programs
84.425, 84.425U	COVID-19: Education Stabilization Fund (ESF) Programs

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000	
Auditee qualified as low-risk auditee?	X Yes	____ No

STATE AWARDS

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

(Continued)

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

(Continued)

SECTION III- FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported

(Continued)

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

2022-001 DEFICIENCY – STATE COMPLIANCE – ATTENDANCE (10000)

Criteria: Attendance Accounting and Reporting in California Public Schools, Title 5, CCR, Section 401 and 421 (b) and Education Code Section 44809 - Each LEA must develop and maintain accurate and adequate records to support the attendance reported to the State.

Condition: At one school site, one student was improperly recorded as present, resulting in an overstatement of one day of attendance.

Context: We performed the audit procedures enumerated in the State of California *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect: The effect of this finding is an overstatement of 0.01 ADA.

Cause: The errors were the result of clerical errors in accounting for attendance.

Fiscal impact: The error is below 0.50 ADA, therefore there is no fiscal impact.

Recommendation: The District should enforce controls to ensure accurate accounting for attendance.

Views of Responsible Officials and Planned Corrective Action: We will train school attendance staff on the attendance requirements pertaining to vaccinations to ensure ADA is properly reported in the future.

(Continued)

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

2022-002 DEFICIENCY – STATE COMPLIANCE – IMMUNIZATIONS (40000)

Criteria: Verify that each pupil had two doses of a varicella vaccine and two doses of a measles vaccine as required by Title 17, California Code of Regulations section 6025 prior to admission, or has a current medical exemption from varicella and measles immunization on file.

If the pupil had only one dose of either vaccine prior to admission, verify the second dose was received within four calendar months after the first dose.

Condition: Immunization records evidencing a second dose of varicella and measles vaccine were not obtained for one student until January 12, 2022, however, the student was admitted and attendance was claimed for the disallowed period.

Context: We performed the audit procedures enumerated in the State of California *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding
described above.

Effect: The District is not in compliance with the Title 17, California Code of Regulations section 6025 due to the inconsistency noted.

Cause: The District improperly admitted the student and claimed average daily attendance in the period in which the second dose had not yet been received.

Fiscal impact: Average daily attendance was overstated by 0.53 ADA for the fiscal year 2021-22. No fiscal impact is determinable.

Recommendation: The District should ensure the Title 17, California Code of Regulations section 6025 requirements are properly followed prior to admission.

Views of Responsible Officials and Planned Corrective Action: We will remind site staff of the importance of auditing their attendance reports prior to submitting them to the district office in order to ensure accurate attendance reporting.

STATUS OF PRIOR YEAR

FINDINGS AND RECOMMENDATIONS

No matters were reported.