PLEASANT VALLEY SCHOOL DISTRICT
VENTURA COUNTY

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2023

HARSHWAL® & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

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HARSHWAL® & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Pleasant Valley School District
Camarillo, California

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the 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 the District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13 and required supplementary information on pages 56 through 67 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information such as the combining and individual nonmajor fund financial statements and Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations (CFR)* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and all other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated December 15, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Harshwal & Company LLP

San Diego, California
December 15, 2023

PLEASANT VALLEY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023

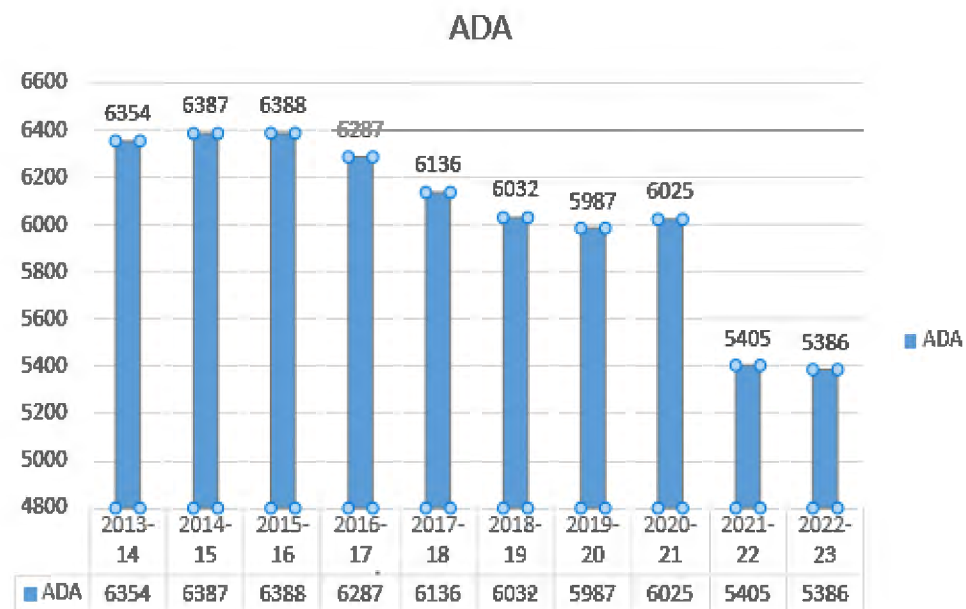
Introduction

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

Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB). Certain comparative information between the current and the prior year is required to be presented in the MD&A.

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

- Total net position of the District increased by 6,643.29%, shifting from $211,940 to $14,291,730. The general fund saw a $5,523,681 excess of revenues over expenditures, primarily, due to an influx of one-time and categorical funding, Other factors impacted the District's net position as well. Specifically, $1,704,375 in depreciation reduced the District's capital assets. Also, the District's attributed share of pension liabilities increased by $24,179,616, The District's share of net position liability is beyond the control of the District, and is heavily influenced by the performance of CalPERS and CalSTRS investments. The District paid $2,640,000 in general obligation bond redemptions as well. Bond fund expenditures were anticipated and increased the District's depreciable assets. It should be noted that the performance of the unrestricted general fund surplus was aided by the state's "hold harmless" funding provisions related to ADA, in that the District received LCFF funding for 5,897.70 Average Daily Attendance (ADA) yet recorded actual ADA of 5,386.40.
- During the adoption of the 2023-24 budget, the District Management Team kept priorities aligned with Board goals and the Local Control Accountability Plan within the parameters of the State Budget.
- At year-end, the government-wide revenues were $108,452,696, representing an increase of 21.48% from the prior year. The increase in revenue was largely attributable to an influx of one-time state grant funds; an increase in food service program revenues; and increased in miscellaneous funding.
- The District continues to maintain reserves sufficient to meet the state required minimum Reserve for Economic Uncertainties of 3% of General Fund expenditures. It is important to note that 3% reserves are a statutory minimum and represent less than two weeks of payroll expenditures. The Government Finance Officers Association recommends a minimum of 17% reserves and/or an in-depth risk assessment to inform adequate reserve levels.
- The following chart shows the District's Average Daily Attendance (ADA) for the previous nine-year period. Since 2013-14, ADA has fluctuated between a high of 6,388 to a low of 5,386. The pandemic conditions that affected the 2022-23 school year exacerbated a pre-existing trend of slightly declining enrollment. The District should include this recent enrollment decrease in any financial planning. Post-pandemic increases in attendance rates and a relative leveling off of enrollment levels will possibly lead to stable to slightly increased ADA. However, the risks associated with declining enrollment must be factored into financial decision-making processes.



Fund Financial Statements

More detailed information about the District's most significant funds are provided in the fund financial statements. Funds are accounting formats used to keep track of specific sources of funding and expenditures in particular programs. Some funds are required by bond covenants and by state law and other funds are established by the District to control and manage a variety of activities for particular purposes (such as childcare activities). Other funds may also address specific accounting requirements for certain revenue and expenditure classifications (such as federal grants).

The District maintains two classes of funds:

Governmental funds: Most of the District's basic services are included in governmental funds, which generally focus on how cash and other financial assets can readily be converted to cash flow (in and out) and the balances left at year-end that are available for expenditure in subsequent years. A detailed short-term view is provided by the governmental fund statements. These help determine whether there are more or fewer financial resources that can be spent in the near future for financing the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information is provided in the reconciliation provided after the governmental fund statements that explains the differences (or relationships).

Fiduciary fund: The District has several Associated Student Body Funds. For assets that belong to others, such as the student activities funds, the District acts as the trustee, or fiduciary, and is responsible for ensuring that the assets reported in these funds are only used for their intended purpose and by those to whom the assets belong. These activities were previously excluded from the government-wide financial statements, as the assets cannot be used to finance other the District operations. After implementation of GASB 84, the Associated Student Body activity no longer fit the criteria to be considered Fiduciary Activities. The Associated Student Body activity will be reported as a governmental activity under the General Fund in the basic financial statements.

Funds used by the District for the current fiscal year are outlined on page 23 of the report.

Statement of Net Position

The statement of net position presents the assets and liabilities of the District as of the end of the fiscal year and is prepared using the accrual basis of accounting, which is similar to the accounting basis used by most private-sector organizations. The statement of net position is a point of time financial statement whose purpose is to present to the readers a fiscal snapshot of the District. The statement of net position presents end-of-year data concerning assets (current and non-current), deferred outflows of resources, liabilities (current and non-current), deferred inflows of resources, and net position.

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

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

The District has implemented GASB standards, which requires the districts to report their proportionate share of CalSTRS and CalPERS unfunded portion of pension benefits. Note 12 to the financial statements provides additional information on employee retirement plans.

	Governmental Activities	
	June 30, 2023	June 30, 2022
Assets:		
Cash and cash equivalents	$ 102,548,567	$ 108,891,550
Accounts receivable	10,457,517	9,358,634
Prepaid expenses	5,286	108,657
Capital assets, net	90,711,951	82,108,346
Total assets	203,723,321	200,467,187
Deferred outflows of resources		
Deferred outflows - OPEB	1,206,656	1,391,606
Deferred outflows - pension	19,363,808	12,455,931
Total deferred outflows of resources	20,570,464	13,847,537
Liabilities:		
Current liabilities	21,023,248	22,289,252
Long-term liabilities	177,596,038	158,648,424
Total liabilities	198,619,286	180,937,676
Deferred inflows of resources		
Deferred inflows - OPEB	1,396,743	1,538,231
Deferred inflows - pension	9,986,026	31,626,877
Total deferred inflows of resources	11,382,769	33,165,108
Net position:		
Net investment in capital assets	(3,231,503)	(14,833,888)
Restricted	47,012,497	65,978,356
Unrestricted (Deficit)	(29,489,264)	(50,932,528)
Total net position	$ 14,291,730	$ 211,940

- Cash with the District is also explained in the notes to the financial statements and is invested with the Ventura County Treasury to maximize interest income. The year over year decrease in cash is due primarily to the planned expenditure of bond proceeds on capital improvement projects.
- Accounts receivable includes amounts due from federal and state government sources for the operation of categorical programs as well as for ongoing operational costs.

Statement of Activities

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

The statement of activities is summarized below:

	Governmental Activities	
	June 30, 2023	June 30, 2022
Revenues:		
Program revenues:		
Charges for services	$ 114,530	$ 377,149
Operating grants & contributions	31,127,709	20,975,140
General revenues:		
Property taxes	40,845,805	35,032,573
Federal and state aid not restricted in specific programs	32,162,496	27,789,012
Interest and investment earnings	890,090	107,509
Miscellaneous	3,312,066	4,997,220
Total revenues	108,452,696	89,278,603
Expenses:		
Instruction	45,098,944	38,662,467
Instruction - related services	10,791,761	8,638,610
Pupil services	8,346,973	9,861,193
Ancillary services	159,268	189,675
Community services	2,357,226	1,565,496
General administration	5,581,814	5,075,170
Plant services	10,741,933	14,631,672
Other outgo and debt services	9,590,612	9,007,099
Depreciation (Unallocated)	1,704,375	1,238,489
Total expenses	94,372,906	88,869,871
Change in net position	$ 14,079,790	$ 408,732

- Expenses increased by 6.19% from the prior year, primarily due to increased employee compensation rates.
- Revenues increased by 21.48% from the prior year, primarily due to the influx of one-time funds, new categorical programs, and increased food service reimbursement rates.

Capital Assets and Debt Administration

Capital assets

As of June 30, 2023, the District had $(3,231,503) invested in capital assets, net of associated debt, primarily related to school construction and other capital improvements.

Note 8 to the financial statements provides additional information on capital assets. A summary of capital assets is presented below:

	Governmental Activities	
	June 30, 2023	June 30, 2022
Land	$ 14,908,761	$ 14,908,761
Buildings	118,390,773	114,414,967
Site improvements	13,750,988	9,403,661
Machinery, equipment and vehicles	8,856,865	8,109,830
Construction in progress	6,108,166	4,879,941
Total	162,015,553	151,717,160
Less: accumulated depreciation	(71,303,602)	(69,608,814)
Capital assets, net	$ 90,711,951	$ 82,108,346

Debt

Note 9 to the financial statements provides additional information on outstanding debt. A summary of the District's outstanding debt at year-end is presented below:

	Governmental Activities	
	June 30, 2023	June 30, 2022
General obligation bonds, including bond premium	$ 115,048,358	$ 118,047,138
OPEB liabilities	8,349,190	8,782,082
Net pension liability	60,550,321	36,370,705
Compensated absences (vacations)	418,169	348,499
Total	$ 184,366,038	$ 163,548,424

Governmental Funds

All governmental funds are summarized below:

	Fund Balance		
	June 30, 2023	June 30, 2022	Change
General	$ 27,375,087	$ 21,851,441	$ 5,523,646
Child development	1,223,606	427,913	795,693
Cafeteria	3,645,606	906,234	2,739,372
Deferred maintenance	1,742,373	1,492,543	249,830
Pupil transportation equipment fund	152	(35)	187
Building fund	33,934,551	46,819,341	(12,884,790)
Capital facilities	5,170,859	5,105,974	64,885
Bond interest and redemption fund	28,443,337	26,754,949	1,688,388
Total	$ 101,535,571	$ 103,358,360	$ (1,822,789)

The primary reasons for these increases/decreases are:

- The increase in the General Fund of $5,523,646 is due primarily to receipt of categorical program funding and one-time state funds, as well as the provision of state LCFF funding in excess of actual ADA.
- The decrease in the Building Fund is due to planned expenditures on Measure C capital projects.

General Fund Budget Information

During the fiscal year, the Board of Trustees authorized revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the District. A budgetary comparison schedule for the General Fund is presented on page 56.

Variations between the original and final budget amounts were in part created by increased state funding and carryover of program funds from one year to the next. These amounts were unknown at the time the original budget was adopted.

The District's budget is prepared in accordance with California law and is based on the modified accrual basis of accounting, utilizing cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

District begins the budget process in January of each year, to be completed by June 30th. After updating changes in revenue and expenditure assumptions, the operating budget begins at the school level. The District uses staffing allocation formulas, per pupil allocations for site supplies, and a review of historical cost data to develop a preliminary budget. The Board of Trustees begins the budget process by establishing the District goals and budget priorities. The Local Control Accountability Plan (LCAP) outlines the instructional and support goals for the District and is written using the input of staff, students, parents, and community members. The budget is aligned to support the goals identified in the LCAP.

The budget cycle continues into the following fiscal year with the preparation of a 45-day budget revision (published 45 days from the date the governor signs the state budget) and two Interim reports (October 31st and January 31st) reviewed and approved by the Board. Site and department budgets are reviewed regularly to ensure management is aware of any significant variations during the year.

Economic Factors that May Affect the Future

Local Control Funding Formula - On July 01, 2013, the Local Control Funding Formula (LCFF) replaced revenue limit funding and more than 40 categorical programs with base grants per pupil, plus supplemental and concentration grants based on "Unduplicated Pupil" counts (students who are English Learners, from low-income families, or are homeless/in foster care). Initially the LCFF calculated a target for each district and determined the gap between that target and prior year funding. In the 2018- 19 fiscal year Budget Act the LCFF gap funding was set at 100%, fulfilling the "full funding" of the LCFF. Fiscal year 2019-20 saw the beginning of the COVID-19 pandemic. Following the initial closures and cash deferrals, school districts have seen multiple layers of financial supports through a combination of ADA "hold harmless" provisions, adjustment of ADA determination methodology, and a combination of state and federal one-time stimulus and recovery funds. It is important to note that state ADA methodology supports, utilizing a three-year rolling average calculation, provide districts with additional time to adapt expenditures to enrollment/ADA-driven revenue fluctuations. The long-term effect of declining enrollment/ADA is still realized, in that a declining enrollment/ADA district's funding will decrease. The need to match expenditures to declining funding is therefore deferred, but not avoided.

Prior to the pandemic's social and economic disruptions, school districts paid significant attention to the emerging conflict between a COLA-only funding environment and rising operational costs. As one-time funds expire these issues are likely to re-emerge. Contractual step and column wage growth increases, growing expenditures to support Special Education programs, unfunded state mandates, and inflationary cost pressures on necessary goods and services remain significant issues. Ongoing consumer experience of the impacts of high inflation adds inflationary wage growth pressure to the list. Additionally, fiscal year 2022-23 losses in equities markets are pushing PERS contribution rates upward, STRS impacts are anticipated as well. As one-time funds expire and declining enrollment/ADA district-driven funding falls, the likely return of a COLA-only funding environment that is required to fund ever-growing operational expenses may create new budget challenges.

Projected Student Average Daily Attendance (ADA) - ADA has decreased over the last two years, with the pandemic era disruption to school enrollment and attendance still being felt. The planned construction of additional housing units within the district boundaries is only partially complete. Those housing units that are complete currently yield students at a lower rate than existing neighborhoods, possibly due to purchase prices that preclude many families with children. Whereas the additional housing units should result in increases in enrollment, the unpredictability of project completion and student generation rates necessitates conservative enrollment projections.

Year	ADA	Percent Growth %
2013-14 (Actual)	6,354	0.7%
2014-15 (Actual)	6,387	0.5%
2015-16 (Actual)	6,388	-%
2016-17 (Actual)	6,287	(1.6)%
2017-18 (Actual)	6,136	(2.4)%
2018-19 (Actual)	6,032	(1.7)%
2019-20 (Actual)	5,987	(0.7)%
2020-21 (Actual)	6,025	0.6%
2021-22 (Actual)	5,405	(10.3)%
2022-23 (Actual)	5,386	(10.6)%

Economic Factors that May Affect the Future - Cont'd

Ending Fund Balance Projection - The District's 2022-23 ending fund balance exceeds the required 3% contingency reserve requirement. Reserves beyond the 3% requirement are maintained to buffer against economic volatility, preserve the instructional program in the face of economic uncertainties, fund future curriculum adoptions, fund future initiatives, and maintain cash flow. Due to the expenditure of expiring one-time fund, District restricted reserve balances are anticipated to decrease in the future.

While reserves are not necessarily equivalent to cash on hand, the districts with higher reserves generally have more cash available than other districts. The districts use cash to meet payroll and pay bills as they arise. The largest recurring expenditure for any school district consists of salaries for employees, which the districts pay throughout the year. The districts, however, do not receive all of their revenue on an even schedule.

Property tax revenue, for example, arrive in two large installments (in December and April). State funding, while historically paid more evenly throughout the year has been subject to large payment deferrals since 2008-09. By having adequate reserves, the District is able to manage cash flow without borrowing funds at interest, thus operating more efficiently.

California's tax system relies heavily on income taxes paid by individuals and businesses, which are quite volatile revenue sources. Since more than 40 percent of the state's General Fund expenditures relate to K-14 education, this volatility affects school funding. The districts can use reserves to even out fluctuations in state funding by increasing spending more slowly in strong economic times and reducing spending more slowly during downturns. In addition to revenue volatility, certain district expenditures (such as healthcare benefits or pension costs) can be difficult to predict precisely. The districts sometimes use reserves to address these cost increases rather than immediately reduce spending in other parts of their budgets.

Whereas the districts can anticipate some measure of volatility in their revenues and expenditures, other costs can arise unexpectedly. Examples include (1) special education costs for students with highly specialized needs; (2) an emergency facility repair related to a leaking roof, malfunctioning fire system, or gas leak; (3) a natural disaster, such as a drought or wildfire, that reduces student attendance and associated state funding; and (4) a lawsuit that results in a costly settlement or judgment against the district. The Districts facing these unanticipated costs often draw down their reserves to address them.

The districts often build up reserves in order to make large one-time purchases. This approach avoids the need to borrow money. For example, the districts commonly save for the upcoming replacement of (1) textbooks and related curricula; (2) computers and technology equipment; (3) school buses; and (4) equipment and facility components that have reached the end of their useful lives.

To finance the construction of school buildings and other capital projects, district usually borrow money from investors. Before borrowing, most districts obtain a rating from one of three major credit rating agencies (Moody's Investors Service, Standard & Poor's Ratings Services, and Fitch Ratings). These ratings indicate the likelihood that the districts will be able to repay their loans. The districts with the strongest ratings tend to pay the lowest interest rates because they represent a lower risk of defaulting on their loans. All three rating agencies consider reserves a significant factor in determining a district's rating, noting that reserves provide additional flexibility in times of stress. Moody's, for example, indicates that measures of General Fund reserves (in combination with cash on hand) are responsible for about 30 percent of its overall rating.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the community, investors, and creditors with a general overview of the District's financial condition and to show the District's accountability for the funding it receives. If you have questions about this report or need any additional financial information, contact:

Chris Johnston
Assistant Superintendent, Business Services
Pleasant Valley School District
600 Temple Avenue, Camarillo, California, 93010
Phone (805) 445-8628 Fax (805) 987-5511

BASIC FINANCIAL STATEMENTS

GOVERNMENT - WIDE FINANCIAL STATEMENTS

PLEASANT VALLEY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS	
Current assets:	
Cash in county treasury	$ 81,438,412
Revolving cash	5,251
Cash with the fiscal agent/trustee	21,104,904
Accounts receivable	10,457,517
Prepaid expenses	5,286
Total current assets	113,011,370
Noncurrent assets	
Land	14,908,761
Construction in progress	6,108,166
Depreciable assets, net	69,695,024
Total noncurrent assets	90,711,951
Total assets	203,723,321
Deferred outflows of resources	
Deferred outflows of resources - pension	19,363,808
Deferred outflows of resources - OPEB	1,206,656
Total deferred outflows of resources	20,570,464
Total assets and deferred outflows of resources	224,293,785
LIABILITIES	
Current liabilities	
Accounts payable	11,287,887
Accrued interest	2,777,449
Unearned revenue	187,912
Current portion of long-term obligations	6,770,000
Total current liabilities	21,023,248
Noncurrent liabilities	
Noncurrent portion of long-term obligations	177,596,038
Total noncurrent liabilities	177,596,038
Total liabilities	198,619,286
Deferred inflows of resources	
Deferred inflows of resources - pension	9,986,026
Deferred inflows of resources - OPEB	1,396,743
Total deferred inflows of resources	11,382,769

Continued...

PLEASANT VALLEY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

NET POSITION	
Net investment in capital assets	$ (3,231,503)
Restricted for:	
Debt services	-
Capital projects	39,097,965
Educational programs	6,746,313
Other activities	1,168,219
Unrestricted (Deficit)	(29,489,264)
Total net position	14,291,730
Total liabilities, deferred inflows of resources and net position	$ 224,293,785

The accompanying notes are an integral part of these financial statements.

PLEASANT VALLEY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

		Program Revenues		Net (Expense)/ Revenue and Changes in Net Positions
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction	$ 45,098,944	$ 1,716	$ 18,248,193	$ (26,849,035)
Instruction-related activities				
School site administration	3,226,477	184	661,810	(2,564,483)
Instructional library, media and technology	2,483,188	-	2,351	(2,480,837)
Instructional supervision and administration	5,082,096	-	1,361,610	(3,720,486)
Pupil services				
Home-to-school transportation	1,048,898	-	76,288	(972,610)
Food services	2,556,145	(432)	4,794,177	2,237,600
All other pupil services	4,741,930	989	764,672	(3,976,269)
General administration				
Data processing	673,863	-	-	(673,863)
All other administration	4,907,951	56	490,143	(4,417,752)
Plant services	6,314,860	1,356	141,524	(6,171,980)
Facility acquisition and construction	4,427,073	76,779	1,236,922	(3,113,372)
Ancillary services	159,268	44	114,088	(45,136)
Community services	2,357,226	-	2,092,114	(265,112)
Interest on long-term obligations	3,810,643	-	-	(3,810,643)
Other outgo	5,779,969	33,838	1,143,817	(4,602,314)
Depreciation (Unallocated)	1,704,375	-	-	(1,704,375)
Total governmental activities	$ 94,372,906	$ 114,530	$ 31,127,709	(63,130,667)
General revenues and subventions:				
Taxes and subventions:				
Property taxes, levied for general purposes				32,142,474
Property taxes, levied for debt service				7,967,826
Taxes levied for other specific purposes				735,505
Federal and state aid not restricted to specific purposes				32,162,496
Interest and investment earnings				890,090
Interagency revenues				360,908
Miscellaneous revenues				2,951,158
Total general revenues				77,210,457
Change in net position				14,079,790
Net position - beginning				211,940
Net position - ending				$ 14,291,730

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

PLEASANT VALLEY SCHOOL DISTRICT
BALANCE SHEET- GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Building Fund	Bond Interest and Redemption Fund
ASSETS			
Cash in county treasury	$ 27,697,233	$ 35,721,601	$ 7,262,193
Cash with fiscal agent	-	-	21,104,904
Revolving cash	5,251	-	-
Accounts receivable	8,597,341	473,814	76,240
Due from other funds	135,810	5,264	-
Prepaid expenditures	5,286	-	-
Total assets	36,440,921	36,200,679	28,443,337
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	8,814,085	2,266,128	-
Due to other funds	63,837	-	-
Unearned revenue	187,912	-	-
Total liabilities	9,065,834	2,266,128	-
FUND BALANCES			
Nonspendable	11,037	-	-
Restricted	11,970,375	33,927,106	28,443,337
Committed	6,048,019	-	-
Assigned	6,746,313	7,445	-
Unassigned	2,599,343	-	-
Total fund balances	27,375,087	33,934,551	28,443,337
Total liabilities and fund balances	$ 36,440,921	$ 36,200,679	$ 28,443,337

The accompanying notes are an integral part of these financial statements.

PLEASANT VALLEY SCHOOL DISTRICT
BALANCE SHEET- GOVERNMENTAL FUNDS
JUNE 30, 2023

	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS		
Cash in county treasury	$ 10,757,385	$ 81,438,412
Cash with fiscal agent	-	21,104,904
Revolving cash	-	5,251
Accounts receivable	1,310,122	10,457,517
Due from other funds	63,837	204,911
Prepaid expenditures	-	5,286
Total assets	12,131,344	113,216,281
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	207,674	11,287,887
Due to other funds	141,074	204,911
Unearned revenue	-	187,912
Total liabilities	348,748	11,680,710
FUND BALANCES		
Nonspendable	-	11,037
Restricted	8,871,852	83,212,670
Committed	-	6,048,019
Assigned	2,910,744	9,664,502
Unassigned	-	2,599,343
Total fund balances	11,782,596	101,535,571
Total liabilities and fund balances	$ 12,131,344	$ 113,216,281

The accompanying notes are an integral part of these financial statements.

PLEASANT VALLEY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total fund balances - governmental funds		$ 101,535,571
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. These assets consist of:		
Land	14,908,761	
Construction in progress	6,108,166	
Depreciable assets, net	69,695,024	90,711,951
In governmental funds, deferred outflows and inflows of resources related to pension and OPEB are not reported because they are applicable to future periods. Deferred outflows and inflows of resource at year-end consist of:		
Deferred outflows of resources related to pension	19,363,808	
Deferred outflows of resources related to OPEB	1,206,656	
Deferred inflows of resources related to pension	(9,986,026)	
Deferred inflows of resources related to OPEB	(1,396,743)	9,187,695
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 year-end consist of:		
General obligation bonds payable	(107,250,000)	
Premium on issuance	(7,798,358)	
Compensated absences (vacations)	(418,169)	
Net pension liability	(60,550,321)	
OPEB liability	(8,349,190)	(184,366,038)
In governmental funds, unmatured interest on long-term obligations are recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term obligations are recognized when it is incurred.		(2,777,449)
Total net position - governmental activities		$ 14,291,730

The accompanying notes are an integral part of these financial statements.

PLEASANT VALLEY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Building Fund	Bond Interest and Redemption Fund
REVENUES			
Local control funding formula sources	$ 61,948,558	$ -	$ -
Federal sources	8,182,446	-	-
Other state sources	11,232,696	-	44,541
Other local sources	8,804,735	1,028,338	8,064,592
Total revenues	90,168,435	1,028,338	8,109,133
EXPENDITURES			
Current			
Instruction	49,663,943	-	-
Instruction - related services			
School site administration	3,204,352	-	-
Instructional library, media, and technology	2,483,188	-	-
Instructional supervision and administration	5,062,840	-	-
Pupil services			
Home-to-school transportation	1,048,933	-	-
Food services	21,508	-	-
All other pupil services	4,679,657	-	-
General administration			
Data processing	673,863	-	-
All other administration	4,773,577	-	-
Plant services	5,716,567	253,530	-
Facility acquisition and construction	88	13,659,598	-
Ancillary services	159,268	-	-
Community services	1,377,001	-	-
Other outgo	5,779,969	-	-
Debt service			
Principal	-	-	2,640,000
Interest	-	-	3,780,745
Total expenditures	84,644,754	13,913,128	6,420,745
Excess/(deficiency) of revenues over expenditures	5,523,681	(12,884,790)	1,688,388
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(35)	-	-
Net financing sources (uses)	(35)	-	-
Net change in fund balance	5,523,646	(12,884,790)	1,688,388
Fund balances - beginning	21,851,441	46,819,341	26,754,949
Fund balances - ending	$ 27,375,087	$ 33,934,551	$ 28,443,337

The accompanying notes are an integral part of these financial statements.

PLEASANT VALLEY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES		
Local control funding formula sources	$ 546,621	$ 62,495,179
Federal sources	2,072,753	10,255,199
Other state sources	3,564,272	14,841,509
Other local sources	2,963,143	20,860,808
Total revenues	9,146,789	108,452,695
EXPENDITURES		
Current		
Instruction	123,872	49,787,815
Instruction - related services		
School site administration	22,125	3,226,477
Instructional library, media, and technology	-	2,483,188
Instructional supervision and administration	19,256	5,082,096
Pupil services		
Home-to-school transportation	(35)	1,048,898
Food services	2,534,637	2,556,145
All other pupil services	62,273	4,741,930
General administration		
Data processing	-	673,863
All other administration	134,374	4,907,951
Plant services	344,763	6,314,860
Facility acquisition and construction	1,075,367	14,735,053
Ancillary services	-	159,268
Community services	980,225	2,357,226
Other outgo	-	5,779,969
Debt service		
Principal	-	2,640,000
Interest	-	3,780,745
Total expenditures	5,296,857	110,275,484
Excess/(deficiency) of revenues over expenditures	3,849,932	(1,822,789)
OTHER FINANCING SOURCES (USES)		
Transfers in	35	35
Transfers out	-	(35)
Net financing sources (uses)	35	-
Net change in fund balance	3,849,967	(1,822,789)
Fund balances - beginning	7,932,629	103,358,360
Fund balances - ending	$ 11,782,596	$ 101,535,571

The accompanying notes are an integral part of these financial statements.

PLEASANT VALLEY SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Total net change in fund balances - governmental funds		$ (1,822,789)
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Capital outlay to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.		
This is the amount by which capital outlay exceeds depreciation in the period.		
Capital outlays	10,307,980	
Depreciation	(1,704,375)	
Net expense adjustment		8,603,605
In governmental funds, pension costs are recognized when the employer contribution is made, but in the statement of activities, pension costs are recognized on the accrual basis. The difference between accrual basis pension costs and actual employer contributions were:		4,369,112
In governmental funds, OPEB costs are recognized when the health and welfare payments are made, but in the statement of activities, OPEB costs are recognized on the accrual basis. The difference between accrual basis OPEB costs and actual health and welfare payments were:		389,430
Payment of principal on long-term obligations is reported as an expenditure in the governmental funds, but it reduces long-term obligations in the Statement of Net Position and does not affect the Statement of Activities.		2,640,000
Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:		
Amortization of General Obligation Bonds Premium	358,780	
Compensated absence expenses	(69,670)	
Change in accrued interest	(388,678)	(99,568)
Change in net position of governmental activities		$ 14,079,790

The accompanying notes are an integral part of these financial statements.

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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*, updated to conform to the most current financial and reporting requirements promulgated by the California Department of Education. The accounting policies of the District conform to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The significant accounting policies applicable to the District are described below.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with GAAP as prescribed by GASB. The financial statement presentation required by GASB provides a comprehensive, entity-wide perspective of the District's financial activities. The entity-wide perspective enhances the fund-group perspective previously required.

The District's basic financial statements consist of government-wide financial statements, including a statement of net position, a statement of activities, and fund financial statements.

Government-Wide Financial Statements

The statement of net position and the statement of activities displays information about the District as a whole. These statements include the financial activities of the primary government. Fiduciary funds are excluded.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program.

Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District. Depreciation and interest expense have not been allocated to specific functions.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

The fund financial statement expenditures are presented in a function-oriented format. The following is a brief description of the functions:

Instruction: includes the activities directly dealing with the interaction between teachers and students.

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

Instruction-Related Services: includes supervision of instruction, instructional library, media and technology, and school site administration.

Pupil Services: includes home to school transportation, food services, and other pupil services.

Ancillary Services: includes activities that are generally designed to provide students with experiences outside the regular school day.

Community Services: includes activities that provide services to community participants other than students.

General Administration: includes data processing services and all other general administration services.

Plant Services: includes activities of maintaining the physical plant. This also includes facilities acquisition and construction expenditures.

Other Outgo: includes transfers to other agencies.

Debt Service: includes principal and interest payments for long term debt.

Fund Accounting

To ensure compliance with the California Education Code, the financial resources of the District are divided into separate funds for which separate accounts are maintained for recording cash, other resources and all related liabilities, obligations, and equities.

The statement of revenues, expenditures, and changes in fund balances are statements of financial activities of the particular fund related to the current reporting period. Expenditures of the various funds frequently include amounts for land, buildings, equipment, retirement of indebtedness, transfers to other funds, etc. Consequently, these statements do not purport to present the result of operations or the net income or loss for the period as would a statement of income for a profit-type organization. The modified accrual basis of accounting is used for all governmental funds.

Governmental Funds – Major

General Fund: used to account for all financial resources except those accounted for in another fund.

Building Fund: used to account for resources received from old bond issues and the sale of school sites. The resources are to be used for future construction.

Bond Interest and Redemption Fund: used to collect taxes and pay for debt service associated with general obligation bonds.

Governmental Funds – Nonmajor

Special Revenue Funds: used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

Child Development Fund: used to account for resources committed to child development programs.

Cafeteria Fund: used to account for revenues received and expenditures made to operate the District's cafeterias.

Deferred Maintenance Fund: used for the purpose of major repair or replacement of District property. The District has taken formal action to commit state apportionment funding from the local control funding formula to this fund for the continued operation of the original program. The fund, therefore, meets the requirements to be reported as a Special Revenue fund.

Pupil Transportation Equipment Fund: This fund is used to account separately for state and local revenues specifically for the acquisition, rehabilitation, or replacement of equipment used to transport students (Education Code Section 41852(b).

Capital Projects Funds: used to account for the financial resources that are restricted, committed, or assigned for the acquisition and/or construction of major governmental general fixed assets.

Capital Facilities Fund: used to account for resources received from residential and commercial developer impact fees.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied. Revenues in governmental fund financial statements are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash in the county treasury is recorded at cost, which approximates fair value.

Receivables

Receivables are generally recorded when the amount is earned and can be estimated. All material receivables are considered fully collectible. Per *Education Code Section 33128.1*, a local education agency may recognize for budgetary and financial reporting purposes any amount of state appropriations deferred from the current fiscal year and appropriated from the subsequent fiscal year for payment of current year costs as a receivable in the current year.

Prepaid (Expenses)/ Expenditures

Payments made to vendors for goods or services that will benefit periods beyond June 30, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense/expenditure is reported in the year in which goods or services are consumed.

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

Capital Assets

Generally, capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the Statement of Net Position, but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of $5,000. The District does not own any infrastructure as defined by GASB. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets except for land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Asset Class	Estimated useful lives
Buildings and Improvements	15 - 50 years
Machinery, Equipment, and Vehicles	5 - 20 years

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. These amounts are reported in the government-wide statement of net position.

Deferred Outflows - OPEB: The deferred outflows of resources related to OPEB benefits results from the effects of actuarially-determined changes to the OPEB plan. These amounts are deferred and amortized as detailed in Note 11 to the financial statements.

Deferred Outflows - Pension: The deferred outflows of resources related to pensions resulted from District contributions to employee pension plans subsequent to the measurement date of the actuarial valuations for the pension plans and the effects of actuarially-determined changes to the pension plan. These amounts are deferred and amortized as detailed in Note 12 to the financial statements.

Unearned Revenue

Cash received for federal and state special projects and programs is recognized as revenue to the extent that qualified expenditures have been incurred. Unearned revenue is recorded to the extent eligibility requirements have not been met.

Long-Term Obligations

The District reports long-term debt of governmental funds at face value in the government-wide financial statements. Bond premiums are deferred and amortized over the life of the bonds using the straight-line method. General obligation bonds are reported net of the applicable bond premium. In the fund financial statements, governmental fund types recognize bond premiums during the current period. The face amount of debt issued and premiums received on debt issuances are reported as other financing sources.

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

Postemployment Benefits Other Than Pensions (OPEB)

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

Net Pension Liability

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

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as a liability when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Sick leave benefits are accumulated without limit for each employee. The employees do not gain a vested right to accumulated sick leave, therefore, accumulated employee sick leave benefits are not recognized as a liability of the District. The District's policy is to record sick leave as an operating expense in the period taken. However, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position by the District that is applicable to a future reporting period.

Deferred Inflows – OPEB: The deferred inflows of resources related to OPEB benefits results from changes in assumptions. These amounts are deferred and amortized as detailed in Note 11 to the financial statements.

Deferred Inflows – Pension: The deferred inflows of resources related to pensions resulted from the effects of actuarially-determined changes to the pension plan. These amounts are deferred and amortized as detailed in Note 12 to the financial statements.

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

Leases

Lessee

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

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

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

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

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

Lessor

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

Net Position

Net position represents the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvements of those assets. Net position is reported as restricted when there are limitations imposed on use through external restrictions imposed by donors, grantors, laws or regulations of other governments or by enabling legislation adopted by the District.

Fund Balance Classification

The governmental fund financial statements present fund balance classifications that comprise a hierarchy based on the extent to which the District is bound to honor constraints on the specific purposes for which amounts can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable - Amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted - Amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District Board of Trustees. These amounts cannot be used for any other purpose unless the District Board of Trustees removes or changes the specified use by taking the same formal action (vote or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. The Board of Trustees, through a formal action has given authority to Chief Business Official to assign amounts for a specific purpose that is neither restricted nor committed.

Unassigned - The residual fund balance for the General Fund and all other spendable amounts.

Spending Order Policy

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted net position or fund balance is available.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District's policy considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment functions.

Minimum Fund Balance Policy

The District does not have a written minimum fund balance policy. To protect against revenue shortfalls and unexpected one-time expenditures, the District has maintained a reserve for economic uncertainties consisting of unassigned amounts equivalent to 3% of budgeted General Fund expenditures and other financing uses. These amounts represent the minimum recommended reserve consistent with the criteria and standards for fiscal solvency adopted by the State Board of Education. In addition, the District has maintained an additional Budget Stabilization consisting of unassigned amounts to assist in economic uncertainties.

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

State Apportionments

Certain current year apportionments from the state are based upon various financial and statistical information of the previous year. Second period to annual corrections for local control funding formula and other state apportionments (either positive or negative) are accrued at the end of the fiscal year.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1st. Taxes are payable in two installments on November 1st and February 1st. Unsecured property taxes are payable in one installment on or before August 31st.

Real and personal property tax revenues are reported in the same manner in which the county auditor records and reports actual property tax receipts to the California Department of Education. This is generally on a cash basis. A receivable has not been recognized in the General Fund for property taxes due to the fact that any receivable is offset by a payable to the state for local control funding formula purposes. Property taxes for debt service purposes cannot be estimated and have not been accrued in the government-wide financial statements.

On-Behalf Payments

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of California makes direct on-behalf payments for retirement benefits to the State Teachers' Retirement System on behalf of all school districts in California.

Contributed Services

Generally accepted accounting principles require that contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are to be recorded at fair value in the period received. Although the District receives numerous hours of volunteer time, it is not deemed necessary to record these hours on the books of the District based on the above guidelines. In addition, the District receives donations of immaterial equipment and supplies which are not recorded upon receipt.

Estimates

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

Reporting Entity

The District is the level of government primarily accountable for activities related to public education. The governing authority consists of elected officials who, together, constitute the Board of Trustees.

The District considered its financial and operational relationships with potential component units under the reporting entity definition of GASB. The basic, but not the only, criterion for including another organization in the District's reporting entity for financial reports is the ability of the District's elected officials to exercise oversight responsibility over such agencies. Oversight responsibility implies that one entity is dependent on another and a financial benefit or burden relationship is present and that the dependent unit should be reported as part of the other.

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

Oversight responsibility is derived from the District's power and includes, but is not limited to: financial interdependency; selection of governing authority; designation of management; ability to significantly influence operations; and accountability for fiscal matters.

Due to the nature and significance of their relationship with the District, including ongoing financial support of the District or its other component units, certain organizations warrant inclusion as part of the financial reporting entity. A legally separate, tax-exempt organization should be reported as a component unit of the District if all of the following criteria are met:

- The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the District, its component units, or its constituents.
- The District, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
- The economic resources received or held by an individual organization that the District, or its component units, is entitled to, or has the ability to otherwise access, are significant to the District.

Based upon the application of the criteria listed above, the following potential component units have been excluded from the District's reporting entity:

The Pleasant Valley Education Foundation: The Foundation is a separate not-for-profit corporation. The Foundation is not included as a component unit because the third criterion was not met; the economic resources received and held by the Foundation are not significant to the District. Separate financial statements for the Foundation may be obtained through the District.

Various PTA, PTO, and Booster Clubs: Each of these types of organizations at each of the school sites within the District were evaluated using the three criterion listed above. Each entity has been excluded as a component unit because the third criterion was not met in all cases; the economic resources received and held by the PTA, PTO, and Booster Club individually are not significant to the District.

Current Accounting Pronouncements

The GASB has issued several accounting pronouncements, which are effective for the District during the year.

Implementation of GASB Statement No. 91

As of July 1, 2022, the District adopted GASB Statement No. 91, Conduit Debt Obligations. The objective of this Statement is to better meet the information needs of financial statement users by enhancing the comparability and consistency of conduit debt obligation reporting and reporting of related transactions and other events by state and local government issuers. The implementation of this standard eliminates the option for issuers of conduit debt to recognize a liability for this debt on their financial statements. In addition, it requires issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations. As a result, there is no material effect of the implementation of this standard on the beginning net position.

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

Implementation of GASB Statement No. 94

As of July 1, 2022, the District adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements (APA)*. The implementation of this standard establishes standards of accounting and financial reporting for PPPs and APAs. The standard requires recognition of an asset, receivable, and deferred inflow of resources. {to be modified depending on the structure of the arrangement}. There was not a significant effect on the District's financial statements as a result of the implementation of the standard.

As of July 1, 2022, the District adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements (APA)*. The implementation of this standard establishes standards of accounting and financial reporting for PPPs and APAs. The standard requires recognition of a right-to-use asset-intangible asset and a corresponding, liability {to be modified depending on the structure of the arrangement}. There was not a significant effect on the District's financial statements as a result of the implementation of the standard.

Implementation of GASB Statement No. 96

As of July 1, 2022, the District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The implementation of this standard establishes that a SBITA results in a right-to-use subscription IT asset - an intangible asset - and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. There was not a significant effect on the District's financial statements as a result of the implementation of the standard.

GASB Statement No. 99, Omnibus 2022 (lease, PPPs, and SBITAs)

GASB Statement No. 99, Omnibus 2022 (financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53)

New Accounting Pronouncements

GASB Statement No. 100, Accounting Changes and Error Corrections - an Amendment of GASBs No. 64

GASB Statement No. 101, Compensated Absences

The District had no reportable impacts for the fiscal year 2023.

NOTE 2 - BUDGET

By state law, the District's Governing Board must approve a budget no later than July 01, using the Single Adoption Budget process. A public hearing must be conducted to receive comments prior to adoption. The District's Governing Board satisfied these requirements. Budgets for all governmental funds were adopted on a basis consistent with GAAP.

These budgets are revised by the District's Governing Board during the year to give consideration to unanticipated income and expenditures. The original and final revised budget for the General Fund is presented in a budgetary comparison schedule in the required supplementary section.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. Expenditures cannot legally exceed appropriations by major object account.

NOTE 3 - DEPOSITS AND INVESTMENTS

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial risk. As of June 30, 2023, none of the District's bank balance was exposed to credit risk as uninsured and uncollateralized.

Cash in County

In accordance with *Education Code Section 41001*, the District maintains substantially all of its cash in the Ventura County Treasury as part of the common investment pool. These pooled funds are carried at amortized cost which approximates fair value. Fair value of the pooled investments as of June 30, 2023 is measured at 97.80% of amortized cost. The District's deposits in the fund are considered to be highly liquid.

The county is authorized to deposit cash and invest excess funds by *California Government Code Sections 53534, 53601, 53635 and 53648*. The county is restricted to invest time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase of reverse repurchase agreements. The funds maintained by the county are either secured by federal depository insurance or are collateralized. The county investment pool is not required to be rated. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The county investment pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. California Government Code statutes and the County Board of Supervisors set forth the various investment policies that the County Treasurer follow. The method used to determine the value of the participant's equity withdrawn is based on the book value, which is amortized costs, of the participant's percentage participation on the date of such withdrawals.

The pool sponsor's annual financial report may be obtained from the Ventura County Board of Supervisors, County Government Center, 800 South Victoria Avenue, Ventura, CA 93009.

Cash with the fiscal agents/trustee

The District maintains $21,104,904 cash with the bond trustee. The bond trustee invests the funds as authorized under the bond indenture.

NOTE 4 - ACCOUNTS RECEIVABLE

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

	General Fund	Building Fund	Bond Interest and Redemption Fund	Nonmajor Governmental Funds	Total Governmental Funds
Federal Revenue	$ 6,693,706	$ -	$ -	$ -	$ 6,693,706
Other Local Revenue	1,024,374	473,814	76,240	369,671	1,944,099
Other State Revenue	879,261	-	-	940,451	1,819,712
Total accounts receivable	$ 8,597,341	$ 473,814	$ 76,240	$ 1,310,122	$ 10,457,517

NOTE 5 - ACCOUNTS PAYABLE

Accounts payable as of June 30, 2023 consists of the following:

	General Fund	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Federal Revenue	$ 646,578	$ -	$ -	$ 646,578
Other Local Revenue	6,568,794	2,266,128	57,215	8,892,137
Other State Revenue	1,598,713	-	150,459	1,749,172
Total accounts receivable	$ 8,814,085	$ 2,266,128	$ 207,674	$ 11,287,887

NOTE 6 - INTERFUND TRANSACTIONS

Interfund activity has been eliminated in the government-wide financial statements. The following balances and transactions are reported in the fund financial statements.

Interfund Receivables/Payables

Individual interfund receivable and payable balances at June 30, 2023 are temporary loans and are detailed as follows:

	Interfund Receivables	Interfund Payables
Major Fund:		
General Fund	$ 135,810	$ 63,837
Building Fund	5,264	-
Nonmajor Funds:		
Child Development Fund	36,030	67,281
Cafeteria Fund	27,807	68,529
Deferred Maintenance Fund	-	5,264
Total	$ 204,911	$ 204,911

NOTE 7 - FUND BALANCES

The following amounts were nonspendable, restricted, committed, assigned, or unassigned as shown below:

	General Fund	Building Fund	Bond Interest and Redemption Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Cash in Revolving Fund	$ 5,751	$ -	$ -	$ -	$ 5,751
Prepaid Expenditures	5,286	-	-	-	5,286
Total Nonspendable	11,037	-	-	-	11,037
Restricted:					
Legally Restricted Programs	11,970,375	-	-	-	11,970,375
Child Development: Coronavirus Response and Relief	-	-	-	24,787	24,787
Child Development: ARP California State Preschool Program	-	-	-	30,600	30,600
Child Nutrition: School Programs	-	-	-	3,645,606	3,645,606
Capital Projects	-	33,927,106	-	5,170,859	39,097,965
Debt Service	-	-	28,443,337	-	28,443,337
Total Restricted	11,970,375	33,927,106	28,443,337	8,871,852	83,212,670
Committed:	6,048,019	-	-	-	6,048,019
Assigned:					
Special Education Program	6,746,313	-	-	-	6,746,313
Child Care Program	-	-	-	1,168,219	1,168,219
Deferred Maintenance	-	-	-	1,742,373	1,742,373
Building	-	7,445	-	-	7,445
Vehicle purchase reserve	-	-	-	152	152
Total Assigned	6,746,313	7,445	-	2,910,744	9,664,502
Unassigned	2,599,343	-	-	-	2,599,343
Total Fund Balance	$ 27,375,087	$ 33,934,551	$ 28,443,337	$ 11,782,596	$ 101,535,571

NOTE 8 - CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the fiscal year ended June 30, 2023, is shown below:

	Balance July 01, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets not being depreciated:				
Land	$ 14,908,761	$ -	$ -	$ 14,908,761
Construction in progress	4,879,941	1,228,225	-	6,108,166
Total capital assets not being depreciated	19,788,702	1,228,225	-	21,016,927
Capital assets being depreciated:				
Buildings	114,414,967	3,975,806	-	118,390,773
Site improvements	9,403,661	4,347,327	-	13,750,988
Machinery, equipment, and vehicles	8,109,830	756,622	(9,587)	8,856,865
Total capital assets being depreciated	131,928,458	9,079,755	(9,587)	140,998,626
Less: accumulated depreciation:				
Buildings	(62,320,373)	(876,632)	-	(63,197,005)
Site improvements	(2,979,983)	(634,575)	-	(3,614,558)
Machinery, equipment, and vehicles	(4,308,458)	(193,168)	9,587	(4,492,039)
Total accumulated depreciation	(69,608,814)	(1,704,375)	9,587	(71,303,602)
Depreciable assets, net	62,319,644	7,375,380	-	69,695,024
Capital assets, net	$ 82,108,346	$ 8,603,605	$ -	$ 90,711,951

NOTE 9 - LONG-TERM DEBT

A schedule of changes in long-term debt for the year ended June 30, 2023 is shown below:

	Balance July 01, 2022	Additions	Deductions	Balance June 30, 2023	Due in One Year
General obligation (GO) bonds	$ 109,890,000	$ -	$ 2,640,000	$ 107,250,000	$ 6,770,000
Premium on GO bonds	8,157,138	-	358,780	7,798,358	-
Total GO bonds	118,047,138	-	2,998,780	115,048,358	6,770,000
Other Postemployment Benefits (OPEB)	8,782,082	-	432,892	8,349,190	-
Net Pension Liability	36,370,705	24,179,616	-	60,550,321	-
Compensated Absences	348,499	69,670	-	418,169	-
Total	$ 163,548,424	$ 24,249,286	$ 3,431,672	$ 184,366,038	$ 6,770,000

Liabilities for the OPEB, net pension liability, and compensated absences are liquidated by the fund recording the associated salary expenses. General obligation bond liabilities are liquidated through property tax collections as administered by the County Controller's office through the Bond Interest and Redemption Fund.

NOTE 10 - GENERAL OBLIGATION BONDS

Measure T

On November 04, 1997, the voters approved the issuance of bonds (Measure T) not to exceed $49,000,000 for the construction of new classrooms and other school facilities. Between 1998 and 2001, the District issued bonds, Series A through Series D, totaling $49,000,000. In 2002, the District issued a refunding bond for $45,825,000 to advance refund the outstanding Series A through Series D bonds.

On December 02, 2021, the voters approved the issuance of bonds not to exceed $21,305,000 to refinance (on an advance basis) a portion of the 2018 Series A Bond (redemption date August 1, 2026). The Escrow Bank will hold the amounts in the Escrow Fund and will be solely used to pay the Refunded Bonds.

Measure C

On June 05, 2018, the voters approved the issuance of bonds (Measure C) not to exceed $119,000,000 for the renovation, construction, and improvement of school facilities. On October 02, 2018 the District issued $40,000,000 of Series A bonds.

On December 02, 2021, the voters approved the issuance of bonds not to exceed $40,000,000 to improve the quality of education, repair/replace leaky roofs; increase energy efficiency; modernize and construct classrooms, restrooms, and school facilities; and improve student access to modern technology. General Obligation Bonds, Series B are the second series of bonds issued pursuant to the 2018 Authorization.

The outstanding general obligation bonded debt of the District as of June 30, 2023 is:

	Date of Issue	Date of Final Maturity	Interest Rate %	Amount of Original Issue	Outstanding June 30, 2023
Measure T:					
Refunding Bond	10/02/2002	08/01/2032	2.20-5.85	$ 45,825,000	$ 18,085,000
Refunding Bond	12/02/2021	08/01/2043	0.410-2.569	21,305,000	20,805,000
Measure C:					
Series A	10/02/2018	08/01/2043	3.00-5.00	40,000,000	31,860,000
Series B	12/02/2021	08/01/2046	4.00	40,000,000	36,500,000
Total				$147,130,000	$107,250,000

The refunding bond annual debt service requirements to maturity for general obligation bonds are as follows:

Years Ending June 30,	Principal	Interest	Total
2024	$ 2,250,000	$ 1,052,708	$ 3,302,708
2025	2,390,000	920,498	3,310,498
2026	2,540,000	780,098	3,320,098
2027	2,695,000	631,215	3,326,215
2028	2,860,000	473,265	3,333,265
2029-2032	5,350,000	513,923	5,863,923
Total	$ 18,085,000	$ 4,371,707	$ 22,456,707

NOTE 10 - GENERAL OBLIGATION BONDS - CONT'D

The refunding bonds annual debt service requirements to maturity for general obligation bonds are as follows:

Years Ending June 30,	Principal	Interest	Total
2024	$ 520,000	$ 559,773	$ 1,079,773
2025	265,000	557,191	822,191
2026	270,000	553,293	823,293
2027	275,000	549,321	824,321
2028	280,000	544,118	824,118
2029-2033	6,720,000	2,421,568	9,141,568
2033-2038	865,000	1,865,466	2,730,466
2039-2043	11,610,000	1,262,905	12,872,905
Total	$ 20,805,000	$ 8,313,635	$ 29,118,635

The Series A annual debt service requirements to maturity for general obligation bonds are as follows:

Years Ending June 30,	Principal	Interest	Total
2024	$ -	$ 1,465,675	$ 1,465,675
2025	-	1,465,675	1,465,675
2026	635,000	1,465,675	2,100,675
2027	730,000	1,433,925	2,163,925
2028	835,000	1,397,425	2,232,425
2029-2033	5,960,000	6,246,125	12,206,125
2034-2038	9,525,000	4,620,475	14,145,475
	14,175,000	2,215,950	16,390,950
Total	$ 31,860,000	$ 20,310,925	$ 52,170,925

The Series B annual debt service requirements to maturity for general obligation bonds are as follows:

Years Ending June 30,	Principal	Interest	Total
2024	$ 4,000,000	$ 1,380,000	$ 5,380,000
2025	1,100,000	1,300,000	2,400,000
2026	600,000	1,256,000	1,856,000
2027	-	1,232,000	1,232,000
2028	-	1,232,000	1,232,000
2029-2033	2,170,000	6,048,400	8,218,400
2034-2038	4,265,000	5,412,600	9,677,600
2039-2043	7,410,000	4,343,200	11,753,200
2044-2046	16,955,000	1,388,400	18,343,400
Total	$ 36,500,000	$ 23,592,600	$ 60,092,600

NOTE 11 - POSTEMPLOYMENT HEALTHCARE BENEFITS

The District administers a single-employer defined benefit, post-employment medical benefit plan (Retiree Benefits Plan) for qualified employees. In addition, some qualified certificated employees are participant in the Medicare Premium Payment Program, a cost-sharing defined benefit program administered through the California State Teachers' Retirement System (CalSTRS).

As of June 30, 2023, the District's total liability for post-employment healthcare benefits consisted of the following:

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Retiree Benefits Plan	$ 8,084,003	$ 1,206,656	$ 1,396,743	$ (357,921)
MPP Program	265,187	-	-	(31,509)
Total	$ 8,349,190	$ 1,206,656	$ 1,396,743	$ (389,430)

Retiree Benefits Plan

Plan Description and Eligibility

The District provides medical coverage to retirees based on the following provisions:

Retiree benefits for employees who retired on or before June 30, 1984: The District shall provide fully paid medical, dental and/or vision insurance premiums for employees and dependents of employees who retired on or before June 30, 1984, after reaching their 55th birthday, provided said employee had given ten (10) years of satisfactory service to the District. This coverage shall extend for the life of the retired employee.

Retiree benefits for employees hired on or before June 30, 1984, who retire after June 30, 1984: The District shall contribute not more than three thousand nine hundred dollars ($3,900) per year per retiree and dependents toward medical, dental and/or vision insurance premiums for all qualified employees and dependents of employees who retire after June 30, 1984, after reaching their 55th birthday, provided said employee had given twelve (12) consecutive years of satisfactory service to the District. This coverage shall extend for the life of the retired employee.

Retiree benefits for employees hired after June 30, 1984: The District shall contribute not more than twenty-four hundred dollars ($2,400) per year per employee and dependents of employees toward medical, dental and/or vision premiums for all employees hired subsequent to June 30, 1984. The employee shall be required to have reached their 60th birthday and shall be required to have served the District for fifteen (15) consecutive years. This coverage shall extend for the life of the retired employee.

Retiree benefits for employees hired after June 30, 1986 who are eligible for Medicare through District employment and who meet the qualifications of subsection C above receive benefits as outlined below: The District shall contribute not more than twenty-four hundred ($2,400) per year per employee and dependents of employees toward medical, dental and/or vision premiums until such time as the employee meets the eligibility requirements for Medicare.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

The Retiree Benefits Plan does not issue a separate financial report.

NOTE 11 - POSTEMPLOYMENT HEALTHCARE BENEFITS - CONT'D

As of June 30, 2023, membership of the District as of the valuation date consisted of the following:

Active employees eligible for future benefits	479
Retirees currently receiving benefits	209
Total	688

No information about any terminated, vested employees.

Funding Policy

The District currently finances benefits on a pay-as-you-go basis. The District contributes the cost of current year premiums for eligible retired plan members and their dependents as applicable. For the year ended June 30, 2023, the District contributed $569,601 to the plan for current year premiums.

Actuarial Methods and Assumptions

Actuarial assumptions

The total OPEB liability was determined based on an actuarial valuation as of June 30, 2023. The following actuarial assumptions used in the June 30, 2023 valuation, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Salary Increases	2.75%
Healthcare Costs Trend Rate	4.00%

Mortality assumptions are based on the 2020 CalSTRS mortality experience study for certificated employee types and the 2017 CalPERS mortality experience study for the classified employee types. CalSTRS and CalPERS periodically studies mortality for participating agencies and establish mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalSTRS and CalPERS analysis.

Discount rate

The discount rate used to measure the OPEB liability was 3.65%. The projection of cash flows used to determine the discount rate was based on the Bond Buyer 20 Bond Index.

Changes in the Total OPEB Liability

Total OPEB Liability	FY 2023
Beginning Balance	$ 8,485,386
Changes for the Year	
Service Cost	124,745
Interest Cost	289,302
Employer Contributions	(750,772)
Difference between expected and actual experience	-
Changes in Assumptions	(64,658)
Net Change in Total OPEB Liability	(401,383)
Ending Balance	$ 8,084,003

NOTE 11 - POSTEMPLOYMENT HEALTHCARE BENEFITS - CONT'D

Sensitivity

The following present the District's OPEB liability calculated using the discount rate of 3.65% as well as what the 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 rate:

Discount Rate	Total OPEB Liability
1% Decrease	$ 8,644,755
Current Discount Rate	$ 8,084,003
1% Increase	$ 7,592,670

The following present the District's OPEB liability calculated using the healthcare cost trend rate of 4.0%, as well as what the OPEB liability would be if it were calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

Healthcare Trend Rate	Total OPEB Liability
1% Decrease	$ 7,800,055
Current Healthcare Trend Rate	$ 8,084,003
1% Increase	$ 8,404,602

Amortization of Deferred Outflows and Deferred Inflows of Resources

The deferred outflows and inflows of resources related to OPEB resulted from changes in actuarial assumptions and differences between expected and actual experience as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ 645,997	$ 734,163
Differences Between Expected and Actual Experience	560,659	662,580
Total	$ 1,206,656	$ 1,396,743

The balances as of June 30, 2022 of the deferred outflows and inflows of resources will be recognized in OPEB expense for the year ending June 30, as follows:

Years Ending June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2024	$ 184,950	$ 206,146
2025	184,950	206,146
2026	184,950	206,146
2027	184,950	206,146
2028	182,778	206,146
Thereafter	284,078	366,013
Total	$ 1,206,656	$ 1,396,743

NOTE 11 - POSTEMPLOYMENT HEALTHCARE BENEFITS - CONT'D

Medicare Premium Payment Program (MPP)

Plan Description

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

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: *https://www.calstrs.com/general-information/gasb- 6768.*

Benefits Provided

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (STRP) Defined Benefit (DB) Program who were retired or began receiving a disability allowance prior to July 01, 2012 and were not eligible for premium free Medicare Part A.

Members who retire after July 01, 2012, are not eligible for coverage under the MPP Program.

As of June 30, 2022, 4,726 retirees participated in the MPP Program. The number of retired members who will participate in the program in the future is unknown as eligibility cannot be predetermined.

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

OPEB Liabilities and OPEB Expense

As of June 30, 2023, the District reported a liability of $265,187 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2022 and June 30, 2021, respectively, was 0.0805 percent, and 0.0743 percent, resulting in a net increase in the proportionate share of 0.0062 percent.

For the year ended June 30, 2023, the District recognized OPEB expense (income) of $(31,509).

NOTE 11 - POSTEMPLOYMENT HEALTHCARE BENEFITS - CONT'D

Actuarial Methods and Assumptions

The total OPEB liability for the MPP Program as of June 30, 2022, was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total OPEB liability to June 30, 2022. Significant actuarial methods and assumptions used in the financial reporting actuarial valuation to determine the total OPEB liability as of June 30, 2022, include:

Measurement date	June 30, 2022
Valuation date	June 30, 2021
Experience study	June 30, 2014 through June 30, 2018
Actuarial cost method	Entry age normal
Investment rate of return	3.54%
Medicare Part A premium cost trend rate*	4.50%
Medicare Part B premium cost trend rate*	5.40%

*The assumed increases in the Medicare Part A and Part B Cost Trend Rates vary by year; however, the increases are approximately equivalent to a 4.5% and 5.4% increase each year for Medicare Part A and Part B, respectively.

Future Enrollment

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

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 our members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP- 2019) table issued by the Society of Actuaries.

NOTE 11 - POSTEMPLOYMENT HEALTHCARE BENEFITS - CONT'D

Discount Rate

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

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

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

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

Discount Rate	Net OPEB Liability	
1% decrease (2.54%)	$	289,105
Current discount rate (3.54%)	$	265,187
1% increase (4.54%)	$	244,477

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

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

Medicare Costs Trend Rate	Net OPEB Liability	
1% decrease (3.5% Part A and 4.4% Part B)	$	243,319
Current Medicare costs trend rate (4.5% Part A and 5.4% Part B)	$	265,187
1% increase (5.5% Part A and 6.4% Part B)	$	289,976

NOTE 12 - EMPLOYEE RETIREMENT PLANS

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

As of June 30, 2023, the District's net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the retirement plans are as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense (income)
CalSTRS	$ 37,272,575	$ 11,696,263	$ 8,252,765	$ (3,671,197)
CalPERS	23,277,746	7,667,545	1,733,261	(697,915)
Total	$ 60,550,321	$ 19,363,808	$ 9,986,026	$ (4,369,112)

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

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

Benefits Provided

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 01, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service.

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

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

NOTE 12 - EMPLOYEE RETIREMENT PLANS - CONT'D

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

Provisions and Benefits	STRP Defined Benefit Program and Supplement Program	
Hire date	On or before December 31, 2012	On or after January 01, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	19.10%	19.10%
Required state contribution rate	10.828%	10.828%

Contributions

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

The CalSTRS Funding Plan established a schedule of contribution rate increases shared among members, employers and the state to bring CalSTRS toward full funding by 2046. California Senate Bill 90 (Chapter 33, Statutes of 2019) and California Assembly Bill 84 (Chapter 16, Statutes of 2020) (collectively, special legislation)–signed into law in June 2019 and June 2020, respectively–provided supplemental contributions to the DB Program along with supplemental contribution rate relief to employers through fiscal year 2022-23.

For the year ended June 30, 2023, the contributions reported as deferred outflows of resources related to pensions recognized as part of pension expense for each Plan were as follows:

	STRS	CalPERS
Contributions - employer	$ 5,060,008	$ 3,098,468
On behalf contributions - state	1,396,078	-
Total	$ 6,456,086	$ 3,098,468

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

As of June 30, 2023, the District reported 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:

NOTE 12 - EMPLOYEE RETIREMENT PLANS - CONT'D

Total net pension liability, including state share:

District's proportionate share of the net pension liability	$ 37,272,575
State's proportionate share of the net pension liability associated with the District	18,666,215
Total	$ 55,938,790

The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share for the measurement period June 30, 2022 and June 30, 2021, was a follows:

Measurement Dates	Fiscal Year	CalSTRS
June 30, 2021	2021-22	0.00049
June 30, 2022	2022-23	0.00054
Change - Increase (Decrease)		0.00005

For the year ended June 30, 2023, the District recognized pension expense (income) of $(3,671,197). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 6,456,086	$ -
Differences between expected and actual experience	30,575	2,794,666
Changes of assumptions	1,848,449	-
Changes in proportion	3,361,153	3,635,399
Net differences between projected and actual earnings on pension plan investments	-	1,822,700
Total	$ 11,696,263	$ 8,252,765

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

The remaining amount will be recognized to pension expense as follows:

Year Ended June 30,	Total Deferred Outflows (Inflows) of Resources
2024	$ (527,944)
2025	(2,203,670)
2026	(3,102,450)
2027	3,336,960
2028	(387,284)
Thereafter	(128,200)
Total	$ (3,012,588)

NOTE 12 - EMPLOYEE RETIREMENT PLANS - CONT'D

Actuarial Methods and Assumptions

The total pension liability for the STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022. In determining the total pension liability, the financial reporting actuarial valuation, used the following methods and assumptions:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Experience study	July 01, 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%
Postretirement benefit increases	2% simple for DB (annually) maintain 85% purchasing power level for DB, Not applicable for DBS/CBB

*Net of investment expenses but gross of administrative expenses.

Discount Rate

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

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

The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2022, are summarized in the following table:

NOTE 12 - EMPLOYEE RETIREMENT PLANS - CONT'D

Asset Class	Assumed Asset Allocation	Long-term Expected Real Rate of Return**
Public equity	42.0 %	4.80 %
Real estate	15.0 %	3.60 %
Private equity	13.0 %	6.30 %
Fixed income	12.0 %	1.30 %
Risk mitigating strategies	10.0 %	1.80 %
Inflation sensitive	6.0 %	3.30 %
Cash/liquidity	2.0 %	(0.40)%

**20-year average

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 our members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table issued by the Society of Actuaries.

Uses of assumptions and methods

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (salaries, credited service, etc.) and assumptions about the probability of occurrence of events far into the future (mortality, disabilities, retirements, employment terminations, etc.). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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:

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 63,302,656
Current discount rate (7.10%)	$ 37,272,575
1% increase (8.10%)	$ 15,659,781

NOTE 12 - EMPLOYEE RETIREMENT PLANS - CONT'D

California Public Employees Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/employers/actuarial-resources/gasb.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 01, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed.

An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 01, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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

Provisions and Benefits	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 Years of Service	5 Years of Service
Benefit payments	Monthly for Life	Monthly for Life
Retirement age	55	62
Required employee contribution rate	7.00%	8.00%
Required employer contribution rate	25.37%	25.37%

Contributions

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

NOTE 12 - EMPLOYEE RETIREMENT PLANS - CONT'D

The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2023, are presented above and the total District contributions were $3,098,468.

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

As of June 30, 2023, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $23,277,746. The net pension liability was measured as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined.

The District's proportionate share for the measurement period June 30, 2022 and June 30, 2021, was a follows:

Measurement Dates	Fiscal Year	CalPERS
June 30, 2021	2021-22	0.000681
June 30, 2022	2022-23	0.000677
Change - Increase (Decrease)		(0.000004)

For the year ended June 30, 2023, the District recognized pension expense (income) of $(697,915). As of June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 3,098,468	$ -
Differences Between Expected and Actual Experience	105,202	579,180
Changes of Assumptions	1,721,955	-
Changes in Proportion	(6,549)	1,154,081
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	2,748,469	-
Total	$ 7,667,545	$ 1,733,261

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

The remaining amount will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows (Inflows) of Resources
2024	$ 318,094
2025	552,779
2026	317,102
2027	1,647,841
Total	$ 2,835,816

NOTE 12 - EMPLOYEE RETIREMENT PLANS - CONT'D

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with updated procedures used to roll forward the total pension liability to June 30, 2022.

The total pension liability was based on the following assumptions:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Investment rate of return	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and service
Mortality rate table*	Derived using CalPERS' membership data for all funds
Post-retirement benefit increase	2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

* - The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries scale 90% of scale MP-2016.

Long-term Expected Rate of Return

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long term projected portfolio return.

The expected real rates of return by asset class are as follows:

Asset Class*	Assumed Asset Allocation	Real Return Years 1-10*,**
Global equity -cap weighted	30 %	4.45 %
Global equity -non cap weighted	12 %	3.84 %
Private equity	13 %	7.28 %
Treasury	5 %	0.27 %
Mortgage -backed securities	5 %	0.50 %
Investment grade corporates	10 %	1.56 %
High yield	5 %	2.27 %
Emerging market debt	5 %	2.48 %
Private debt	5 %	3.57 %
Real assets	15 %	3.21 %
Leverage	(5)%	(0.59)%

*An expected inflation of 2.30% used for this period.

**Figures are based on the 2021-22 Asset Liability Management study.

NOTE 12 - EMPLOYEE RETIREMENT PLANS - CONT'D

Discount Rate

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

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 6.90 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 (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

Discount rate	Net Pension Liability	
1% decrease (5.90%)	$	33,625,883
Current discount rate (6.90%)	$	23,277,746
1% increase (7.90%)	$	14,725,391

Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan.

Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS and STRS annual comprehensive financial reports.

NOTE 13 - JOINT POWERS AGREEMENTS

The District participates in two joint power agreement (JPA) entities, the Ventura County Schools Self-Funding Authority (VCSSFA) and the Self-Insured Schools of California (SISC).

VCSSFA provides workers’ compensation, property and liability coverage for its member school districts. The District pays a contribution commensurate with the level of coverage requested. SISC arranges for health and welfare benefits for employees and retirees of participating school districts and their eligible dependents. Member districts pay a monthly premium per eligible participant.

Each JPA is governed by a board consisting of a representative from each member district. Each governing board controls the operations of its JPA independent of any influence by the District beyond the District's representation on the governing boards.

NOTE 13 - JOINT POWERS AGREEMENTS - CONT'D

Each JPA is independently accountable for its fiscal matters. VCSSFA and SISC maintain their own accounting records. Budgets are not subject to any approval other than that of the respective governing boards. Member districts share surpluses and deficits proportionately to their participation in the JPA. Claims have not exceeded coverage in any of the past three fiscal years. Separate financial statements for each JPA may be obtained from the respective entity.

The relationships between the District and the JPAs are such that neither JPA is a component unit of the District for financial reporting purposes.

Condensed financial information is as follows:

	VCSSFA (Audited) 6/30/2022	SISC (Audited) 9/30/2022
Total Assets and Deferred Outflows of Resources	$ 123,364,322	$ 972,650,846
Total Liabilities and Deferred Inflows of Resources	54,781,346	272,859,018
Net Position	$ 68,582,976	$ 699,791,828
Total Revenues	$ 35,021,051	$ 2,881,328,800
Total Expenditures	39,099,313	2,971,121,829
Change in Net Position	$ (4,078,262)	$ (89,793,029)

NOTE 14 - COMMITMENTS AND CONTINGENCIES

State and Federal Allowances, Awards, and Grants

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

Litigation

The District is involved in claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the District's financial statements.

Construction Commitments

As of June 30, 2023, the District was committed under various capital expenditure purchase agreements for construction projects totaling $6,727,554. Projects will primarily be funded through Measure C.

NOTE 15 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 15, 2023, the date at which the financial statements were available to be issued and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

PLEASANT VALLEY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual (GAAP	Variance with Final Budget Positive-
	Original	Final	Basis)	(Negative)
REVENUES:				
Local control funding formula	$ 59,340,280	$ 61,302,415	$ 61,948,558	$ 646,143
Federal sources	6,390,540	7,099,708	8,182,446	1,082,738
Other state sources	4,828,029	12,771,801	11,232,696	(1,539,105)
Other local sources	7,001,857	7,722,312	8,804,735	1,082,423
Total revenues	77,560,706	88,896,236	90,168,435	1,272,199
EXPENDITURES:				
Current:				
Certificated salaries	32,186,361	33,154,611	36,069,551	(2,914,940)
Classified salaries	11,725,592	11,215,089	12,152,265	(937,176)
Employee benefits	18,493,845	19,118,813	18,745,675	373,138
Books & supplies	2,870,056	2,528,145	3,469,142	(940,997)
Services and other operating expenditures	8,709,475	7,420,919	8,491,254	(1,070,335)
Capital outlay	94,270	94,270	71,272	22,998
Other outgo	4,782,088	5,022,548	5,645,595	(623,047)
Total expenditures	78,861,687	78,554,395	84,644,754	(6,090,359)
Excess/(deficiency) of revenues over/(under) expenditures	(1,300,981)	10,341,841	5,523,681	(4,818,160)
Other Financing Sources/(Uses):				
Transfers out	-	-	(35)	(35)
Total other financing sources/ (uses)	-	-	(35)	(35)
Net change in fund balance	(1,300,981)	10,341,841	5,523,646	(4,818,195)
Fund balance - beginning	21,851,441	21,851,441	21,851,441	-
Fund balance - ending	$ 20,550,460	$ 32,193,282	$ 27,375,087	$ (4,818,195)

See accompanying notes to required supplementary information.

PLEASANT VALLEY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS - RETIREE BENEFIT PLAN
FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability						
Service cost	$ 124,745	$ 189,689	$ 183,537	$ 229,120	$ 212,015	$ 206,341
Interest cost	289,302	187,280	195,811	325,512	325,183	359,442
Difference between expected and actual experience	-	708,201	-	(1,104,300)	-	-
Changes of assumptions	(64,658)	(854,201)	28,183	866,502	214,918	-
Employer contributions	(750,772)	(642,253)	(639,226)	(748,497)	(754,031)	(725,030)
Net change in total OPEB liability	(401,383)	(411,284)	(231,695)	(431,663)	(1,915)	(159,247)
Total OPEB liability - beginning	8,485,386	8,896,670	9,128,365	9,560,028	9,561,943	9,721,190
Total OPEB liability - ending	$ 8,084,003	$ 8,485,386	$ 8,896,670	$ 9,128,365	$ 9,560,028	$ 9,561,943
Covered-employee payroll	$ 45,925,405	$ 40,398,221	$ 40,239,835	$ 40,863,103	$ 39,185,756	$ 39,185,756
District's total OPEB liability as a percentage of covered-employee payroll	18 %	21 %	22 %	22 %	24 %	24 %

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

PLEASANT VALLEY SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - MPP PROGRAM
FOR THE YEAR ENDED JUNE 30, 2023

Medicare Premium Payment Program	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
District's proportion of the net OPEB liability	0.0805 %	0.0743 %	0.0816 %	0.0830 %	0.0840 %	0.1400 %
District's proportionate share of the net OPEB liability	$ 265,187	$ 296,696	$ 345,818	$ 309,090	$ 321,526	$ 588,991
District's covered-employee payroll [1]	$ -	$ -	$ -	$ -	$ -	$ -
District's proportionate share of the net OPEB liability as a percentage of it's covered-employee payroll [1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	0.94 %	0.80 %	0.71 %	(0.81)%	(0.40)%	0.01 %

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

[1]Plan participants are limited to retirees; therefore, covered-payroll is zero.

See accompanying notes to required supplementary information.

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022	2021	2020	2019
CalSTRS - STRP					
District's proportion of the net pension liability	0.053640%	0.049486%	0.053845%	0.053965%	0.0540%
District's proportionate share of the net pension liability	$ 37,272,575	$ 22,520,057	$ 52,180,814	$ 48,770,640	$ 49,629,780
State's proportionate share of the net pension liability associated with the District	18,666,215	11,331,455	26,899,215	26,607,855	28,415,209
Total	$ 55,938,790	$ 33,851,512	$ 79,080,029	$ 75,378,495	$ 78,044,989
District's covered - employee payroll	$ 33,637,588	$ 31,874,216	$ 28,750,000	$ 29,300,000	$ 29,100,000
District's proportionate share of the net pension liability as a percentage of it's covered - employee payroll	110.81%	70.65%	181.50%	166.45%	170.55%
Plan fiduciary net position as a percentage of the total pension liability	81.20%	87.21%	71.82%	72.56%	71%

See accompanying notes to required supplementary information.

PLEASANT VALLEY SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2023

	2018	2017	2016	2015
CalSTRS - STRP				
District's proportion of the net pension liability	0.0540%	0.0560%	0.0550%	0.0480%
District's proportionate share of the net pension liability	$ 49,939,200	$ 45,293,360	$ 37,028,200	$ 28,049,760
State's proportionate share of the net pension liability associated with the District	29,543,849	25,788,498	19,583,783	16,937,826
Total	$ 79,483,049	$ 71,081,858	$ 56,611,983	$ 44,987,586
District's covered - employee payroll	$ 28,640,000	$ 27,770,000	$ 25,650,000	$ 24,300,000
District's proportionate share of the net pension liability as a percentage of it's covered - employee payroll	174.37%	163.10%	144.36%	115.43%
Plan fiduciary net position as a percentage of the total pension liability	69%	70%	74%	77%

See accompanying notes to required supplementary information.

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022	2021	2020	2019
CalPERS - Schools Pool Plan					
District's proportion of the net pension liability	0.067650 %	0.068114 %	0.072079 %	0.074330 %	0.0750 %
District's proportionate share of the net pension liability	$ 23,277,746	$ 13,850,648	$ 23,277,746	$ 21,654,179	$ 19,997,361
District's covered - employee payroll	$ 12,234,397	$ 10,420,635	$ 10,240,000	$ 10,240,000	$ 9,920,000
District's proportionate share of the net pension liability as a percentage of it's covered - employee payroll	190.26 %	132.92 %	227.32 %	211.47 %	201.59 %
Plan fiduciary net position as a percentage of the total pension liability	69.76 %	80.97 %	70.00 %	70.05 %	71 %

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

See accompanying notes to required supplementary information.

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2023

	2018	2017	2016	2015
CalPERS - Schools Pool Plan				
District's proportion of the net pension liability	0.0755 %	0.0770 %	0.0770 %	0.0744 %
District's proportionate share of the net pension liability	$ 18,023,843	$ 15,207,548	$ 11,349,876	$ 8,446,212
District's covered - employee payroll	$ 9,650,000	$ 9,230,000	$ 8,538,000	$ 7,800,000
District's proportionate share of the net pension liability as a percentage of it's covered - employee payroll	186.78 %	164.76 %	132.93 %	108.28 %
Plan fiduciary net position as a percentage of the total pension liability	72 %	74 %	79 %	83 %

See accompanying notes to required supplementary information.

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022	2021	2020	2019
CalSTRS					
Contractually required contribution	$ 6,456,086	$ 5,332,585	$ 4,370,555	$ 4,915,149	$ 4,774,323
Contributions in relations to the contractually required contribution	(6,456,086)	(5,332,585)	(4,370,555)	(4,915,149)	(4,774,323)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered - employee payroll	$ 33,637,588	$ 31,874,216	$ 26,934,971	$ 28,750,000	$ 29,300,000
Contributions as a percentage of covered - employee payroll	19.19 %	16.73 %	16.23 %	17.10 %	16.29 %
CalPERS					
Contractually required contribution	$ 3,098,468	$ 2,392,853	$ 2,029,982	$ 2,019,300	$ 1,849,845
Contributions in relations to the contractually required contribution	(3,098,468)	(2,392,853)	(2,029,982)	(2,019,300)	(1,849,845)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered - employee payroll	$ 12,234,397	$ 10,420,635	$ 9,904,985	$ 10,240,000	$ 10,240,000
Contributions as a percentage of covered - employee payroll	25.33 %	22.96 %	20.49 %	19.72 %	18.06 %

Note: Accounting standards require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

See accompanying notes to required supplementary information.

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2023

	2018	2017	2016	2015
CalSTRS				
Contractually required contribution	$ 4,199,622	$ 3,602,313	$ 2,979,394	$ 2,278,095
Contributions in relations to the contractually required contribution	(4,199,622)	(3,602,313)	(2,979,394)	(2,278,095)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered - employee payroll	$ 29,100,000	$ 28,640,000	$ 27,770,000	$ 25,650,000
Contributions as a percentage of covered - employee payroll	14.43 %	12.58 %	10.73 %	8.88 %
CalPERS				
Contractually required contribution	$ 1,541,147	$ 1,340,193	$ 1,093,764	$ 1,005,080
Contributions in relations to the contractually required contribution	(1,541,147)	(1,340,193)	(1,093,764)	(1,005,080)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered - employee payroll	$ 9,920,000	$ 9,650,000	$ 9,230,000	$ 8,538,000
Contributions as a percentage of covered - employee payroll	15.54 %	13.89 %	11.85 %	11.77 %

See accompanying notes to required supplementary information.

NOTE 1 - PURPOSE OF SCHEDULES

SCHEDULE OF BUDGETARY COMPARISON FOR THE GENERAL FUND

A budgetary comparison is presented for the general fund. This schedule presents the budget as originally adopted, the revised budget as of the fiscal year end, actual amounts at fiscal year-end, and any adjustments needed to present the amounts in accordance with generally accepted accounting principles (GAAP).

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 01 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

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

This schedule presents information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations. The District's major fund was not exceeded the budgeted amount in total.

For the year ended June 30, 2023, the District incurred an excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule by major object code as follows:

	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund			
Certificated salaries	$ 33,154,611	$ 36,069,551	$ (2,914,940)
Classified salaries	11,215,089	12,152,265	(937,176)
Books and supplies	2,528,145	3,469,142	(940,997)
Services and other operating expenditure	7,420,919	8,491,254	(1,070,335)
Other outgo	$ 5,022,548	$ 5,645,595	$ (623,047)

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS - RETIREE BENEFITS PLAN

This 10-year schedule is required by GASB Statement No. 75 for all sole and agent employers that provide other postemployment benefits (OPEB). Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 75 was applicable. The schedule presents the sources of change in the total OPEB liability, and the components of the total OPEB liability and related ratios, including the total OPEB liability as a percentage of covered-employee payroll.

NOTE 1 - PURPOSE OF SCHEDULES - CONT'D

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS - RETIREE BENEFITS PLAN - CONT'D

Changes in Benefits Terms

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

Changes of Assumptions

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54 percent to 3.65 percent since the previous valuation.

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS - MEDICARE PREMIUM PAYMENT PLAN

The schedule is intended to show trends about the changes in the District's actuarially determined liability for the Medicare Premium Payment plan.

Changes in Benefits Terms
There were no changes in the benefits terms since the previous valuation.

Changes of Assumptions
The plan rate of investment return assumption was changed from 2.16% to 3.54% since the previous valuation.

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY CALSTRS (STRP) AND CALPERS (SCHOOLS POOL PLAN)

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's proportion (percentage) of the collective net pension liability, the District's proportionate share (amount) of the collective net pension liability, the District's covered payroll, the District's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

Changes in Benefit Terms

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

Changes in Assumptions
There were no changes in economic assumptions since the previous valuations for CalSTRS and CalPERS.

NOTE 1 - PURPOSE OF SCHEDULES - CONT'D

SCHEDULE OF DISTRICT CONTRIBUTIONS - CALSTRS (STRP) AND CALPERS (SCHOOLS POOL PLAN)

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's statutorily or contractually required employer contribution, the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the District's covered payroll, and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of the District's covered payroll.

Fiscal year 2015 was the first year of implementation, therefore only eight years are shown.

	CalPERS	CalSTRS
Valuation date	June 30, 2021	June 30, 2021
Measurement date	June 30, 2022	June 30, 2022
Actuarial cost method	Entry- Age Normal Cost	Entry- Age Normal Cost
Actuarial Assumptions:		
Discount rate	6.90%	7.10%
Inflation	2.30%	2.75%
Payroll growth rate	2.80%	3.50%
Projected salary increases	Varies by entry age and service	Varies by entry age and service
Investment rate of return[1]	6.90%	7.10%
Mortality rate table	Derived using CalPERS' membership data for all funds	Derived using CalSTRS' membership data for all funds

[1] Net of pension plan investment expenses, including inflation.

SUPPLEMENTARY INFORMATION

PLEASANT VALLEY SCHOOL DISTRICT
LOCAL EDUCATION AGENCY AND ORGANIZATION STRUCTURE
JUNE 30, 2023

ORGANIZATION

Pleasant Valley School District is comprised of an area of approximately forty-nine (49) square miles located in Ventura County. There were no changes in the boundaries of the District during the current year. The district is currently operating one pre-school, seven elementary schools, two middle schools, and two alternative (Grade K-8) schools.

The Board of Trustees and the District Administrators as of June 30, 2023 were as follows:

BOARD OF TRUSTEES

Member	Office	Term Expires
Mrs. Patty Lerner	President	December 2024
Mr. Bob Rust	Clerk	December 2026
Mrs. Beckie Cramer	Trustee	December 2026
Mr. Pat Fitzgerald	Trustee	December 2024
Mr. Ron Speakman	Trustee	December 2026

DISTRICT ADMINISTRATORS

Dr. Danielle Cortes	Superintendent of Schools
Sylvia Lizama	Director of Finance
Mr. Chris Johnston	Assistant Superintendent, Business Services
Mrs. Carol Bjordahl	Assistant Superintendent, Administrative Services
Dr. Veronica Ortega	Assistant Superintendent, Educational Services

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2023

The requirements governing ADA, admission of pupils, types of schools, recording and reporting of pupil attendance, and similar matters are controlled by provisions of the California Education Code and by regulations of the California Department of Education.

ADA statistics reported to the state for the fiscal year ended June 30, 2023 are as follows:

	Final Report	
	Second Period	Annual
Grades Transitional Kindergarten through Third:		
Regular ADA	2,430.29	2,454.30
Extended Year Special Education	5.37	5.37
Total Grades Transitional Kindergarten Through Third ADA	2,435.66	2,459.67
Grades Four Through Six:		
Regular ADA	1,746.34	1,748.95
Extended Year Special Education	3.11	3.11
Special Education - Nonpublic, Nonsectarian Schools	0.09	0.09
Total Grades Four Through Six ADA	1,749.54	1,752.15
Grades Seven and Eight:		
Regular ADA	1,198.29	1,199.40
Extended Year Special Education	1.39	1.39
Special Education - Nonpublic, Nonsectarian Schools	1.44	1.54
Extended Year Special Education - Nonpublic, Nonsectarian Schools	0.08	0.08
Total Grades Seven and Eight ADA	1,201.20	1,202.41
Total ADA	5,386.40	5,414.23

See accompanying notes to supplementary information.

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2023

			Number of Days				
Grade Level	Minutes Requirement	2022-23 Actual Minutes	Traditional Calendar	Multitrack Calendar	Number of Days Credited Form J-13A	Total Days Offered	Status
Kindergarten	36,000	39,703	180	Not Applicable	-	180	In Compliance
Grade 1	50,400	54,973	180	Not Applicable	-	180	In Compliance
Grade 2	50,400	54,973	180	Not Applicable	-	180	In Compliance
Grade 3	50,400	54,973	180	Not Applicable	-	180	In Compliance
Grade 4	54,000	54,771	180	Not Applicable	-	180	In Compliance
Grade 5	54,000	54,771	180	Not Applicable	-	180	In Compliance
Grade 6	54,000	59,282	180	Not Applicable	-	180	In Compliance
Grade 7	54,000	59,282	180	Not Applicable	-	180	In Compliance
Grade 8	54,000	59,282	180	Not Applicable	-	180	In Compliance

Note:

The District did not file J-13A during fiscal year 2022-2023.

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Program Expenditures
United States Department of Agriculture:			
Passed Through Program from California Department of Education (CDE):			
Child Nutrition Cluster:			
Basic School Breakfast Program	10.553/10.555	13525	$ 1,592,860
Total United States Department of Agriculture			1,592,860
United States Department of Education:			
Passed Through Program From California Department of Education (CDE):			
Special Education Cluster:			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	2,755,454
ARP IDEA Part B, Sec. 611, Local Assistance Entitlement	84.027	13379	7,945
ARP IDEA Part B, Sec 619, Preschool Grants	84.173	13430	142,245
IDEA Preschool Grants, Part B, Sec 619	84.173A	13430	963,448
Subtotal Special Education Cluster			3,869,092
Every Student Succeeds Act:			
Title III - Immigrant Student Program	84.365	14346	78,859
Title I, Part A, Basic Grants Low Income and Neglected	84.010	14329	1,462,137
Title II, Part A, Supporting Effective Instruction	84.367	14341	299,218
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	24,445
Subtotal Every Student Succeeds Act			1,864,659

See accompanying notes to supplementary information.

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Program Expenditures
Education Stabilization Fund (ESF) :			
Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425	15547	4,178,278
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	XXXXX	334,369
Subtotal Education Stabilization Fund (ESF) Cluster			4,512,647
Total United States Department of Education			10,246,398
Total Expenditures of Federal Awards			$ 11,839,258

See accompanying notes to supplementary information.

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

	Budget 2024	2023	2022	2021
Revenues				
Local control funding formula sources	$ 64,642,100	$ 61,948,558	$ 55,211,455	$ 52,618,540
Federal sources	4,812,446	8,182,446	4,871,007	5,250,912
Other state sources	4,476,689	11,232,696	7,487,428	5,964,206
Other local sources	7,359,582	8,804,735	7,116,477	6,107,431
Total revenues	81,290,817	90,168,435	74,686,367	69,941,089
Expenditures				
Certificated salaries	33,637,924	36,069,551	33,368,506	29,267,984
Classified salaries	11,843,885	12,152,265	10,228,233	9,284,493
Employee benefits	18,382,036	18,745,675	16,211,788	13,911,563
Books and supplies	2,874,121	3,469,142	4,069,694	2,677,149
Services and other operating expenditures	8,855,915	8,491,254	5,738,133	5,855,628
Capital outlay	330,500	71,272	68,056	35,584
Other outgo	4,028,568	5,645,595	4,859,842	2,161,979
Interfund transfers out	-	-	-	-
Total expenditures	79,952,949	84,644,754	74,544,252	63,194,380
Change in fund balance	1,337,868	5,523,681	142,115	6,746,709
Restatement	-	-	-	178,269
Ending fund balance	28,712,990	27,375,122	21,851,441	21,709,326
Available reserve*	2,398,588	2,599,343	2,236,328	1,895,832
Available reserve %	3.00 %	3.07 %	3.00 %	3.00 %
K-12 Average daily attendance at P-2	5,369	5,386	5,405	6,025
Total long-term debt	$177,596,038	$184,366,038	$163,548,424	$141,168,568

The General Fund balance has increased by $5,665,796 over the past two years. The fiscal year 2023-24 budget projects an increase of $1,337,868, or 4.89%. For a District this size, the state recommends a 3% reserve of total general fund expenditures, transfers out and other uses. For all years presented, the District has met or is projected to meet the reserve requirement.

The District has incurred operating surpluses in all the past three years and anticipates incurring an operating surplus during the 2023-24 fiscal year. Total long-term obligations have increased by $43,197,470 over the past two years.

Average daily attendance has decreased by 639 over the past two years. A decrease of 17 ADA is anticipated during fiscal year 2023-24.

1. Available reserves are those amounts reserved for economic uncertainty and any other remaining unassigned fund balance from the general fund.
2. Budget 2024 is included for analytical purposes only and has not been subjected to audit.

See accompanying notes to supplementary information.

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2023

Charter School Number	Charter School	Included in District Audit Report?
0464	University Preparation Charter School at CSU Channel Islands	No
2062	Peak Preparation Pleasant Valley	No

See accompanying notes to supplementary information.

PLEASANT VALLEY SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Summarized below are the fund balance reconciliation between the Annual Financial and Budget Report Unaudited Actuals and the audited financial statements.

	Bond Interest & Redemption Fund
FUND BALANCE	
Balance, June 30, 2023, Unaudited Actuals	$ 7,338,433
Adjustments and reclassifications:	
Cash with fiscal agent	21,104,904
Balance, June 30, 2023 Audited Financial Statements	$ 28,443,337

This schedule provides the information necessary to reconcile the fund balances of all funds and the total liabilities balance of the general long-term debt account group as reported on the SACS report to the audited financial statements. Funds that required no adjustment are not presented.

See accompanying notes to supplementary information.

NOTE 1 - PURPOSE OF SCHEDULES

LOCAL EDUCATION AGENCY AND ORGANIZATION STRUCTURE

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration.

SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)

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

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of article 8 (commencing with section 46200) of chapter 2 of part 26 of the Education Code.

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

BASIS OF PRESENTATION

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

INDIRECT COST RATE

The District has not elected to use the 10-percent de minimis cost rate as covered in Section 200.414 Indirect (F&A) costs of the Uniform Guidance.

PAYMENT TO SUBRECIPIENTS

The District did not have any subrecipients during the year.

NOTE 1 - PURPOSE OF SCHEDULES - CONT'D

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS

The *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* requires that this schedule be prepared showing financial trends of the general fund over the past three fiscal years as well as the current year budget. This report is intended to identify if the District faces potential fiscal problems and if they have met the recommended available reserve percentages.

SCHEDULE OF CHARTER SCHOOL

The *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* requires that this schedule list all charter schools chartered by the District and inform the users whether or not the charter school information is included in the District's financial statements.

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS

This schedule provides the information necessary to reconcile the fund balances of all funds as reported on the annual Financial and Budget Report form to the audited financial statements.

PLEASANT VALLEY SCHOOL DISTRICT
COMBINING BALANCE SHEET
BUILDING FUND
JUNE 30, 2023

	Building Fund	Building Fund - Measure C	Total Building Funds
ASSETS			
Cash in county treasury	$ 284,203	$ 35,437,398	$ 35,721,601
Accounts receivable	-	473,814	473,814
Due from other funds	-	5,264	5,264
Total assets	284,203	35,916,476	36,200,679
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	-	2,266,128	2,266,128
Total liabilities	-	2,266,128	2,266,128
FUND BALANCES			
Restricted	284,203	33,642,903	33,927,106
Assigned	-	7,445	7,445
Total fund balances	284,203	33,650,348	33,934,551
Total liabilities and fund balances	$ 284,203	$ 35,916,476	$ 36,200,679

See accompanying notes to other supplementary information.

PLEASANT VALLEY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUILDING FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Building Fund	Building Fund - Measure C	Total Building Funds
REVENUES			
Other local sources	$ -	$ 1,028,338	$ 1,028,338
Total revenues	-	1,028,338	1,028,338
EXPENDITURES			
Current:			
Plant services	-	253,530	253,530
Facility acquisition and construction	-	13,659,598	13,659,598
Total expenditures	-	13,913,128	13,913,128
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of bonds	-	-	-
Net financing sources (uses)	-	-	-
Net change in fund balance	-	(12,884,790)	(12,884,790)
Fund balances - beginning of year	284,203	46,535,138	46,819,341
Fund balances - end of year	$ 284,203	$ 33,650,348	$ 33,934,551

See accompanying notes to other supplementary information.

PLEASANT VALLEY SCHOOL DISTRICT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund
ASSETS			
Cash in county treasury	$ 1,124,484	$ 2,803,164	$ 1,740,691
Accounts receivable	274,102	933,930	15,936
Due from other funds	36,030	27,807	-
Total assets	1,434,616	3,764,901	1,756,627
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	143,729	50,766	8,990
Due to other funds	67,281	68,529	5,264
Total liabilities	211,010	119,295	14,254
FUND BALANCES			
Nonspendable	-	-	-
Restricted	55,387	3,645,606	-
Commitment	-	-	-
Assigned	1,168,219	-	1,742,373
Unassigned	-	-	-
Total fund balances	1,223,606	3,645,606	1,742,373
Total liabilities and fund balances	$ 1,434,616	$ 3,764,901	$ 1,756,627

See accompanying notes to other supplementary information.

PLEASANT VALLEY SCHOOL DISTRICT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	Pupil Transportation Equipment Fund	Capital Facilities Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash in county treasury	$ (23,339)	$ 5,112,385	$ 10,757,385
Accounts receivable	23,491	62,663	1,310,122
Due from other funds	-	-	63,837
Total assets	152	5,175,048	12,131,344
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	-	4,189	207,674
Due to other funds	-	-	141,074
Total liabilities	-	4,189	348,748
FUND BALANCES			
Nonspendable	-	-	-
Restricted	-	5,170,859	8,871,852
Commitment	-	-	-
Assigned	152	-	2,910,744
Unassigned	-	-	-
Total fund balances	152	5,170,859	11,782,596
Total liabilities and fund balances	$ 152	$ 5,175,048	$ 12,131,344

See accompanying notes to other supplementary information.

PLEASANT VALLEY SCHOOL DISTRICT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund
REVENUES			
Local control funding formula sources	$ -	$ -	$ 546,621
Federal sources	-	2,072,753	-
Other state sources	334,366	3,229,906	-
Other local sources	1,911,878	38,813	34,663
Total revenues	2,246,244	5,341,472	581,284
EXPENDITURES			
Current			
Instruction	123,872	-	-
Instruction-related activities:			
School site administration	22,125	-	-
Instructional supervision and administration	-	-	-
Instructional supervision and administration	19,256	-	-
Pupil services:			
Home to school transportation	-	-	-
Food services	-	2,534,637	-
All other pupil services	62,273	-	-
General administration			
All other administration	66,911	67,463	-
Plant services	175,889	-	165,093
Facility acquisition and construction	-	-	166,361
Community services	980,225	-	-
Total expenditures	1,450,551	2,602,100	331,454
Excess (Deficiency) of revenues over expenditures	795,693	2,739,372	249,830
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Net financing sources (Uses)	-	-	-
Net change in fund balances	795,693	2,739,372	249,830
Fund balances - beginning	427,913	906,234	1,492,543
Fund balances - ending	$ 1,223,606	$ 3,645,606	$ 1,742,373

See accompanying notes to other supplementary information.

PLEASANT VALLEY SCHOOL DISTRICT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	Pupil Transportation Equipment Fund	Capital Facilities Fund	Total Nonmajor Governmental Funds
REVENUES			
Local control funding formula sources	$ -	$ -	$ 546,621
Federal sources	-	-	2,072,753
Other state sources	-	-	3,564,272
Other local sources	117	977,672	2,963,143
Total revenues	117	977,672	9,146,789
EXPENDITURES			
Current			
Instruction	-	-	123,872
Instruction-related activities:			
School site administration	-	-	22,125
Instructional supervision and administration	-	-	-
Instructional supervision and administration	-	-	19,256
Pupil services:			
Home to school transportation	(35)	-	(35)
Food services	-	-	2,534,637
All other pupil services	-	-	62,273
General administration			
All other administration	-	-	134,374
Plant services	-	3,781	344,763
Facility acquisition and construction	-	909,006	1,075,367
Community services	-	-	980,225
Total expenditures	(35)	912,787	5,296,857
Excess (Deficiency) of revenues over expenditures	152	64,885	3,849,932
OTHER FINANCING SOURCES (USES)			
Transfers in	35	-	35
Net financing sources (Uses)	35	-	35
Net change in fund balances	187	64,885	3,849,967
Fund balances - beginning	(35)	5,105,974	7,932,629
Fund balances - ending	$ 152	$ 5,170,859	$ 11,782,596

See accompanying notes to other supplementary information.

NOTE 1 - PURPOSE OF SCHEDULES

Combining Fund Financial Statements

The combining balance sheets and statements of revenues, expenditures, and changes in fund balance for the building fund and the nonmajor governmental funds have been presented to provide additional information to the users of these financial statements. These statements have been prepared using the basis of accounting described in the notes to the financial statements.

COMPLIANCE SECTION

HARSHWAL® & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Trustees
Pleasant Valley School District
Camarillo, 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 Pleasant Valley School District (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon dated December 15, 2023.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Harshwal & Company LLP

San Diego, California
December 15, 2023

HARSHWAL® & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Trustees
Pleasant Valley School District
Camarillo, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Harshwal & Company LLP

San Diego, California
December 15, 2023

HARSHWAL® & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH APPLICABLE REQUIREMENTS IN ACCORDANCE WITH 2022-23 *GUIDE FOR ANNUAL AUDIT OF K-12 LOCAL EDUCATION AGENCIES AND STATE COMPLIANCE REPORTING*

To the Board of Trustees
Pleasant Valley School District
Camarillo, California

Report on State Compliance

Opinion

We have audited Pleasant Valley School District's (the "District") compliance with the requirements specified in the 2022-23 *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the District's state program requirements identified below for the year ended June 30, 2023.

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

Basis for Opinion

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the 2022-23 *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the 2022-23 *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the 2022-23 *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

2022-23 K - 12 Audit Guide Procedures	Procedures Performed
Local Education Agencies other than Charter Schools	
Attendance and Distance Learning	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	No, see below
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No, see below
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	No, see below
Middle or Early College High Schools	No, see below
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	Yes
District of Choice	No, see below
Home to School Transportation Reimbursement	Yes
Independent Study Certification for ADA Loss Mitigation	Yes

2022-23 K - 12 Audit Guide Procedures	Procedures Performed
School Districts, County Offices of Education, and Charter Schools	
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program	No, see below
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	No, see below
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	No, see below
Transitional Kindergarten	Yes
Charter Schools	
Attendance	No, see below
Mode of Instruction	No, see below
Nonclassroom - Based Instruction/Independent Study	No, see below
Determination of Funding for Nonclassroom - Based Instruction	No, see below
Annual Instructional Minutes – Classroom Based	No, see below
Charter School Facility Grant Program	No, see below

The District does not offer a Work Experience Program; therefore, we did not perform procedures related to the Work Experience Program within the Continuation Education Attendance Program.

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

The District does not have any Juvenile Court Schools; therefore, we did not perform any procedures related to Juvenile Court Schools.

The District does not have any Middle or Early College High Schools; therefore, we did not perform any procedures related to Middle or Early College High Schools.

The District does not offer an Apprenticeship Program; therefore, we did not perform any procedures for the Apprenticeship Program.

The District does not offer a District of Choice Program; therefore, we did not perform any procedures for the District of Choice Program.

The District does not offer a Before School Education and Safety Program; therefore, we did not perform any procedures related to the After/Before School Education and Safety Program.

The District does not offer an Independent Study-Course Based Program; therefore, we did not perform any procedures related to the Independent Study-Course Based Program.

The District does not offer a Career Technical Education Incentive Grant Program; therefore, we did not perform any procedures related to the Career Technical Education Incentive Grant Program.

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

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

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to 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 2022-23 *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.
The testing for Charter Schools was done by each school's respective auditor.

Harshwal & Company LLP

San Diego, California
December 15, 2023

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance?	No

Identification of major programs:

Assistance Listing Number (ALN)	Name of Federal Program or Cluster
84.425	Education Stabilization Fund (ESF)
84.010	Title I Grants to Local Educational Agencies

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

State Awards

Internal control over state compliance programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	
Considered to be material weakness	None reported
Type of auditor's report issued on compliance for state programs:	Unmodified

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SECTION II - AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS

FIVE DIGIT CODE	AB 3627 FINDING TYPE
20000	Inventory of Equipment
30000	Internal Control

There were no findings related to the financial statements as of June 30, 2023.

PLEASANT VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FIVE DIGIT CODE	AB 3627 FINDING TYPE
50000	Federal Compliance

There were no findings and questioned costs related to federal awards as of June 30, 2023.

PLEASANT VALLEY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

FIVE DIGIT CODE	AB 3627 FINDING TYPE
10000	Attendance
40000	State Compliance
42000	Charter School Facilities Programs
43000	Apprenticeship: Related and Supplemental Instruction
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

There were no findings and questioned costs related to state awards as of June 30, 2023.

PLEASANT VALLEY SCHOOL DISTRICT
STATUS OF PRIOR YEAR'S FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

There were no findings reported in prior year.