

**SAN JUAN UNIFIED SCHOOL DISTRICT**  
**FINANCIAL STATEMENTS**  
June 30, 2023

SAN JUAN UNIFIED SCHOOL DISTRICT  
 FINANCIAL STATEMENTS  
 WITH SUPPLEMENTARY INFORMATION  
 For the Year Ended June 30, 2023  
 (Continued)

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SAN JUAN UNIFIED SCHOOL DISTRICT  
FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION  
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## INDEPENDENT AUDITOR'S REPORT

Audit Committee  
San Juan Unified School District  
Carmichael, California

**Report on the Audit of the Financial Statements*****Opinions***

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

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

***Basis for Opinions***

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

***Responsibilities of Management for the Financial Statements***

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

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

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(Continued)

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 to 10 and the General Fund Budgetary Comparison Schedule, the Schedule of Changes in the District's Total Other Postemployment Benefits (OPEB) Liability, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 57 to 62 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.

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(Continued)

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the San Juan Unified School District's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and, except for that portion marked "unaudited"; was derived from, and relates directly to, the underlying accounting and other records used to prepare the 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2024 on our consideration of the San Juan Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the San Juan Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the San Juan Unified School District's internal control over financial reporting and compliance.

  
Crowe LLP

Sacramento, California  
March 15, 2024

**San Juan Unified School District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

The management's discussion and analysis of San Juan Unified School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole. To provide a complete understanding of the District's financial performance, please read it in conjunction with the Independent Auditor's Report on pages 1 through 3, the District's financial statements which begin on page 12, and the notes to the financial statements on pages 25 through 56.

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

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts: (1) management's discussion and analysis (this section); (2) the financial statements; and (3) required supplementary information. The financial statements include two kinds of statements that present different views of the San Juan Unified School District.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, report the District's operations and in more detail than the district wide statements.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. The remainder of the management's discussion and analysis highlights the structure and contents of each of the statements.

The district-wide statements report information about the District as a whole. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenditures are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources as a measure of the District's financial position.



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

- Governmental activities – Most of the District's basic services are included here, such as regular and special education, transportation, and administration. State support from local control funding formula and categorical apportionments finance most of these activities.
- Business-type activities – The District does not currently have any business type activities.

### Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debts) or to show that it is properly using certain revenues (like federal grants).

The District has three kinds of funds:

- Governmental Funds - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash, and other financial assets that can readily be converted to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- Proprietary Funds - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows. Internal service funds (the other kind of proprietary fund) are used to report activities that provide supplies and services for the District's other programs and activities. The District currently has one internal service fund -- the employee self-insurance fund.
- Fiduciary Funds - The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's ending net position was \$185,633,997 on June 30, 2023 resulting in an increase from the prior fiscal period by \$182,290,071.

### Statement of Net Position

	2023	2022	Variance	% Diff
Current and other assets	636,229,261	633,557,300	2,671,961	0%
Capital assets	972,827,276	887,444,065	85,383,211	10%
Total Assets	1,609,056,537	1,521,001,365	88,055,172	6%
Deferred Outflows	167,108,004	107,512,231	59,595,773	
Current liabilities	121,698,499	96,591,911	25,106,588	26%
Long-term liabilities	1,337,867,692	1,275,699,750	62,167,942	5%
Total Liabilities	1,459,566,191	1,372,291,661	87,274,530	6%
Deferred Inflows	130,964,353	252,878,009	(121,913,656)	
Net assets invested in capital assets, net of related debt	380,191,173	319,131,411	61,059,762	19%
Restricted	299,301,023	203,549,630	95,751,393	47%
Unrestricted	(493,858,199)	(519,337,115)	25,478,916	-5%
Total Net Position	185,633,997	3,343,926	182,290,071	5451%

The change in Total Assets is primarily a result of the following:

- Current and other assets include cash, including cash with fiscal agent, receivables, investments, due from (to) other funds, stores inventory and pre-paid expenses. Current assets increased by \$2,671,961 due to cash received from one-time grants received prior to June 30 and an increase in the stores balance.
- At the end of fiscal year 2022-23, the District had a total value of \$1,406,350,940 in capital assets. Capital assets include land, buildings, land improvements, equipment and capital projects that are still in progress. Total accumulated depreciation amounted to \$433,523,664. The net capital assets amounted to \$972,827,276, an increase of \$85,383,211 from prior year. This is a result of increased capital projects being handled and completed through Measures J, N and P.

Capital Assets

	<b>2023</b>	<b>2022</b>	<b>Variance</b>	<b>% Diff</b>
Land	6,350,107	6,350,107	-	0%
Work in Progress	179,819,845	177,708,056	2,111,789	1%
Land Improvements	86,677,276	86,677,276	-	0%
Buildings	1,098,799,371	979,431,801	119,367,570	12%
Equipment	34,704,341	28,680,147	6,024,194	21%
Capital Assets, cost	1,406,350,940	1,278,847,387	127,503,553	10%
Accumulated Depreciation	(433,523,664)	(391,403,322)	(42,120,342)	11%
Capital Assets, net	972,827,276	887,444,065	85,383,211	10%

The change in Total Liabilities is primarily a result of the following:

- An increase in current liabilities of \$25,106,588 is attributable to goods and services received prior to June 30, 2023 that had not been paid and unearned revenue. Current liabilities include accounts payable, unearned revenue, interagency balances and unpaid claims and claim adjustment expenses. (See “Statement of Net Position” chart.)
- The District ended the year with a total of \$1,337,368,328 in outstanding financing obligations, including other post-employment benefits (OPEB), compensated absences and net pension liabilities. The decrease in long-term debt of \$67,727,519 is mainly attributed to net pension liabilities and issuance of general obligation bonds.

Long-Term Liabilities

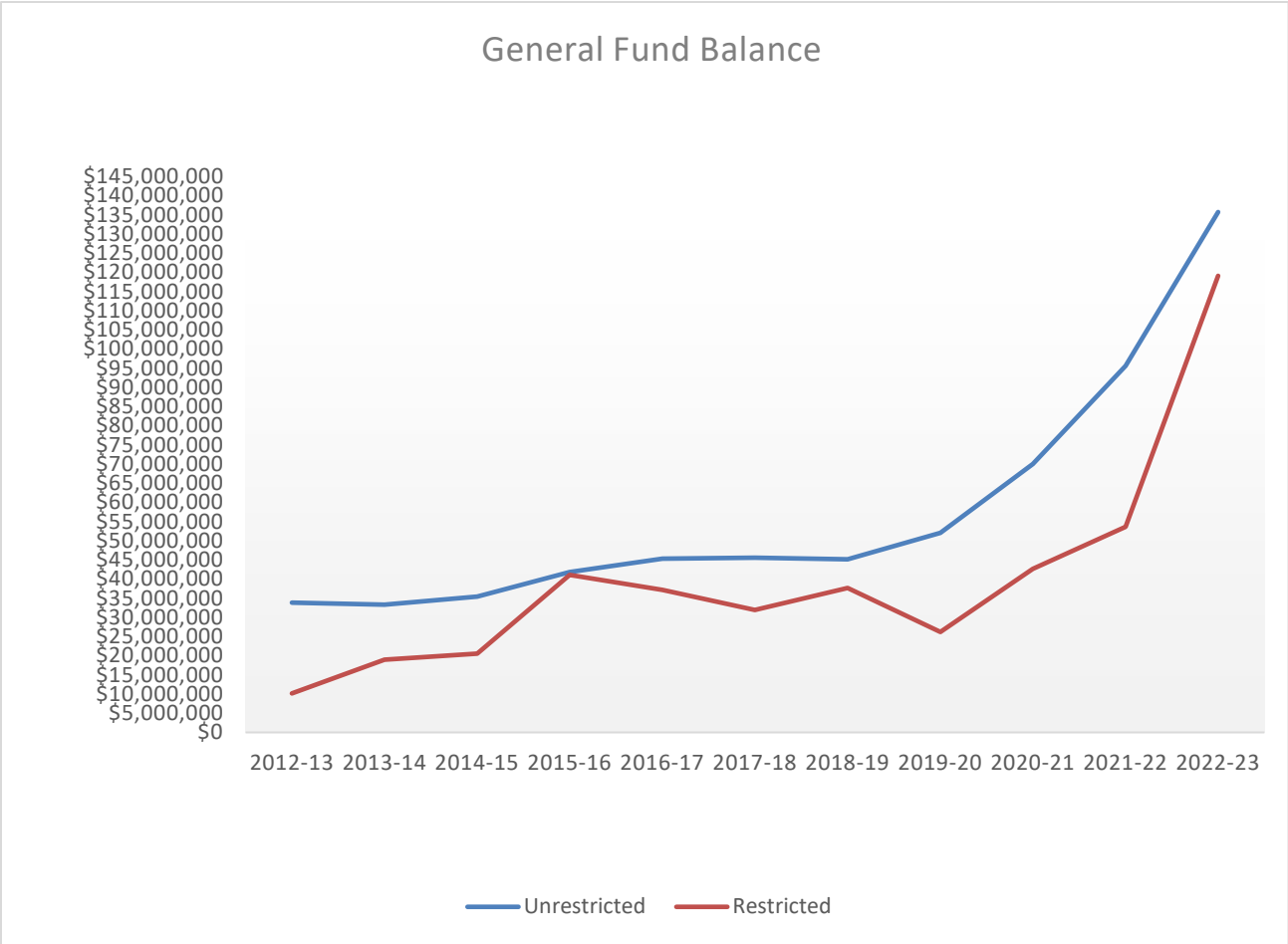
	<b>2023</b>	<b>2022</b>	<b>Variance</b>	<b>% Diff</b>
General Obligation Bonds	681,171,568	752,168,565	(70,996,997)	-9%
Accreted Interest	64,455,947	67,827,191	(3,371,244)	-5%
Premium on Issuance of General Obligation Bonds	41,335,241	45,280,408	(3,945,167)	-9%
Capitalized lease obligations	148,007	438,151	(290,144)	-66%
Other Postemployment Benefits	113,708,810	145,937,052	(32,228,242)	-22%
Compensated absences	5,210,755	6,158,442	(947,687)	-15%
Net Pension Liability (Asset)	431,338,000	251,831,000	179,507,000	71%
Total Long-Term Liabilities	1,337,368,328	1,269,640,809	67,727,519	5%

## FINANCIAL HIGHLIGHTS

The District's change in net position from prior year was \$182,209,071. Revenues increased by \$120,784,800 which is primarily attributable to the increase in Taxes and subventions, federal and state resources. Expenditures have a net increase of \$80,123,252 which is primarily due to increased costs of instruction related staffing and instructional materials, increase in student support service expense from pandemic related resources and other one-time funding being spent in the current year and a decrease in general administration costs.

### Statement of Activities

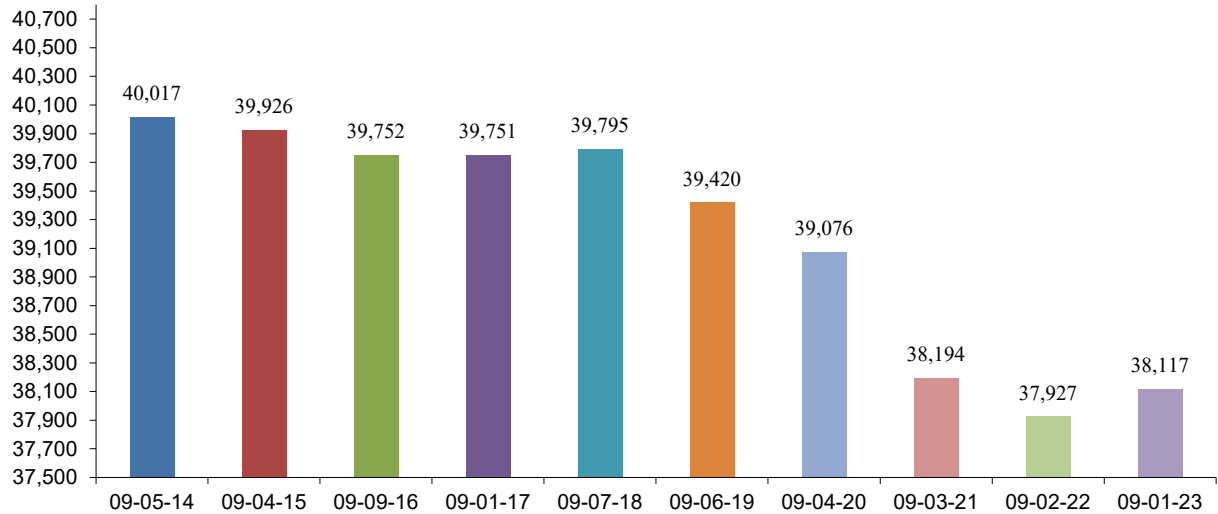
	2023	2022	Variance	% Diff
Program Revenue				
Charges for Services	\$ 11,298,492	\$ 10,844,430	\$ 454,062	4%
Operating Grants & Contributions	317,190,090	253,488,189	63,701,901	25%
Capital Grants & Contributions	14,680,377	3,052,403	11,627,974	381%
General Revenue			-	
Taxes and subventions	202,520,774	194,214,374	8,306,400	4%
Federal and State Aid	308,410,782	277,878,611	30,532,171	11%
Interest and Investment	6,655,660	834,719	5,820,941	697%
Interagency Revenues	839,840	743,347	96,493	100%
Miscellaneous	4,322,926	4,078,068	244,858	6%
Total Revenue	\$ 865,918,941	\$ 745,134,141	\$ 120,784,800	16%
Expenditures				
Instructional Related	\$ 393,357,467	\$ 346,612,687	\$ 46,744,780	13%
Student Support Services	96,092,865	81,952,747	14,140,118	17%
Pupil Services	65,943,523	55,812,558	10,130,965	18%
General Administration	31,830,996	40,741,894	(8,910,898)	-22%
Plant Services	52,612,269	47,043,623	5,568,646	12%
Other Services	6,423,029	4,253,960	2,169,069	51%
Interest on long-term debt	35,811,948	26,151,103	9,660,845	37%
Other outgo	1,556,773	937,046	619,727	66%
Total Expenditures	\$ 683,628,870	\$ 603,505,618	\$ 80,123,252	13%
Change in Net Assets	\$ 182,290,071	\$ 141,628,523	\$ 40,661,548	29%



The District’s General Fund overall experienced an increase in its fund balance by \$105,566,231. Revenue increased by \$108.5 million which is mainly due to the LCFF calculation, mandated cost reimbursements, Special Education grants, and additional COVID Relief funds.

The District also experienced an overall increase in expenditures. There were increases in certificated salaries due to additional training and staffing changes as the District continues to spend the COVID funds to provide additional support and service functions for students. There was an increase in supplies and capital outlay to supply students and staff with the necessary supplies, for additional instructional supports. This included additional summer programs to mitigate the learning losses students were facing.

## Enrollment



Enrollment data is as of the 3rd week of the school year.

The District experienced an increase in student enrollment between FY21-22 and FY 22-23. An increase is also expected to be seen in FY 23-24.

## FINANCIAL ISSUES

The development of future budgets will be influenced by uncertain, external variables such as the State Budget, priorities of new state leadership, and pension costs. Internal factors of compensation and number of employees must be commensurate with the number of students. San Juan Unified School District must be vigilant in monitoring all expenditures to avoid fiscal distress.

The district has adopted a range of instructional models and opportunities to support the academic and social and emotional needs of all students in response to impact of the pandemic.

## **BASIC FINANCIAL STATEMENTS**

SAN JUAN UNIFIED SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
June 30, 2023

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and investments (Note 2)	\$ 571,725,568
Receivables	62,078,769
Prepaid expenses	1,756,845
Stores inventory	668,079
Non-depreciable capital assets (Note 4)	186,169,952
Depreciable capital assets, net of accumulated depreciation (Note 4)	<u>786,657,324</u>
Total assets	<u>1,609,056,537</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources - pensions (Notes 8 and 9)	150,417,685
Deferred outflows of resources - OPEB (Notes 10)	14,853,067
Deferred loss on refunding of debt	<u>1,837,252</u>
Total deferred outflows of resources	<u>167,108,004</u>
<b>LIABILITIES</b>	
Accounts payable	97,214,568
Unearned revenue	14,172,110
Interagency balances	715,423
Unpaid claims and claim adjustment expenses (Note 5)	499,366
Long-term liabilities:	
Unpaid claims and claim adjustment expenses, less current portion (Note 5)	9,596,398
Due within one year (Note 6)	65,593,978
Due after one year (Note 6)	<u>1,271,774,348</u>
Total liabilities	<u>1,459,566,191</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources - pensions (Notes 8 and 9)	84,921,000
Deferred inflows of resources - OPEB (Note 10)	<u>46,043,353</u>
Total deferred inflows of resources	<u>130,964,353</u>
<b>NET POSITION</b>	
Net investment in capital assets	380,191,173
Restricted:	
Legally restricted programs	147,314,195
Capital projects	4,481,127
Debt service	103,067,182
Self-insurance	44,438,519
Unrestricted	<u>(493,858,199)</u>
Total net position	<u>\$ 185,633,997</u>

See accompanying notes to financial statements.



SAN JUAN UNIFIED SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2023

		Program Revenues			Net (Expense) Revenues and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 393,357,467	\$ 434,214	\$ 135,148,399	\$ 14,680,377	\$ (243,094,477)
Instruction-related services:					
Supervision of instruction	50,904,070	87,679	61,457,338	-	10,640,947
Instructional library, media and technology	4,517,364	63,975	444,650	-	(4,008,739)
School site administration	40,671,431	49,488	5,544,092	-	(35,077,851)
Pupil services:					
Home-to-school transportation	10,452,419	271	1,042,639	-	(9,409,509)
Food services	22,269,703	1,692,957	30,497,553	-	9,920,807
All other pupil services	33,221,401	85,374	12,963,597	-	(20,172,430)
General administration:					
Data processing	9,023,759	11,758	196,995	-	(8,815,006)
All other general administration	22,807,237	81,847	8,320,329	-	(14,405,061)
Plant services	52,612,269	147,773	2,202,517	-	(50,261,979)
Ancillary services	6,417,862	1,649,332	14,763,613	-	9,995,083
Community services	5,167	891	4,585	-	309
Interest on long-term liabilities	35,811,948	-	-	-	(35,811,948)
Other outgo	1,556,773	6,992,933	44,603,783	-	50,039,943
Total governmental activities	<u>\$ 683,628,870</u>	<u>\$ 11,298,492</u>	<u>\$ 317,190,090</u>	<u>\$ 14,680,377</u>	<u>(340,459,911)</u>
General revenues:					
Taxes and subventions:					
Taxes levied for general purposes					137,950,461
Taxes levied for debt service					64,394,697
Taxes levied for other specific purposes					175,616
Federal and state aid not restricted to specific purposes					308,410,782
Interest and investment earnings					6,655,660
Interagency revenues					839,840
Miscellaneous					4,322,926
Total general revenues					<u>522,749,982</u>
Change in net position					<u>182,290,071</u>
Net position, July 1, 2022					<u>3,343,926</u>
Net position, June 30, 2023					<u>\$ 185,633,997</u>

See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2023

	<u>General Fund</u>	<u>Building Fund</u>	<u>Bond Interest and Redemption Fund</u>	<u>All Non-Major Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and investments:					
Cash in County Treasury	\$ 259,357,807	\$ 29,572,025	\$ 84,613,814	\$ 21,377,938	\$ 394,921,584
Cash in revolving fund	205,000	-	-	722	205,722
Cash on hand and in banks	-	-	-	2,549,590	2,549,590
Cash awaiting deposit	15,763	20,959	-	2,515	39,237
Cash with Fiscal Agent	-	114,015,814	6,450,137	-	120,465,951
Receivables	48,771,393	1,110,819	972,238	9,965,891	60,820,341
Prepaid expenditures	1,064,692	-	-	-	1,064,692
Due from other funds	5,193,353	7,629	-	390,458	5,591,440
Stores inventory	139,634	-	-	528,445	668,079
	<u>314,747,642</u>	<u>144,727,246</u>	<u>92,036,189</u>	<u>34,815,559</u>	<u>586,326,636</u>
Total assets	<u>\$ 314,747,642</u>	<u>\$ 144,727,246</u>	<u>\$ 92,036,189</u>	<u>\$ 34,815,559</u>	<u>\$ 586,326,636</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 40,745,057	\$ 16,545,785	\$ 15,715,445	\$ 809,026	\$ 73,815,313
Unearned revenue	13,153,461	-	159,110	-	13,312,571
Due to other funds	5,964,379	-	-	287,296	6,251,675
	<u>59,862,897</u>	<u>16,545,785</u>	<u>15,874,555</u>	<u>1,096,322</u>	<u>93,379,559</u>
Total liabilities	<u>59,862,897</u>	<u>16,545,785</u>	<u>15,874,555</u>	<u>1,096,322</u>	<u>93,379,559</u>
Fund balances:					
Nonspendable	1,409,326	-	-	529,167	1,938,493
Restricted	118,076,085	128,181,461	76,161,634	33,190,070	355,609,250
Committed	41,226,291	-	-	-	41,226,291
Assigned	6,434,184	-	-	-	6,434,184
Unassigned	87,738,859	-	-	-	87,738,859
	<u>254,884,745</u>	<u>128,181,461</u>	<u>76,161,634</u>	<u>33,719,237</u>	<u>492,947,077</u>
Total fund balances	<u>254,884,745</u>	<u>128,181,461</u>	<u>76,161,634</u>	<u>33,719,237</u>	<u>492,947,077</u>
Total liabilities and fund balances	<u>\$ 314,747,642</u>	<u>\$ 144,727,246</u>	<u>\$ 92,036,189</u>	<u>\$ 34,815,559</u>	<u>\$ 586,326,636</u>

See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
June 30, 2023

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Total fund balances - Governmental Funds \$ 492,947,077

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used for governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$1,406,350,940 and the accumulated depreciation is \$433,523,664 (Note 4). 972,827,276

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at June 30, 2023 consisted of (Note 6):

General Obligation Bonds	\$ (681,171,568)	
Accreted interest	(64,455,947)	
Unamortized Premium on issuance of General Obligation Bonds	(41,335,241)	
Lease liabilities	(148,007)	
Total OPEB liability (Note 10)	(113,708,810)	
Net pension liability (Notes 8 and 9)	(431,338,000)	
Compensated absences	<u>(5,210,753)</u>	
		(1,337,368,326)

Losses on the refunding of debt are recognized as expenditures in the period they are incurred. In the government-wide statements, they are categorized as deferred outflows and are amortized over the shorter life of the refunded or refunding debt. 1,837,252

Internal service funds are included in the government-wide financial statements. 44,438,519

In government funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported (Notes 8 and 9).

Deferred outflows of resources relating to pensions	\$ 150,417,685	
Deferred inflows of resources relating to pensions	<u>(84,921,000)</u>	
		65,496,685

Unmatured interest on long-term liabilities is recognized in the period incurred. (23,354,200)

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(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
June 30, 2023

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In government funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported (Note 10),

Deferred outflows of resources relating to OPEB	\$ 14,853,067	
Deferred inflows of resources relating to OPEB	<u>(46,043,353)</u>	
		<u>(31,190,286)</u>
 Total net position - governmental activities		 <u>\$ 185,633,997</u>

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See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES –  
GOVERNMENTAL FUNDS  
June 30, 2023

	General Fund	Building Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
Revenues:					
Local Control Funding Formula (LCFF):					
State apportionment	\$ 294,836,576	\$ -	\$ -	\$ 2,503,946	\$ 297,340,522
Local sources	<u>137,967,402</u>	-	-	-	<u>137,967,402</u>
Total LCFF	<u>432,803,978</u>	-	-	<u>2,503,946</u>	<u>435,307,924</u>
Federal sources	88,242,699	-	-	30,175,353	118,418,052
Other state sources	160,713,375	15,284	719,273	32,688,703	194,136,635
Other local sources	<u>18,573,626</u>	<u>8,753,791</u>	<u>76,871,981</u>	<u>13,214,079</u>	<u>117,413,477</u>
Total revenues	<u>700,333,678</u>	<u>8,769,075</u>	<u>77,591,254</u>	<u>78,582,081</u>	<u>865,276,088</u>
Expenditures:					
Current:					
Certificated salaries	240,826,236	-	-	11,996,140	252,822,376
Classified salaries	91,423,658	1,161,816	-	11,088,419	103,673,893
Employee benefits	174,584,975	565,983	-	12,866,730	188,017,688
Books and supplies	25,791,791	220,320	-	13,372,009	39,384,120
Contract services and operating expenditures	49,615,655	2,684,444	-	5,178,775	57,478,874
Other outgo	1,556,773	-	-	-	1,556,773
Capital outlay	3,813,204	123,487,878	-	1,400,916	128,701,998
Debt service:					
Principal retirement	290,144	-	70,996,997	-	71,287,141
Interest	<u>10,284</u>	-	<u>31,613,678</u>	-	<u>31,623,962</u>
Total expenditures	<u>587,912,720</u>	<u>128,120,441</u>	<u>102,610,675</u>	<u>55,902,989</u>	<u>874,546,825</u>
Excess (deficiency) of revenues over (under) expenditures	<u>112,420,958</u>	<u>(119,351,366)</u>	<u>(25,019,421)</u>	<u>22,679,092</u>	<u>(9,270,737)</u>
Other financing sources (uses)					
Transfers in	1,131,802	20,093,476	-	6,305,516	27,530,794
Transfers out	(7,986,529)	-	-	(21,170,932)	(29,157,461)
Proceeds from disposal of capital assets	-	241,500	-	-	241,500
Other financing sources	<u>-</u>	<u>18,999</u>	<u>-</u>	<u>-</u>	<u>18,999</u>
Total other financing sources (uses)	<u>(6,854,727)</u>	<u>20,353,975</u>	<u>-</u>	<u>(14,865,416)</u>	<u>(1,366,168)</u>
Net change in fund balances	105,566,231	(98,997,391)	(25,019,421)	7,813,676	(10,636,905)
Fund balances, July 1, 2022	<u>149,318,514</u>	<u>227,178,852</u>	<u>101,181,055</u>	<u>25,905,561</u>	<u>503,583,982</u>
Fund balances, June 30, 2023	<u>\$ 254,884,745</u>	<u>\$ 128,181,461</u>	<u>\$ 76,161,634</u>	<u>\$ 33,719,237</u>	<u>\$ 492,947,077</u>

See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS -  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2023

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Net change in fund balances - Total Governmental Funds	\$ (10,636,905)
Amounts reported for governmental activities in the statement of activities are different because:	
Acquisition of capital assets is an expenditure in the governmental funds, but increases capital assets in the statement of net position (Note 4).	129,189,271
Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4).	(42,821,544)
Proceeds from disposal of capital assets is reported as revenue in governmental fund; only the resulting gain or loss is reported in the statement of activities (Note 4).	(984,516)
Repayment of principal on long-term liabilities is an expenditure in the government funds, but decreases the long-term liabilities in the statement of net position (Note 6).	71,287,141
Debt issue premiums are recognized as revenues in the period they are incurred. In government-wide statements, issue premiums are amortized over the life of the debt (Note 6).	3,945,167
Accreted interest on capital appreciation bonds is recognized in the period it is incurred. In governmental funds it is only recognized when it is due (Note 6).	3,371,244
Losses on the refunding of debt are recognized as expenditures in the period they are incurred, In the government-wide statements, they are categorized as deferred outflows and are amortized over the shorter life of the refunded or refunding debt.	(558,367)
Interest on long-term liabilities is recognized in the period incurred, in governmental funds it is recognized when due	(5,897,029)
Activities of the internal service fund are reported with governmental activities.	(341,118)

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(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS -  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2023

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In government funds, pension costs are recognized when employer contributions are made. In statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was: (Notes 8 and 9):	\$ 36,360,260
In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made, In the statement of activities, OPEB expenses are recognized on the accrual basis (Note 10).	(1,571,222)
In the statement of activities, expenses related to compensated absences are measured by the amounts earned during the year. In the governmental funds, expenditures are measured by the amount of financial resources used (Note 6).	<u>947,689</u>
Change in net position of governmental activities	<u>\$ 182,290,071</u>

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See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT  
STATEMENT OF NET POSITION – PROPRIETARY FUND  
SELF-INSURANCE FUND  
June 30, 2023

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**ASSETS**

Current assets:

Cash in County Treasury	\$ 53,543,484
Receivables	1,258,428
Prepaid expenses	692,153
Due from other funds	<u>4,889,357</u>

Total assets 60,383,422

**LIABILITIES**

Current liabilities:

Accounts payable	45,055
Unearned revenue	859,539
Due to other funds	4,944,545
Current unpaid claims and claim adjustment expenses	<u>499,366</u>

Total current liabilities 6,348,505

Unpaid claims and claim adjustment expenses, less current portion (Note 5) 9,596,398

Total liabilities 15,944,903

**NET POSITION**

Restricted for self-insurance activities \$ 44,438,519

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See accompanying notes to financial statements.



SAN JUAN UNIFIED SCHOOL DISTRICT  
STATEMENT OF CHANGE IN NET POSITION –  
PROPRIETARY FUND  
SELF-INSURANCE FUND  
For the Year Ended June 30, 2023

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Operating revenues:	
Self insurance premiums	\$ 23,738,705
Other local revenue	<u>747,711</u>
Total operating revenues	<u>24,486,416</u>
Operating expenses:	
Classified salaries	430,320
Employee benefits	254,239
Books and supplies	1,870
Contract services	<u>27,607,507</u>
Total operating expense	<u>28,293,936</u>
Operating loss	(3,807,520)
Non-operating revenue:	
Interest income	1,839,735
Transfers in:	
Other authorized transfers in	<u>1,626,667</u>
Total non-operating revenue	<u>3,466,402</u>
Change in net position	(341,118)
Total net position, July 1, 2022	<u>44,779,637</u>
Total net position, June 30, 2023	<u><u>\$ 44,438,519</u></u>

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See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS – PROPRIETARY FUND  
SELF-INSURANCE FUND  
For the Year Ended June 30, 2023

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Cash flows from operating activities:	
Cash received from self-insurance premiums	\$ 19,186,097
Cash received from other state and local sources	747,711
Cash paid for contract services	(26,576,021)
Cash paid for employee benefits	(254,239)
Cash paid for salaries	(430,320)
Cash paid for other expenses	<u>(1,870)</u>
Net cash used in operating activities	<u>(7,328,642)</u>
Cash flows provided by investing activities:	
Interest income received	<u>1,839,735</u>
Cash flows from noncapital financing activities:	
Transfers in	<u>1,626,667</u>
Increase in cash and investments	(3,862,240)
Cash and investments, July 1, 2022	<u>57,405,724</u>
Cash and investments, June 30, 2023	<u>\$ 53,543,484</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	<u>\$ (3,807,520)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
(Increase) decrease in:	
Receivables	(1,063,951)
Amount due from other funds	(2,844,507)
Prepaid expenses	12,788
(Decrease) increase in:	
Accounts payable	52,781
Amount due to other funds	(693,273)
Unpaid claims and claim adjustment expenses	<u>1,018,698</u>
Total adjustments	<u>(3,521,122)</u>
Net cash used in operating activities	<u>\$ (7,328,642)</u>

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See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS  
June 30, 2023

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	Special Education Pass- Through <u>Fund</u>
<b>ASSETS</b>	
Due from other funds	\$ <u>715,423</u>
Total assets	\$ <u><u>715,423</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ <u>715,423</u>
Total liabilities	\$ <u><u>715,423</u></u>

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See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT  
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS  
For the Year Ended June 30, 2023

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	Special Education Pass- Through <u>Fund</u>
Revenues	<u>\$ 5,990,860</u>
Expenditures	<u>5,990,860</u>
Change in net position	-
Net Position, July 1, 2022	<u>-</u>
Net Position, June 30, 2023	<u>\$ -</u>

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See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

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

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

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(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**A - Major Funds**

The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

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

The Bond Interest and Redemption Fund is a debt service fund used to account for the accumulation of resources for the payment of principal and interest related to the General Obligation Bonds.

**B - Other Funds**

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

Capital Projects Funds are used to account for resources used for the acquisition or construction of major capital facilities by the District. This includes the Capital Facilities, County School Facilities, and Special Reserve for Capital Outlay Projects Funds.

The Self-Insurance Fund is an internal service fund which is used to account for the District's workers' compensation claims, employee vision and dental benefits.

The Special Education Pass-Through Fund is a Custodial Fund used by the District to account for Special Education pass-through funds.

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

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

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(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

Receivables: Receivables are made up principally of amounts due from the State of California and Categorical programs. The District has determined that no allowance for doubtful accounts was needed as of June 30, 2023.

Stores Inventory: Stores inventory in the General and Cafeteria Funds consists mainly of consumable supplies held for future use and are valued at actual cost. Inventories are recorded as expenditures at the time individual inventory items are transferred from the warehouse to schools and offices.

Capital Assets: Capital assets purchased or acquired, with an original cost of \$15,000 or more, are recorded at historical cost or estimated historical cost. Contributed assets are reported at acquisition value for the contributed asset. Additions, improvements and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over 4 - 30 years depending on asset types.

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized deferred loss on refunding resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. Additionally, the District has recognized a deferred outflow of resources related to the recognition of the net pension liability and OPEB liability reported in the Statement of Net Position.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized a deferred inflow of resources related to the recognition of the net pension liability and OPEB liability reported which is in the Statement of Net Position.

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(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

	<u>STRP</u>	<u>PERF B</u>	<u>Total</u>
Deferred outflows of resources	\$ 79,021,081	\$ 71,396,604	\$ 150,417,685
Deferred inflows of resources	\$ 75,877,000	\$ 9,044,000	\$ 84,921,000
Net pension liability	\$ 237,502,000	\$ 193,836,000	\$ 431,338,000
Pension expense	\$ 28,386,906	\$ 22,525,575	\$ 50,912,481

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

Compensated Absences: Compensated absences benefits totaling \$5,210,753 are recorded as a long-term liability of the District. The liability is for the earned but unused benefits.

Accumulated Sick Leave: Sick leave benefits are accumulated for each employee. The employees do not gain a vested right to accumulated sick leave. Accumulated employee sick leave benefits are not recognized as liabilities of the District since cash payment of such benefits is not probable. Therefore, sick leave benefits are recorded as expenditures in the period that sick leave is taken.

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

Net Position: Net position is displayed in three components:

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

2- Restricted Net Position - Restrictions of the ending net position indicate the portions of net position not appropriate for expenditure or amounts legally segregated for a specific future use. The restriction for legally restricted programs represents the portion of net position restricted to specific program expenditures. The restriction for debt service represents the portion of net position available for the retirement of debt. The restriction for capital projects represents the portion of net position restricted for capital projects. The restriction for self-insurance represents the portion of net position restricted for payment of the self-insured claims. It is the District's policy to use restricted net position first when allowable expenditures are incurred.

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(Continued)



SAN JUAN UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

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

**A - Nonspendable Fund Balance:**

The nonspendable fund balance classification reflects amounts that are not in spendable form, such as revolving fund cash, prepaid expenditures and stores inventory.

**B - Restricted Fund Balance:**

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

**C - Committed Fund Balance:**

The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Board of Education. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. Formal action by the Board of Education is required to remove any commitment from any fund balance. At June 30, 2023, the District had \$41,226,291 in committed fund balances.

**D - Assigned Fund Balance:**

The assigned fund balance classification reflects amounts that the District's Board of Education has approved to be used for specific purposes, based on the District's intent related to those specific purposes. The Board of Education can designate personnel with the authority to assign fund balances, however as of June 30, 2023, no such designation has occurred.

**E - Unassigned Fund Balance:**

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

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

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(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

While GASB Cod. Sec. 1300 and 1800 do not require districts to establish a minimum fund balance policy or a stabilization arrangement, GASB Cod. Sec. 1300 and 1800 do require the disclosure of a minimum fund balance policy and stabilization arrangements, if they have been adopted by the Board of Education. At June 30, 2023, the District has not established a minimum fund balance policy nor has it established a stabilization arrangement.

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

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

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures or expenses during the reporting period. Accordingly, actual results may differ from those estimates.

New Accounting Pronouncements: In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. GASB 96 defines a subscription-based information technology arrangement and requires the recognition of a right to use subscription asset and corresponding subscription liability. This statement was effective for fiscal years beginning after June 15, 2022. There was no impact to the District's July 1, 2022 net position as a result of the implementation of GASB Statement No. 96.

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(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

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**NOTE 2 - CASH AND INVESTMENTS**

Cash and investments at June 30, 2023 consisted of the following:

	<u>Governmental Activities</u>
Pooled Funds:	
Cash in County Treasury	\$ 448,465,068
Cash awaiting deposit	39,237
Deposits:	
Cash in revolving fund	205,722
Cash on hand and in banks	2,549,590
Cash with Fiscal Agent:	
Restricted for capital projects and debt repayment	<u>120,465,951</u>
Total	<u>\$ 571,725,568</u>

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

Deposits - Custodial Credit Risk: The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2023, the carrying amount of the District's accounts was \$2,755,312 and the bank balance was \$4,879,781, of which \$4,629,781 was uninsured.

Cash with Fiscal Agent: Cash with Fiscal Agent represents funds held by Fiscal Agents restricted for capital projects and repayment of General Obligation Bonds. The District holds their funds with the Sacramento County Treasurer. The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Interest Rate Risk: The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2023, the District had no significant interest rate risk related to cash and investments held.

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

Concentration of Credit Risk: The District does not place limits on the amount it may invest in any one issuer. At June 30, 2023, the District had no concentration of credit risk.

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(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2023

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**NOTE 3 - INTERFUND TRANSACTIONS**

Interfund Activity: Transactions between funds of the District are recorded as interfund transfers, except for the Self-Insurance Fund activity which is recorded as income and expenditures of the Self-Insurance Fund and the General Fund, respectively. The unpaid balances at year end, as a result of such transactions, are shown as due to and due from other funds.

Interfund Receivables/Payables: Individual fund interfund receivable and payable balances at June 30, 2023 were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
General	\$ 5,193,353	\$ 5,964,379
Building	7,629	-
Non-Major Funds:		
Charter Schools	134,064	12,325
Adult Education	58,459	56,460
Child Development	149,737	189,078
Cafeteria	48,198	29,433
Self-Insurance Fund	4,889,357	4,944,545
Special Education Pass-Through	<u>715,423</u>	<u>-</u>
Totals	<u>\$ 11,196,220</u>	<u>\$ 11,196,220</u>

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(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

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**NOTE 3 - INTERFUND TRANSACTIONS** (Continued)

Transfers: Transfers consists of operating transfers from funds receiving revenue to funds through which the resources are to be expended.

Transfers for the 2022-23 fiscal year were as follows:

Transfer from the General Fund to the Building Fund for Child Development custodial charges at re-use sites.	\$ 54,346
Transfer from the General Fund to the Self-Insurance Fund for benefits.	1,626,667
Transfer from the General Fund to the Cafeteria Fund for student milk.	4,434
Transfer from the General Fund to the Deferred Maintenance Fund for the deferred maintenance transfer.	2,000,000
Transfer from the Charter Schools Fund to the Building Fund for Choices Charter facilities lease and utilities.	250,951
Transfer from the Capital Facilities Fund to the Building Fund for the Arcade construction project.	5,000,000
Transfer from the General Fund to the Adult Education fund for funds earned.	57,055
Transfer from the General Fund to the Child Development Fund for Discovery Club and After School Programs for eligible students.	4,244,027
Transfer from the Adult Education Fund to the Building Fund for re-use site and custodial fee at Sunrise Elementary School.	99,347
Transfer from the Cafeteria Fund to the Building Fund for custodial charges at re-use site.	8,455
Transfer from the County School Facilities Fund to the Building Fund for OPSC Funding.	14,680,377
Transfer from the Charter Schools Fund to the General Fund for indirect costs.	620
Transfer from the Adult Education Fund to the General Fund for indirect costs.	60,696
Transfer from the Child Development Fund to the General Fund for indirect costs.	709,957
Transfer from the Cafeteria Fund to the General Fund for indirect costs.	<u>360,529</u>
	<u><u>\$ 29,157,461</u></u>

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(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 4 - CAPITAL ASSETS**

A schedule of changes in capital assets for the year ended June 30, 2023 is shown below:

	Balance July 1, <u>2022</u>	Transfers and <u>Additions</u>	Transfers and <u>Deletions</u>	Balance June 30, <u>2023</u>
Non-depreciable:				
Land	\$ 6,350,107	\$ -	\$ -	\$ 6,350,107
Work-in-process	177,708,056	120,067,357	117,955,568	179,819,845
Depreciable:				
Buildings	979,431,801	120,398,929	1,031,359	1,098,799,371
Improvement of sites	86,677,276	-	-	86,677,276
Equipment	<u>28,680,147</u>	<u>6,678,553</u>	<u>654,359</u>	<u>34,704,341</u>
Totals, at cost	<u>1,278,847,387</u>	<u>247,144,839</u>	<u>119,641,286</u>	<u>1,406,350,940</u>
Less accumulated depreciation:				
Buildings	(330,725,663)	(38,475,533)	(156,351)	(369,044,845)
Improvement of sites	(37,637,539)	(3,886,746)	-	(41,524,285)
Equipment	<u>(23,040,120)</u>	<u>(459,265)</u>	<u>(544,851)</u>	<u>(22,954,534)</u>
Total accumulated depreciation	<u>(391,403,322)</u>	<u>(42,821,544)</u>	<u>(701,202)</u>	<u>(433,523,664)</u>
Governmental activities capital assets, net	<u>\$ 887,444,065</u>	<u>\$ 204,323,295</u>	<u>\$ 118,940,084</u>	<u>\$ 972,827,276</u>

Depreciation expense was charged to governmental activities for the year ended June 30, 2023 as follows:

Instruction	\$ 41,189,001
Instructional Library, Media and Technology	99,851
Home- to- school transportation	482,754
Food services	29,956
All other pupil services	11,983
All other general administration	373,596
Centralized data processing	187,746
Plant services	<u>446,657</u>
Total depreciation expense	<u>\$ 42,821,544</u>

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

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**NOTE 5 - SELF-INSURANCE**

The District has established a self-insurance fund to account for the risk of loss for workers' compensation, employee vision benefits and employee dental benefits. Settled claims resulting from these risks have not exceeded coverage in any of the past five fiscal years. There has been no reduction in insurance coverage from the previous year.

The Self-Insurance Fund provides coverage up to statutory limits for each workers' compensation claim. Beginning July 1, 1996 up to June 30, 2001 the District was fully insured for workers' compensation losses with Firemans' Fund. On July 1, 2001, the District returned to a self-insured program. This program provides coverage up to \$750,000 per occurrence. The District has coverage for claims in excess of this amount through Safety National Casualty Corporation. All other benefits covered by the Self-Insurance Fund are fully insured with no excess coverage purchased.

The workers' compensation claims liability of \$9,878,000 is based on an actuarial study as of June 30, 2023 discounted at 1.0 percent. The Dental and Vision claims liabilities of \$208,078 and \$9,686, respectively are calculated based on an incremental lag factor methodology. Changes in the Fund's claims liability for the years ended June 30, 2022 and 2023 were as follows:

	<u>Workers'</u> <u>Compensation</u>	<u>Dental</u>	<u>Vision</u>	<u>Total</u>
Claims Liability at, June 30, 2021	\$ 9,344,514	\$ 198,066	\$ 19,870	\$ 9,562,450
Incurred claims	879,588	4,067,387	199,979	5,146,954
Claims payments	<u>(1,354,478)</u>	<u>(4,068,966)</u>	<u>(208,894)</u>	<u>(5,632,338)</u>
Claims Liability at, June 30, 2022	8,869,624	196,487	10,955	9,077,066
Incurred claims	2,522,746	3,991,551	205,118	6,719,415
Claims payments	<u>(1,514,370)</u>	<u>(3,979,960)</u>	<u>(206,387)</u>	<u>(5,700,717)</u>
Claims Liability at, June 30, 2023	<u>\$ 9,878,000</u>	<u>\$ 208,078</u>	<u>\$ 9,686</u>	<u>\$ 10,095,764</u>

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(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 6 - LONG-TERM LIABILITIES**

General Obligation Bonds: A summary of General Obligation Bonds payable as of June 30, 2023 follows:

<u>Series</u>	<u>Interest Rate %</u>	<u>Original Maturity</u>	<u>Outstanding July 1, 2022</u>	<u>Issued Current Year</u>	<u>Redeemed Current Year</u>	<u>Outstanding June 30, 2023</u>
Series 1999	4.38-5.70%	2025	\$ 1,416,291	\$ -	\$ 499,736	\$ 916,555
Series 2000	4.375-6.250%	2026	1,594,961	-	429,583	1,165,378
Series 2001B	4.2-5.125%	2027	14,693,864	-	2,937,678	11,756,186
Series 2003A and 2003B	1-5.8%	2029	14,213,517	-	-	14,213,517
Series 2004A	5.52-5.53%	2030	1,794,932	-	-	1,794,932
Series 2011	0.8-5.5%	2026	7,805,000	-	-	7,805,000
Refunding Series A and B	2-5%	2029	2,350,000	-	2,350,000	-
Series 2013	3-5%	2039	1,375,000	-	1,375,000	-
Series 2014 Refunding	2-5%	2031	5,185,000	-	2,545,000	2,640,000
Series 2014	2-5%	2033	1,385,000	-	685,000	700,000
Series B (2014)	1-3%	2028	7,240,000	-	3,565,000	3,675,000
Election of 2002, 2017	2-3%	2023	2,710,000	-	2,710,000	-
Election of 2012, 2017	2-4%	2029	32,850,000	-	4,280,000	28,570,000
Refunding Series 2017	2-3.375%	2027	33,320,000	-	4,485,000	28,835,000
Election of 2012, 2019	3-4%	2032	126,790,000	-	5,935,000	120,855,000
Election of 2016, 2019	4%	2032	36,480,000	-	6,130,000	30,350,000
GO Bonds Election of 2012, Series 202	0.25-4.00%	2030	27,260,000	-	2,855,000	24,405,000
GO Bonds Election of 2016, Series 202	0.25-4.00%	2042	144,560,000	-	16,005,000	128,555,000
GO Bonds Refunding 2020	0.265-2.416%	2035	139,145,000	-	6,415,000	132,730,000
GO Bonds Election of 2016, Series 202	2.18-5%	2047	150,000,000	-	7,795,000	142,205,000
			<u>\$ 752,168,565</u>	<u>\$ -</u>	<u>\$ 70,996,997</u>	<u>\$ 681,171,568</u>

The annual requirements to amortize the General Obligation Bonds payable and outstanding as of June 30, 2023 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 56,355,170	\$ 32,759,219	\$ 89,114,389
2025	59,803,857	29,436,045	89,239,902
2026	66,902,118	27,076,036	93,978,154
2027	60,002,238	38,026,684	98,028,922
2028	55,937,205	28,256,767	84,193,972
2029-2033	184,880,980	71,246,070	256,127,050
2034-2038	59,610,000	33,329,211	92,939,211
2039-2043	75,035,000	21,309,038	96,344,038
2043-2047	62,645,000	6,487,200	69,132,200
	<u>\$ 681,171,568</u>	<u>\$ 287,926,270</u>	<u>\$ 969,097,838</u>

(Continued)



SAN JUAN UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

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**NOTE 6 - LONG-TERM LIABILITIES** (Continued)

In August 1999, the District issued General Obligation Bonds, Election of 1998, Series 1999 totaling \$27,500,197 for the repair of school facilities. These serial bonds with interest rates from 4.38% to 5.70% mature in varying amounts through August 2024. With the issuance of the Refunding Series 2007 General Obligation Bonds in June 2007, \$14,935,000 of the Series 1999 bonds were refunded.

In August 2000, the District issued General Obligation Bonds, Election of 1998, Series 2000 in the amount of \$41,997,786 to renovate, construct and modernize classrooms and school facilities within the District. The bonds mature during succeeding years through August 2025. The bonds were issued at varying interest rates from 4.375% to 6.250%. With the issuance of the Refunding Series 2007 General Obligation Bonds in June 2007, \$31,680,000 of the Series 2000 bonds were refunded.

In August 2002, the District issued General Obligation Bonds, Election of 1998, Series 2001A and 2001B in the amount of \$46,997,897. These bonds mature during succeeding years through August 2026 and were issued at varying interest rates from 4.200% to 5.125%. With the issuance of the 2012 General Obligation Refunding Bonds, Series A in March 2012, the remaining \$2,520,000 of the 2001A Series bonds were refunded.

In July 2003, the District issued General Obligation Bonds, Election of 1998, Series 2003A and 2003B in the amount of \$40,504,105 to build, acquire, construct and furnish school facilities. The bonds mature during succeeding years through August 2028. The bonds were issued at varying interest rates from 1.0% to 5.8%. With the issuance of the 2012 General Obligation Refunding Bonds, Series A in March 2012, \$9,905,000 of the Series 2003A bonds were refunded.

In August 2004, the District issued General Obligation Bonds, Election of 2002, Series 2004A consisting of current interest bonds totaling \$67,205,000 and capital appreciation bonds totaling \$1,794,931 to build, acquire, construct and furnish school facilities. The capital appreciation bonds carry interest rates of 5.52% and 5.53% and mature in August 2028 and 2029. With the issuance of the 2012 General Obligation Refunding Bonds, Series C in September 2012, \$37,000,000 of Series 2004A General Obligation Bonds were refunded.

In June 2011, the District issued General Obligation Bonds, Election of 2002, Series 2011 in the amount of \$10,600,000 to build, acquire, construct and furnish school facilities. These bonds mature during succeeding years through June 2026 and were issued at varying interest rates from 0.8% to 5.5%.

In March 2012, the District issued Series 2012 General Obligation Refunding Bonds, Series A and Series B in the amount of \$12,435,000 and \$23,910,000, respectively. The 2012 Refunding Bonds were issued to refund the remaining \$2,520,000 of Series 2001A General Obligation Bonds and \$9,905,000 of Series 2003A General Obligation Bonds. The 2012 Refunding Bonds mature during succeeding years through August 2028 and were issued at varying interest rates from 2.0% to 5.0%. With the issuance of the 2020 General Obligation Refunding Bonds, in October 2020, \$4,975,000 of the Series A and \$13,155,000 Series B bonds were refunded, with the remaining balance paid in full in 2023 ahead of the August 2028 maturity.

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(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

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**NOTE 6 - LONG-TERM LIABILITIES** (Continued)

In January 2013, the District issued General Obligation Bonds Election of 2002, Series 2013 in the amount of \$50,000,000 to build, acquire, construct and furnish school facilities. The bonds mature during succeeding years through August 2038. The bonds were issued at an interest rates ranging from 3% to 5%. With the issuance of the 2020 General Obligation Refunding Bonds, in October 2020, \$36,665,000 of the Series 2013 bonds were refunded, with the remaining balance paid in full in 2023 ahead of the originally 2039 maturity.

In May 2014, the District issued General Obligation Bonds, Election of 2002, Series 2014 in the amount of \$44,265,000 to refund a portion of the District's outstanding General Obligation Bonds, Election of 2002, Series 2007. The bonds mature during succeeding years through August 2030. The bonds were issued at an interest rates ranging from 2% to 5%. With the issuance of the 2020 General Obligation Refunding Bonds, in October 2020, \$25,265,000 of the Series 2014 bonds were refunded.

In July 2014, the District issued General Obligation Bonds Election of 2002, Series 2014 in the amount of \$25,925,000 to build, acquire, construct and furnish school facilities. The bonds mature during succeeding years through August 2032. The bonds were issued at an interest rates ranging from 2% to 5%. With the issuance of the 2020 General Obligation Refunding Bonds, in October 2020, \$15,260,000 of the Series 2014 bonds were refunded.

In July 2014, the District issued General Obligation Bonds Election of 2012, Series B in the amount of \$80,000,000 to build, acquire, construct and furnish school facilities. The bonds mature during succeeding years through August 2027. The bonds were issued at an interest rates ranging from 1% to 3%. With the issuance of the 2020 General Obligation Refunding Bonds, in October 2020, \$15,830,000 of the Series B bonds were refunded.

In March 2017, the District issued General Obligation Bonds Election of 2002, Series 2017 in the amount of \$23,475,000 to finance specific construction, acquisition and modernization projects. The bonds mature during succeeding years through August 2022. The bonds were issued at an interest rates ranging from 2% to 3%.

In March 2017, the District issued General Obligation Bonds Election of 2012, Series 2017 in the amount of \$70,000,000 to finance specific construction, acquisition and modernization projects. The bonds mature during succeeding years through August 2028. The bonds were issued at an interest rates ranging from 2% to 4%.

In March 2017, the District issued General Obligation Bonds Election of 2002, Refunding Series 2017 in the amount of \$37,890,000 to advance refund a portion of the General Obligation Bonds, Election of 2002, Series 2010 and pay costs of issuance of the Refunding Bonds. The bonds mature during succeeding years through August 2026. The bonds were issued at an interest rates ranging from 2% to 3.375%.

In December 2018, the District issued General Obligation Bonds Election of 2012, Series 2019 in the amount of \$150,000,000 to finance specific construction, acquisition and modernization projects. The bonds mature during succeeding years through August 2031. The bonds were issued at interest rates ranging from 3% to 4%.

In December 2018, the District issued General Obligation Bonds Election of 2016, Series 2019 in the amount of \$80,000,000 to finance specific construction, acquisition and modernization projects. The bonds mature during succeeding years through August 2031. The bonds were issued at an interest rate of 4%.

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(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

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**NOTE 6 - LONG-TERM LIABILITIES** (Continued)

In October 2020, the District issued General Obligation Bonds Election of 2012, Series 2020 in the amount of \$30,000,000 to finance specific construction, acquisition and modernization projects. The bonds mature during succeeding years through August 2029. The bonds were issued at interest rates ranging from 0.25% to 4%.

In October 2020, the District issued General Obligation Bonds Election of 2016, Series 2020 in the amount of \$150,000,000 to finance specific construction, acquisition and modernization projects. The bonds mature during succeeding years through August 2041. The bonds were issued at interest rates ranging from 0.25% to 4%.

In October 2020, the District issued General Obligation Refunding Bonds Election of 2020 in the amount of \$143,090,000 to refund \$18,130,000 of the 2012 Refunding Bonds, Series A and B, \$19,235,000 of the 2012 Refunding, Series C, \$36,665,000 Election of 2002, Series 2013, \$25,265,000 Election 2002, Series 2014 Refunding Bonds, \$15,260,000 Election of 2002, Series 2014, and \$15,830,000 Election of 2012, Series B. These amounts have been removed from long-term liabilities. The bonds mature during succeeding years through August 2034. The bonds were issued at an interest rates ranging from 0.265% to 2.416%.

In April 2022, the District issued General Obligation Bonds Election of 2016, Series 2022 in the amount of \$150,000,000 to finance specific construction, acquisition and modernization projects. The bonds mature during succeeding years through August 2046. The bonds were issued at interest rates ranging from 2.18% to 5.00%.

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(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 6 - LONG-TERM LIABILITIES (Continued)**

Lease Liabilities: The District is leasing equipment under long-term lease purchase agreements with capitalized value of \$2,927,768 and accumulated depreciation of \$2,927,768. The following is a summary of future payments on the capital leases:

Year Ending <u>June 30,</u>	<u>Principal</u>
2024	\$ <u>149,996</u>
Total payments	149,996
Less amount representing interest	<u>(1,989)</u>
Net present value of minimum payments	<u>\$ 148,007</u>

Schedule of Changes in Long-Term Liabilities: A schedule of changes in long-term liabilities for the fiscal year ended June 30, 2023 is shown below:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,</u> <u>2023</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<u>Debt:</u>					
General Obligation Bonds	\$ 752,168,565	\$ -	\$ 70,996,997	\$ 681,171,568	\$ 56,355,170
Accreted interest	67,827,191	-	3,371,244	64,455,947	-
Unamortized premium on Issuance of General Obligation Bonds	45,280,408	-	3,945,167	41,335,241	3,880,048
Lease liabilities	438,151	-	290,144	148,007	148,007
<u>Other long-term liabilities:</u>					
Total OPEB liability (Note 10)	145,937,052	-	32,228,242	113,708,810	-
Net pension liability (Notes 8 and 9)	251,831,000	179,507,000	-	431,338,000	-
Compensated absences	<u>6,158,442</u>	<u>-</u>	<u>947,689</u>	<u>5,210,753</u>	<u>5,210,753</u>
Totals	<u>\$ 1,269,640,809</u>	<u>\$ 179,507,000</u>	<u>\$ 111,779,483</u>	<u>\$ 1,337,368,326</u>	<u>\$ 65,593,978</u>

Payments on the General Obligation Bonds are made from the Bond Interest and Redemption Fund. Payments on the lease liabilities are made from the General Fund. Payments for net pension liability, OPEB and compensated absences are made from the fund for which the related employee worked.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 7 - FUND BALANCES**

Fund balances, by category, at June 30, 2023 consisted of the following:

	General Fund	Building Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total
Nonspendable:					
Revolving cash fund	\$ 205,000	\$ -	\$ -	\$ 722	\$ 205,722
Stores inventory	139,634	-	-	-	139,634
Prepaid expenditures	<u>1,064,692</u>	<u>-</u>	<u>-</u>	<u>528,445</u>	<u>1,593,137</u>
Subtotal nonspendable	<u>1,409,326</u>	<u>-</u>	<u>-</u>	<u>529,167</u>	<u>1,938,493</u>
Restricted:					
Legally restricted programs	118,076,085	-	-	-	118,076,085
Student body activities	-	-	-	2,534,012	2,534,012
Charter school operations	-	-	-	927,556	927,556
Adult education operations	-	-	-	1,950,262	1,950,262
Child development	-	-	-	7,116,341	7,116,341
Cafeteria operations	-	-	-	12,842,460	12,842,460
Deferred maintenance	-	-	-	3,338,312	3,338,312
Capital projects	-	128,181,461	-	4,481,127	132,662,588
Debt service	<u>-</u>	<u>-</u>	<u>76,161,634</u>	<u>-</u>	<u>76,161,634</u>
Subtotal restricted	<u>118,076,085</u>	<u>128,181,461</u>	<u>76,161,634</u>	<u>33,190,070</u>	<u>355,609,250</u>
Committed:					
Bus replacement plan	13,524,000	-	-	-	13,524,000
Technology device refresh and enhancements	9,136,233	-	-	-	9,136,233
Carryover of unspent 2021-22					
Supplemental grants	8,566,058				8,566,058
Textbook adoptions	<u>10,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000,000</u>
Subtotal committed	<u>41,226,291</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,226,291</u>
Assigned:					
ERP Implementation	655,477	-	-	-	655,477
Additional Unspent Supplemental	<u>5,778,707</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,778,707</u>
Subtotal assigned	<u>6,434,184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,434,184</u>
Unassigned:					
Designated for economic uncertainty	11,895,349	-	-	-	11,895,349
Undesignated	<u>75,843,510</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,843,510</u>
Subtotal unassigned	<u>87,738,859</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,738,859</u>
Total fund balances	<u>\$ 254,884,745</u>	<u>\$128,181,461</u>	<u>\$ 76,161,634</u>	<u>\$ 33,719,237</u>	<u>\$492,947,077</u>

(Continued)

**NOTE 8 – NET PENSION LIABILITY – STATE TEACHERS’ RETIREMENT PLAN**

*General Information about the State Teachers’ Retirement Plan*

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

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

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

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

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

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

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

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

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

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(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2023

**NOTE 8 – NET PENSION LIABILITY – STATE TEACHERS’ RETIREMENT PLAN (Continued)**

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

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

*Members* - Under CalSTRS 2% at 60, the member contribution rate was 10.250 percent of applicable member earnings for fiscal year 2021-22. Under CalSTRS 2% at 62, members contribute 50 percent of the normal cost of their retirement plan, which resulted in a contribution rate of 10.205 percent of applicable member earnings for fiscal year 2021-22.

Under CalSTRS 2% at 62, members pay 9% toward the normal cost and an additional 1.205 percent as per the CalSTRS Funding Plan for a total member contribution rate of 10.205 percent. The contribution rate for CalSTRS 2% at 62 members is adjusted if the normal cost increases or decreases by more than 1% since the last time the member contribution rate was set. Based on the June 30, 2021, valuation adopted by the CalSTRS board in May 2022, the increase in normal cost was less than 1 percent. Therefore, the contribution rate for CalSTRS 2% at 62 members did not change effective July 1, 2022.

*Employers* – Employers are required to contribute a base contribution rate set in statute at 8.25%. Pursuant to the CalSTRS Funding Plan, employers also have a supplemental contribution rate to eliminate their share of the CalSTRS unfunded actuarial obligation by 2046.

Beginning in fiscal year 2021–22, the CalSTRS Funding Plan authorized the CalSTRS board to adjust the employer supplemental contribution rate up or down by a maximum of 1% for a total rate of no higher than 20.25% and no lower than 8.25%. In May 2022, the CalSTRS board voted to keep the employer supplemental contribution rate at 10.85% for fiscal year 2022–23 for a total employer contribution rate of 19.10%.

The CalSTRS employer contribution rates effective for fiscal year 2022-23 through fiscal year 2046-47 are summarized in the table below:

<u>Effective Date</u>	<u>Base Rate</u>	<u>Supplemental Rate Per CalSTRS Funding Plan</u>	<u>Total</u>
July 1, 2022	8.250%	10.850%	19.100%
July 1, 2023 to June 30, 2046	8.250%	(1)	(1)
July 1, 2046	8.250%	Increase from AB 1469 rate ends in 2046-47	

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

The District contributed \$45,588,081 to the plan for the fiscal year ended June 30, 2023.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2023

**NOTE 8 – NET PENSION LIABILITY – STATE TEACHERS’ RETIREMENT PLAN (Continued)**

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

The state is required to contribute a base contribution rate set in statute at 2.017%. Pursuant to the CalSTRS Funding Plan, the state also has a supplemental contribution rate, which the board can increase by up to 0.5% each fiscal year to help eliminate the state’s share of the CalSTRS unfunded actuarial obligation by 2046. In May 2022, the CalSTRS board voted to keep the state supplemental contribution rate at 6.311% for fiscal year 2022–23 for a total contribution rate of 10.828%.

Special legislation appropriated supplemental state contributions to reduce the state’s portion of the unfunded actuarial obligation of the DB Program in fiscal years 2019-20 through 2021-22. These contributions are funded from future excess General Fund revenues, pursuant to the requirements of California Proposition 2, the “Rainy-Day Budget Stabilization Fund Act”, which passed in 2014. Accordingly, the contribution amounts are subject to change each year based on the availability of funding. For fiscal year 2021–22, CalSTRS received \$410.0 million in supplemental state contributions from Proposition 2 funds. Additionally, CalSTRS received a one-time supplemental payment of \$173.7 million from the General Fund in fiscal year 2021–22 to offset forgone contributions due to the suspension of the 0.5% increase to the state supplemental contribution rate in fiscal year 2020–21.

The CalSTRS state contribution rates effective for fiscal year 2022-23 and beyond are summarized in the table below.

<u>Effective Date</u>	<u>Base Rate</u>	<u>Supplemental Rate Per CalSTRS Funding Plan</u>	<u>SBMA Funding<sup>(1)</sup></u>	<u>Total</u>
July 01, 2022	2.017%	6.311%	2.50%	10.828%
July 01, 2023 to June 30, 2046	2.017%	(2)	2.50%	(2)
July 01, 2046	2.017%	(3)	2.50%	(3)

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

(Continued)



SAN JUAN UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

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**NOTE 8 – NET PENSION LIABILITY – STATE TEACHERS’ RETIREMENT PLAN** (Continued)

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* - At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District’s proportionate share of the net pension liability	\$ 237,502,000
State’s proportionate share of the net pension liability associated with the District	<u>134,242,000</u>
Total	<u>\$ 371,744,000</u>

The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The District’s proportion of the net pension liability was based on the District’s share of contributions to the pension plan relative to the contributions of all participating school districts and the State. At June 30, 2023, the District’s proportion was 0.342 percent, which was an increase of 0.025 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the District recognized pension expense of \$28,386,906 and revenue of \$21,538,056 for support provided by the State. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 195,000	\$ 17,808,000
Changes of assumptions	11,778,000	-
Net differences between projected and actual earnings on investments	-	11,614,000
Changes in proportion and differences between District contributions and proportionate share of contributions	21,460,000	46,455,000
Contributions made subsequent to measurement date	<u>45,588,081</u>	<u>-</u>
Total	<u>\$ 79,021,081</u>	<u>\$ 75,877,000</u>

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(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2023

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**NOTE 8 – NET PENSION LIABILITY – STATE TEACHERS’ RETIREMENT PLAN (Continued)**

\$45,588,081 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>		
2024	\$	(9,336,717)
2025	\$	(18,388,717)
2026	\$	(25,323,216)
2027	\$	13,052,450
2028	\$	(4,424,300)
2029	\$	1,976,500

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 7 years as of the June 30, 2023 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

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

Valuation Date	June 30, 2021
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2.00% simple for DB, maintain 85% Purchasing power level for DB, not applicable for DBS/CBB

Discount Rate: The discount rate used to measure the total pension liability was 7.10 percent, which was unchanged from the prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increase per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the STRP’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2023

**NOTE 8 – NET PENSION LIABILITY – STATE TEACHERS’ RETIREMENT PLAN** (Continued)

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

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

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

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

\* 20-year geometric average

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District’s proportionate share of the net pension liability	\$ 403,367,000	\$ 237,502,000	\$ 99,785,000

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

(Continued)

**NOTE 9 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B**

*General Information about the Public Employer’s Retirement Fund B*

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

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

<https://www.calpers.ca.gov/docs/forms-publications/acfr-2022.pdf>.

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

Contributions: The benefits for the defined benefit pension plans are funded by contributions from members and employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer’s benefit formulas. Employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Employer contributions, including lump sum contributions made when districts first join the PERF B, are credited with a market value adjustment in determining contribution rates.

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

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2023 were as follows:

*Members* - The member contribution rate was 7.0 percent of applicable member earnings for fiscal year 2022-2023.

*Employers* - The employer contribution rate was 25.37 percent of applicable member earnings.

The District contributed \$26,073,604 to the plan for the fiscal year ended June 30, 2023.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* - At June 30, 2023, the District reported a liability of \$193,836,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The District’s proportion of the net pension liability was based on the District’s share of contributions to the pension plan relative to the contributions of all participating school districts. At June 30, 2023, the District’s proportion was 0.563 percent, which was an increase of 0.035 percent from its proportion measured as of June 30, 2022.

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(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

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**NOTE 9 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B** (Continued)

For the year ended June 30, 2023, the District recognized pension expense of \$22,525,575. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 876,000	\$ 4,823,000
Changes of assumptions	14,339,000	-
Net differences between projected and actual earnings on investments	22,887,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	7,221,000	4,221,000
Contributions made subsequent to measurement date	<u>26,073,604</u>	<u>-</u>
Total	<u>\$ 71,396,604</u>	<u>\$ 9,044,000</u>

\$26,073,604 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	
2024	\$ 7,761,500
2025	\$ 7,193,500
2026	\$ 7,368,000
2027	\$ 13,956,000

Differences between expected and actual experience, changes in assumptions and changes in proportion and differences between District contributions and proportionate share of contributions are amortized over a closed period equal to the average remaining service life of plan members, which is 3.9 years as of the June 30, 2023 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

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(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

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**NOTE 9 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B** (Continued)

Actuarial Methods and Assumptions: The total pension liability for the Plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2021, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2021
Experience Study	June 30, 2000 through June 30, 2019
Actuarial Cost Method	Entry age normal
Investment Rate of Return	6.90%
Consumer Price Inflation	2.30%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	2.00% 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 80% of scale MP2020. For more details on this table, please refer to the 2021 experience study report.

All other actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from 2000 to 2019, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS' website.

During the 2021-22 measurement period, the financial reporting discount rate for PERF B was lowered from 7.15 percent to 6.90 percent. In addition, the inflation assumption was reduced from 2.50 percent to 2.30 percent. Lastly, demographic assumptions for mortality rates were updated.

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

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Expected Real Rates of Return Years 1-10 (1, 2)</u>
Global Equity – cap-weighted	30.00%	4.45%
Global Equity non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

- (1) An expected inflation rate of 2.30% used for this period  
(2) Figures are based on the 2021-22 CalPERS Asset Liability Management Study

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(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2023

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**NOTE 9 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)**

Discount Rate: The discount rate used to measure the total pension liability was 6.90 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan. The results of the crossover testing for the Plan are presented in a detailed report that can be obtained at CalPERS’ website.

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

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.

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:

	1% Decrease <u>(5.90%)</u>	Current Discount Rate <u>(6.90%)</u>	1% Increase <u>(7.90%)</u>
District’s proportionate share of the net pension liability	<u>\$ 280,005,000</u>	<u>\$ 193,836,000</u>	<u>\$ 122,620,000</u>

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

**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS**

Plan Description: In addition to the pension benefits described in Notes 8 and 9, the District provides post-employment health care benefits (medical and dental) under a single employer defined benefit OPEB plan to all certificated, management and confidential employees who are eligible to retire from the District and have completed a minimum of 5 years of employment with the District. The plan does not issue separate financial statements. Health care benefits are provided for supervisory employees who are eligible to retire under a single employer defined benefit OPEB plan and have completed a minimum of 10 years of employment with the District. Health care benefits are provided to classified and transportation employees, who have reached the age of 55, are eligible to retire under a single employer defined benefit OPEB plan and have completed a minimum of 10 years of employment with the District. Health care benefits are provided to these employees until they have attained the age of 65. As of June 30, 2023 the District has not accumulated assets in a qualified trust for the purpose of paying the benefits related to the District’s Total OPEB Liability.

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(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2023

**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

The District's Governing Board has the authority to establish or amend the benefit terms offered by the Plan. The District's Governing Board also retains the authority to establish the requirements for paying the Plan benefits as they come due.

Employees Covered by Benefit Terms: The following is a table of plan participants at June 30, 2023:

	<u>Number of Participants</u>	
	<u>District</u>	<u>Charter</u>
Inactive Plan members, covered spouses, or beneficiaries currently receiving benefits	541	1
Active employees	4,220	3
	4,761	4

Benefits Provided: The benefits provided are the same as those provided for active employees. Spouses and dependents of eligible retirees are also eligible for medical coverage. All salaried employees of the District are eligible to receive postemployment health care benefits. Hourly employees (i.e. non-salaried with variable work hours) are not eligible to receive postemployment health care benefits.

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

Contributions to the Plan from the District were \$6,589,236 for the year ended June 30, 2023. Employees are not required to contribute to the OPEB plan.

*Total OPEB Liability*

The District's Total OPEB liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2023.

Actuarial Assumptions: The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

<u>Actuarial Value of Assets</u>	Market Value
<u>Mortality Rate</u>	CalPERS 2017 Experience Study
<u>Discount Rate</u>	3.69% based on the Fidelity 20 Year AA Municipal Bond maturity yield index.
<u>Retirement Rate</u>	Retirement rates match rates developed in the most recent experience studies for CalPERS (2017) and CalSTRS (2020)

(Continued)



SAN JUAN UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

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**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

<u>Inflation Rate</u>	2.50% per year
<u>Salary Increases</u>	3.00% per year
<u>Healthcare Trend Rate</u>	6.80% per year

Changes in Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ <u>145,937,052</u>
Changes for the year:	
Service cost	9,733,598
Interest	2,921,516
Differences between actual and expected experience	(16,934,616)
Changes in assumptions	(20,932,012)
Benefit payments	<u>(7,016,728)</u>
Net change	<u>(32,228,242)</u>
Balance, at June 30, 2023	<u>\$ 113,708,810</u>

The changes in assumptions include a change in the discount rate from 1.92 percent in the prior valuation, to 3.69 percent in the current valuation.

There were no changes between the measurement date and the year ended June 30, 2023 which had a significant effect on the District's Total OPEB Liability.

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

	1%	Current	1%
	Decrease	Discount	Increase
	<u>(2.69%)</u>	<u>Rate (3.69%)</u>	<u>(4.69%)</u>
Total OPEB Liability	<u>\$ 121,397,419</u>	<u>\$ 113,708,810</u>	<u>\$ 106,375,974</u>

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(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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

	1% Decrease (5.80%)	Healthcare Cost Trend Rates Rate (6.80%)	1% Increase (7.80%)
Total OPEB Liability	<u>\$ 102,760,594</u>	<u>\$ 113,708,810</u>	<u>\$ 126,445,529</u>

*OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB-* For the year ended June 30, 2023, the District recognized OPEB expense of \$8,160,459. 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
Difference between expected and actual experience	\$ 710,991	\$ 17,042,961
Changes of assumptions	7,552,840	29,000,392
Net differences between projected and actual earnings on investments	-	-
Contributions made subsequent to measurement date	<u>6,589,236</u>	<u>-</u>
Total	<u>\$ 14,853,067</u>	<u>\$ 46,043,353</u>

\$6,589,236 reported as deferred outflows of resources related to benefits paid subsequent to the measurement date will be recognized as a reduction of the Total OPEB Liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending <u>June 30,</u>	
2024	\$ (4,494,655)
2025	\$ (4,494,655)
2026	\$ (4,484,492)
2027	\$ (4,469,672)
2028	\$ (3,898,919)
Thereafter	\$ (15,937,129)

The effect of changes in assumptions are amortized over a closed period of 10 years as of the June 30, 2022 measurement date.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

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**NOTE 11 - JOINT POWERS AGREEMENT**

The District is a member with other school districts of a Joint Powers Authority (JPA), Schools Insurance Authority (SIA), Education Technology Joint Powers Authority (ETJPA), Sourcewell Staples Minnesota, and School Project for Utility Rate Reduction for the operation of a common risk management and insurance program for property and liability coverage. The Joint Powers Agreement with SIA provides that SIA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$100,000 and \$750,000 for each insured event for property and liability, respectively. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage in the prior year.

The following is a summary of financial information for Schools Insurance Authority at June 30, 2022 (the most recent information available):

Total assets	\$ 211,771,868
Deferred outflows	\$ 1,751,462
Total liabilities	\$ 86,615,462
Deferred inflows	\$ 3,674,124
Net position	\$ 123,233,744
Total revenues	\$ 59,106,775
Total expenses	\$ 66,231,031

The following is a summary of financial information for Education Technology Joint Powers Authority at June 30, 2022 (the most recent information available):

Total assets	\$ 324,793
Total liabilities	\$ 455,037
Net position	\$ (130,244)
Total revenues	\$ 244,984
Total expenses	\$ 147,900

The following is a summary of financial information for Sourcewell Staples Minnesota at June 30, 2022 (the most recent information available):

Total assets	\$ 95,694,056
Deferred outflows	\$ 12,596,093
Total liabilities	\$ 28,174,152
Deferred inflows	\$ 13,767,420
Net position	\$ 66,348,577
Total revenues	\$ 101,311,120
Total expenses	\$ 99,407,782

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(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023

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**NOTE 11 - JOINT POWERS AGREEMENT (Continued)**

The following is a summary of financial information for School Project for Utility Rate Reduction at June 30, 2022 (the most recent information available):

Total assets	\$ 20,724,164
Total liabilities	\$ 15,094,369
Net position	\$ 5,629,795
Total revenues	\$ 64,718,155
Total expenses	\$ 65,821,881

Each member of the JPA has an ongoing financial responsibility in the event of the JPA's total liabilities exceed its total assets.

The relationship between San Juan Unified School District and the Joint Powers Authority is such that it is not a component unit of the District for financial reporting purposes. Financial statements for the JPA are available from Schools Insurance Authority.

**NOTE 12 - CONTINGENCIES**

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

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

As of June 30, 2023, the District has approximately \$176.4 million in outstanding commitments on ongoing construction contracts.

**NOTE 13 – SUBSEQUENT EVENT**

In January 2024, the District issued General Obligation Bonds Election of 2016, Series 2024 in the amount of \$125,000,000 to finance renovation, construction and improvement of school facilities. The bonds mature during succeeding years through August 2045. The bonds were issued at interest rates ranging from 4.00% to 5.00%.

In January 2024, the District issued General Obligation Bonds Election of 2016, Refunding Series 2024 in the amount of \$105,935,000 to refund certain outstanding General Obligation Bonds E and pay costs of issuance of the Refunding Bonds. The bonds mature during succeeding years through August 2031. The bonds were issued at an interest of 5.00%.

**REQUIRED SUPPLEMENTARY INFORMATION**

SAN JUAN UNIFIED SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
For the Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues:				
Local Control Funding Formula:				
State apportionment	\$ 310,281,480	\$ 317,815,562	\$ 294,836,576	\$ (22,978,986)
Local sources	<u>99,708,644</u>	<u>107,765,546</u>	<u>137,967,402</u>	<u>30,201,856</u>
Total Local Control Funding Formula	<u>409,990,124</u>	<u>425,581,108</u>	<u>432,803,978</u>	<u>7,222,870</u>
Federal sources	100,599,595	93,276,138	88,242,699	(5,033,439)
Other state sources	91,773,384	142,461,930	160,713,375	18,251,445
Other local sources	<u>6,019,717</u>	<u>10,595,837</u>	<u>18,573,626</u>	<u>7,977,789</u>
Total revenues	<u>608,382,820</u>	<u>671,915,013</u>	<u>700,333,678</u>	<u>28,418,665</u>
Expenditures:				
Current:				
Certificated salaries	224,303,695	242,112,627	240,826,236	1,286,391
Classified salaries	89,918,707	94,531,795	91,423,658	3,108,137
Employee benefits	183,157,691	178,190,311	174,584,975	3,605,336
Books and supplies	43,570,174	41,695,587	25,791,791	15,903,796
Contract services and operating expenditures	43,439,774	56,278,059	49,615,655	6,662,404
Other outgo	(29,632)	494,329	1,556,773	(1,062,444)
Capital outlay	6,635,500	3,529,232	3,813,204	(283,972)
Debt service:				
Principal Retirement	-	-	290,144	(290,144)
Interest	<u>-</u>	<u>-</u>	<u>10,284</u>	<u>(10,284)</u>
Total expenditures	<u>590,995,909</u>	<u>616,831,940</u>	<u>587,912,720</u>	<u>28,919,220</u>
Excess of revenues over expenditures	<u>17,386,911</u>	<u>55,083,073</u>	<u>112,420,958</u>	<u>57,337,885</u>
Other financing sources (uses):				
Transfers in	1,000	1,000	1,131,802	1,130,802
Transfers out	<u>(6,405,613)</u>	<u>(7,973,444)</u>	<u>(7,986,529)</u>	<u>(13,085)</u>
Total other financing sources (uses)	<u>(6,404,613)</u>	<u>(7,972,444)</u>	<u>(6,854,727)</u>	<u>1,117,717</u>
Net change in fund balance	10,982,298	47,110,629	105,566,231	58,455,602
Fund balance, July 1, 2022	<u>169,920,767</u>	<u>149,318,514</u>	<u>149,318,514</u>	<u>-</u>
Fund balance, June 30, 2023	<u>\$ 180,903,065</u>	<u>\$ 196,429,143</u>	<u>\$ 254,884,745</u>	<u>\$ 58,455,602</u>

See accompanying notes to required supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL  
OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY  
For the Year Ended June 30, 2023

	Last 10 Fiscal Years					
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total OPEB liability						
Service cost	\$ 8,222,343	\$ 7,637,903	\$ 7,479,653	\$ 7,443,646	\$ 8,677,026	\$ 9,733,598
Interest	3,858,622	4,697,188	4,704,410	4,006,726	3,442,719	2,921,516
Differences between actual and expected experience	-	(3,579,711)	-	865,424	-	(16,934,616)
Change in assumptions	(5,883,410)	(4,655,008)	(8,303,445)	4,857,799	5,030,517	(20,932,012)
Benefit payments	<u>(5,664,072)</u>	<u>(5,964,429)</u>	<u>(5,894,659)</u>	<u>(5,685,895)</u>	<u>(6,110,611)</u>	<u>(7,016,728)</u>
Net change in total OPEB liability	533,483	(1,864,057)	(2,014,041)	11,487,700	11,039,651	(32,228,242)
Total OPEB liability - beginning of year	<u>126,754,316</u>	<u>127,287,799</u>	<u>125,423,742</u>	<u>123,409,701</u>	<u>134,897,401</u>	<u>145,937,052</u>
Total OPEB liability - end of year	<u>\$127,287,799</u>	<u>\$125,423,742</u>	<u>\$123,409,701</u>	<u>\$134,897,401</u>	<u>\$145,937,052</u>	<u>\$113,708,810</u>
Covered employee payroll	\$278,515,266	\$287,698,401	\$300,868,065	\$299,318,431	\$304,111,313	\$299,327,181
Total OPEB liability as a percentage of covered-employee payroll	45%	44%	41%	44%	48%	38%

This is a 10-year schedule, however the information in this schedule is not required to be presented retrospectively. The amounts presented for each fiscal year were determined as of the yearend that occurred one year prior. All years prior to 2018 are not available.

See accompanying notes to required supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
For the Year Ended June 30, 2023

	State Teachers' Retirement Plan Last 10 Fiscal Years								
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
District's proportion of the net pension liability	0.385%	0.413%	0.397%	0.386%	0.407%	0.377%	0.355%	0.317%	0.342%
District's proportionate share of the net pension liability	\$224,874,000	\$277,909,000	\$320,872,000	\$357,172,000	\$373,991,000	\$340,258,000	\$344,255,000	\$144,380,000	\$237,502,000
State's proportionate share of the net pension liability associated with the district	<u>135,789,000</u>	<u>146,988,000</u>	<u>182,684,000</u>	<u>211,301,000</u>	<u>214,128,000</u>	<u>185,635,000</u>	<u>188,133,000</u>	<u>85,903,000</u>	<u>134,242,000</u>
Total net pension liability	<u>\$360,663,000</u>	<u>\$424,897,000</u>	<u>\$503,556,000</u>	<u>\$568,473,000</u>	<u>\$588,119,000</u>	<u>\$525,893,000</u>	<u>\$532,388,000</u>	<u>\$230,283,000</u>	<u>\$371,744,000</u>
District's covered payroll	\$171,397,000	\$191,597,000	\$197,714,000	\$204,691,000	\$215,487,000	\$206,117,000	\$208,678,000	\$173,548,000	\$195,596,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	131.20%	145.05%	162.29%	174.49%	173.56%	165.08%	164.97%	83.19%	121.42%
Plan fiduciary net position as a percentage of the total pension liability	76.52%	74.02%	70.04%	69.46%	70.99%	72.56%	71.82%	87.21%	81.20%

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

All years prior to 2015 are not available.

(Continued)



SAN JUAN UNIFIED SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
 SHARE OF THE NET PENSION LIABILITY  
 For the Year Ended June 30, 2023

	Public Employer's Retirement Fund B Last 10 Fiscal Years								
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
District's proportion of the net pension liability	0.644%	0.605%	0.634%	0.621%	0.609%	0.564%	0.553%	0.528%	0.563%
District's proportionate share of the net pension liability	\$ 73,164,000	\$ 89,144,000	\$ 125,145,000	\$ 148,249,000	\$ 162,464,000	\$ 164,471,000	\$ 169,659,000	\$ 107,451,000	\$ 193,836,000
District's covered payroll	\$ 67,654,000	\$ 66,954,000	\$ 76,018,000	\$ 78,847,000	\$ 80,829,000	\$ 78,471,000	\$ 79,910,000	\$ 76,131,000	\$ 86,772,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	108.14%	133.14%	164.63%	188.02%	201.00%	209.59%	212.31%	141.14%	223.39%
Plan fiduciary net position as a percentage of the total pension liability	83.38%	79.43%	73.89%	71.87%	70.85%	70.05%	70.00%	80.97%	69.76%

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

All years prior to 2015 are not available.

See accompanying notes to required supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
 For the Year Ended June 30, 2023

State Teachers' Retirement Plan  
 Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Contractually required contribution	\$ 17,013,776	\$ 21,214,764	\$ 26,349,076	\$ 31,094,788	\$ 33,555,853	\$ 35,683,900	\$ 33,147,701	\$ 37,358,851	\$ 45,588,081
Contributions in relation to the contractually required contribution	<u>(17,013,776)</u>	<u>(21,214,764)</u>	<u>(26,349,076)</u>	<u>(31,094,788)</u>	<u>(33,555,853)</u>	<u>(35,683,900)</u>	<u>(33,147,701)</u>	<u>(37,358,851)</u>	<u>(45,588,081)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 191,597,000	\$ 197,714,000	\$ 204,691,000	\$ 215,487,000	\$ 206,117,000	\$ 208,678,000	\$ 173,548,000	\$ 195,596,000	\$ 238,681,000
Contributions as a percentage of covered payroll	8.88%	10.73%	12.58%	14.43%	16.28%	17.10%*	16.15%**	16.92%***	19.10%

All years prior to 2015 are not available.

\*This rate reflects the original employer contribution rate of 18.13 percent under AB1469, reduced for the 1.03 percentage points to be paid on behalf of the employers pursuant to SB90.

\*\*This rate reflects the original employer contribution rate of 19.10 percent under AB1469, reduced for the 2.95 percentage points to be paid on behalf of the employers pursuant to SB90.

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

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
 For the Year Ended June 30, 2023

Public Employer's Retirement Fund B  
 Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Contractually required contribution	\$ 7,881,146	\$ 9,005,903	\$ 10,950,220	\$ 12,553,571	\$ 14,173,377	\$ 15,758,955	\$ 15,759,182	\$ 19,879,574	\$ 26,073,604
Contributions in relation to the contractually required contribution	<u>(7,881,146)</u>	<u>(9,005,903)</u>	<u>(10,950,220)</u>	<u>(12,553,571)</u>	<u>(14,173,377)</u>	<u>(15,758,955)</u>	<u>(15,759,182)</u>	<u>(19,879,574)</u>	<u>(26,073,604)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 66,954,000	\$ 76,018,000	\$ 78,847,000	\$ 80,829,000	\$ 78,471,000	\$ 79,910,000	\$ 76,131,000	\$ 86,772,000	\$ 102,773,000
Contributions as a percentage of covered payroll	11.77%	11.85%	13.89%	15.53%	18.06%	19.72%	20.70%	22.91%	25.37%

All years prior to 2015 are not available.

See accompanying notes to required supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2023

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**NOTE 1 - PURPOSE OF SCHEDULES**

Budgetary Comparison Schedule: The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Education to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

Schedule of Changes in Total Other Postemployment Benefits (OPEB) Liability: The Schedule of Changes in Total OPEB Liability is presented to illustrate the elements of the District's Total OPEB Liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available. The District has not accumulated assets in a qualified trust for the purpose of paying the benefits related to the District's Total OPEB Liability.

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

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

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

Changes of Assumptions: The discount rate used to calculate the District's OPEB liability was 3.13, 2.45, 1.92, 1.92 and 3.69 percent in the June 30, 2019, 2020, 2021, 2022 and 2023 actuarial reports, respectively.

The discount rate used for the Public Employer's Retirement Fund B (PERF B) plan was 7.50, 7.65, 7.65, 7.15, 7.15, 7.15, 7.15, 7.15 and 6.90 percent in the June 30, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 actuarial reports, respectively.

The inflation rate used for the PERF B plan was 2.50, 2.50, 2.50, 2.50, 2.50, 2.50, 2.50, 2.50, and 2.30 percent in the June 30, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 actuarial reports, respectively.

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

<u>Assumption</u>	<u>Measurement Period</u>							
	As of June 30 <u>2022</u>	As of June 30, <u>2021</u>	As of June 30, <u>2020</u>	As of June 30, <u>2019</u>	As of June 30, <u>2018</u>	As of June 30, <u>2017</u>	As of June 30, <u>2016</u>	As of June 30, <u>2015</u>
Consumer price inflation	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%
Investment rate of return	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.60%	7.60%
Wage growth	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.75%	3.75%

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**SUPPLEMENTARY INFORMATION**

SAN JUAN UNIFIED SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
ALL NON-MAJOR FUNDS  
June 30, 2023

	Student Activity Fund	Charter Schools Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Total
<b>ASSETS</b>										
Cash and investments:										
Cash in County Treasury	\$ -	\$ 773,302	\$ 1,206,149	\$ 4,008,971	\$ 7,548,062	\$ 3,495,761	\$ 4,345,915	\$ -	\$ (222)	\$ 21,377,938
Cash in revolving fund	-	-	-	-	722	-	-	-	-	722
Cash on hand and in banks	2,534,012	-	-	-	15,578	-	-	-	-	2,549,590
Cash awaiting deposit	-	-	-	2,451	64	-	-	-	-	2,515
Receivables	-	102,685	799,029	3,443,527	5,404,780	80,436	135,212	-	222	9,965,891
Due from other funds	-	134,064	58,459	149,737	48,198	-	-	-	-	390,458
Stores inventory	-	-	-	-	528,445	-	-	-	-	528,445
Total assets	<u>\$ 2,534,012</u>	<u>\$ 1,010,051</u>	<u>\$ 2,063,637</u>	<u>\$ 7,604,686</u>	<u>\$ 13,545,849</u>	<u>\$ 3,576,197</u>	<u>\$ 4,481,127</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,815,559</u>
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities:										
Accounts payable	\$ -	\$ 70,170	\$ 56,915	\$ 299,267	\$ 144,789	\$ 237,885	\$ -	\$ -	\$ -	\$ 809,026
Due to other funds	-	12,325	56,460	189,078	29,433	-	-	-	-	287,296
Total liabilities	-	82,495	113,375	488,345	174,222	237,885	-	-	-	1,096,322
Fund balances:										
Nonspendable	-	-	-	-	529,167	-	-	-	-	529,167
Restricted	2,534,012	927,556	1,950,262	7,116,341	12,842,460	3,338,312	4,481,127	-	-	33,190,070
Total fund balance	<u>2,534,012</u>	<u>927,556</u>	<u>1,950,262</u>	<u>7,116,341</u>	<u>13,371,627</u>	<u>3,338,312</u>	<u>4,481,127</u>	<u>-</u>	<u>-</u>	<u>33,719,237</u>
Total liabilities and fund balances	<u>\$ 2,534,012</u>	<u>\$ 1,010,051</u>	<u>\$ 2,063,637</u>	<u>\$ 7,604,686</u>	<u>\$ 13,545,849</u>	<u>\$ 3,576,197</u>	<u>\$ 4,481,127</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,815,559</u>

SAN JUAN UNIFIED SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
 ALL NON-MAJOR FUNDS  
 For the Year Ended June 30, 2023

	Student Activity Fund	Charter Schools Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve for Capital Outlay Projects Fund	Total
Revenues:										
Local Control Funding Formula	\$ -	\$ 2,503,946	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,503,946
Federal sources	-	-	484,435	13,752,125	15,938,793	-	-	-	-	30,175,353
Other state sources	-	766,099	3,487,550	4,424,763	9,329,822	92	-	14,680,377	-	32,688,703
Other local sources	2,986,860	30,964	127,360	6,187,587	1,971,311	117,431	1,792,566	-	-	13,214,079
<b>Total revenues</b>	<b>2,986,860</b>	<b>3,301,009</b>	<b>4,099,345</b>	<b>24,364,475</b>	<b>27,239,926</b>	<b>117,523</b>	<b>1,792,566</b>	<b>14,680,377</b>	<b>-</b>	<b>78,582,081</b>
Expenditures:										
Current:										
Certificated salaries	-	1,441,663	1,300,478	9,253,999	-	-	-	-	-	11,996,140
Classified salaries	-	228,685	434,695	4,814,482	5,609,208	1,349	-	-	-	11,088,419
Employee benefits	-	867,375	763,073	7,829,996	3,405,861	425	-	-	-	12,866,730
Books and supplies	371,200	23,734	224,142	2,069,167	10,663,982	19,784	-	-	-	13,372,009
Contract services and operating expenditures	2,126,493	288,179	1,460,171	420,772	825,360	51,780	6,020	-	-	5,178,775
Capital outlay	-	-	-	-	19,800	1,381,116	-	-	-	1,400,916
<b>Total expenditures</b>	<b>2,497,693</b>	<b>2,849,636</b>	<b>4,182,559</b>	<b>24,388,416</b>	<b>20,524,211</b>	<b>1,454,454</b>	<b>6,020</b>	<b>-</b>	<b>-</b>	<b>55,902,989</b>
Excess (deficiency) of revenues over (under) expenditures	489,167	451,373	(83,214)	(23,941)	6,715,715	(1,336,931)	1,786,546	14,680,377	-	22,679,092
Other financing sources (uses):										
Transfers in	-	-	57,055	4,244,027	4,434	2,000,000	-	-	-	6,305,516
Transfers out	-	(251,571)	(160,043)	(709,957)	(368,984)	-	(5,000,000)	(14,680,377)	-	(21,170,932)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(251,571)</b>	<b>(102,988)</b>	<b>3,534,070</b>	<b>(364,550)</b>	<b>2,000,000</b>	<b>(5,000,000)</b>	<b>(14,680,377)</b>	<b>-</b>	<b>(14,865,416)</b>
Net change in fund balances	489,167	199,802	(186,202)	3,510,129	6,351,165	663,069	(3,213,454)	-	-	7,813,676
Fund balance, July 1, 2022	2,044,845	727,754	2,136,464	3,606,212	7,020,462	2,675,243	7,694,581	-	-	25,905,561
<b>Fund balance, June 30, 2023</b>	<b>\$ 2,534,012</b>	<b>\$ 927,556</b>	<b>\$ 1,950,262</b>	<b>\$ 7,116,341</b>	<b>\$ 13,371,627</b>	<b>\$ 3,338,312</b>	<b>\$ 4,481,127</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 33,719,237</b>

SAN JUAN UNIFIED SCHOOL DISTRICT  
ORGANIZATION  
June 30, 2023

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San Juan Unified School District, a political subdivision of the State of California, was established on July 1, 1960. San Juan Unified School District operates 2 preschool centers, 33 elementary schools, 8 K-8 grade schools, 9 middle schools, 9 high schools, 3 alternative learning centers, 2 adult education schools, 3 special education schools and 1 charter school. All of the District's schools are located in Sacramento County. There have been no changes in the District's boundaries as of June 30, 2023.

BOARD OF EDUCATION

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Zima Creason	President	December 2026
Pam Costa	Vice President	December 2024
Saul Hernandez	Clerk	December 2024
Ben Avey	Member	December 2026
Paula Villescaz	Member	December 2024
Tanya Kravchuk	Member	December 2026

ADMINISTRATION

Melissa Bassanelli  
Superintendent of Schools

Amy Slavensky, Ph.D.  
Deputy Superintendent, Schools and Student Support

Linda C.T. Simlick, J.D.  
General Counsel

Debra Calvin, Ed.D.  
Assistant Superintendent, Educational Services

Frank Camarda  
Chief Operations Officer

Paul Oropallo  
Assistant Superintendent, Human Resources

Daniel Thigpen  
Executive Director, Labor Relations & Government Affairs

Trent Allen, APR  
Chief of Staff, Community Relations

Kristan Schnepf  
Assistant Superintendent, Secondary Education & Programs

Peter Skibitzki  
Senior Director, Technology

Amberlee Townsend-Snider  
Assistant Superintendent, Elementary Education & Programs

Jennifer Stahlheber \*  
Chief Financial Officer

\*Jennifer Stahlheber has subsequently left the District and was replaced by Joel Ryan in January of 2024.

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SAN JUAN UNIFIED SCHOOL DISTRICT  
 SCHEDULE OF AVERAGE DAILY ATTENDANCE  
 June 30, 2023

	<u>Second Period Report</u>	<u>Annual Report</u>	<u>Audited Annual Report</u>
<b>DISTRICT</b>			
Certificate number	3E7DCF75	5BDC5A7D	**
Elementary:			
Transitional Kindergarten through Third	10,652	10,706	10,705
Fourth through Sixth	7,862	7,870	7,869
Seventh and Eighth	<u>5,054</u>	<u>5,040</u>	<u>5,037</u>
Subtotal Elementary	<u>23,568</u>	<u>23,616</u>	<u>23,611</u>
Secondary:			
Ninth through Twelfth	<u>11,028</u>	<u>10,872</u>	<u>10,872</u>
District Totals	<u><u>34,596</u></u>	<u><u>34,488</u></u>	<u><u>34,482</u></u>
<b>CHARTER SCHOOLS</b>			
Certificate number	383C1406	A23E47AA	**
Choices (Nonclassroom-Based):			
Fourth through Sixth	7	9	9
Seventh and Eighth	48	49	49
Ninth through Twelfth	<u>155</u>	<u>161</u>	<u>161</u>
Charter School Totals	<u><u>210</u></u>	<u><u>219</u></u>	<u><u>219</u></u>

\*\* ADA has been adjusted to reflect finding 2023 – 002.

SAN JUAN UNIFIED SCHOOL DISTRICT  
SCHEDULE OF INSTRUCTIONAL TIME  
For the Year Ended June 30, 2023

<u>Grade Level</u>	<u>Statutory Minutes Requirement</u>	<u>2022-2023 Actual Minutes</u>	<u>Credited Minutes per Approved Form J-13A*</u>	<u>Total Reported Minutes</u>	<u>Actual Number of Days Offered</u>	<u>Credited Days per Approved Form J-13A*</u>	<u>Number of Days Traditional Calendar</u>	<u>Status</u>
<b>District:</b>								
Kindergarten	36,000	35,665	335	36,000	179	1	180	In Compliance
Grade 1	50,400	52,200	335	52,535	179	1	180	In Compliance
Grade 2	50,400	52,200	335	52,535	179	1	180	In Compliance
Grade 3	50,400	52,200	335	52,535	179	1	180	In Compliance
Grade 4	54,000	53,765	335	54,100	179	1	180	In Compliance
Grade 5	54,000	53,765	335	54,100	179	1	180	In Compliance
Grade 6	54,000	53,575	740	54,315	178	2	180	In Compliance
Grade 7	54,000	55,652	740	56,392	178	2	180	In Compliance
Grade 8	54,000	55,652	740	56,392	178	2	180	In Compliance
Grade 9	64,800	64,905	-	-	-	-	180	In Compliance
Grade 10	64,800	64,905	-	-	-	-	180	In Compliance
Grade 11	64,800	64,905	-	-	-	-	180	In Compliance
Grade 12	64,800	64,905	-	-	-	-	180	In Compliance

\* The District closed the John Barrett Middle School site for two days (January 10 and 11, 2023) and the Grand Oaks Elementary School site for one day (January 10, 2023) in response to weather-related issues. A Form J-13A waiver application was submitted to the California Department of Education and was approved on December 12, 2023. Accordingly, the Number of Days Traditional Calendar and related school day minutes, have been reduced from the 180 days planned to the days actually offered, by grade level, as a result of these closures.

See accompanying notes to supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2023

Assistance Listing <u>Number</u>	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying <u>Number</u>	Federal <u>Expenditures</u>
<u>U.S. Department of Education - Passed through California</u>			
<u>Department of Education</u>			
Vocational Programs:			
84.048	Carl D. Perkins Career and Technical Education: Secondary, Section 131	14894	\$ 476,673
84.048	Carl D. Perkins Career and Technical Education: Adult Section 132	14893	<u>12,075</u>
	Subtotal Vocational Program		<u>488,748</u>
Special Education Cluster:			
84.027	Special Education: IDEA Basic Local Assistance Entitlement, Part B, Section 611	13379	12,494,087
84.027	Special Education: IDEA Local Assistance, Part B, Section 611, Private School ISPs	10115	159,332
84.027	Special Ed: ARP IDEA Part B, Sec. 611, Local Assistance Entitlement	15638	1,950,646
84.027	Special Ed: ARP IDEA Part B, Sec.611, Local Assistance Private School Individual Service Plans (ISPs)	10169	22,637
84.027A	Special Education: IDEA Mental Health ADA, Part B, Section 611	15197	548,436
84.173	Special Ed: ARP IDEA Part B, Sec. 619, Preschool Grants	15639	72,496
84.173	Special Education: IDEA Preschool Grants, Part B, Section 619 (Ages 3-4-5)	13430	397,114
84.173A	Special Ed: IDEA Early Intervention Grants, Part C	23761	<u>162,284</u>
	Subtotal Special Education Cluster		<u>15,807,032</u>
Adult Education Programs:			
84.002A	Adult Education: Adult Basic Education & ELA	14508	329,080
84.002	Adult Education: Adult Secondary Education	13978	103,200
84.002A	Adult Education: English Literacy & Civics Education	14109	<u>40,080</u>
	Subtotal Adult Education Programs		<u>472,360</u>
ESEA Title III Programs:			
84.365	ESEA (ESSA) : Title III, Immigrant Ed Program	15146	80,126
84.365	ESEA (ESSA) : Title III, English Learner Student Program	14346	<u>445,050</u>
	Subtotal ESEA Title III Programs		<u>525,176</u>
Title I Grants to Local Education Agencies:			
84.010	ESEA: Title I, Part A, Basic Grants Low-Income and Neglected	14329	17,805,290
84.010	ESEA: ESSA School Improvement (CSI) Funding for LEAs	15438	<u>461,060</u>
	Subtotal Title I Grants to Local Education Agencies		<u>18,266,350</u>

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2023

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Education - Passed through California</u>			
<u>Department of Education (Continued)</u>			
	COVID-19: Education Stabilization Fund (ESF) Programs:		
84.425	CA Community Schools Partnership Program (CCSPP) - Planning Grant - COVID-19	15537	\$ 628,944
84.425	Elementary and Secondary School Emergency Relief II (ESSER II) Fund - COVID-19	15547	11,960,214
84.425	Elementary and Secondary School Emergency Relief III (ESSER III) Fund	15559	24,124,701
84.425U	Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss - COVID-19	10155	9,882,822
84.425C	Governor's Emergency Education Relief (GEER) Fund: Learning Loss Mitigation - COVID-19	15517	45,414
84.425	Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve - COVID-19	15618	1,729,390
84.425	Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs - COVID-19	15620	54,401
84.425	Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	15621	925,312
84.425	Expanded Learning Opportunities (ELO) Grant GEER II	15619	436,471
84.425	American Rescue Plan-Homeless Children and Youth (ARP - Homeless I)	15564	21,461
84.425	American Rescue Plan - Homeless Children and Youth II (ARP HYC II) - COVID-19	15566	<u>208,347</u>
	Subtotal COVID-19: Education Stabilization Fund (ESF) Programs		<u>50,017,477</u>
84.181	Special Education: IDEA Early Intervention Grants, Part C	13007	43,758
84.060	Indian Education	10011	29,386
84.367	ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grants	14341	1,081,393
84.196	ESEA (ESSA): Education for Homeless Children and Youth, Subtitle VII-B McKinney-Vento Act	14332	126,736
84.424	ESEA (ESSA) Title IV, Part A, Student Support and Academic Enrichment Grants	15396	1,225,057
84.424	ESSA: Title IV, Part A, Student Support and Academic Enrichment Grant Program (Competitive)	15391	26,000
84.287	ESEA: Title IV, Part B, 21st Century Community Learning Centers (CCLC) - High School	14535	<u>391,065</u>
	Total U.S. Department of Education		<u>88,500,538</u>

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2023

Assistance Listing <u>Number</u>	<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	Pass-Through Entity <u>Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Health and Human Services</u>			
<u>Passed through California Department of Education</u>			
	Child Care and Development Cluster:		
93.596	Child Development: Federal Child Care, Center-based	13609	\$ 1,934,298
93.575	Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act- Alternative Pymt - COVID-19	15555	<u>864,438</u>
	Subtotal Child Care and Development Cluster		<u>2,798,736</u>
93.600	Head Start	10016	10,316,611
93.243	Advancing Wellness & Resilience in Education (NITT-AWARE) Program	15520	98,591
93.566	Refugee and Entrant Assistance–State-Administered Programs	N/A	<u>112,757</u>
	Total U.S. Department of Health and Human Services		<u>13,326,695</u>
<u>U.S. Department of Agriculture - Passed through California Department of Education</u>			
	Child Nutrition Cluster:		
10.555	Child Nutrition: School Programs - Child Nutrition Cluster	13396	19,717,679
10.555	Supply Chain Assistance (SCA) Funds	15655	<u>951,202</u>
	Subtotal Child Nutrition Cluster		<u>20,668,881</u>
10.558	Child Nutrition: CACFP Claims - Centers and Family Day Care	13393	<u>730,896</u>
	Total U.S. Department of Agriculture		<u>21,399,777</u>
<u>U.S. Department of Justice</u>			
16.710	Cops School Violence Prevention	N/A	<u>15,248</u>
	Total U.S. Department of Justice		<u>15,248</u>
	Total Federal Programs		<u>\$ 123,242,258</u>

See accompanying notes to supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT  
RECONCILIATION OF UNAUDITED ACTUAL FINANCIAL REPORT  
WITH AUDITED FINANCIAL STATEMENTS  
For the Year Ended June 30, 2023

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	Self-Insurance Fund
Unaudited Actual Financial Statements Ending Fund Balances June 30, 2023	\$ 46,860,852
To record current fiscal year self-insurance activity	<u>(3,422,332)</u>
Audited Ending Fund Balances, June 30, 2023	<u>\$ 43,438,520</u>
	Bond Interest and Redemption Fund
Unaudited Actual Financial Statements Ending Fund Balances June 30, 2023	\$ 103,067,182
To record current fiscal year self-insurance activity	<u>(26,905,548)</u>
Audited Ending Fund Balances, June 30, 2023	<u>\$ 76,161,634</u>

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

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See accompanying notes to supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT  
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS  
For the Year Ended June 30, 2023  
(UNAUDITED)

	(Budgeted) <u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>General Fund</u>				
Revenues and other financing sources	\$ 662,628,109	\$ 701,465,480	\$ 592,982,625	\$ 539,135,974
Expenditures	654,414,878	587,912,720	552,303,569	482,781,853
Other uses and transfers out	<u>3,875,100</u>	<u>7,986,529</u>	<u>4,052,628</u>	<u>21,988,468</u>
Total outgo	<u>658,289,978</u>	<u>595,899,249</u>	<u>556,356,197</u>	<u>504,770,321</u>
Change in fund balance	<u>\$ 4,338,131</u>	<u>\$ 105,566,231</u>	<u>\$ 36,626,428</u>	<u>\$ 34,365,653</u>
Ending fund balance	<u>\$ 259,222,876</u>	<u>\$ 254,884,745</u>	<u>\$ 149,318,514</u>	<u>\$ 112,692,086</u>
Restricted fund balance	<u>\$ 121,935,883</u>	<u>\$ 118,076,085</u>	<u>\$ 31,683,376</u>	<u>\$ 42,599,025</u>
Assigned fund balance	<u>\$ 8,097,631</u>	<u>\$ 6,434,184</u>	<u>\$ 6,107,273</u>	<u>\$ 16,989,416</u>
Available reserves	<u>\$ 91,413,393</u>	<u>\$ 87,738,859</u>	<u>\$ 80,612,744</u>	<u>\$ 52,478,431</u>
Designated for economic uncertainties	<u>\$ 13,165,801</u>	<u>\$ 11,895,349</u>	<u>\$ 11,103,418</u>	<u>\$ 10,071,000</u>
Undesignated fund balance	<u>\$ 78,247,592</u>	<u>\$ 75,843,510</u>	<u>\$ 69,509,326</u>	<u>\$ 42,407,431</u>
Available reserves as percentages of total outgo	<u>13.89%</u>	<u>14.72%</u>	<u>14.49%</u>	<u>10.40%</u>
<u>All Funds</u>				
Total long-term liabilities	<u>\$1,396,774,348</u>	<u>\$1,337,368,326</u>	<u>\$1,269,640,809</u>	<u>\$1,431,282,666</u>
Average daily attendance at P-2, excluding charters	<u>34,711</u>	<u>34,596</u>	<u>33,972</u>	<u>37,437</u>

The General Fund fund balance has increased by \$176,558,312 over the past three years. The fiscal year 2023-2024 budget projects an increase of \$4,338,131. For a district this size, the State of California recommends available reserves of at least 2 percent of total General Fund expenditures, transfers out, and other uses be maintained. For the year ended June 30, 2023, the District has met this requirement.

The District has incurred operating surpluses for the past three years and anticipates an operating surplus in fiscal year 2023-2024.

Total long-term liabilities have decreased by \$93,914,340 over the past two years.

Average daily attendance has decreased by 2,841 over the past two years. There is an anticipated increase of 115 ADA (excluding charter) projected for the 2023-2024 fiscal year.

See accompanying notes to supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT  
SCHEDULE OF CHARTER SCHOOLS  
For the Year Ended June 30, 2023

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<u>Charter Schools Chartered by District</u>	<u>Included in District Financial Statements, or Separate Report</u>
0275 Choices Charter School	Included in District Financial Statements as Charter Schools Special Revenue Fund.
0248 Visions in Education	Separate Report
1554 Aspire Alexander Twilight College Preparatory Academy	Separate Report
1555 Aspire Alexander Twilight Secondary Academy	Separate Report
0776 California Montessori Project - San Juan Campus	Separate Report
1563 Gateway International	Separate Report
1728 Golden Valley Orchard	Separate Report
0946 Golden Valley River	Separate Report
0217 Options for Youth - San Juan	Separate Report

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See accompanying notes to supplementary information.



SAN JUAN UNIFIED SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE  
IN FUND BALANCE - BUDGET AND ACTUAL - RESTRICTED AND UNRESTRICTED  
GENERAL FUND  
For the Year Ended June 30, 2023

	Restricted			Unrestricted			Total		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:									
Local control funding formula:									
State apportionment	\$ 33,557,529	\$ 30,640,725	\$ (2,916,804)	\$ 284,258,033	\$ 264,195,851	\$ (20,062,182)	\$ 317,815,562	\$ 294,836,576	\$ (22,978,986)
Local sources	2,380,355	2,621,238	240,883	105,385,191	135,346,164	29,960,973	107,765,546	137,967,402	30,201,856
Total LCFF	35,937,884	33,261,963	(2,675,921)	389,643,224	399,542,015	9,898,791	425,581,108	432,803,978	7,222,870
Federal sources	93,276,138	88,242,699	(5,033,439)	-	-	-	93,276,138	88,242,699	(5,033,439)
Other state sources	101,239,035	120,553,240	19,314,205	41,222,895	40,160,135	(1,062,760)	142,461,930	160,713,375	18,251,445
Other local sources	7,812,706	8,459,223	646,517	2,783,131	10,114,403	7,331,272	10,595,837	18,573,626	7,977,789
Total revenues	238,265,763	250,517,125	12,251,362	433,649,250	449,816,553	16,167,303	671,915,013	700,333,678	28,418,665
Expenditures:									
Current:									
Certificated salaries	64,874,056	64,753,878	120,178	177,238,571	176,072,358	1,166,213	242,112,627	240,826,236	1,286,391
Classified salaries	47,375,864	45,476,266	1,899,598	47,155,931	45,947,392	1,208,539	94,531,795	91,423,658	3,108,137
Employee benefits	77,968,304	75,744,957	2,223,347	100,222,007	98,840,018	1,381,989	178,190,311	174,584,975	3,605,336
Books and supplies	32,993,902	18,912,488	14,081,414	8,701,685	6,879,303	1,822,382	41,695,587	25,791,791	15,903,796
Contract services and operating expenditures	27,706,217	23,901,387	3,804,830	28,571,842	25,714,268	2,857,574	56,278,059	49,615,655	6,662,404
Other outgo	5,754,336	5,437,845	316,491	(5,260,007)	(3,881,072)	(1,378,935)	494,329	1,556,773	(1,062,444)
Capital outlay	1,165,128	2,101,547	(936,419)	2,364,104	1,711,657	652,447	3,529,232	3,813,204	(283,972)
Debt service:									
Principal Retirement	-	-	-	-	290,144	(290,144)	-	290,144	(290,144)
Interest	-	-	-	-	10,284	(10,284)	-	10,284	(10,284)
Total expenditures	257,837,807	236,328,368	21,509,439	358,994,133	351,584,352	7,409,781	616,831,940	587,912,720	28,919,220
(Deficiency) excess of revenues (under) over expenditures	(19,572,044)	14,188,757	33,760,801	74,655,117	98,232,201	23,577,084	55,083,073	112,420,958	57,337,885
Other financing sources (uses):									
Transfers in	-	-	-	1,000	1,131,802	1,130,802	1,000	1,131,802	1,130,802
Transfers out	(6,331,241)	(6,305,319)	(25,922)	(1,642,203)	(1,681,210)	(39,007)	(7,973,444)	(7,986,529)	(13,085)
Contributions from unrestricted	56,386,942	57,560,018	1,173,076	(56,386,942)	(57,560,018)	(1,173,076)	-	-	-
Total other financing sources (uses)	50,055,701	51,254,699	1,147,154	(58,028,145)	(58,109,426)	(81,281)	(7,972,444)	(6,854,727)	1,117,717
Net change in fund balances	30,483,657	65,443,456	34,907,955	16,626,972	40,122,775	23,495,803	47,110,629	105,566,231	58,455,602
Fund balance, July 1, 2022	82,968,294	53,680,795	(29,287,499)	66,350,220	95,637,719	29,287,499	149,318,514	149,318,514	-
Fund balance, June 30, 2023	\$ 113,451,951	\$ 119,124,251	\$ 5,620,456	\$ 82,977,192	\$ 135,760,494	\$ 52,783,302	\$ 196,429,143	\$ 254,884,745	\$ 58,455,602

See accompanying notes to supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT  
SCHEDULE OF FIRST 5 REVENUES AND EXPENSES  
For the Year Ended June 30, 2023

	<u>First 5 / School Readiness</u>	<u>All Other Programs</u>	<u>Total Child Development Fund</u>
<b>Revenues</b>			
Federal sources	\$ -	\$ 13,752,125	\$ 13,752,125
Other state sources	-	4,424,763	4,424,763
Other local sources	<u>420,450</u>	<u>5,767,137</u>	<u>6,187,587</u>
 Total revenues	 <u>420,450</u>	 <u>23,944,025</u>	 <u>24,364,475</u>
<b>Expenditures:</b>			
Current:			
Certificated salaries	76,760	9,177,239	9,253,999
Classified salaries	176,402	4,638,080	4,814,482
Employee benefits	128,971	7,701,025	7,829,996
Books and supplies	20,197	2,048,970	2,069,167
Contract services and operating expenditures	<u>18,120</u>	<u>402,652</u>	<u>420,772</u>
 Total expenditures	 <u>420,450</u>	 <u>23,967,966</u>	 <u>24,388,416</u>
 Deficiency of revenues over expenditures	 <u>-</u>	 <u>(23,941)</u>	 <u>(23,941)</u>
<b>Other financing sources uses:</b>			
Transfers in	-	4,244,027	4,244,027
Transfers out	<u>-</u>	<u>(709,957)</u>	<u>(709,957)</u>
 Total other financing sources (uses)	 <u>-</u>	 <u>3,534,070</u>	 <u>3,534,070</u>
 Net change in fund balances	 -	 3,510,129	 3,510,129
 Fund balance, July 1, 2022	 <u>-</u>	 <u>3,606,212</u>	 <u>3,606,212</u>
 Fund balance, June 30, 2023	 <u>\$ -</u>	 <u>\$ 7,116,341</u>	 <u>\$ 7,116,341</u>

See accompanying notes to supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT  
NOTES TO SUPPLEMENTARY INFORMATION  
For the Year Ended June 30, 2023

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**NOTE 1 - PURPOSE OF SCHEDULES**

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

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

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

Schedule of Financial Trends and Analysis - (Unaudited): This schedule provides information on the District's financial condition over the past three years and its anticipated condition for the 2023-2024 fiscal year, as required by the State Controller's Office. The information on this schedule has been derived from audited information.

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

Statement of Revenues, Expenditures and Change in Fund Balance - Budget and Actual - Restricted and Unrestricted - General Fund: This schedule is presented by the District to separate budget variances due to categorical unearned revenue included in restricted fund balance of the General Fund.

Schedule of First 5 Revenues and Expenses: This schedule provides revenues and expenses for the First 5 Sacramento County Program.

**NOTE 2 - EARLY RETIREMENT INCENTIVE PROGRAM**

Education Code Section 14502 requires certain disclosure in the financial statements of districts which adopt Early Retirement Incentive Programs pursuant to Education Code Section 22714 and 44929. For the fiscal year ended June 30, 2023, the District did not adopt such a program.

## INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Audit Committee  
San Juan Unified School District  
Carmichael, California

### Report on Compliance

#### ***Qualified Opinion on State Compliance***

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

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, the District complied, in all material respects, with the compliance requirements 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 Qualified Opinion on State Compliance***

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

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

#### ***Matters Giving Rise to Qualified Opinion on State Compliance***

As described in the accompanying Schedule of Findings and Questions Costs as items 2023-002 and 2023-003, the District did not comply with requirements regard Attendance and Independent Study. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to these programs.

#### ***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.

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(Continued)

**Auditor’s Responsibilities for the Audit of Compliance**

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

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

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

<u>2022-23 K-12 Audit Guide Procedures</u>	<u>Procedures Performed</u>
<i>Local Education Agencies Other than Charter Schools:</i>	
A. Attendance	Yes
B. Teacher Certification and Misassignments	Yes
C. Kindergarten Continuance	Yes
D. Independent Study	Yes
E. Continuation Education	N/A, see below
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratio of Administrative Employees to Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive Program	N/A, see below
K. Gann Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	N/A, see below
N. Middle or Early College High Schools	N/A, see below
O. K-3 Grade Span Adjustment	Yes
P. Transportation Maintenance of Effort	Yes
Q. Apprenticeship: Related and Supplemental Instruction	N/A, see below
R. Comprehensive School Safety Plan	Yes
S. District of Choice	N/A, see below
TT. Home to School Transportation Reimbursement	Yes
UU. Independent Study Certification for ADA Loss Mitigation	Yes

(Continued)

*School Districts, County Offices of Education, and Charter Schools:*

T. California Clean Energy Jobs Act	N/A, see below
U. After/Before School Education and Safety Program	Yes
V. Proper Expenditure of Education Protection Account Funds	Yes
W. Unduplicated Local Control Funding Formula Pupil Counts	Yes
X. Local Control and Accountability Plan	Yes
Y. Independent Study – Course-Based	N/A, see below
Z. Immunizations	Yes
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunities Grant (ELO-G)	Yes
CZ. Career Technical Education Incentive Grant	N/A, see below
EZ. Transitional Kindergarten	Yes

*Charter Schools:*

AA. Attendance	Yes
BB. Mode of Instruction	N/A, see below
CC. Nonclassroom-Based Instruction/Independent Study	Yes
DD. Determination of Funding for Nonclassroom-Based Instruction	Yes
EE. Annual Instructional Minutes-Classroom Based	N/A, see below
FF. Charter School Facility Grant Program	N/A, see below

The District did not meet the ADA threshold for Continuation Education Program; therefore, we did not perform any procedures related to this program.

The District did not offer an Early Retirement Incentive Program; therefore, we did not perform any procedures related to this program.

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

The District did 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 did not report attendance hours for Apprenticeship: Related and Supplemental Instruction in the current audit year; therefore we did not perform any procedures related to this program.

The District is not reported as a District of Choice per the California Department of Education; therefore, we did not perform any procedures related to District of Choice.

The District did not receive or expend any California Clean Energy Jobs Act funds during the year; therefore, we did not perform any procedures related to this program.

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

The District did not receive any funds from the Career Technical Education Incentive Grant; therefore, we did not perform any procedures related to this program.

The District did not operate a classroom-based Charter School; therefore, we did not perform any procedures relating to Mode of Instruction for charter schools or Annual Instructional Minutes – Classroom – Based for charter schools.

The District did not receive Charter School Facility Grant funding in the current year; therefore, we did not perform any procedures relating to the Charter School Facility Grant.

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(Continued)

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

### **Other Matters**

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

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

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 *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

  
Crowe LLP

Sacramento, California  
March 15, 2024

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

Audit Committee  
San Juan Unified School District  
Carmichael, 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 San Juan Unified School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise San Juan Unified School District's basic financial statements, and have issued our report thereon dated March 15, 2024.

#### **Report on Internal Control Over Financial Reporting**

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

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

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

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(Continued)



## Report on Compliance and Other Matters

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

## San Juan Unified School District's Response to Finding

*Government Auditing Standards* require the auditor to perform limited procedures on San Juan Unified School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. San Juan Unified School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, according, we express no opinion on the response.

## Purpose of this Report

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

*Crowe LLP*  
Crowe LLP

Sacramento, California  
March 15, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE FIRST 5  
SACRAMENTO COUNTY PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH A PROGRAM-SPECIFIC AUDIT

Audit Committee  
San Juan Unified School District  
Carmichael, California

### **Report on Compliance**

#### ***Opinion on First 5 Sacramento County Program***

We have audited San Juan Unified School District's compliance with the types of compliance requirements described in the Program Guidelines for the First 5 Sacramento County Program that have a direct and material effect on the First 5 Sacramento County Program for the year ended June 30, 2023.

In our opinion, San Juan Unified School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its First 5 Sacramento County Program for the year ended June 30, 2023.

#### ***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 First 5 Sacramento County Program.

#### ***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 First 5 Sacramento County Program Guidelines will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the government program as a whole.

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(Continued)

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the First 5 Sacramento County Program Guidelines, 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 First 5 Sacramento County Program Guidelines, 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 the First 5 Sacramento County Program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 the First 5 Sacramento County 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 the First 5 Sacramento County 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been 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 First 5 Sacramento County Program Guidelines. Accordingly, this report is not suitable for any other purpose.

  
Crowe LLP

Sacramento, California  
March 15, 2024

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

Audit Committee  
San Juan Unified School District  
Carmichael, California

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

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

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

#### ***Basis for Opinion on Each Major Federal Program***

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

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

#### ***Responsibilities of Management for Compliance***

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

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

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

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

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

## **Report on Internal Control Over Compliance**

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

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

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

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

*Crowe LLP*  
Crowe LLP

Sacramento, California  
March 15, 2024

## **FINDINGS AND RECOMMENDATIONS**

SAN JUAN UNIFIED SCHOOL DISTRICT  
 SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
 Year Ended June 30, 2023

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SECTION I - SUMMARY OF AUDITOR'S RESULTS

**FINANCIAL STATEMENTS**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u>  X  </u> Yes	<u>        </u> No
Significant deficiency(ies) identified not considered to be material weakness(es)?	<u>        </u> Yes	<u>  X  </u> None reported

Noncompliance material to financial statements noted?

	<u>        </u> Yes	<u>  X  </u> No
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**FEDERAL AWARDS**

Internal control over major programs:

Material weakness(es) identified?	<u>        </u> Yes	<u>  X  </u> No
Significant deficiency(ies) identified not considered to be material weakness(es)?	<u>        </u> Yes	<u>  X  </u> None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

	<u>        </u> Yes	<u>  X  </u> No
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Identification of major programs:

<u>AL Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010 84.425, 84.425C, 84.425U	Title I Grants to Local Education Agencies COVID-19: Education Stabilization Fund (ESF) Programs

Dollar threshold used to distinguish between Type A and Type B programs: \$ 3,000,000

Auditee qualified as low-risk auditee?

	<u>        </u> Yes	<u>  X  </u> No
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**STATE AWARDS**

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

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SAN JUAN UNIFIED SCHOOL DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2023

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SECTION II - FINANCIAL STATEMENT FINDINGS

**2023-001 MATERIAL WEAKNESS – INTERNAL CONTROL OVER FINANCIAL REPORTING (30000)**

Criteria: Management is responsible for the preparation and fair presentation of their financial statements, as well as the design, implementation, and maintenance of relevant internal controls to ensure their financial statements are free from material misstatement, whether due to fraud or error.

Condition: During the year ended June 30, 2023, Cash in County Treasury account reconciliation for Fund 51 was not prepared in a timely or complete manner. This resulted in an overstatement of the cash balance presented for audit by \$26,905,548. A material adjusting entry was necessary to correctly report the Cash in County Treasury balance.

Effect: A material adjusting entry was necessary to correctly report the Cash in County balance for the Bond Interest and Redemption Fund.

Cause: The District did not establish and/or follow adequate internal control procedures to ensure reporting of accurate cash balances in the Bond Interest and Redemption Fund, to include timely preparation of a reconciliation.

Recommendation: The District's management team should implement necessary internal controls to ensure the accuracy of financial reporting. As part of the monthly and/or annual financial close, a reconciliation of general ledger accounts should be performed to ensure accurate financial reporting.

Views of Responsible Officials and Planned Corrective Action: Management agrees with auditor's recommendations. A Cash in County Treasury reconciliation will be prepared for the Bond Interest and Redemption Fund on a timely basis and any necessary adjustments recorded as appropriate.

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SAN JUAN UNIFIED SCHOOL DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2023

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SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

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SAN JUAN UNIFIED SCHOOL DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2023

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SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

**2023-002 DEFICIENCY – STATE COMPLIANCE – ATTENDANCE REPORTING (10000)**

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

Condition: While performing absence testing at Sierra Oaks K-8 School, we identified 1 out of 25 absences selected for testing, a student that was identified as sick on the call log but marked present in the attendance reporting system.

Context: We performed the audit procedures enumerated in the State of California *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect: The District is not in compliance with Attendance Reporting requirements for the year ended June 30, 2023.

Cause: The school site did not establish and follow adequate internal control procedures.

Fiscal Impact: Fiscal impact was not calculated as the total overstatement of ADA was 0.01.

Recommendation and Identification as a Repeat Finding: This is a repeat finding. We recommend that the District ensure that each school site implements and adheres to internal controls to ensure the accuracy of ADA reported.

Views of Responsible Officials and Planned Corrective Action: The District will ensure that each school site implements and adheres to internal controls to ensure the accuracy of ADA reported by incorporating professional learning on accurate reporting through the regularly scheduled classified meetings, including school site office staff responsible for attendance and reporting.

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SAN JUAN UNIFIED SCHOOL DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2023

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**2023-003 DEFICIENCY – STATE COMPLIANCE – INDEPENDENT STUDY (40000)**

Criteria: Pursuant to Education Code Section 51747, no days of attendance are to be reported for dates prior to the signing of the independent study agreement by all parties, and agreements are required to specify the course credits to be earned upon completion of independent study.

Condition: For 8 of the students selected for testing of independent study, attendance was claimed for students where the agreements were not signed within the appropriate timeline to allow for the claiming of apportionment. For 15 of the students selected for testing of independent study, attendance was claimed for students with supporting agreements that did not specify the number of course credits to be earned upon completion of the independent study course.

Context: We performed the audit procedures enumerated in the State of California *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect: The District is not in compliance with independent study attendance requirements for the year ended June 30, 2023.

Cause: The District claimed attendance for students without the proper independent study agreements in place. The school site did not establish and follow adequate internal control procedures.

Fiscal Impact: The effect of this finding is an overstatement of 0.90 ADA in Grade Span TK-3, 1.21 ADA in Grade Span 4 – 6, 3.35 ADA in Grade Span 7-8 and 0.07 ADA in Grade Span 9-12, or approximately \$59,171.

Recommendation: The District should ensure independent study agreements contain all necessary elements and that appropriate signatures are obtained within the required time frames.

Views of Responsible Officials and Planned Corrective Action: The District will ensure independent study agreements contain all necessary elements and that appropriate signatures are obtained within the required time frames by conducting quarterly spot checks of contracts TK-12 and providing training where necessary.

**STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

SAN JUAN UNIFIED SCHOOL DISTRICT  
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS  
Year Ended June 30, 2023

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**2022-001 MATERIAL WEAKNESS – REVENUE RECOGNITION (30000)**

Condition: LCFF revenue was recorded by the District in the 2021-22 fiscal year due to a low EPA percentage throughout the year, however, at year end, it was adjusted to a much higher rate and the District did not properly accrue for the LCFF overpayment on June 30, 2022.

Recommendation: The District should ensure controls over revenue recognition are sufficient to require proper accruals are recorded when cash received in excess of apportionment has occurred.

Current Status: Implemented.

District Explanation if Not Implemented: N/A – implemented.

**2022-002 DEFICIENCY – ATTENDANCE REPORTING (10000)**

Condition: While performing absence testing at Barrett Middle School, we identified 1 out of 26 absences selected for testing, a student that was initially marked absent by all of their teachers was then marked present by administrative staff.

Recommendation: We recommend that the school site implements and adheres to internal controls to ensure the accuracy of ADA reported.

Current Status: See finding 2023 – 002.

District Explanation if Not Implemented: See finding 2023-002.