

LAS VIRGENES UNIFIED SCHOOL DISTRICT
LOS ANGELES COUNTY
AUDIT REPORT
For the Fiscal Year Ended
June 30, 2024

NIGRO
& NIGRO^{PC}

LAS VIRGENES UNIFIED SCHOOL DISTRICT

For the Fiscal Year Ended June 30, 2024

Table of Contents

FINANCIAL SECTION

	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
District-Wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Governmental Funds Financial Statements:	
Balance Sheet	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	14
Statement of Revenues, Expenditures, and Changes in Fund Balances	15
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	16
Notes to Financial Statements	17

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule – General Fund	51
Schedule of Proportionate Share of the Net Pension Liability-CalSTRS	52
Schedule of Proportionate Share of the Net Pension Liability-CalPERS	53
Schedule of Pension Contributions-CalSTRS	54
Schedule of Pension Contributions-CalPERS	55
Schedule of Changes in the District's Total OPEB Liability and Related Ratios	56
Schedule of the District's Proportionate Share of the Net OPEB Liability-MPP Program	57
Notes to the Required Supplementary Information	58

SUPPLEMENTARY INFORMATION

Schedule of Average Daily Attendance (ADA)	59
Schedule of Instructional Time	60
Schedule of Financial Trends and Analysis	61
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements	62
Schedule of Expenditures of Federal Awards	63
Note to the Supplementary Information	64

LAS VIRGENES UNIFIED SCHOOL DISTRICT

For the Fiscal Year Ended June 30, 2024

Table of Contents

OTHER INFORMATION

Page

Local Educational Agency Organization Structure	65
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OTHER INDEPENDENT AUDITORS' REPORTS

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	66
Independent Auditors' Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance.....	68
Independent Auditors' Report on State Compliance and on Internal Control Over Compliance.....	71

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditors' Results	75
Financial Statement Findings	76
Federal Award Findings and Questioned Costs.....	77
State Award Findings and Questioned Costs.....	79
Summary Schedule of Prior Audit Findings.....	81

Financial Section

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INDEPENDENT AUDITORS' REPORT

Board of Education
Las Virgenes Unified School District
Calabasas, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Las Virgenes Unified School District, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Las Virgenes Unified School District, as of June 30, 2024, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the LEA Organization Structure but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to the materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Nigro + Nigro, PC".

Murrieta, California
November 18, 2024

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LAS VIRGENES UNIFIED SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2024

This discussion and analysis of Las Virgenes Unified School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

District-Wide Financial Statements

- The District's financial status decreased overall as a result of this year's operations. Net position of governmental activities decreased by \$2.0 million, or 18.9%.
- Governmental expenses were about \$189.5 million. Revenues were about \$187.5 million.
- The District acquired over \$24.2 million in new capital assets during the year.
- Governmental funds increased by \$61.2 million, or 73.0%.

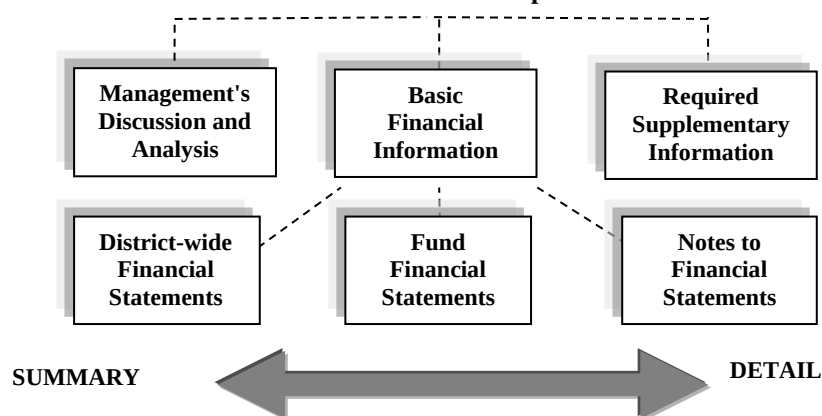
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the 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, reporting the District's operations in more detail than the District-wide statements.
 - The *governmental funds* statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1. Organization of Las Virgenes Unified School District's Annual Financial Report



The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

LAS VIRGENES UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

District-Wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenues and expenses 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 net position and how it has changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health, or *position*.

- Over time, increases and decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's demographics and the condition of school buildings and other facilities.
- In the District-wide financial statements, the District's activities are categorized as *Governmental Activities*. Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. 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 debt) or to show that it is properly using certain revenues.

The District has one kind of fund:

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 on a separate reconciliation page that explains the relationship (or differences) between them.

LAS VIRGENES UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's combined net position was lower on June 30, 2024, than it was the year before – decreasing 18.9% to \$(12.6) million (See Table A-1).

Table A-1: Statement of Net Position

	Governmental Activities		Variance Increase (Decrease)
	2024	2023*	
Assets			
Current assets	\$ 173,187,374	\$ 109,294,819	\$ 63,892,555
Capital assets	203,710,430	190,603,215	13,107,215
Total assets	376,897,804	299,898,034	76,999,770
Total deferred outflows of resources	49,449,930	38,585,859	10,864,071
Liabilities			
Current liabilities	27,033,406	21,649,947	5,383,459
Long-term liabilities	383,278,312	298,005,925	85,272,387
Total liabilities	410,311,718	319,655,872	90,655,846
Total deferred inflows of resources	28,666,719	29,446,877	(780,158)
Net position			
Net investment in capital assets	13,072,241	78,859,868	(65,787,627)
Restricted	50,898,861	45,979,990	4,918,871
Unrestricted	(76,601,805)	(135,458,714)	58,856,909
Total net position	\$ (12,630,703)	\$ (10,618,856)	\$ (2,011,847)

*As restated

Changes in net position, governmental activities. The District's total revenues decreased 1.0% to \$187.5 million (See Table A-2). The decrease is due primarily to one-time state grants in the prior year.

The total cost of all programs and services increased 16.7% to \$189.5 million. The District's expenses are predominantly related to educating and caring for students, 64.1%. The purely administrative activities of the District accounted for just 6.6% of total costs. A significant contributor to the increase in costs was increased interest and depreciation expense related to capital projects.

LAS VIRGENES UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)

Table A-2: Statement of Activities

	Governmental Activities		Variance Increase (Decrease)
	2024	2023	
Revenues			
Program Revenues:			
Charges for services	\$ 1,207,105	\$ 613,368	\$ 593,737
Operating grants and contributions	39,788,202	45,274,665	(5,486,463)
Capital grants and contributions	50,396	20,858	29,538
General Revenues:			
Federal and state aid not restricted	50,368,072	47,918,176	2,449,896
Property taxes	84,764,337	88,038,347	(3,274,010)
Other general revenues	11,349,591	7,611,824	3,737,767
Total Revenues	187,527,703	189,477,238	(1,949,535)
Expenses			
Instruction-related	105,581,929	108,815,856	(3,233,927)
Pupil services	15,822,523	15,159,457	663,066
Administration	12,547,322	12,466,690	80,632
Plant services	16,429,321	14,058,478	2,370,843
All other activities	39,158,455	11,867,862	27,290,593
Total Expenses	189,539,550	162,368,343	27,171,207
Increase (decrease) in net position	(2,011,847)	27,108,895	\$ (29,120,742)
Total net position	\$ (12,630,703)	\$ (10,618,856)	

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of \$145.1 million, which is above last year's ending fund balance of \$83.9 million. The primary cause of the increased fund balance is proceeds from general obligation bonds.

Table A-3: The District's Fund Balances

Fund	Fund Balances				
	July 1, 2023*	Revenues	Expenditures	Other Sources and (Uses)	June 30, 2024
General Fund	\$ 43,224,087	\$ 158,951,944	\$ 159,540,762	\$ (838,248)	\$ 41,797,021
Student Activity Fund	1,538,362	2,011,574	1,836,928	-	1,713,008
Deferred Maintenance Fund	1,882,784	42,258	1,438,513	1,250,000	1,736,529
Cafeteria Fund	2,520,742	4,102,440	3,021,660	-	3,601,522
Special Reserve Fund					
(Other Than Capital Outlay Projects)	13,396,473	701,199	-	-	14,097,672
Building Fund	-	(186,385)	29,842,985	85,000,000	54,970,630
Capital Facilities Fund	1,884,015	1,246,867	1,171,896	-	1,958,986
County School Facilities Fund	968,617	50,396	-	-	1,019,013
Bond Interest and Redemption Fund	18,488,919	13,981,267	21,278,292	13,042,377	24,234,271
	\$ 83,903,999	\$ 180,901,560	\$ 218,131,036	\$ 98,454,129	\$ 145,128,652

*As restated

LAS VIRGENES UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (continued)

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. The major budget amendments fall into these categories:

- Revenues – increased by \$2.5 million primarily to reflect federal and state budget actions.
- Salaries and benefits costs – increased \$3.7 million to reflect revised cost estimates.
- Other non-personnel expenses – increased \$1.1 million to revise operational cost estimates.

While the District's final budget for the General Fund anticipated that expenditures would exceed revenues by about \$11.4 million, the actual results for the year show that expenditures exceeded revenues by roughly \$0.6 million. Actual revenues were \$3.8 million more than anticipated, and expenditures were \$7.1 million less than budgeted. That amount consists primarily of restricted program dollars that were not spent as of June 30, 2024, that will be carried over into the 2024-25 budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2023-24 the District had acquired \$24.2 million in new capital assets, related to land, construction in progress, site improvements, leases, subscriptions and equipment purchases. (More detailed information about capital assets can be found in Note 6 to the financial statements). Total depreciation expense for the year was \$10.3 million and amortization was \$0.7 million.

Table A-4: Capital Assets at Year-End, Net of Depreciation

	Governmental Activities		Variance Increase (Decrease)
	2024	2023	
Land	\$ 14,853,507	\$ 14,853,507	\$ -
Improvement of sites	7,650,553	6,340,043	1,310,510
Buildings	161,027,508	159,827,570	1,199,938
Equipment	4,527,978	2,736,775	1,791,203
Construction in progress	14,353,359	5,580,164	8,773,195
Lease assets	205,876	78,871	127,005
Subscription assets	1,091,649	1,186,285	(94,636)
Total	<u>\$ 203,710,430</u>	<u>\$ 190,603,215</u>	<u>\$ 13,107,215</u>

LAS VIRGENES UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2024

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Long-Term Debt

At year-end the District had \$383.3 million in long-term liabilities – an increase of 28.6% from last year – as shown in Table A-5. (More detailed information about the District's long-term liabilities is presented in Notes 7-9 to the financial statements).

Table A-5: Outstanding Long-Term Debt at Year-End

	Governmental Activities		Variance Increase (Decrease)
	2024	2023	
General obligation bonds	\$ 227,237,188	\$ 143,929,936	\$ 83,307,252
Certificates of participation	-	8,572,605	(8,572,605)
Subscription-based IT arrangements	532,321	817,059	(284,738)
Compensated absences	1,821,729	1,714,421	107,308
Early retirement incentives	208,000	416,000	(208,000)
Leases	208,548	79,938	128,610
Other postemployment benefits	34,086,789	33,419,595	667,194
Net pension liability	119,183,737	109,056,371	10,127,366
Total	<u>\$ 383,278,312</u>	<u>\$ 298,005,925</u>	<u>\$ 85,272,387</u>

FACTORS BEARING ON THE DISTRICT'S FUTURE

State Budget

The Legislature passed an initial budget on June 15, 2024. The main structural difference between the legislative package and the May Revision was that the legislative package started the proposed limitation on NOLs and tax credits one year earlier—resulting in roughly \$5 billion in additional revenue. The Legislature’s budget used that additional budget capacity to reject some of the Governor’s spending solutions and/or provide other augmentations. The legislative package also included a large number of other smaller changes across a variety of programs. The legislative package used slightly more (nearly \$1 billion) in general purpose reserves than the May Revision.

K-14 Education

Funds Modest COLA and a Few Smaller Augmentations

For 2024-25, the budget provides \$1 billion to cover a 1.07 percent COLA for existing school and community college programs. For schools, the budget also provides an increase of \$300 million (\$179 million ongoing and \$121 million one time) to cover cost increases related to universal school meals. A small portion of the budget’s remaining funds are allocated to cover enrollment- and caseload-driven increases in a few specific areas.

Implements Small Payment Deferral

The budget reduces spending in 2024-25 by deferring \$487 million in payments to 2025-26. Of this deferral, half applies to schools and half applies to community colleges. The state will implement the deferral by delaying a portion of the payment districts ordinarily would receive in June 2025 to July 2025. The law allows school districts to be exempt from this deferral (meaning they would receive all of their funding on time) if they can show the delay would cause fiscal insolvency. The purpose of the deferral is to reduce spending in 2024-25 to the minimum level required by Proposition 98.

LAS VIRGENES UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2024

FACTORS BEARING ON THE DISTRICT'S FUTURE (continued)

Suspends Proposition 98 Requirement and Reduces Spending

For 2023-24, the budget invokes a provision allowing the state to suspend the minimum Proposition 98 requirement and reduce spending on schools and community colleges by \$8.3 billion relative to the level otherwise required that year. Separate from this action, the budget makes a \$2.6 billion reduction attributable to 2022-23. Both of these reductions lower the Proposition 98 requirement on an ongoing basis. The combined effect of these reductions is to reduce General Fund spending by \$12.7 billion over the 2022-23 through 2024-25 period. As required by the State Constitution, the budget also withdraws the entire balance from the Proposition 98 Reserve (\$8.4 billion) in 2023-24 to supplement the funding provided to schools and community colleges. In 2024-25, the budget begins to build back the Proposition 98 Reserve by making a discretionary deposit of nearly \$1.1 billion.

Bond Funds

The state is seeking approval of two bond measures on the November 2024 ballot: Proposition 2 and Proposition 4. Proposition 2 would allow the state to borrow \$10 billion to build new facilities and renovate existing facilities at school districts and community colleges. The cost to repay this bond would be about \$500 million each year for 35 years. Proposition 4 would allow the state to borrow \$10 billion to pay for various natural resources and climate activities. The cost to repay this bond would be about \$400 million each year for 40 years. The cost to repay both bonds would total about \$900 million each year.

Scores Savings Related to Attendance and a Few Other Adjustments

In response to significant declines in attendance over the past several years, the state adopted a series of policies temporarily funding school districts based on the attendance they reported prior to the COVID-19 pandemic. For 2024-25, the budget assumes savings of \$1.8 billion as these higher pre-pandemic attendance levels phase out of district funding calculations. In addition, the budget obtains \$1.2 billion in savings by (1) deferring some payments from 2024-25 to 2025-26, (2) reducing funding for State Preschool that is expected to go unused, and (3) repurposing certain unspent appropriations from previous years. Under the Constitution, the state must dedicate all of these savings to other school and community college purposes.

All of these factors were considered in preparing the Las Virgenes Unified School District budget for the 2024-25 fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the Assistant Superintendent of Business Services, Dr. Ryan Gleason, at (818) 878-5203.

LAS VIRGENES UNIFIED SCHOOL DISTRICT*Statement of Net Position**June 30, 2024*

	Total Governmental Activities
ASSETS	
Deposits and investments	\$ 156,625,196
Accounts receivable	12,001,367
Leases receivable	4,112,501
Inventories	307,770
Prepays	140,540
Capital assets:	
Non-depreciable assets	29,206,866
Depreciable assets	342,881,789
Less accumulated depreciation	(169,675,750)
Lease assets	411,752
Subscription assets	1,706,633
Less accumulated amortization	(820,860)
Total assets	<u>376,897,804</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts on refunding	1,019,798
Deferred outflows of resources - OPEB	6,509,125
Deferred outflows of resources - pensions	41,921,007
Total deferred outflows of resources	<u>49,449,930</u>
LIABILITIES	
Accounts payable	23,577,098
Accrued interest payable	3,041,846
Unearned revenue	414,462
Noncurrent liabilities	
Due or payable within one year	12,736,849
Due in more than one year:	
Other than OPEB and pensions	217,270,937
Total OPEB liability	34,086,789
Net pension liability	119,183,737
Total liabilities	<u>410,311,718</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pensions	13,932,348
Deferred inflows of resources - OPEB	9,341,474
Deferred inflows on refunding	1,604,777
Deferred inflows - leases	3,788,120
Total deferred outflows of resources	<u>28,666,719</u>
NET POSITION	
Net investment in capital assets	13,072,241
Restricted for:	
Capital projects	2,977,999
Debt service	24,234,271
Student body activities	1,612,214
Categorical programs	22,074,377
Unrestricted	<u>(76,601,805)</u>
Total net position	<u>\$ (12,630,703)</u>

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Statement of Activities

For the Fiscal Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental Activities:					
Instructional services:					
Instruction	\$ 90,458,928	\$ 96,422	\$ 14,431,652	\$ 50,396	\$ (75,880,458)
Instruction-related services:					
Supervision of instruction	4,195,933	6,952	1,093,795	-	(3,095,186)
Instructional library, media and technology	1,068,943	343	48,723	-	(1,019,877)
School site administration	9,858,125	1,617	(213,623)	-	(10,070,131)
Pupil support services:					
Home-to-school transportation	2,552,790	6,673	423,393	-	(2,122,724)
Food services	2,952,541	277,522	3,744,185	-	1,069,166
All other pupil services	10,317,192	19,816	2,470,518	-	(7,826,858)
General administration services:					
Data processing services	2,741,004	513	31,065	-	(2,709,426)
Other general administration	9,806,318	14,685	789,042	-	(9,002,591)
Plant services	16,429,321	9,802	184,138	-	(16,235,381)
Ancillary services	3,991,546	-	2,103,704	-	(1,887,842)
Interest on long-term debt	22,958,633	-	-	-	(22,958,633)
Other outgo	1,164,903	772,760	14,681,610	-	14,289,467
Depreciation (unallocated)	10,337,911	-	-	-	(10,337,911)
Amortization (unallocated)	705,462	-	-	-	(705,462)
Total Governmental Activities	<u>\$ 189,539,550</u>	<u>\$ 1,207,105</u>	<u>\$ 39,788,202</u>	<u>\$ 50,396</u>	<u>(148,493,847)</u>
General Revenues:					
Property taxes					84,764,337
Federal and state aid not restricted to specific purpose					50,368,072
Interest and investment earnings					2,746,160
Miscellaneous					<u>8,603,431</u>
Total general revenues					<u>146,482,000</u>
Change in net position					<u>(2,011,847)</u>
Net position - July 1, 2023, as originally stated					(10,492,837)
Adjustment for restatement (Note 13)					<u>(126,019)</u>
Net position - July 1, 2023, as restated					<u>(10,618,856)</u>
Net position - June 30, 2024					<u>\$ (12,630,703)</u>

LAS VIRGENES UNIFIED SCHOOL DISTRICT*Balance Sheet – Governmental Funds**June 30, 2024*

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Deposits and investments	\$ 57,533,408	\$ 65,031,045	\$ 24,234,271	\$ 9,826,472	\$ 156,625,196
Accounts receivable	10,039,976	737,810	-	944,539	11,722,325
Inventories	218,629	-	-	89,141	307,770
Prepaid expenditures	36,148	-	-	104,392	140,540
Leases receivable	4,112,501	-	-	-	4,112,501
Total Assets	<u>\$ 71,940,662</u>	<u>\$ 65,768,855</u>	<u>\$ 24,234,271</u>	<u>\$ 10,964,544</u>	<u>\$ 172,908,332</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 11,843,387	\$ 10,798,225	\$ -	\$ 935,486	\$ 23,577,098
Unearned revenue	414,462	-	-	-	414,462
Total Liabilities	<u>12,257,849</u>	<u>10,798,225</u>	<u>-</u>	<u>935,486</u>	<u>23,991,560</u>
Deferred Inflows	<u>3,788,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,788,120</u>
Fund Balances					
Nonspendable	281,377	-	-	196,908	478,285
Restricted	18,472,855	54,970,630	24,234,271	8,142,964	105,820,720
Committed	-	-	-	717,535	717,535
Assigned	14,097,672	-	-	971,651	15,069,323
Unassigned	23,042,789	-	-	-	23,042,789
Total Fund Balances	<u>55,894,693</u>	<u>54,970,630</u>	<u>24,234,271</u>	<u>10,029,058</u>	<u>145,128,652</u>
Total Liabilities and Fund Balances	<u>\$ 71,940,662</u>	<u>\$ 65,768,855</u>	<u>\$ 24,234,271</u>	<u>\$ 10,964,544</u>	<u>\$ 172,908,332</u>

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2024

Total fund balances - governmental funds \$ 145,128,652

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets, subscription assets, and accumulated depreciation and amortization.

Capital assets at historical cost:	372,088,655	
Accumulated depreciation:	(169,675,750)	
Subscription assets at historical cost:	1,706,633	
Lease assets at historical cost:	411,752	
Accumulated amortization:	<u>(820,860)</u>	
Net:		203,710,430

In governmental funds, interest subsidies received from Qualified School Construction Bonds (QSCBs) are recognized in the period that they are received. In the government-wide statements, they are recognized in the period that they are earned. The federal interest subsidies included in accounts receivable in the government-wide statements were:

279,042

Deferred amounts on refunding represent amounts paid to an escrow agent in excess of the outstanding debt at the time of the payment for refunded bonds which have been defeased. In the government-wide statements it is recognized as deferred outflows or inflows of resources. The remaining deferred amounts on refunding at the end of the period were:

Deferred outflows - related to refunding	1,019,798
Deferred inflows - related to refunding	<u>(1,604,777)</u>

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatured interest owing at the end of the period was:

(3,041,846)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

General obligation bonds	227,237,188	
Compensated absences	1,821,729	
Early retirement incentive	208,000	
Subscription-based IT arrangements	532,321	
Leases	208,548	
Other postemployment benefits	34,086,789	
Net pension liability	<u>119,183,737</u>	(383,278,312)

In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported. Deferred outflows and inflows relating to OPEB for the period were:

Deferred outflows - related to OPEB	6,509,125
Deferred inflows - related to OPEB	<u>(9,341,474)</u>

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported. Deferred outflows and inflows relating to pensions for the period were:

Deferred outflows - related to pensions	41,921,007
Deferred inflows - related to pensions	<u>(13,932,348)</u>

Total net position - governmental activities \$ (12,630,703)

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds For the Fiscal Year Ended June 30, 2024

	General Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
LCFF sources	\$ 115,891,572	\$ -		\$ -	\$ -	\$ 115,891,572
Federal sources	4,579,450	-		175,143	1,163,223	5,917,816
Other state sources	23,523,872	-		33,354	2,541,963	26,099,189
Other local sources	15,658,249	(186,385)		13,772,770	3,748,349	32,992,983
Total Revenues	159,653,143	(186,385)		13,981,267	7,453,535	180,901,560
EXPENDITURES						
Current:						
Instruction	98,218,445	-		-	-	98,218,445
Instruction-Related Services:						
Supervision of instruction	4,600,651	-		-	-	4,600,651
Instructional library, media and technology	1,095,870	-		-	-	1,095,870
School site administration	10,459,511	-		-	-	10,459,511
Pupil Support Services:						
Home-to-school transportation	2,552,775	-		-	-	2,552,775
Food services	280,708	-		-	2,930,576	3,211,284
All other pupil services	11,180,436	-		-	-	11,180,436
Ancillary services	2,195,900	-		-	1,823,428	4,019,328
General Administration Services:						
Data processing services	3,070,159	-		-	-	3,070,159
Other general administration	8,619,787	-		-	14,251	8,634,038
Plant services	15,374,701	-		-	1,033,698	16,408,399
Transfers of indirect costs	(104,584)	-		-	104,584	-
Capital Outlay	710,466	20,587,507		-	1,562,460	22,860,433
Intergovernmental Transfers	701,595	-		-	-	701,595
Debt Service:						
Issuance costs	-	463,309		236,711	-	700,020
Principal	567,880	8,572,605		7,312,399	-	16,452,884
Interest	16,462	219,564		13,729,182	-	13,965,208
Total Expenditures	159,540,762	29,842,985		21,278,292	7,468,997	218,131,036
Excess (Deficiency) of Revenues Over (Under) Expenditures	112,381	(30,029,370)		(7,297,025)	(15,462)	(37,229,476)
OTHER FINANCING SOURCES (USES)						
Interfund transfers in	-	-		-	1,250,000	1,250,000
Interfund transfers out	(1,250,000)	-		-	-	(1,250,000)
Proceeds from leases	411,752	-		-	-	411,752
Proceeds from issuance of debt	-	85,000,000		17,205,000	-	102,205,000
Premiums from issuance of debt	-	-		14,379,501	-	14,379,501
Transfer to escrow agent for defeased debt	-	-		(18,542,124)	-	(18,542,124)
Total Other Financing Sources and Uses	(838,248)	85,000,000		13,042,377	1,250,000	98,454,129
Net Change in Fund Balances	(725,867)	54,970,630		5,745,352	1,234,538	61,224,653
Fund Balances, July 1, 2023, as originally stated	56,620,560	-	1,884,015	18,488,919	7,036,524	84,030,018
Change within reporting entity (major to nonmajor fund)	-	-	(1,884,015)	-	1,884,015	-
Adjustment for Restatement (Note 13)	-	-	-	-	(126,019)	(126,019)
Fund Balances, July 1, 2023	56,620,560	-	-	18,488,919	8,794,520	83,903,999
Fund Balances, June 30, 2024	\$ 55,894,693	\$ 54,970,630	\$ -	\$ 24,234,271	\$ 10,029,058	\$ 145,128,652

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities For the Fiscal Year Ended June 30, 2024

Total net change in fund balances - governmental funds \$ 61,224,653

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

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation and amortization expense for the period is:

Expenditures for capital outlay	23,412,757	
Depreciation expense	(10,337,911)	
Expenditures for leases	411,752	
Expenditures for subscriptions	326,079	
Amortization expense	<u>(705,462)</u>	
Net:		13,107,215

Repayment of principal on long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 34,682,885

In governmental funds, proceeds from issuance of long-term debt are reported as other financing sources. In the government wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt, net of issue premium, were: (116,996,253)

Deferred amounts on refunding represent amounts paid to an escrow agent in excess of the outstanding debt at the time of the payment for refunded bonds which have been defeased. In governmental funds these amounts are recognized as an expenditure. However, in the statement of activities, these amounts are amortized over the life of the refunded debt. The difference between current year amounts and the current year amortization is: (1,716,733)

In governmental funds, accreted interest is not recorded as an expenditure from current resources. In the government-wide statement of activities, however, this is recorded as interest expense for the period. The difference between accreted interest accrued during the year and accreted interest paid is: 4,945,234

In governmental funds, interest subsidies received from Build America Bonds (BABs) and Qualified School Construction Bonds (QSCBs) are recognized in the period that they are received. In the government-wide statements, they are recognized in the period that they are earned. The difference between current and prior year receivables is: (5,479)

In governmental funds, if debt is issued at a premium, the premium is recognized as an Other Financing Source in the period it is incurred. In the government-wide statements, the premium is amortized as interest over the life of the debt. Amortization of premium for the period is: 2,789,615

In governmental funds, OPEB expenses are recognized when employer contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB expenses and actual employers contributions was: (1,839,007)

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period, but owing from the prior period, is: (1,673,504)

In the statement of activities, certain operating expenses - such as compensated absences and early retirement incentives, for example, are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The difference between compensated absences and early retirement incentives paid and earned was: 100,692

In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was: 3,368,835

Change in net position of governmental activities \$ (2,011,847)

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

B. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

District-Wide Financial Statements

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

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds (and blended component units). Separate statements for each fund category - *governmental* and *fiduciary* - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

1. Basis of Presentation (continued)

Major Governmental Funds

The District maintains the following major governmental funds:

General Fund: This is the chief operating fund for the District. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund. The District also maintains a Special Reserve Fund for Other Than Capital Outlay Projects which does not meet the definition of a special revenue fund as it is not primarily composed of restricted or committed revenue sources. Because this fund does not meet the definition of a special revenue fund under GASB 54, the activity in the fund is being reported within the General Fund.

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

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

Non-Major Governmental Funds

The District maintains the following non-major governmental funds:

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

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

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

Deferred Maintenance Fund: This fund is used to account for separately for revenues that are restricted or committed for deferred maintenance purposes (*Education Code* Section 17582).

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

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

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

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

2. Measurement Focus, Basis of Accounting

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

As a general rule the effect of interfund activity has been eliminated from the District-wide financial statements. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

3. Revenues - Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year. Generally, available is defined as collectible within 60 days. However, to achieve comparability of reporting among California districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to state-aid apportionments, the California Department of Education has defined available for districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

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

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Budgetary Data

The budgetary process is prescribed by provisions of the California *Education Code* and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for. For budget purposes, on behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

D. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated as of June 30.

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

1. Cash and Cash Equivalents

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

2. Inventories

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

3. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Description	Estimated Lives
Buildings	20-50 years
Improvements/Infrastructure	5-50 years
Equipment	5-20 years

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

4. Unearned Revenue

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

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

5. Deferred Outflows/Inflows of Resources

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

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

6. Compensated Absences

Accumulated unpaid vacation benefits are accrued as a liability on the District-wide statement of net assets as the benefits are earned. For governmental funds, unpaid compensated absences are recognized as a fund liability only upon the occurrence of relevant events such as employee resignation and retirements that occur prior to year end that have not yet been paid with expendable available financial resources. These amounts are recorded as accounts payable in the fund from which the employees who have accumulated leave are paid.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken because such benefits do not vest, nor is payment probable. Unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

7. Leases

Lessee:

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

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

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

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

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

Lessor:

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

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

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

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

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

8. Subscription-Based Information Technology Arrangements

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

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

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

9. Postemployment Benefits Other Than Pensions (OPEB)

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

10. Pensions

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

11. Fund Balances

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

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

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

11. Fund Balances (continued)

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

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

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

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

12. Net Position

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

- **Net investment in capital assets** - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- **Restricted** - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

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

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Minimum Fund Balance Policy

This Fund Balance Policy establishes the procedures for reporting unrestricted fund balance in the General Fund financial statements. Certain commitments and assignments of fund balance will help ensure that there will be adequate financial resources to protect the District against unforeseen circumstances and events such as revenue shortfalls and unanticipated expenditures. The policy also authorizes and directs the Chief Financial Officer to prepare financial reports which accurately categorize fund balance as per Governmental Accounting Standards Board (GASB) No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

The District has adopted a minimum fund balance policy, which states that the Board intends to maintain a minimum fund balance of 3% of the District's general fund annual operating expenditures. If a fund balance drops below 3%, it shall be recovered at a rate of .5% minimally, each year.

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

G. Property Tax Calendar

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

H. Use of Estimates

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

I. Change in Accounting Principle

For the fiscal year ended June 30, 2024, the District implemented GASB Statement No. 100, *Accounting Changes and Error Corrections-an Amendment of GASB Statement No. 62*. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net positions, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits and investments as of June 30, 2024 are classified in the accompanying financial statements as follows:

Governmental funds	<u>\$ 156,625,196</u>
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Deposits and investments as of June 30, 2024 consist of the following:

Cash on hand and in banks	\$ 1,589,248
Cash in revolving fund	29,975
Investments	<u>155,005,973</u>
Total deposits and investments	<u>\$ 156,625,196</u>

Pooled Funds

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the interest-bearing Los Angeles 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 Los Angeles 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 Los Angeles County Treasurer, which is recorded on the amortized basis.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to \$250,000 by the Federal Depositary Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

As of June 30, 2024, \$1.3 million of the District's bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agency, but not in the name of the District.

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Investments - Interest Rate Risk

The District's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District's investment policy limits investment purchases to investments with a term not to exceed three years. Investments purchased with maturity terms greater than three years require approval by the Board of Education. Investments purchased with maturities greater than one year require written approval by the Superintendent prior to commitment. Maturities of investments held at June 30, 2024, consist of the following:

	Rating	Reported Amount	Maturity		Fair Value Measurement
			Less Than One Year	One Year Through Five Years	
Investment maturities:					
Los Angeles County Investment Pool	N/A	\$ 155,005,973	\$ 155,005,973	\$ -	Uncategorized
Total Investments		<u>\$ 155,005,973</u>	<u>\$ 155,005,973</u>	<u>\$ -</u>	

Investments - Credit Risk

The District's investment policy limits investment choices to obligations of local, state and federal agencies, commercial paper, certificates of deposit, repurchase agreements, corporate notes, banker acceptances, and other securities allowed by State Government Code Section 53600. At June 30, 2024, all investments represented governmental securities which were issued, registered and held by the District's agent in the District's name.

Fair Value Measurements

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

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

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

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

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

All assets have been valued using a market approach, with quoted market prices.

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 3 –RECEIVABLES

A. Accounts Receivable

Accounts receivable as of June 30, 2024, consisted of the following:

	General Fund	Building Fund	Non-Major Governmental Funds	Governmental Funds Total
Federal Government:				
Categorical aid programs	\$ 5,891,355	\$ -	\$ 195,249	\$ 6,086,604
State Government:				
LCFF sources	486,701	-	-	486,701
Lottery	610,663	-	-	610,663
Categorical aid programs	1,723,515	-	646,212	2,369,727
Local:				
Interest	619,428	737,810	94,295	1,451,533
All other local sources	708,314	-	8,783	717,097
Total	<u>\$ 10,039,976</u>	<u>\$ 737,810</u>	<u>\$ 944,539</u>	<u>\$ 11,722,325</u>

B. Leases Receivable

The District has entered into several lessor relationships, ranging from leasing space for communications towers to leasing an entire site. The agreements allow for 2% to 5% annual increases to the lease payments. The final payment for the leases in place is expected in October 2038. During the fiscal year, the District recognized \$999,174 in lease revenues and \$112,582 in interest revenue related to these agreements. The District used interest rates from 1.5% to 3%, based on the rates available to finance real estate or machinery and equipment over the same time periods at the beginning of each lease period. As of June 30, 2024, deferred inflows related to the leases were \$3,788,120.

Annual future payments are as follows:

Fiscal Year	Principal	Interest
2024-2025	\$ 981,503	\$ 99,086
2025-2026	283,334	89,286
2026-2027	273,735	81,439
2027-2028	256,368	73,111
2028-2029	275,196	65,295
2029-2034	1,575,150	193,676
2034-2039	467,215	21,524
Total	<u>\$ 4,112,501</u>	<u>\$ 623,418</u>

LAS VIRGENES UNIFIED SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2024

NOTE 4 – FUND BALANCES

At June 30, 2024, fund balances of the District's governmental funds are classified as follows:

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total
Nonspendable:					
Revolving cash	\$ 26,600	\$ -	\$ -	\$ 3,375	\$ 29,975
Stores inventories	218,629	-	-	89,141	307,770
Prepaid expenditures	36,148	-	-	104,392	140,540
Total Nonspendable	281,377	-	-	196,908	478,285
Restricted:					
Categorical programs	18,472,855	-	-	3,552,751	22,025,606
Capital projects	-	54,970,630	-	2,977,999	57,948,629
Debt service	-	-	24,234,271	-	24,234,271
Student body activities	-	-	-	1,612,214	1,612,214
Total Restricted	18,472,855	54,970,630	24,234,271	8,142,964	105,820,720
Committed:					
Other commitments	-	-	-	717,535	717,535
Total Committed	-	-	-	717,535	717,535
Assigned:					
Other assignments	14,097,672	-	-	971,651	15,069,323
Total Assigned	14,097,672	-	-	971,651	15,069,323
Unassigned:					
Reserve for economic uncertainties	4,811,281	-	-	-	4,811,281
Remaining unassigned balances	18,231,508	-	-	-	18,231,508
Total Unassigned	23,042,789	-	-	-	23,042,789
Total	\$ 55,894,693	\$ 54,970,630	\$ 24,234,271	\$ 10,029,058	\$ 145,128,652

NOTE 5 – INTERFUND ACTIVITY

During the 2023-24 fiscal year the District made the following interfund transfers:

General Fund transfer to Deferred Maintenance Fund for routine restricted maintenance contribution	<u>\$ 1,250,000</u>
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LAS VIRGENES UNIFIED SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2024

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2024, was as follows:

	Balance, July 1, 2023	Additions	Retirements	Balance, June 30, 2024
Capital assets not being depreciated:				
Land	\$ 14,853,507	\$ -	\$ -	\$ 14,853,507
Construction in progress	5,580,164	13,199,587	4,426,392	14,353,359
Total capital assets not being depreciated	20,433,671	13,199,587	4,426,392	29,206,866
Capital assets being depreciated:				
Improvement of sites	22,000,638	1,846,746	-	23,847,384
Buildings	295,123,333	10,190,941	-	305,314,274
Furniture and Equipment	11,118,256	2,601,875	-	13,720,131
Total capital assets being depreciated	328,242,227	14,639,562	-	342,881,789
Accumulated depreciation for:				
Improvement of sites	(15,660,595)	(536,236)	-	(16,196,831)
Buildings	(135,295,763)	(8,991,003)	-	(144,286,766)
Furniture and Equipment	(8,381,481)	(810,672)	-	(9,192,153)
Total accumulated depreciation	(159,337,839)	(10,337,911)	-	(169,675,750)
Total capital assets being depreciated, net	168,904,388	4,301,651	-	173,206,039
Lease assets:				
Furniture and Equipment	229,016	411,752	229,016	411,752
Accumulated amortization for:				
Furniture and Equipment	(150,145)	(284,747)	(229,016)	(205,876)
Total lease assets, net	78,871	127,005	-	205,876
Subscription assets:				
IT Subscriptions	1,442,753	326,079	62,199	1,706,633
Accumulated amortization for:				
IT Subscriptions	(256,468)	(420,715)	(62,199)	(614,984)
Total subscription assets, net	1,186,285	(94,636)	-	1,091,649
Governmental activity capital assets, net	\$ 190,603,215	\$ 17,533,607	\$ 4,426,392	\$ 203,710,430

NOTE 7 – LONG TERM LIABILITIES OTHER THAN OPEB OR PENSIONS

Changes in long-term debt for the year ended June 30, 2024, were as follows:

	Balance, July 1, 2023	Additions	Deductions	Balance, June 30, 2024	Amount Due Within One Year
General Obligation Bonds:					
Principal payments	\$ 98,247,609	\$ 102,205,000	\$ 25,542,400	\$ 174,910,209	\$ 6,487,051
Accreted interest	40,524,435	3,817,366	8,762,600	35,579,201	4,547,949
Unamortized issuance premium	5,157,892	14,379,501	2,789,615	16,747,778	1,228,431
Total - General Obligation Bonds	143,929,936	120,401,867	37,094,615	227,237,188	12,263,431
Certificates of participation	8,572,605	-	8,572,605	-	-
Subscription-based IT arrangements	817,059	-	284,738	532,321	264,870
Compensated absences	1,714,421	107,308	-	1,821,729	-
Leases	79,938	411,752	283,142	208,548	208,548
Early retirement incentive	416,000	-	208,000	208,000	-
Totals	\$ 155,529,959	\$ 120,920,927	\$ 46,443,100	\$ 230,007,786	\$ 12,736,849

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

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

Payments for general obligation bonds are made by the Bond Interest and Redemption Fund. Lease and subscription payments are made by the General Fund. Compensated absences will be paid for by the fund for which the employee worked. Early retirement incentives will be paid for by the General Fund. Certificates of Participation were paid by the Building Fund.

A. General Obligation Bonds

1997 Election

The District authorized bonds at a regularly scheduled election of the registered voters of the District held on November 4, 1997, at which more than two-thirds of the voters authorized the issuance and sale of \$93.1 million of general obligation bonds to finance the construction and modernization of school facilities.

2006 Election

The District authorized bonds at a regularly scheduled election of the registered voters of the District held on June 6, 2006, at which more than 55% of the voters authorized the issuance and sale of \$128.0 million of general obligation bonds to finance the construction and modernization of school facilities. A portion of the bonds is designated "Build America Bonds" for purposes of the American Recovery and Reinvestment Act of 2009 (the "Recovery Act"). Pursuant to the Recovery Act, the District expects to receive a cash subsidy payment from the United States Treasury equal to 35% of the interest payable on the Bonds on or about each interest payment date. The cash payment does not constitute a full faith and credit guarantee of the United States Government, but is required to be paid by the Treasury under the Recovery Act. The District is obligated to deposit any cash subsidy payments it receives into the debt service fund for the Bonds. Another portion of the bonds is designated as "Qualified School Construction Bonds" for purposes of the Recovery Act.

With respect to the bonds, the District expects to receive, on or about each bond payment date for the bonds, a cash subsidy payment from the United States Treasury equal to the lesser of a) the interest payable on such bond payment date or b) the amount of interest that would have been payable on such bond payment date on such bonds if such interest were determined at a federal tax credit rate applicable to the bonds, which Tax Credit Rate is published by the Treasury and determined under Section 54A(b)(3) of the Code. Prior to each such bond payment date for the bonds, the District will submit or cause to be submitted to the Treasury a subsidy reimbursement request in accordance with applicable Federal regulations.

2022 Election

The District authorized bonds at a regularly scheduled election of the registered voters of the District held on November 8, 2022, at which more than 55% of the voters authorized the issuance and sale of \$340.0 million of general obligation bonds to finance the construction and modernization of school facilities.

On August 24, 2023 the District issued Series A General Obligation Bonds, in the amount of \$85,000,000.

Prior-Year Defeasance of Debt

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new refunding bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements.

The difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. At June 30, 2024, deferred outflows on refunding were \$1,019,798 and deferred inflows were \$1,604,777.

LAS VIRGENES UNIFIED SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2024

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

A. General Obligation Bonds (continued)

Prior-Year Defeasance of Debt (continued)

A summary of general obligation bonds issued by the District is shown below:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance, July 1, 2023	Additions	Deductions	Balance, June 30, 2024
Measure R (1997)								
Series B	8/11/1999	11/1/2023	4.85%-5.68%	\$ 11,999,387	\$ 796,037	\$ -	\$ 796,037	\$ -
Series C	3/21/2001	11/1/2023	4.05%-5.44%	18,492,813	683,518	-	683,518	-
Series D	10/17/2002	9/1/2027	2.00%-5.20%	32,627,309	12,066,299	-	1,470,995	10,595,304
Sub-total Measure R				63,119,509	13,545,854	-	2,950,550	10,595,304
Measure G (2006)								
2006 B	12/22/2009	8/1/2034	3.000%-7.262%	42,996,222	1,503,481	-	321,850	1,181,631
2006 C	5/19/2011	8/1/2033	5.006%-6.750%	29,998,274	12,258,274	-	2,310,000	9,948,274
2006 D	8/29/2018	8/1/2035	3.0%-5.0%	10,435,000	10,145,000	-	120,000	10,025,000
Sub-total Measure G				83,429,496	23,906,755	-	2,751,850	21,154,905
Measure S (2022)								
Series A	8/24/2023	8/1/2048	5.00%-6.00%	85,000,000	-	85,000,000	-	85,000,000
Sub-total Measure S				85,000,000	-	85,000,000	-	85,000,000
Refunding Bonds								
2014 Ref.	10/29/2014	8/1/2031	3.00%-5.00%	27,255,000	21,440,000	-	19,750,000	1,690,000
2016 Ref.	12/6/2016	8/1/2034	2.750%-4.00%	39,610,000	39,355,000	-	90,000	39,265,000
2024 Ref.	6/27/2024	8/1/2031	5.00%	17,205,000	-	17,205,000	-	17,205,000
Sub-total Refunding Bonds				84,070,000	60,795,000	17,205,000	19,840,000	58,160,000
					<u>\$ 98,247,609</u>	<u>\$ 102,205,000</u>	<u>\$ 25,542,400</u>	<u>\$ 174,910,209</u>
Accreted Interest Component								
				1997 B	\$ 2,265,764	\$ 88,200	\$ 2,353,964	\$ -
				1997 C	2,238,847	97,637	2,336,484	-
				1997 D	22,745,763	1,746,880	2,824,002	21,668,641
				2006 B	5,415,836	760,453	1,248,150	4,928,139
				2006 C	7,858,225	1,124,196	-	8,982,421
					<u>\$ 40,524,435</u>	<u>\$ 3,817,366</u>	<u>\$ 8,762,600</u>	<u>\$ 35,579,201</u>

The annual requirements to amortize general obligation bonds outstanding as of June 30, 2024, were as follows:

Fiscal Year	Principal	Interest	Total
2024-2025	\$ 6,487,051	\$ 14,139,335	\$ 20,626,386
2025-2026	8,298,726	11,935,305	20,234,031
2026-2027	8,664,079	20,145,884	28,809,963
2027-2028	8,066,339	20,799,561	28,865,900
2028-2029	7,070,209	8,255,891	15,326,100
2029-2034	53,663,805	35,010,507	88,674,312
2034-2039	39,315,000	14,167,375	53,482,375
2039-2044	18,895,000	8,575,625	27,470,625
2044-2049	24,450,000	3,175,500	27,625,500
Total	<u>\$ 174,910,209</u>	<u>\$ 136,204,983</u>	<u>\$ 311,115,192</u>

2024 Refunding

On June 27, 2024, the District issued \$17,205,000 of General Obligation Refunding Bonds. The bonds bear a fixed interest rate of 5.0% with annual maturities from August 1, 2024 through August 1, 2031. The net proceeds of \$18,542,124 (after issuance costs, premiums and underwriter's discount) were used to prepay a portion of the 2014 Refunding Bonds and to pay costs of issuance of the refunding bonds.

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

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

A. General Obligation Bonds (continued)

2024 Refunding (continued)

The net proceeds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refunded bonds are considered defeased, and the related liability for the bonds has been removed from the District's liabilities. Amounts paid to the escrow agent in excess of the outstanding debt at the time of payment are recorded as deferred amounts on refunding on the Statement of Net Position and are amortized to interest expense over the life of the liability. As of June 30, 2024, \$17,205,000 of the defeased bonds remain outstanding. The transaction resulted in net present value of savings of \$1,288,415 (difference between the present value of the debt service on the old and new debt).

B. Certificates of Participation

On July 3, 2003, the District issued the 2003 Certificates of Participation in the amount of \$20,000,000. During the 2007-2008 fiscal year, the District issued the 2008 Refunding Certificates of Participation to refinance the 2003 Certificates of Participation. The 2008 Refunding Certificates of Participation were later refunded in 2017 as described below.

2017 Certificates of Participation Refunding Lease/Purchase Agreement

On January 19, 2017, the District entered into a \$11,685,780 of Certificates of Participation Refunding lease/purchase agreement. The certificates bear a fixed interest rate of 3.18% with semi-annual maturities from May 1, 2017 through November 1, 2036. The net proceeds of \$11,500,779 (after issuance costs of \$185,001) were used to refinance the District's outstanding 2008 Refunding Certificates of Participation and pay the costs of issuance. The net proceeds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded certificates. As a result, the refunded certificates are considered to be defeased, and the related liability for the certificates has been removed from the District's liabilities. Amounts paid to the escrow agent in excess of the outstanding debt at the time of payment are recorded as deferred amounts on refunding on the Statement of Net Position and are amortized to interest expense over the life of the liability. As of June 30, 2024, all certificates of participation have been fully repaid.

C. Subscription Based IT Arrangements

The District is involved in several arrangement for subscription based software. The initial terms for these subscriptions range from 24 to 72 months. There are no variable payments not included in the measurement of the lease liability, no residual value guarantees provided and no commitments before the commencement of the lease term. The District used either the stated interest rate or the State's incremental borrowing rate at inception to discount the subscription payments to the net present value. Other key assumptions and policies can be found in Note 1.E. The related asset disclosures are presented in Note 6.

Annual future payments are as follows:

Fiscal Year	Principal	Interest	Total
2024-2025	\$ 264,870	\$ 18,622	\$ 283,492
2025-2026	127,797	10,405	138,202
2026-2027	92,122	5,645	97,767
2027-2028	47,532	1,970	49,502
Total	<u>\$ 532,321</u>	<u>\$ 36,642</u>	<u>\$ 568,963</u>

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

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

D. Leases

The District is involved in several leases for both equipment and facilities. The initial terms for these leases range from 36 to 63 months. There are no variable payments not included in the measurement of the lease liability, no residual value guarantees provided and no commitments before the commencement of the lease term. Other key assumptions and policies can be found in Note 1.E.. The related asset disclosures are presented in Note 6.

Annual future payments are as follows:

Fiscal Year	Principal	Interest	Total
2024-2025	\$ 208,548	\$ -	\$ 208,548

E. Early Retirement Incentives

During 2020-2021 fiscal year, the District adopted a supplemental early retirement plan whereby certain eligible employees were provided an annuity to supplement the retirement benefits they were entitled to through the California State Teachers' Retirement System and the California Public Employees' Retirement System. The annuities offered to the employees are to be paid over a five-year period. The annuities were purchased for 26 employees who retired during the 2020-2021 school year.

Future payments are as follows:

Fiscal Year	Principal
2024-2025	\$ -
2025-2026	208,000
Total	\$ 208,000

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

For the fiscal year ended June 30, 2024, the District reported total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	\$ 33,647,319	\$ 6,509,125	\$ 9,341,474	\$ 2,781,917
MPP Program	439,470	-	-	(37,826)
Total	\$ 34,086,789	\$ 6,509,125	\$ 9,341,474	\$ 2,744,091

The details of each plan are as follows:

District Plan

Plan Description

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75.

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

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

District Plan (continued)

Benefits Provided

Following is a description of the benefits provided by the District:

Retirees have access through the CALPERS health benefit program to the same medical plan as active employees, with the exception that once a retiree becomes eligible for Medicare (that is, reaches age 65), he or she must join a Medicare HMO or a Medicare Supplemental plan, with Medicare becoming the primary payer.

Employees become eligible to retire and receive a contribution from the District towards their healthcare benefits upon attainment of age 50 and 5 years of covered PERS services (age 52 and 5 years for PEPPRA employees), or age 55 and 5 years of covered STRS service. Benefits are accessible for the lifetime of the retiree and spouse or surviving spouse (and dependent children up to the age of 26). The District uses a statutory schedule to determine if monthly contribution on behalf of all eligible retirees and surviving spouses, in addition to an administrative fee. This benefit is not contractual and only offered while the District uses CALPERS for medical benefits coverage.

Integrated medical/prescription drug cover is provided through CALPERS under the Public Employee' Medical and Hospice Care Act (PEMHACA). Employees can choose from a variety of HMO and PPO options providing comprehensive medical and prescription drug coverage.

For purposes of its contract with PEMHACA, the District uses a statutory schedule to determine its monthly contribution on behalf of each active employee. The statutory amount will be indexed by the Medical CPI each year thereafter. The District also pays an administrative fee.

The benefit payment requirements of the Plan members and the District are established and may be amended by the District, the Las Virgenes Education Association (LVEA), the local California Service Employees Association (CSEA), and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through agreements with the District, LVEA, CSEA, and unrepresented groups.

Employees Covered by Benefit Terms

At the valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	374
Active employees	1,010
Total	<u>1,384</u>

Total OPEB Liability

The District's total OPEB liability of \$33,647,319 for the Plan was measured as of June 30, 2024 and was determined by an actuarial valuation as June 30, 2023.

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

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

District Plan (continued)

Actuarial Assumptions and Other Inputs

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

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

Discount Rate

The discount rate under GASB 75 is required to be a blend of the long-term expected rate of return (ROR) to the extent funded and the 20-year municipal bond rate. Specifically, an initial projection is made using the ROR on irrevocable OPEB plan assets and, as long as the plan's net position and projected contributions associated with current participants are expected to fully cover projected benefit payments (including expenses), this long-term rate may be used. For years in which the net position is not projected to cover projected benefit payments, the discount rate used is equal to the 20-year municipal bond yield. A single discount rate is then determined as a blend of the two rates, which produces the same discounted present value of benefits as the dual rate calculation. Since the OPEB is not funded through an irrevocable trust, the municipal bond rate was selected for all years. As of June 30, 2023, a rate of 3.65% was used. As of June 30, 2024, a rate of 3.93% was used.

Mortality Rates

Mortality rates are based on the expectation that future experience under the plan will be materially consistent with the assumptions utilized in the CalSTRS and CalPERS valuations. CalSTRS mortality rates are from the 2020 experience study and the CalPERS mortality rates are from the 2021 experience study.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2023	\$ 32,942,298
Changes for the year:	
Service cost	1,786,404
Interest	1,218,478
Changes of assumptions	(1,394,778)
Benefit payments	(905,083)
Net changes	705,021
Balance at June 30, 2024	\$ 33,647,319

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

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

District Plan (continued)

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

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

Discount Rate	OPEB Liability
1% decrease	\$ 38,916,837
Current discount rate	\$ 33,647,319
1% increase	\$ 29,442,146

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:

Healthcare Cost Trend Rate	OPEB Liability
1% decrease	\$ 28,224,568
Current trend rate	\$ 33,647,319
1% increase	\$ 40,521,638

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the District recognized OPEB expense of \$2,781,917. In addition, at June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 72,147	\$ 2,572,078
Changes of assumptions	6,436,978	6,769,396
Total	<u>\$ 6,509,125</u>	<u>\$ 9,341,474</u>

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2025	\$ 1,566,499	\$ 1,639,995
2026	1,357,379	1,632,239
2027	1,327,872	1,378,866
2028	1,327,872	1,378,866
2029	929,503	1,378,866
Thereafter	-	1,932,642
Total	<u>\$ 6,509,125</u>	<u>\$ 9,341,474</u>

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

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

Medicare Premium Payment (MPP) Program

Plan Description

The MPP Program is a cost-sharing multiple-employer other postemployment benefit (OPEB) plan established pursuant to Chapter 1032, Statutes of 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefit Fund (THBF).

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

Benefits Provided

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the DB Program who were retired or began receiving a disability allowance prior to July 1, 2012, and were not eligible for premium-free Medicare Part A. Members who retire on or after July 1, 2012, are not eligible for coverage under the MPP Program.

As of June 30, 2023, 4,457 retirees participated in the MPP Program; however, the number of retired members who will participate in the program in the future is unknown as eligibility cannot be predetermined.

The MPP Program is funded on a pay-as-you-go basis from a portion of monthly employer contributions. In accordance with Education Code section 22950, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

Total OPEB Liability

At June 30, 2024, the District reported a liability of \$439,470 for its proportionate share of the net OPEB liability for the MPP Program. The total OPEB liability for the MPP Program as of June 30, 2023, was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022 and rolling forward the total OPEB liability to June 30, 2023. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportions of the net OPEB liability for the two most recent measurement periods were:

	<u>Percentage Share of MPP Program</u>		<u>Change Increase/ (Decrease)</u>
	<u>Fiscal Year Ending June 30, 2024</u>	<u>Fiscal Year Ending June 30, 2023</u>	
Measurement Date	<u>June 30, 2023</u>	<u>June 30, 2022</u>	
Proportion of the Net OPEB Liability	0.144831%	0.144894%	-0.000063%

For the year ended June 30, 2024, the District reported OPEB expense of \$(37,826).

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

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

Medicare Premium Payment (MPP) Program (continued)

Actuarial Assumptions and Other Inputs

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

Measurement Date	June 30, 2023
Valuation Date	June 30, 2022
Experience Study	June 30, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	3.65%
Healthcare Cost Trend Rates	4.5% for Medicare Part A, and 5.4% for Medicare Part B

Assumptions were made about future participation (enrollment) into the MPP Program as CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' ages increase. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility but are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 179 or an average of 0.13% of the potentially eligible population of 138,780.

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

Discount Rate

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2023, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund (SMIF), which is a pooled investment program administered by the California State Treasurer.

As the MPP Program is funded on a pay-as-you-go basis, the OPEB plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, the MPP Program used the Bond Buyer's 20-Bond GO Index from Bondbuyer.com as of June 30, 2023, as the discount rate, which was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate as of June 30, 2023, was 3.65%, which is an increase of 0.11% from 3.54% as of June 30, 2022.

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

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

Medicare Premium Payment (MPP) Program (continued)

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

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

Discount Rate	MPP OPEB Liability
1% decrease	\$ 477,614
Current discount rate	\$ 439,470
1% increase	\$ 406,304

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

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

Medicare Cost Trend Rates	MPP OPEB Liability
1% decrease	\$ 404,356
Current trend rate	\$ 439,470
1% increase	\$ 479,113

NOTE 9 – PENSION PLANS

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

For the fiscal year ended June 30, 2024, the District reported net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	\$ 74,574,062	\$ 21,324,592	\$ 5,370,748	\$ 7,910,913
CalPERS	44,609,675	20,596,415	8,561,600	6,317,156
Total	<u>\$ 119,183,737</u>	<u>\$ 41,921,007</u>	<u>\$ 13,932,348</u>	<u>\$ 14,228,069</u>

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 9 – PENSION PLANS (continued)

The details of each plan are as follows:

A. California State Teachers' Retirement System (CalSTRS)

Plan Description

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

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

Benefits Provided

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

The STRP is a multiple-employer, cost-sharing defined benefit plan composed of four programs: Defined Benefit (DB) Program, Defined Benefit Supplement (DBS) Program, Cash Balance Benefit (CBB) Program and Replacement Benefits (RB) Program. A Supplemental Benefit Maintenance Account (SBMA) exists within the STRP and provides purchasing power protection for DB Program benefits. The STRP holds assets for the exclusive purpose of providing benefits to members of these programs and their beneficiaries. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor and obligor of the trust. In addition, the state is both an employer and non-employer contributing entity to the STRP.

The STRP provisions and benefits in effect at June 30, 2024, are summarized as follows:

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire Date	December 31, 2012	January 1, 2013
Benefit Formula	2% at 60	2% at 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	60	62
Monthly Benefits as a Percentage of Eligible Compensation	2.0%-2.4%	2.0%-2.4%
Required Member Contribution Rate	10.25%	10.205%
Required Employer Contribution Rate	19.10%	19.10%
Required State Contribution Rate	10.828%	10.828%

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 9 – PENSION PLANS (continued)

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

Contributions

The parameters for member, employer and state contribution rates are set by the California Legislature and the Governor and detailed in the Teachers' Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014 and established a schedule of contribution rate increases shared among members, employers and the state to bring CalSTRS toward full funding by 2046.

The contribution rates for each program for the year ended June 30, 2024, are presented above, and the District's total contributions were \$11,830,199.

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

At June 30, 2024, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of net pension liability	\$	74,574,062
State's proportionate share of the net pension liability associated with the District		<u>35,730,530</u>
Total	\$	<u>110,304,592</u>

The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportions of the net pension liability for the two most recent measurement periods were:

	Percentage Share of Risk Pool		Change Increase/ (Decrease)
	Fiscal Year Ending June 30, 2024	Fiscal Year Ending June 30, 2023	
Measurement Date	<u>June 30, 2023</u>	<u>June 30, 2022</u>	
Proportion of the Net Pension Liability	0.097916%	0.096545%	0.001372%

For the year ended June 30, 2024, the District recognized pension expense of \$7,910,913. In addition, the District recognized pension expense and revenue of \$(518,880) for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 11,830,199	\$ -
Net change in proportionate share of net pension liability	2,883,082	1,380,657
Difference between projected and actual earnings on pension plan investments	319,207	-
Changes of assumptions	431,811	-
Differences between expected and actual experience	5,860,293	3,990,091
Total	<u>\$ 21,324,592</u>	<u>\$ 5,370,748</u>

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 9 – PENSION PLANS (continued)

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

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

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 7 years.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2025	\$ 450,012	\$ 1,615,137
2026	333,232	2,927,216
2027	6,420,158	276,131
2028	568,142	276,131
2029	672,803	276,133
Thereafter	1,050,046	-
Total	<u>\$ 9,494,393</u>	<u>\$ 5,370,748</u>

Actuarial Methods and Assumptions

The total pension liability for the STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. Significant actuarial methods and assumptions used in the financial reporting actuarial valuation to determine the total pension liability as of June 30, 2023, include:

Valuation Date	June 30, 2022
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.00%
Inflation	2.75%
Payroll Growth	3.50%

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 9 – PENSION PLANS (continued)

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

Actuarial Methods and Assumptions (continued)

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

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

The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2023, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public Equity	38.0%	5.25%
Real Estate	15.0%	4.05%
Private Equity	14.0%	6.75%
Fixed Income	14.0%	2.45%
Risk Mitigating Strategies	10.0%	2.25%
Inflation Sensitive	7.0%	3.65%
Cash/Liquidity	2.0%	0.05%

Discount Rate

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

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 9 – PENSION PLANS (continued)

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

Discount Rate (continued)

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	\$ 125,092,038
Current discount rate (7.10%)	74,574,062
1% increase (8.10%)	32,612,995

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS pursuant to Sections 22954, 22955, and 22955.1 of the *Education Code* and *Public Resources Code* Section 6217.5. Under accounting principles generally accepted in the United States of America, these contributions are reported as revenues and expenditures in the fund financial statements. The total amount recognized by the District for its proportionate share of the State's on-behalf contributions is \$5,715,153.

B. California Public Employees Retirement System (CalPERS)

Plan Description

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

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

Benefits Provided

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

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 9 – PENSION PLANS (continued)

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

Benefits Provided (continued)

The CalPERS provisions and benefits in effect at June 30, 2024, are summarized as follows:

	Schools Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire Date	December 31, 2012	January 1, 2013
Benefit Formula	2% at 55	2% at 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	55	62
Required Employee Contribution Rate	7.00%	8.00%
Required Employer Contribution Rate	26.68%	26.68%

Contributions

The benefits for the defined benefit pension plans are funded by contributions from members, employers, non-employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. In some circumstances, contributions are made by the employer to satisfy member contribution requirements. Member and employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Non-employer contributions are not expected each year, but when provided they are accrued for. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2024 are presented above, and the total District contributions were \$6,285,595.

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

As of June 30, 2024, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$44,609,675. The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportions of the net pension liability for the two most recent measurement periods were:

	Percentage Share of Risk Pool		Change Increase/ (Decrease)
	Fiscal Year Ending June 30, 2024	Fiscal Year Ending June 30, 2023	
Measurement Date	June 30, 2023	June 30, 2022	
Proportion of the Net Pension Liability	0.123235%	0.121977%	0.001257%

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 9 – PENSION PLANS (continued)

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

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

For the year ended June 30, 2024, the District recognized pension expense of \$6,317,156. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 6,285,595	\$ -
Net change in proportionate share of net pension liability	513,467	2,527,143
Difference between projected and actual earnings on pension plan investments	10,114,270	5,349,319
Changes of assumptions	2,055,150	-
Differences between expected and actual experience	1,627,933	685,138
Total	<u>\$ 20,596,415</u>	<u>\$ 8,561,600</u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.9 years.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2025	\$ 5,383,101	\$ 4,388,050
2026	4,899,062	4,173,550
2027	3,804,914	-
2028	223,743	-
2029	-	-
Thereafter	-	-
Total	<u>\$ 14,310,820</u>	<u>\$ 8,561,600</u>

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 9 – PENSION PLANS (continued)

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

Actuarial Methods and Assumptions

Total pension liability for the Schools Pool was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2022 and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022 used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2022
Experience Study	2000-2019
Actuarial Cost Method	Entry age normal
Discount Rate	6.9%
Inflation Rate	2.3%
Salary Increases	Varies by entry age and service

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

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

The target asset allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability was 6.9%. The discount rate is not adjusted for administrative expenses. The fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return for the pension plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

June 30, 2024

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 11 – RISK MANAGEMENT

Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2024, the District participated in the ASCIP public entity risk pool for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2024, the District participated in the Schools Linked for Insurance Management (SLIM), a public entity risk pool for workers' compensation insurance coverage. The intent of the SLIM is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the SLIM. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in SLIM. Each participant pays its workers' compensation premium based on its individual rate.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. State and Federal Allowances, Awards, and Grants

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

B. Construction Commitments

As of June 30, 2024, the District had \$16.7 million in commitments with respect to unfinished capital projects.

C. Litigation

The District is involved in various legal matters. In the opinion of legal counsel, the District does not anticipate that the outcome of any of the matters will have a material impact on the financial statements.

NOTE 13 – ADJUSTMENT FOR RESTATEMENT

The beginning balance shown on the Statement of Activities and the Statement of Revenues, Expenditures, and Changes in Fund Balance was restated by \$126,019 to account for transactions in the Associated Student Body Funds.

	Statement of Activities	Statement of Revenues, Expenditures, and Changes in Fund Balance Total Governmental Funds
As Originally Stated	\$ (10,492,837)	\$ 84,030,018
Adjustment to recognize Student Body activity	(126,019)	(126,019)
July 1, 2023, audited financial statement fund balances	<u>\$ (10,618,856)</u>	<u>\$ 83,903,999</u>

Required Supplementary Information

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LAS VIRGENES UNIFIED SCHOOL DISTRICT
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Pos (Neg)
	Original	Final		
Revenues				
LCFF Sources	\$ 115,192,388	\$ 115,953,382	\$ 115,891,572	\$ (61,810)
Federal Sources	4,645,715	4,673,996	4,579,450	(94,546)
Other State Sources	22,614,245	22,678,769	23,523,872	845,103
Other Local Sources	10,166,425	11,849,553	14,957,050	3,107,497
Total Revenues	152,618,773	155,155,700	158,951,944	3,796,244
Expenditures				
Current:				
Certificated Salaries	62,869,953	65,192,568	63,440,050	1,752,518
Classified Salaries	24,502,178	25,177,688	24,799,187	378,501
Employee Benefits	41,248,964	41,957,754	41,414,182	543,572
Books and Supplies	6,397,959	5,779,560	4,455,422	1,324,138
Services and Other Operating Expenditures	24,999,606	26,393,014	23,034,837	3,358,177
Capital Outlay	819,026	1,046,739	1,215,731	(168,992)
Other Outgo	925,641	1,051,315	1,181,353	(130,038)
Total Expenditures	161,763,327	166,598,638	159,540,762	7,057,876
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,144,554)	(11,442,938)	(588,818)	10,854,120
Other Financing Sources and Uses				
Interfund Transfers Out	(1,250,000)	(1,250,000)	(1,250,000)	-
Proceeds from leases	-	-	411,752	411,752
Total Other Financing Sources and Uses	(1,250,000)	(1,250,000)	(838,248)	411,752
Net Change in Fund Balances	(10,394,554)	(12,692,938)	(1,427,066)	11,265,872
Fund Balances, July 1, 2023	43,224,088	43,224,087	43,224,087	-
Fund Balances, June 30, 2024	<u>\$ 32,829,534</u>	<u>\$ 30,531,149</u>	41,797,021	<u>\$ 11,265,872</u>

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

Special Reserve Fund for Other Than Capital Outlay Projects 14,097,672

**Total reported General Fund balance on the Statement of Revenues,
Expenditures and Changes in Fund Balances:**

\$ 55,894,693

LAS VIRGENES UNIFIED SCHOOL DISTRICT
Schedule of Proportionate Share of the Net Pension Liability – CalSTRS
For the Fiscal Year Ended June 30, 2024

	<i>Last Ten Fiscal Years</i>				
Employer's Fiscal Year Measurement Period	2023-24 2022-23	2022-23 2021-22	2021-22 2020-21	2020-21 2019-20	2019-20 2018-19
District's proportion of the net pension liability	0.0979%	0.0965%	0.0951%	0.0973%	0.0967%
District's proportionate share of the net pension liability	\$ 74,574,062	\$ 67,085,050	\$ 43,274,808	\$ 94,288,856	\$ 87,368,939
State's proportionate share of the net pension liability associated with the District	35,730,530	33,595,931	21,774,205	48,605,917	47,665,589
Totals	<u>\$ 110,304,592</u>	<u>\$ 100,680,981</u>	<u>\$ 65,049,013</u>	<u>\$ 142,894,773</u>	<u>\$ 135,034,528</u>
District's covered-employee payroll	<u>\$ 60,390,508</u>	<u>\$ 56,602,246</u>	<u>\$ 52,897,238</u>	<u>\$ 52,497,836</u>	<u>\$ 53,368,428</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	123.49%	118.52%	81.81%	179.61%	163.71%
Plan fiduciary net position as a percentage of the total pension liability	81%	81%	87%	72%	73%
Employer's Fiscal Year Measurement Period	2018-19 2017-18	2017-18 2016-17	2016-17 2015-16	2015-16 2014-15	2014-15 2013-14
District's proportion of the net pension liability	0.0959%	0.0951%	0.0940%	0.1000%	0.0970%
District's proportionate share of the net pension liability	\$ 88,160,629	\$ 87,920,393	\$ 76,028,140	\$ 67,324,000	\$ 56,683,890
State's proportionate share of the net pension liability associated with the District	50,476,083	52,012,962	43,287,836	35,606,879	34,228,524
Totals	<u>\$ 138,636,712</u>	<u>\$ 139,933,355</u>	<u>\$ 119,315,976</u>	<u>\$ 102,930,879</u>	<u>\$ 90,912,414</u>
District's covered-employee payroll	<u>\$ 51,302,571</u>	<u>\$ 50,598,712</u>	<u>\$ 38,085,918</u>	<u>\$ 40,708,052</u>	<u>\$ 43,816,667</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	171.84%	173.76%	199.62%	165.38%	129.37%
Plan fiduciary net position as a percentage of the total pension liability	71%	69%	70%	74%	77%

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Schedule of Proportionate Share of the Net Pension Liability – CalPERS For the Fiscal Year Ended June 30, 2024

	<i>Last Ten Fiscal Years</i>				
Employer's Fiscal Year Measurement Period	2023-24 2022-23	2022-23 2021-22	2021-22 2020-21	2020-21 2019-20	2019-20 2018-19
District's proportion of the net pension liability	0.1232%	0.1220%	0.1212%	0.1377%	0.1401%
District's proportionate share of the net pension liability	\$ 44,609,675	\$ 41,971,321	\$ 25,649,666	\$ 42,242,148	\$ 40,826,134
District's covered-employee payroll	\$ 21,530,477	\$ 15,769,162	\$ 17,427,415	\$ 19,842,265	\$ 19,445,643
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	207.19%	266.16%	147.18%	212.89%	209.95%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	81%	70%	70%
Employer's Fiscal Year Measurement Period	2018-19 2017-18	2017-18 2016-17	2016-17 2015-16	2015-16 2014-15	2014-15 2013-14
District's proportion of the net pension liability	0.1443%	0.1429%	0.1503%	0.1505%	0.1469%
District's proportionate share of the net pension liability	\$ 38,476,047	\$ 34,114,106	\$ 29,684,343	\$ 22,183,849	\$ 16,676,727
District's covered-employee payroll	\$ 19,093,664	\$ 18,223,618	\$ 16,558,335	\$ 14,983,774	\$ 15,414,613
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	201.51%	187.20%	179.27%	148.05%	108.19%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%	74%	79%	83%

LAS VIRGENES UNIFIED SCHOOL DISTRICT
Schedule of Pension Contributions – CalSTRS
For the Fiscal Year Ended June 30, 2024

	<i>Last Ten Fiscal Years</i>				
Employer's Fiscal Year	2023-24	2022-23	2021-22	2020-21	2019-20
Contractually required contribution	\$ 11,830,199	\$ 11,534,587	\$ 9,577,100	\$ 8,542,904	\$ 8,977,130
Contributions in relation to the contractually required contribution	11,830,199	11,543,587	9,577,100	8,542,904	8,977,130
Contribution deficiency (excess):	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 61,938,214	\$ 60,390,508	\$ 56,602,246	\$ 52,897,238	\$ 52,497,836
Contributions as a percentage of covered-employee payroll	19.10%	19.10%	16.92%	16.15%	17.10%
Employer's Fiscal Year	2018-19	2017-18	2016-17	2015-16	2014-15
Contractually required contribution	\$ 8,688,380	\$ 7,402,961	\$ 6,365,318	\$ 4,086,619	\$ 3,614,875
Contributions in relation to the contractually required contribution	8,688,380	7,402,961	6,365,318	4,086,619	3,614,875
Contribution deficiency (excess):	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 53,368,428	\$ 51,302,571	\$ 50,598,712	\$ 38,085,918	\$ 40,708,052
Contributions as a percentage of covered-employee payroll	16.28%	14.43%	12.58%	10.73%	8.88%
Plan fiduciary net position as a percentage of the					

LAS VIRGENES UNIFIED SCHOOL DISTRICT
Schedule of Pension Contributions – CalPERS
For the Fiscal Year Ended June 30, 2024

	<i>Last Ten Fiscal Years</i>				
Employer's Fiscal Year	2023-24	2022-23	2021-22	2020-21	2019-20
Contractually required contribution	\$ 6,285,595	\$ 5,462,282	\$ 3,612,715	\$ 3,607,475	\$ 3,913,093
Contributions in relation to the contractually required contribution	<u>6,285,595</u>	<u>5,462,282</u>	<u>3,612,715</u>	<u>3,607,475</u>	<u>3,913,093</u>
Contribution deficiency (excess):	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	<u>\$ 23,559,202</u>	<u>\$ 21,530,477</u>	<u>\$ 15,769,162</u>	<u>\$ 17,427,415</u>	<u>\$ 19,842,265</u>
Contributions as a percentage of covered-employee payroll	<u>26.680%</u>	<u>25.370%</u>	<u>22.910%</u>	<u>20.700%</u>	<u>19.721%</u>
Employer's Fiscal Year	2018-19	2017-18	2016-17	2015-16	2014-15
Contractually required contribution	\$ 3,512,272	\$ 2,965,437	\$ 2,530,896	\$ 1,961,666	\$ 1,763,740
Contributions in relation to the contractually required contribution	<u>3,512,272</u>	<u>2,965,437</u>	<u>2,530,896</u>	<u>1,961,666</u>	<u>1,763,740</u>
Contribution deficiency (excess):	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	<u>\$ 19,445,642</u>	<u>\$ 19,093,664</u>	<u>\$ 18,223,618</u>	<u>\$ 16,558,335</u>	<u>\$ 14,983,774</u>
Contributions as a percentage of covered-employee payroll	<u>18.062%</u>	<u>15.531%</u>	<u>13.888%</u>	<u>11.847%</u>	<u>11.771%</u>

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Schedule of Changes in the District's Total OPEB Liability and Related Ratios For the Fiscal Year Ended June 30, 2024

Employer's Fiscal Year Measurement Period	Last 10 Fiscal Years*						
	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Total OPEB liability							
Service cost	\$ 1,786,404	\$ 1,683,214	\$ 2,256,950	\$ 1,158,454	\$ 1,124,713	\$ 1,045,798	\$ 1,084,204
Interest	1,218,478	1,223,201	875,566	951,981	978,698	981,192	901,764
Differences between expected and actual experience	-	(2,613,678)	-	133,555	(1,773,623)	(54,296)	16,406
Changes of assumptions or other inputs	(1,394,778)	(520,520)	(7,804,406)	11,418,924	206,537	1,463,872	(1,062,679)
Benefit payments	(905,083)	(1,084,031)	(961,941)	(790,410)	(717,926)	(759,316)	(753,003)
Net change in total OPEB liability	705,021	(1,311,814)	(5,633,831)	12,872,504	(181,601)	2,677,250	186,692
Total OPEB liability - beginning	32,942,298	34,254,112	39,887,943	27,015,439	27,197,040	24,519,790	24,333,098
Total OPEB liability - ending	<u>\$ 33,647,319</u>	<u>\$ 32,942,298</u>	<u>\$ 34,254,112</u>	<u>\$ 39,887,943</u>	<u>\$ 27,015,439</u>	<u>\$ 27,197,040</u>	<u>\$ 24,519,790</u>
Covered-employee payroll ¹	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability as a percentage of covered-employee payroll ¹	N/A	N/A	N/A	N/A	N/A	N/A	N/A

¹ The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

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

LAS VIRGENES UNIFIED SCHOOL DISTRICT

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

For the Fiscal Year Ended June 30, 2024

Employer's Fiscal Year Measurement Period	Last 10 Fiscal Years*						
	2023-24 2022-23	2022-23 2021-22	2021-22 2020-21	2020-21 2019-20	2019-20 2018-19	2018-19 2017-18	2017-18 2016-17
District's proportion of net OPEB liability	0.1448%	0.1449%	0.1429%	0.1475%	0.1711%	0.1508%	0.1513%
District's proportionate share of net OPEB liability	\$ 439,470	\$ 477,297	\$ 570,135	\$ 718,462	\$ 556,783	\$ 577,386	\$ 636,582
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's net OPEB liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	(0.96%)	(0.94%)	(0.80%)	(0.71%)	(0.81%)	0.40%	0.01%

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

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Notes to the Required Supplementary Information

For the Fiscal Year Ended June 30, 2024

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

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

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

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

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

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District.

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

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

Schedule of District Contributions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution.

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

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

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

Change of assumptions – Liability changes resulting from changes in economic and demographic assumptions are deferred based on the average working life. The discount rate was changed from 3.65 percent to 3.93 percent since the previous valuation.

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

This schedule presents information on the District's proportionate share of the net OPEB liability – MPP Program and the plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented. As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP program; therefore, the covered payroll disclosure is not applicable.

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

Change of assumptions – The discount rate was changed from 3.54 percent to 3.65 percent since the previous valuation.

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Supplementary Information

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LAS VIRGENES UNIFIED SCHOOL DISTRICT*Schedule of Average Daily Attendance**For the Fiscal Year Ended June 30, 2024*

	Second Period Report	Annual Report	
		As Reported to CDE	As Audited
Regular ADA:			
Grades TK/K-3	2,481.98	2,483.06	2,483.06
Grades 4-6	1,930.77	1,932.99	1,932.99
Grades 7-8	1,446.87	1,446.59	1,446.59
Grades 9-12	3,204.47	3,202.70	3,202.70
Total Regular ADA	9,064.09	9,065.34	9,065.34
Special Education, Nonpublic, Nonsectarian Schools:			
Grades 4-6	1.28	1.37	1.37
Grades 9-12	14.55	20.42	14.12
Total Special Education, Nonpublic, Nonsectarian Schools	15.83	21.79	15.49
Total ADA	9,079.92	9,087.13	9,080.83

LAS VIRGENES UNIFIED SCHOOL DISTRICT*Schedule of Instructional Time**For the Fiscal Year Ended June 30, 2024*

<u>Grade Level</u>	<u>Instructional Minute Requirement</u>	<u>Instructional Minutes Offered</u>	<u>Instructional Days Offered</u>	<u>Status</u>
Kindergarten	36,000	41,570	180	Complied
Grade 1	50,400	51,316	180	Complied
Grade 2	50,400	51,316	180	Complied
Grade 3	50,400	51,316	180	Complied
Grade 4	54,000	54,934	180	Complied
Grade 5	54,000	54,934	180	Complied
Grade 6	54,000	56,370	180	Complied
Grade 7	54,000	56,370	180	Complied
Grade 8	54,000	56,370	180	Complied
Grade 9	64,800	65,148	180	Complied
Grade 10	64,800	65,148	180	Complied
Grade 11	64,800	65,148	180	Complied
Grade 12	64,800	64,894	180	Complied

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Schedule of Financial Trends and Analysis

For the Fiscal Year Ended June 30, 2024

	(Budget) ²			
General Fund ³	2025	2024 ³	2023	2022
Revenues and other financing sources	\$ 150,208,752	\$ 159,363,696	\$ 167,585,760	\$ 140,179,071
Expenditures and other financing uses	168,726,077	160,790,762	165,667,085	135,731,926
Change in fund balance (deficit)	(18,517,325)	(1,427,066)	1,918,675	4,447,145
Ending fund balance	<u>\$ 23,279,696</u>	<u>\$ 41,797,021</u>	<u>\$ 43,224,087</u>	<u>\$ 41,305,412</u>
Available Reserves ¹	<u>\$ 12,374,975</u>	<u>\$ 23,042,789</u>	<u>\$ 18,720,029</u>	<u>\$ 28,393,711</u>
Available Reserves as a percentage of Total Outgo	<u>7.3%</u>	<u>14.3%</u>	<u>12.3%</u>	<u>20.9%</u>
Total Long-Term Debt	<u>\$ 370,541,463</u>	<u>\$ 383,278,312</u>	<u>\$ 298,055,925</u>	<u>\$ 270,013,372</u>
Average Daily Attendance at P-2	<u>8,958</u>	<u>9,080</u>	<u>9,101</u>	<u>9,488</u>

The General Fund balance has increased by \$0.5 million over the past two years. The fiscal year 2024-25 adopted budget projects a decrease of \$18.5 million. For a district of this size, the state recommends available reserves of at least 3% of total general fund expenditures, transfers out, and other uses (total outgo).

The District has incurred an operating deficit in one of the past three years, and anticipates incurring an operating deficit during the 2024-25 fiscal year. Total long-term debt has increased by \$113.3 million over the past two years.

Average daily attendance decreased by 408 ADA ompared to 2021-22.

Budgeted ADA for fiscal year 2024-25 is 8,958.

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

² As of September, 2024.

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

LAS VIRGENES UNIFIED SCHOOL DISTRICT***Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
For the Fiscal Year Ended June 30, 2024***

	Building Fund	Student Activity Fund
June 30, 2024, annual financial and budget report fund balance	\$ 55,086,114	\$ 1,798,016
Adjustments and reclassifications:		
Increase (decrease) in total fund balances:		
GASB 31 Fair value adjustment	(115,484)	-
ASB assets overstated	-	(85,008)
June 30, 2024, audited financial statement fund balances	<u>\$ 54,970,630</u>	<u>\$ 1,713,008</u>

LAS VIRGENES UNIFIED SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing	Pass-Through Entity Identifying Number	Sub-total Expenditure	Federal Expenditures
Federal Programs:				
U.S. Department of Agriculture:				
Passed through California Dept. of Education (CDE):				
Child Nutrition Cluster:				
School Breakfast Program	10.553	13525	\$ 183,359	
National School Lunch Program	10.555	13523	544,044	
Supply Chain Assistance	10.555	15655	111,458	
USDA - Donated Foods	10.555	13391	141,136	
Subtotal Child Nutrition Cluster				\$ 979,997
National School Lunch Program Equipment Assistance Grant	10.579	14906		3,245
Total U.S. Department of Agriculture				<u>983,242</u>
U.S. Department of Education:				
Passed through California Dept. of Education (CDE):				
Every Student Succeeds Act (ESSA):				
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329		787,631
Title II, Part A, Supporting Effective Instruction	84.367	14341		185,578
Title III, Limited English Proficient (LEP) Program	84.365	14346		56,823
Title IV, Part A, Student Support and Academic Enrichment	84.424	15396		53,872
Workability II, Transitions Partnership Program	84.126	10006		71,620
COVID-19 Education Stabilization Fund:				
Elementary and Secondary School Emergency Relief III Fund: Learning Loss	84.425U	10155	926,010	
American Rescue Plan - Homeless Children and Youth II	84.425U	15566	13,460	
Subtotal Education Stabilization Fund				939,470
Passed through Ventura County SELPA:				
Individuals with Disabilities Education Act (IDEA):				
Special Education (IDEA) Cluster:				
Basic Local Assistance Entitlement, Part B	84.027	13379	2,300,899	
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	67,430	
Mental Health Allocation Plan, Part B	84.027	15197	116,128	
Subtotal Special Education (IDEA) Cluster				2,484,457
Total U.S. Department of Education				<u>4,579,451</u>
Total Expenditures of Federal Awards				<u>\$ 5,562,693</u>

Of the Federal expenditures presented in the schedule, the District provided no Federal awards to subrecipients.

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Note to the Supplementary Information

June 30, 2024

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

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

Schedule of Financial Trends and Analysis

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

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Expenditures of Federal Awards

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

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

	<u>Assistance Listing</u>	<u>Amount</u>
Total Federal Revenues from the Statement of Revenues, Expenditures, and Changes in Fund Balances		\$ 5,917,816
Differences between Federal Revenues and Expenditures:		
Qualified School Construction Bonds - Interest Subsidy	Not applicable	(175,143)
Supply Chain Assistance	10.555	<u>(179,980)</u>
Total Schedule of Expenditures of Federal Awards		<u>\$ 5,562,693</u>

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Other Information

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LAS VIRGENES UNIFIED SCHOOL DISTRICT

Local Educational Agency Organization Structure

June 30, 2024

The Las Virgenes Unified School District (the District) was unified in 1962 under the laws of the State of California. The District operates under a locally elected five-member Board form of government and provides educational services to grades K-12 as mandated by the State and/or Federal agencies. The District operates eight elementary, one alternative K-8 school, three middle and two comprehensive high schools. There were no boundary changes during the year.

BOARD OF EDUCATION

Member	Office	Term Expires
Angela Cutbill	President	December, 2026
Dallas Lawrence	Vice President	December, 2026
Lesli Stein	Member	December, 2026
Jill Gaines	Member	December, 2024
Linda Menges	Member	December, 2024

DISTRICT ADMINISTRATORS

Dan Stepenosky, Ed.D.,
Superintendent

Ryan Gleason, Ed.D.,
Assistant Superintendent, Business Services

Steve Scifres, Ed.D.,
Assistant Superintendent, Human Resources

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Other Independent Auditors' Reports

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

Board of Education
Las Virgenes Unified School District
Calabasas, 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 Las Virgenes Unified School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 18, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Nigro + Nigro, PC".

Murrieta, California
November 18, 2024



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

Board of Education
Las Virgenes Unified School District
Calabasas, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Las Virgenes Unified School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Las Virgenes Unified School District's major federal programs for the year ended June 30, 2024. The Las Virgenes Unified School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Las Virgenes Unified School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Las Virgenes Unified School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than 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 Las Virgenes Unified School District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Las Virgenes Unified School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Las Virgenes Unified School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Las Virgenes 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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as Finding 2024-001. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

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

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a significant deficiency.

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

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

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

A handwritten signature in cursive script that reads "Nigro + Nigro, PC".

Murrieta, California
November 18, 2024

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INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

Board of Education
Las Virgenes Unified School District
Calabasas, California

Report on Compliance

Opinion

We have audited the Las Virgenes Unified School District's (District) compliance with the requirements specified in the *2023-24 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, 2024.

In our opinion, Las Virgenes Unified School District complied in all material aspects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2023-24 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 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 *2023-24 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 *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

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

Description School Districts, County Offices of Education, and Charter Schools	Procedures Performed
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study – Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Charter Schools:	
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes – Classroom-Based	Not Applicable
Facility Grant Program	Not Applicable

Areas marked as not applicable were not operated by the District.

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

Other Matter

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying schedule of findings and questioned costs as Findings 2024-002 and 003. Our opinion on each state program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to 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 *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Nigro + Nigro, PC".

Murrieta, California
November 18, 2024

Schedule of Findings and Questioned Costs

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LAS VIRGENES UNIFIED SCHOOL DISTRICT

Summary of Auditors' Results

For the Fiscal Year Ended June 30, 2024

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(s) identified not considered to be material weaknesses?	<u>Yes</u>
Type of auditors' report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance Sec. 200.516(a)?	<u>Yes</u>

Identification of major programs:

<u>Assistance Listing</u>	<u>Name of Federal Program or Cluster</u>
<u>84.010</u>	<u>Title I, Part A, Basic Grants Low-Income and Neglected</u>
<u>10.553, 10.555</u>	<u>Child Nutrition Cluster</u>
<u>84.425U</u>	<u>Education Stabilization Fund</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>No</u>

State Awards

Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>
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LAS VIRGENES UNIFIED SCHOOL DISTRICT

Financial Statement Findings

For the Fiscal Year Ended June 30, 2024

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

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

There were no Financial Statement findings in 2023-24.

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Federal Award Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2024

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

Finding 2024-001: Title I – Compliance Requirement for Cohort Graduation Rate Not Met (30000) (50000)
Assistance Listing #84.010—Title I, U.S. Department of Education, California Department of Education

Repeat Finding? No

Criteria: 34 CFR, section 200.19(b) states, in part:

High schools – (1) Graduation rate. Consistent with paragraphs (b)(4) and (b)(5) of this section regarding reporting and determining AYP, respectively, each State must calculate a graduation rate, defined as follows, for all public high schools in the State:

(i) (A) A State must calculate a “four-year adjusted cohort graduation rate,” defined as the number of students who graduate in four years with a regular high school diploma divided by the number of students who form the adjusted cohort for that graduating class.

(B) For those high schools that start after grade nine, the cohort must be calculated based on the earliest high school grade.

(ii) The term “adjusted cohort” means the students who enter grade 9 (or the earliest high school grade) and any students who transfer into the cohort in grades 9 through 12 minus any students removed from the cohort.

(A) The term “students who transfer into the cohort” means the students who enroll after the beginning of the entering cohort's first year in high school, up to and including in grade 12.

(B) To remove a student from the cohort, a school or LEA must confirm in writing that the student transferred out, immigrated to another country, or is deceased.

(1) To confirm that a student transferred out, the school or LEA must have official written documentation that the student enrolled in another school or in an educational program that culminates in the award of a regular high school diploma.

(2) A student who is retained in grade, enrolls in a General Educational Development (GED) program, or leaves school for any other reason may not be counted as having transferred out for the purpose of calculating graduation rate and must remain in the adjusted cohort.

Condition: During our review of the District’s Title I program, we noted that the District did not maintain written documentation supporting that a student has enrolled in another school or in an education program that culminates in the awarding of a regular high school diploma. The District is required to maintain official written documentation supporting that a student has enrolled in another school or in an educational program that culminates in the awarding of a regular high school diploma. A student who is retained in-grade or leaves school for any other reason may not be counted as having transferred out for the purpose of calculating graduation rates, and must remain in the adjusted cohort.

LAS VIRGENES UNIFIED SCHOOL DISTRICT
Federal Award Findings and Questioned Costs (continued)
For the Fiscal Year Ended June 30, 2024

Finding 2024-001: Title I – Compliance Requirement for Cohort Graduation Rate Not Met (30000) (50000)
Assistance Listing #84.010—Title I, U.S. Department of Education, California Department of Education
(continued)

Context: The CDE uses the student-level data maintained in CALPADS to calculate the four-year adjusted cohort graduation rate for all LEAs in the state. We selected eleven students who were identified in CALPADS as transfer students who withdrew from the District. The District was unable to provide any written documentation to confirm that two of these students transferred out of the District and emigrated to another county or enrolled in another school or in an educational program that culminates in the award of a regular high school diploma.

Effect/Questioned Costs: We were unable to determine whether the District implemented policies and procedures for documenting the removal of students from the regulatory adjusted cohort. There are no questioned costs as a result of this finding.

Cause: The District did not maintain adequate documentation to support the removal of a student from the regulatory adjusted cohort.

Recommendation: We recommend that the District implement appropriate controls necessary for documenting the removal of students from the regulatory adjusted cohort, and ensure that the supporting documentation is maintained.

Views of Responsible Officials: Dr. Ryan Gleason will work with the Educational Services Department to ensure that we follow this procedure for all students moving forward. The student in question attended a residential treatment facility and was not tracked beyond that placement.

LAS VIRGENES UNIFIED SCHOOL DISTRICT

State Award Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2024

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

Finding 2024-002: Expanded Learning Opportunity Program (40000)

Repeat Finding? No

Criteria: A District receiving ELOP funds-based Rate 2 pursuant to EC Section 46120(d)(1)(C) must provide access to all enrolled classroom-based unduplicated pupils in kindergarten (including TK programs) and grades 1 to 6 whose parent or guardian requested their placement in an Expanded Learning Opportunity Program. LEAs that receive ELOP funds but do not operate a program on each school site must provide transportation for students to and from a school site that does offer it according to Education Code Section 46120(g)(6)

In addition, programs serving transitional kindergarten or kindergarten pupils, must maintain a pupil-to-staff member ratio of no more than 10 to 1 and all other grades must maintain a pupil-to-staff member ratio of no more than 20 to 1, pursuant to EC Section 46120(b)(2)(D).

Condition: It was noted that during intersession days, the District operated ELOP at only one site during any given week and did not provide transportation.

In addition, one of the three sites tested did not consistently maintain ratios every day of the program. We noted several days where there were more than 10 students to 1 staff in classes with kindergarten and TK students.

Context: The transportation noncompliance was noted only during intersessional days. The ratio noncompliance was noted at one of three sites tested.

Cause: Due to the complexities in establishing a new program, some compliance requirements were overlooked.

Effect: There is no financial penalty associated with noncompliance with ratio requirements. The students not provided transportation during intersessional periods results in a penalty of \$200,446.

LEA Funding Rate		Rate 2
ELO-P Entitlement Calculation	Enter entitlement amount from the LEA's ELO-P P-2 funding exhibit, Line C-8.	\$1,497,943
Total Classroom-Based UPC, Grades TK/K-6	Enter Total Classroom-Based UPC, Grades TK/K-6	1,248
Students Eligible for ELO-P Offering and Access	Calculated field	1,248
Number of Eligible Students Not Offered and Provided Access to ELO-P	Enter the number of students the LEA either failed to offer or provide access to ELO-P pursuant to EC 46120(b)(1) and (c)(2). If the LEA met the offering and access requirements, enter zero	167
Proportional Penalty Factor		0.133814
ELO-P Offering and Access Penalty [EC 46120(c)(2)]		\$200,446

Recommendation: We recommend that the LEA update their policies and procedures to align with ELOP guidance.

Views of Responsible Officials: Dr. Ryan Gleason will work with the Educational Services Department to ensure that transportation is clearly offered in future summer and intersessions associated with the ELOP Program.

LAS VIRGENES UNIFIED SCHOOL DISTRICT
State Award Findings and Questioned Costs (continued)
For the Fiscal Year Ended June 30, 2024

Finding 2024-003: Attendance Accounting (10000)

Repeat Finding? No

Criteria: California Education Code Section 46000 states: Attendance in all schools and classes shall be recorded and kept according to regulations prescribed by the State Board of Education, subject to the provisions of this chapter. Good internal controls require the LEA to review its pupil attendance reporting processes and ensure that attendance policies and procedures are maintained and followed at all school sites.

Condition: During our review of ADA totals reported to CDE, we noted that an incorrect divisor was used for the Annual report for non-public schools. This resulted in ADA being overreported on the Annual by 6.3. Details of reported versus audited ADA are shown on the Schedule of Average Daily Attendance presented in the Supplementary Information.

In addition, on line B-5, Transitional Kindergarten was reported at 242.31 but should have been 242.92.

Effect: The derived value of ADA for results in a questioned cost of \$81,279. There is no questioned cost related to Line B-5 as this line is informational only.

Context: Errors were noted on the Annual Report only.

Cause: The LEA utilized an incorrect divisor in the calculation of the attendance. The District noted this error during the audit process, and attempted to make revisions but was unable to do so because their county would not decertify the report to allow revisions during the open revision window.

Recommendation: We recommend that the LEA develop policies and procedures, and implement controls, to ensure that pupil attendance is recorded and reported consistently and accurately. We also recommend that the District submit revised Annual report as soon as it is possible to do so.

Views of Responsible Officials: Staff attempted to reconcile this accounting adjustment through the normal correction window. As stated in the report, the LA County Office of Education stated that they were too busy to allow for the adjustment prior to February 2025. Regardless, Dr. Ryan Gleason and staff will work to ensure continued diligence in evaluating our attendance accounting.

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Summary Schedule of Prior Audit Findings

For the Fiscal Year Ended June 30, 2024

Original Finding No.	Finding	Code	Recommendation	Current Status
2023-001: <i>Adjustments and Financial Statement Preparation</i>	Management is responsible for the design, implementation, and maintenance of internal controls to ensure that financial statements are free from material misstatement, whether due to error or fraud. Such internal controls should include a review of the year-end closing entries to ensure the financial statements are fairly stated. The District should ensure that all applicable accounting principles are adhered to when preparing the financial statements. During the course of our engagement, we identified material misstatements of balances within the District's 2022-2023 unaudited actuals financial report. Through review of supporting records, we noted misstatements in the Building Fund and the Capital Facilities Fund.	30000	Prior to closing the books, the District's management should review financial account balances to ensure that they have been correctly reported. Balances should be traced to supporting records to verify the accuracy and completeness of reported information.	Implemented
2023-002: <i>Fair Market Value of Cash in County</i>	Management is responsible for the design, implementation, and maintenance of internal controls to ensure that the financial statements are free from material misstatement, whether due to error or fraud. Such internal controls should include a review of financial account balances to ensure that they agree to corresponding supporting records. The District should ensure that all applicable accounting principles are adhered to when preparing the financial statements. During the course of our engagement, we identified a material misstatement of a balance within the District's 2022-2023 unaudited actuals financial report. Through review of supporting records, we noted that the Bond Interest and Redemption Fund's Cash in County Treasury balance was overstated by \$938,911.	30000	Prior to closing the books, the District's management should review financial account balances to ensure that they have been correctly reported. Balances should be traced to supporting records to verify the accuracy and completeness of reported information.	Implemented.

LAS VIRGENES UNIFIED SCHOOL DISTRICT

Summary Schedule of Prior Audit Findings

For the Fiscal Year Ended June 30, 2024

Original Finding No.	Finding	Code	Recommendation	Current Status
2023-003: <i>Overstatement of Receivable and Unearned Revenues</i>	Management is responsible for the design, implementation, and maintenance of internal controls to ensure that the financial statements are free from material misstatement, whether due to error or fraud. Such internal controls should include a review of financial account balances to ensure that they agree to corresponding supporting records. During the course of our engagement, we identified significant misstatements of balances within the District's 2022-2023 unaudited actuals. Specifically, the District overstated its General Fund receivables and unearned revenue balances by \$966,593.	30000	Management should review financial account balances to ensure that they have been correctly reported. Balances should be traced to supporting records to verify the accuracy and completeness of reported information.	Implemented.
2023-004: <i>Allowable Costs/Cost Principles</i>	Federal Agency: U.S. Department of Education Pass-through Entity: California Department of Education Federal Program: Education Stabilization Fund (ESF) ALN: 84.425D & 84.425U (FY 2022-2023) Compliance Requirement: Allowable Costs/Cost Principles Type of Finding: Significant Deficiency and Non-Compliance The Code of Federal Regulations, Title 2, Subtitle A, Chapter II, Part 200, Subpart E, Section 200.439(a)(1) states: "Capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except with the prior written approval of the Federal awarding agency or passthrough entity." Furthermore, the California Department of Education's (CDE) FAQs on Capital Expenditures state the following:	50000	The District should become familiar with all of the compliance requirements with ESF. As a resource, the District should utilize a combination of guidance provided by CDE and also by Subpart E of the Uniform Guidance that provides guidance on cost principles. Additionally, the District should establish more effective control activities and monitoring over how Federal funds are spent to ensure compliance, moving forward.	Implemented.

LAS VIRGENES UNIFIED SCHOOL DISTRICT
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2024

Original Finding No.	Finding	Code	Recommendation	Current Status
	“In accordance with 2 CFR 200.439, prior approval is required for any single big-ticket purchases at the cost of \$5,000 or more using the funding sources cited above. These purchases can include general purpose equipment, buildings, and land, including material improvements. This means one costly item (or several items which make up one unit) and the cost includes all the ancillary expenses such as design costs, new electrical circuit for the item, and other related fees. To obtain approval, an LEA must fill out the Capital Expenditures Pre-Approval Application Form” The District had a total of \$226,920 in capital expenditures charged to ESF that was not preapproved by CDE.			