

**LIVERMORE VALLEY JOINT
UNIFIED SCHOOL DISTRICT
ALAMEDA COUNTY
AUDIT REPORT
For the Fiscal Year Ended
June 30, 2024**

NIGRO & NIGRO^{PC}

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

For the Fiscal Year Ended June 30, 2024

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LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

For the Fiscal Year Ended June 30, 2024

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Financial Section

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Livermore Valley Joint Unified School District, as of and for the fiscal year ended June 30, 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 Livermore Valley Joint Unified School District, as of June 30, 2024, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information 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.

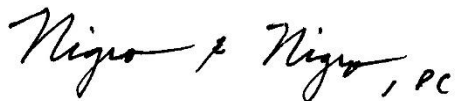
Other Information

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 be 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 26, 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 black ink that reads "Nigro & Nigro, PC". The signature is written in a cursive, flowing style.

Murrieta, California
November 26, 2024

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LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2024

INTRODUCTION

The following discussion and analysis provides an overview of the financial position and activities of the District for the year ended June 30, 2024. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes thereto which follow this section.

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

FINANCIAL HIGHLIGHTS

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

- The District's financial status decreased slightly as a result of this year's operations. Net position of governmental activities decreased by \$0.5 million, or 1.6%.
- Governmental expenses were about \$228.9 million. Revenues were about \$228.4 million.
- The District acquired over \$25.9 million in new capital assets during the year.
- Governmental funds decreased by \$27.6 million, or 20.7%.

FUND FINANCIAL STATEMENTS

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

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

FUND FINANCIAL STATEMENTS (continued)

The District maintains two classes of funds:

- 1. Governmental funds:** Most of the District's basic services are included in governmental funds, which include the General Fund (01), the Building Fund (21), the Capital Facilities Fund (25), the County Schools Facility Fund (35), the Special Reserve Fund for Capital Outlay (40), the Bond Interest and Redemption Fund (51), special revenue funds (08, 11, 12, and 13), and special reserve funds (14, 17, 19, and 20). These funds generally focus on how cash and other financial assets flow in and out as well as the balances left at year-end that are available for spending in subsequent years. Consequently, the governmental funds statements provide a detailed short-term view that helps in the determination of whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, we provide additional information on a separate reconciliation page that explains the relationship (or differences) between them.
- 2. Proprietary funds:** The proprietary fund category includes Enterprise and Internal Service Funds. The Internal Service funds report activities that provide supplies and services for other programs and activities of the District. The District has no Enterprise funds. Proprietary funds are reported in the same way as the District-wide statements. Currently, the District has one internal service fund—the Property Self-Insurance Fund (67).

STATEMENT OF NET POSITION

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

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

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

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

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

STATEMENT OF NET POSITION (continued)

The Statement of Net Position as of June 30, 2023 and June 30, 2024 is summarized below:

	<u>2024</u>	<u>2023</u>
Assets		
Deposits and investments	\$ 111,320,956	\$ 134,962,856
Accounts receivable and prepaid expenditures	10,077,619	15,878,320
Stores inventories	324,516	456,392
Capital assets, net	<u>316,010,344</u>	<u>299,146,641</u>
Total Assets	<u>437,733,435</u>	<u>450,444,209</u>
Deferred Outflows of Resources		
Deferred outflows of resources - pensions	66,750,593	65,770,197
Deferred outflows of resources - OPEB	1,267,719	1,548,508
Deferred amounts on refunding	<u>312,937</u>	<u>432,317</u>
Total Deferred Outflows of Resources	<u>68,331,249</u>	<u>67,751,022</u>
Liabilities		
Long-term liabilities	266,177,954	277,328,433
Net pension liability	169,239,494	156,169,348
Other liabilities	<u>19,134,720</u>	<u>21,269,070</u>
Total Liabilities	<u>454,552,168</u>	<u>454,766,851</u>
Deferred Inflows of Resources		
Deferred inflows of resources - pensions	15,193,371	26,308,925
Deferred inflows of resources - OPEB	1,069,863	1,220,122
Deferred amounts on refunding	<u>328,414</u>	<u>408,262</u>
Total Deferred Inflows of Resources	<u>16,591,648</u>	<u>27,937,309</u>
Net Position		
Net investment in capital assets	89,384,915	43,284,586
Restricted	58,354,944	68,390,622
Unrestricted	<u>(112,818,991)</u>	<u>(76,184,137)</u>
Total Net Position	<u>\$ 34,920,868</u>	<u>\$ 35,491,071</u>

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

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2024

STATEMENT OF NET POSITION (continued)

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

STATEMENT OF ACTIVITIES

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

The Statement of Activities for the year ended June 30, 2023 and for the year ended June 30, 2024 is summarized below:

	2024	2023
Revenues		
Program revenues:		
Charges for services	\$ 967,058	\$ 952,454
Operating grants and contributions	46,005,891	49,501,751
Capital grants and contributions	441,761	27,844,273
General revenues:		
Property taxes	104,897,542	102,557,395
Grants, subsidies and contributions unrestricted	72,575,889	66,798,356
Interest and investment earnings	1,204,618	409,415
Transfers from other agencies	450,572	512,091
Other	1,829,308	1,656,265
Total revenues	228,372,639	250,232,000
Expenses		
Instruction	119,615,961	105,722,427
Instruction related services	28,823,485	24,498,247
Pupil services	25,282,000	21,758,942
Ancillary services	4,632,005	3,054,659
Community services	189,331	253,691
General administration	9,380,796	11,768,260
Plant services	22,185,206	21,550,624
Other outgo	3,231,040	3,112,886
Debt service	6,591,243	6,977,221
Depreciation (unallocated)	8,409,065	7,249,452
Amortization (unallocated)	602,710	532,706
Total expenses	228,942,842	206,479,115
Increase (decrease) in Net Position	(570,203)	43,752,885
Net Position, Beginning of Year	35,491,071	(8,261,814)
Net Position, End of Year	\$ 34,920,868	\$ 35,491,071

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2024, the District had \$316.0 million invested in net capital assets, primarily related to land, buildings, and other capital improvements.

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

	2024	2023
Land	\$ 17,656,768	\$ 17,656,768
Improvements of Sites	30,587,811	33,384,514
Buildings	182,140,294	187,525,507
Equipment	1,288,030	1,281,595
Construction in Progress	83,526,549	58,094,664
Subscription Assets	810,892	1,203,593
Net capital assets	<u>\$ 316,010,344</u>	<u>\$ 299,146,641</u>

Debt Administration

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

	2024	2023
General Obligation Bonds	\$ 228,445,000	\$ 237,660,000
Unamortized Premium	15,579,185	17,022,518
Equipment Purchase Financing	13,638,427	13,638,427
Subscription Liability	828,634	1,217,781
Compensated Absences	1,313,737	1,231,760
Net OPEB Liability	6,372,971	6,557,947
Net Pension Liability	169,239,494	156,169,348
Total long-term debt	<u>\$ 435,417,448</u>	<u>\$ 433,497,781</u>

GENERAL FUND BUDGET

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

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

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2024

ECONOMIC FACTORS THAT MAY AFFECT THE 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.

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.

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2024

ECONOMIC FACTORS THAT MAY AFFECT THE FUTURE (continued)

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the community, investors, creditors, etc. with a general overview of the District's financial condition and to show the District's accountability for the funding it receives. If you have questions regarding this report or need additional financial information, contact Kayla Wasley, Assistant Superintendent, Business Services, (925) 606-3253, Livermore Valley Joint Unified School District, 685 E. Jack London Blvd., Livermore, CA 94551.

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT*Statement of Net Position**June 30, 2024*

	Governmental Activities
ASSETS	
Deposits and investments	\$ 111,320,956
Accounts receivable	10,077,619
Inventories	324,516
Capital assets:	
Non-depreciable capital assets	101,183,317
Depreciable capital assets	323,738,934
Less accumulated depreciation	(109,722,799)
Subscription assets	1,946,308
Less accumulated amortization	(1,135,416)
Total assets	<u>437,733,435</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts on refunding	312,937
Deferred outflows related to OPEB	1,267,719
Deferred outflows related to pensions	<u>66,750,593</u>
Total deferred outflows of resources	<u>68,331,249</u>
LIABILITIES	
Accounts payable	14,490,786
Accrued interest payable	3,307,627
Unearned revenue	1,336,307
Noncurrent liabilities:	
Due or payable within one year	9,126,863
Due in more than one year:	
Other than OPEB and pensions	250,678,120
Total OPEB liability	6,372,971
Net pension liability	<u>169,239,494</u>
Total liabilities	<u>454,552,168</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts on refunding	328,414
Deferred inflows related to OPEB	1,069,863
Deferred inflows related to pensions	<u>15,193,371</u>
Total deferred inflows of resources	<u>16,591,648</u>
NET POSITION	
Net investment in capital assets	89,384,915
Restricted for:	
Capital projects	28,160,355
Debt service	12,154,101
Student activities	895,206
Self-insurance programs	95,478
Categorical programs	17,049,804
Unrestricted	<u>(112,818,991)</u>
Total net position	<u>\$ 34,920,868</u>

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Statement of Activities

For the Fiscal Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					Governmental Activities
Instruction	\$ 119,615,961	\$ 264,537	\$ 20,784,393	\$ 441,761	\$ (98,125,270)
Instruction-Related Services:					
Supervision of instruction	8,592,012	19,652	2,722,084	-	(5,850,276)
Instructional library, media and technology	6,013,929	7,612	178,584	-	(5,827,733)
School site administration	14,217,544	5,663	231,550	-	(13,980,331)
Pupil Support Services:					
Home-to-school transportation	3,075,747	24,842	789,801	-	(2,261,104)
Food services	5,877,090	-	6,685,284	-	808,194
All other pupil services	16,329,163	84,721	3,067,150	-	(13,177,292)
General Administration Services:					
Data processing services	431,441	-	-	-	(431,441)
Other general administration	8,949,355	110	595,697	-	(8,353,548)
Plant services	22,185,206	326,324	3,938,985	-	(17,919,897)
Ancillary services	4,632,005	8,842	2,090,992	-	(2,532,171)
Community services	189,331	-	1,387	-	(187,944)
Interest on long-term debt	6,591,243	-	-	-	(6,591,243)
Other outgo	3,231,040	224,755	4,919,984	-	1,913,699
Depreciation (unallocated)	8,409,065	-	-	-	(8,409,065)
Amortization (unallocated)	602,710	-	-	-	(602,710)
Total Governmental Activities	<u>\$ 228,942,842</u>	<u>\$ 967,058</u>	<u>\$ 46,005,891</u>	<u>\$ 441,761</u>	<u>(181,528,132)</u>
General Revenues:					
					104,897,542
Property taxes					72,575,889
Federal and state aid not restricted to specific purpose					1,204,618
Interest and investment earnings					450,572
Interagency revenues					1,829,308
Miscellaneous					
Subtotal general revenues					<u>180,957,929</u>
Change in net position					(570,203)
Net position - July 1, 2023					<u>35,491,071</u>
Net position - June 30, 2024					<u>\$ 34,920,868</u>

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Balance Sheet – Governmental Funds

June 30, 2024

	General Fund	Building Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Deposits and investments	\$ 29,348,110	\$ 35,180,681	\$ 13,297,839	\$ 15,607,039	\$ 17,633,984	\$ 111,067,653
Accounts receivable	8,600,578	289,123	116,058	89,774	980,183	10,075,716
Due from other funds	249,348	-	-	-	179,953	429,301
Stores inventories	242,005	-	-	-	82,511	324,516
Total Assets	<u>\$ 38,440,041</u>	<u>\$ 35,469,804</u>	<u>\$ 13,413,897</u>	<u>\$ 15,696,813</u>	<u>\$ 18,876,631</u>	<u>\$ 121,897,186</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 8,914,799	\$ 3,588,510	\$ 1,354,376	\$ 175,032	\$ 298,341	\$ 14,331,058
Due to other funds	179,953	-	-	-	249,348	429,301
Unearned revenue	901,721	-	-	-	434,586	1,336,307
Total Liabilities	<u>9,996,473</u>	<u>3,588,510</u>	<u>1,354,376</u>	<u>175,032</u>	<u>982,275</u>	<u>16,096,666</u>
Fund Balances						
Nonspendable	292,005	-	-	-	82,511	374,516
Restricted	12,869,047	31,881,294	12,059,521	15,521,781	17,726,606	90,058,249
Assigned	9,052,512	-	-	-	85,239	9,137,751
Unassigned	6,230,004	-	-	-	-	6,230,004
Total Fund Balances	<u>28,443,568</u>	<u>31,881,294</u>	<u>12,059,521</u>	<u>15,521,781</u>	<u>17,894,356</u>	<u>105,800,520</u>
Total Liabilities and Fund Balances	<u>\$ 38,440,041</u>	<u>\$ 35,469,804</u>	<u>\$ 13,413,897</u>	<u>\$ 15,696,813</u>	<u>\$ 18,876,631</u>	<u>\$ 121,897,186</u>

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

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

Total fund balances - governmental funds \$ 105,800,520

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

Capital assets at historical cost:	424,922,251	
Accumulated depreciation:	(109,722,799)	
Subscription assets at historical cost	1,946,308	
Accumulated amortization	<u>(1,135,416)</u>	
Net:		316,010,344

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:

(3,307,627)

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

Deferred outflows of resources	312,937	
Deferred inflows of resources	<u>(328,414)</u>	
Total		(15,477)

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

General obligation bonds payable	244,024,185	
Equipment purchase financing	13,638,427	
Subscription liability	828,634	
Compensated absences payable	1,313,737	
Other postemployment benefits	6,372,971	
Net pension liability	<u>169,239,494</u>	
Total		(435,417,448)

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

Deferred outflows of resources	1,267,719	
Deferred inflows of resources	<u>(1,069,863)</u>	
Total		197,856

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

Deferred outflows of resources	66,750,593	
Deferred inflows of resources	<u>(15,193,371)</u>	
Total		51,557,222

Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to operate for the benefit of governmental activities, assets and liabilities of internal service funds are reported with governmental activities in the statement of net position. Net position for internal service funds is:

95,478

Total net position - governmental activities \$ 34,920,868

LIVERMORE VALLEY JOINT 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	County School Facilities Fund	Special Reserve Fund for Capital Outlay	Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
LCFF sources	\$ 152,668,123	\$ -	\$ -	\$ -	\$ -	\$ 152,668,123
Federal sources	7,429,308	-	-	-	2,887,237	10,316,545
Other state sources	23,524,077	-	-	-	5,470,920	28,994,997
Other local sources	23,635,752	2,056,183	934,928	186,860	18,349,510	45,163,233
Total Revenues	207,257,260	2,056,183	934,928	186,860	26,707,667	237,142,898
EXPENDITURES						
Current:						
Instruction	125,607,899	-	-	-	732,614	126,340,513
Instruction-Related Services:						
Supervision of instruction	9,012,882	-	-	-	13,264	9,026,146
Instructional library, media and	5,962,769	-	-	-	-	5,962,769
School site administration	14,387,387	-	-	-	276,568	14,663,955
Pupil Support Services:						
Home-to-school transportation	3,072,034	-	-	-	-	3,072,034
Food services	3,879	-	-	-	5,777,293	5,781,172
All other pupil services	17,122,943	-	-	-	12,548	17,135,491
Ancillary services	2,323,376	-	-	-	2,348,033	4,671,409
Community services	185,741	-	-	-	-	185,741
General Administration Services:						
Data processing services	641,450	-	-	-	-	641,450
Other general administration	8,923,334	-	-	-	4,125	8,927,459
Transfers of indirect costs	(169,396)	-	-	-	169,396	-
Plant services	17,642,678	323,101	4,194	105,925	35,700	18,111,598
Capital outlay	-	14,673,003	3,323,379	10,545,497	527,809	29,069,688
Intergovernmental transfers	2,450,943	-	-	-	780,097	3,231,040
Debt service:						
Principal	599,156	-	-	-	9,215,000	9,814,156
Interest	19,731	-	-	-	8,133,426	8,153,157
Total Expenditures	207,786,806	14,996,104	3,327,573	10,651,422	28,025,873	264,787,778
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(529,546)	(12,939,921)	(2,392,645)	(10,464,562)	(1,318,206)	(27,644,880)
OTHER FINANCING SOURCES (USES)						
Interfund transfers in	468,675	-	-	9,827,900	-	10,296,575
Interfund transfers out	(195,885)	-	(10,296,575)	-	-	(10,492,460)
Proceeds from SBITAs	210,009	-	-	-	-	210,009
Total Other Financing Sources and Uses	482,799	-	(10,296,575)	9,827,900	-	14,124
Net Change in Fund Balances	(46,747)	(12,939,921)	(12,689,220)	(636,662)	(1,318,206)	(27,630,756)
Fund Balances, July 1, 2023	28,490,315	44,821,215	24,748,741	16,158,443	19,212,562	133,431,276
Fund Balances, June 30, 2024	\$ 28,443,568	\$ 31,881,294	\$ 12,059,521	\$ 15,521,781	\$ 17,894,356	\$ 105,800,520

LIVERMORE VALLEY JOINT 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 \$ (27,630,756)

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

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

Expenditures for capital outlay	25,898,016	
Depreciation expense	(8,409,065)	
Amortization expense	(602,710)	
Net:		16,886,241

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as a reduction of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

9,814,156

In governmental funds, issuances of debt are recognized as other financing sources. In the government-wide statements, issuances from debt are reported as increases to liabilities. Amounts recognized in governmental funds, net of issue premium were:

(210,009)

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

(39,532)

In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss was:

(22,538)

In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an other financing source or an other financing use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premiums or discount for the period was:

1,443,333

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

158,113

In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).

(81,977)

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:

(974,196)

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

54,446

The internal service fund is used by management to charge the cost of self-insurance activities. The net revenue (expense) of the internal service fund is reported with governmental activities.

32,516

Change in net position of governmental activities \$ (570,203)

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT*Statement of Net Position – Proprietary Fund**June 30, 2024*

	Governmental Activities
	Internal Service Funds
ASSETS	
Deposits and investments	\$ 253,303
Accounts receivable	1,903
Total Assets	255,206
LIABILITIES	
Accounts payable	34,297
Estimated liability for open claims	125,431
Total Liabilities	159,728
NET POSITION	
Restricted for self-insurance	\$ 95,478

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT**Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund**
For the Fiscal Year Ended June 30, 2024

	Governmental Activities Internal Service Funds
OPERATING REVENUES	
Charges to other funds	\$ 1,136,228
OPERATING EXPENSES	
Supplies and materials	20,329
Services and other operating expenses	1,283,269
Total operating expenses	1,303,598
Operating Income (Loss)	(167,370)
NON-OPERATING REVENUES	
Interest income	4,001
INCOME (LOSS) BEFORE TRANSFERS	(163,369)
Interfund transfers in	195,885
Change in net position	32,516
Net position, July 1, 2023	62,962
Net position, June 30, 2024	\$ 95,478

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT
Statement of Cash Flows – Proprietary Fund
For the Fiscal Year Ended June 30, 2024

	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from self-insurance premiums	\$ 1,136,228
Cash paid for operating expenses	<u>(1,277,698)</u>
Net cash provided (used) by operating activities	<u>(141,470)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	<u>3,108</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Interfund transfers from other funds	<u>195,885</u>
Net increase (decrease) in cash	57,523
Cash, July 1, 2023	<u>195,780</u>
Cash, June 30, 2024	<u><u>\$ 253,303</u></u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (167,370)
Changes in Operating Assets and Liabilities:	
Increase in accounts payable and estimated liability for open claims	<u>25,900</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (141,470)</u></u>

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

B. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

District-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

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

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

Non-Major Governmental Funds

The District maintains the following non-major governmental funds:

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

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

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

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

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

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

LIVERMORE VALLEY JOINT 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)

Non-Major Governmental Funds (continued)

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

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

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

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

Proprietary Funds

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

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

2. Measurement Focus, Basis of Accounting

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

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

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

LIVERMORE VALLEY JOINT 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 (continued)

current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

3. Revenues - Exchange and Non-Exchange Transactions

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

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

C. Budgetary Data

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

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

D. Encumbrances

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

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

1. Cash and Cash Equivalents

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

LIVERMORE VALLEY JOINT 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)

2. Inventories and Prepaid Items

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

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

3. Capital Assets

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

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

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

4. Unearned Revenue

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

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

5. Deferred Outflows/Inflows of Resources

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

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

LIVERMORE VALLEY JOINT 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)

6. Compensated Absences

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

7. Leases

Lessee:

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

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

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

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

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.

LIVERMORE VALLEY JOINT 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 (continued)

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

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

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

8. Subscription-Based Information Technology Arrangements

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

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

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

9. Postemployment Benefits Other Than Pensions (OPEB)

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

LIVERMORE VALLEY JOINT 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)

10. Pensions

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

11. Fund Balances

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

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

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

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

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

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

12. Net Position

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

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

LIVERMORE VALLEY JOINT 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)

12. Net Position (continued)

- **Restricted** - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

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

F. Minimum Fund Balance Policy

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

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

G. Property Tax Calendar

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

H. Use of Estimates

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

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.

LIVERMORE VALLEY JOINT 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	\$ 111,067,653
Proprietary funds	253,303
Total deposits and investments	<u>\$ 111,320,956</u>

Deposits and investments as of June 30, 2024 consist of the following:

Cash on hand and in banks	\$ 1,921,716
Cash in revolving fund	50,000
Cash with fiscal agent	4,627,037
Investments	<u>104,722,203</u>
Total deposits and investments	<u>\$ 111,320,956</u>

Pooled Funds

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. Deposits held in noninterest bearing transaction accounts are fully insured regardless of the amount in the account through December 31, 2012, and other cash balances held in banks are insured up to \$250,000 by the Federal 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, \$6.2 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.

LIVERMORE VALLEY JOINT 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 Trustees. Investments purchased with maturities greater than one year require written approval by the Superintendent prior to commitment. Maturities of investments held at June 30, 2024, consist of the following:

	Rating	Reported Amount	Maturity		Fair Value Measurement
			Less Than One Year	One Year Through Five Years	
Investment maturities:					
Alameda County Investment Pool	N/A	\$ 104,722,203	\$ 104,722,203	\$ -	Uncategorized

Investments - Credit Risk

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

Investments - Concentration of Credit Risk

The District does not place limits on the amount it may invest in any one issuer. At June 30, 2024, the District had no investments outside of the county treasury.

Fair Value Measurements

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

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

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

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

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

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2024

NOTE 3 – ACCOUNTS RECEIVABLE

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

	Governmental Activities						
	General Fund	Building Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay	Non-Major Governmental Funds	Total Governmental Funds	Self-Insurance Funds
Federal Government:							
Categorical aid programs	\$ 4,930,728	\$ -	\$ -	\$ -	\$ 293,798	\$ 5,224,526	\$ -
State Government:							
LCFF sources	1,579,415	-	-	-	-	1,579,415	-
Lottery	825,904	-	-	-	-	825,904	-
Categorical aid programs	241,297	-	-	-	588,267	829,564	-
Local:							
Interest	273,513	289,123	116,058	89,774	98,118	866,586	1,903
Other local	749,721	-	-	-	-	749,721	-
Total	<u>\$ 8,600,578</u>	<u>\$ 289,123</u>	<u>\$ 116,058</u>	<u>\$ 89,774</u>	<u>\$ 980,183</u>	<u>\$ 10,075,716</u>	<u>\$ 1,903</u>

NOTE 4 – INTERFUND TRANSACTIONS

A. Due to/From Other Funds

Balances due to/from other funds at June 30, 2024 were as follows:

Adult Education due to General Fund for indirect costs	\$ 40,781
Child Development Fund due to General Fund for indirect costs and expense reclassification	28,567
Cafeteria Fund due to General Fund for indirect costs	180,000
General Fund due to Adult Education Fund for expense reclassification	179,953
Total	<u>\$ 429,301</u>

B. Transfers To/From Other Funds

Transfers to/from other funds during the fiscal year ended June 30, 2024, consisted of the following:

Special Reserve Fund for Postemployment Benefits transfer to Self-Insurance Fund for workers compensation costs	\$ 184,748
Special Reserve Fund for Other Than Capital Outlay transfer to Self-Insurance Fund for workers compensation costs	1,707
Deferred Maintenance Fund transfer to Self-Insurance Fund for workers compensation costs	9,430
County School Facilities Fund transfer to Special Reserve Fund for Capital Outlay for payments on the equipment lease/purchase agreement for the energy conservation project	9,827,900
County Schools Facility Fund to General Fund to transfer interest	468,675
Total	<u>\$ 10,492,460</u>

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2024

NOTE 5 – FUND BALANCES

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

	General Fund	Building Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay	Non-Major Governmental Funds	Total
Nonspendable:						
Revolving cash	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Stores inventories	242,005	-	-	-	82,511	324,516
Total Nonspendable	292,005	-	-	-	82,511	374,516
Restricted:						
Categorical programs	12,869,047	-	-	-	368,872	13,237,919
Student activities	-	-	-	-	895,206	895,206
Child nutrition program	-	-	-	-	3,729,374	3,729,374
Capital projects	-	31,881,294	12,059,521	15,521,781	579,053	60,041,649
Debt service	-	-	-	-	12,154,101	12,154,101
Total Restricted	12,869,047	31,881,294	12,059,521	15,521,781	17,726,606	90,058,249
Assigned:						
Projected future deficit spending	9,052,512	-	-	-	85,239	9,137,751
Total Assigned	9,052,512	-	-	-	85,239	9,137,751
Unassigned:						
Remaining unassigned balances	6,230,004	-	-	-	-	6,230,004
Total Unassigned	6,230,004	-	-	-	-	6,230,004
Total	<u>\$ 28,443,568</u>	<u>\$ 31,881,294</u>	<u>\$ 12,059,521</u>	<u>\$ 15,521,781</u>	<u>\$ 17,894,356</u>	<u>\$ 105,800,520</u>

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	\$ 17,656,768	\$ -	\$ -	\$ 17,656,768
Construction in progress	58,094,664	25,431,885	-	83,526,549
Total capital assets not being depreciated	75,751,432	25,431,885	-	101,183,317
Capital assets being depreciated:				
Improvement of sites	53,495,426	-	-	53,495,426
Buildings	267,267,261	7,845	-	267,275,106
Machinery and equipment	2,753,933	248,277	33,808	2,968,402
Total capital assets being depreciated	323,516,620	256,122	33,808	323,738,934
Accumulated depreciation for:				
Improvement of sites	(20,110,912)	(2,796,703)	-	(22,907,615)
Buildings	(79,741,754)	(5,393,058)	-	(85,134,812)
Equipment	(1,472,338)	(219,304)	(11,270)	(1,680,372)
Total accumulated depreciation	(101,325,004)	(8,409,065)	(11,270)	(109,722,799)
Total capital assets being depreciated, net	222,191,616	(8,152,943)	22,538	214,016,135
Capital assets, net	297,943,048	17,278,942	22,538	315,199,452
Subscription assets:				
Subscription assets	1,736,299	210,009	-	1,946,308
Less accumulated amortization	(532,706)	(602,710)	-	(1,135,416)
Subscription assets, net	1,203,593	(392,701)	-	810,892
Governmental capital assets	<u>\$ 299,146,641</u>	<u>\$ 16,886,241</u>	<u>\$ 22,538</u>	<u>\$ 316,010,344</u>

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

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	\$ 237,660,000	\$ -	\$ 9,215,000	\$ 228,445,000	\$ 7,645,000
Unamortized Premium	17,022,518	-	1,443,333	15,579,185	893,214
Total - General Obligation Bonds	254,682,518	-	10,658,333	244,024,185	8,538,214
Equipment Purchase Financing	13,638,427	-	-	13,638,427	(25,044)
Subscription Liabilities	1,217,781	210,009	599,156	828,634	613,693
Compensated Absences	1,231,760	81,977	-	1,313,737	-
Totals	\$ 270,770,486	\$ 291,986	\$ 11,257,489	\$ 259,804,983	\$ 9,126,863

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

A. General Obligation Bonds

2016 Election

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

Defeasance of Debt

The District has defeased certain general obligation bonds by placing the proceeds of new refunding bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District’s financial statements. At June 30, 2024, the principal balance outstanding on the defeased debt amounted to \$20,280,000.

The difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. At June 30, 2024, deferred outflows on refunding were \$312,937, and deferred inflows on refunding were \$328,414.

A summary of all bonds issued and outstanding at June 30, 2024 follows:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance, July 1, 2023	Additions	Redemptions	Balance, June 30, 2024
Election of 2016 (Measure J)								
2016A	10/13/2016	8/1/2046	2.0%-4.0%	\$ 82,000,000	\$ 66,500,000	\$ -	\$ -	\$ 66,500,000
2019	8/14/2019	8/1/2047	2.0%-5.0%	100,000,000	80,400,000	-	290,000	80,110,000
2021	10/27/2021	8/1/2047	3.0%-4.0%	63,000,000	53,615,000	-	2,270,000	51,345,000
Refunding Bonds								
2014 Refunding	11/18/2014	8/1/2024	2.0%-5.0%	52,810,000	7,615,000	-	3,705,000	3,910,000
2020 Refunding	5/5/2020	8/1/2026	5.0%	11,355,000	7,210,000	-	2,315,000	4,895,000
2021 Refunding	10/27/2021	8/1/2029	0.256%-1.924%	23,030,000	22,320,000	-	635,000	21,685,000
					<u>\$ 237,660,000</u>	<u>\$ -</u>	<u>\$ 9,215,000</u>	<u>\$ 228,445,000</u>

LIVERMORE VALLEY JOINT 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)

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

Fiscal Year	Principal	Interest	Total
2024-2025	\$ 7,645,000	\$ 7,784,679	\$ 15,429,679
2025-2026	6,870,000	7,556,622	14,426,622
2026-2027	7,370,000	7,392,440	14,762,440
2027-2028	6,625,000	7,234,660	13,859,660
2028-2029	5,945,000	7,096,789	13,041,789
2029-2034	24,035,000	33,198,375	57,233,375
2034-2039	43,540,000	27,026,325	70,566,325
2039-2044	64,635,000	17,649,850	82,284,850
2044-2048	61,780,000	4,365,375	66,145,375
Totals	<u>\$ 228,445,000</u>	<u>\$ 119,305,115</u>	<u>\$ 347,750,115</u>

B. Equipment Purchase Financing

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

Future payment obligations under this agreement are as follows:

Fiscal Year	Principal	Interest	Total
2024-2025	\$ (25,044)	\$ 714,688	\$ 689,644
2025-2026	217,217	505,412	722,629
2026-2027	259,765	497,377	757,142
2027-2028	305,484	487,768	793,252
2028-2029	354,570	476,468	831,038
2029-2034	2,641,865	2,144,503	4,786,368
2034-2039	4,505,297	1,527,153	6,032,450
2039-2043	5,379,273	518,805	5,898,078
Totals	<u>\$ 13,638,427</u>	<u>\$ 6,872,174</u>	<u>\$ 20,510,601</u>

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

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

C. Subscription Based Information Technology Arrangements

The District is involved in several arrangements for subscription-based software. The initial terms for these subscriptions range from 3 to 5 years. There are no variable payments not included in the measurement of the lease liability, no residual value guarantees provided and no commitments before the commencement of the lease terms. The District used the State's incremental borrowing rate of 2.4% for 2022-23 and 2.63% for 2023-24 at inception to discount the subscription payments to the net present value. Other key assumptions and policies can be found in Note 1.E. The related asset disclosures are presented in Note 6.

Future payment obligations under these agreements are as follows:

Fiscal Year	Principal	Interest	Total
2024-2025	\$ 613,693	\$ 5,195	\$ 618,888
2025-2026	142,536	1,697	144,233
2026-2027	72,405	-	72,405
Totals	<u>\$ 828,634</u>	<u>\$ 6,892</u>	<u>\$ 835,526</u>

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	\$ 5,754,709	\$ 1,267,719	\$ 1,069,863	\$ 572,614
MPP Program	618,262	-	-	(56,265)
Totals	<u>\$ 6,372,971</u>	<u>\$ 1,267,719</u>	<u>\$ 1,069,863</u>	<u>\$ 516,349</u>

The details of each plan are as follows:

District Plan

Plan Description

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

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

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

Benefits Provided

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

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

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

Employees Covered by Benefit Terms

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

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

Total OPEB Liability

The District's total OPEB liability of \$5,754,709 for the Plan was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2023.

LIVERMORE VALLEY JOINT 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
Projected payroll growth	2.75 percent
Long-term medical trend rate	4.00 percent

Discount Rate

The discount rate of 3.93% percent is based on the Bond Buyer 20-Bond Index as of June 30, 2023.

Mortality Rates

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2023	\$ 5,883,420
Changes for the year:	
Service cost	326,350
Interest	210,284
Changes of assumptions	(94,550)
Benefit payments	(570,795)
Net changes	(128,711)
Balance at June 30, 2024	\$ 5,754,709

LIVERMORE VALLEY JOINT 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	\$ 6,062,729
Current discount rate	\$ 5,754,709
1% increase	\$ 5,482,254

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

Healthcare Cost Trend Rate	OPEB Liability
1% decrease	\$ 5,754,709
Current trend rate	\$ 5,754,709
1% increase	\$ 5,754,709

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 \$572,614. 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	\$ 843,404	\$ 157,733
Changes of assumptions	424,315	912,130
Totals	<u>\$ 1,267,719</u>	<u>\$ 1,069,863</u>

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

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

District Plan (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

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

Year Ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2025	\$ 271,251	\$ 242,440
2026	271,249	242,438
2027	116,973	75,063
2028	116,973	75,063
2029	116,973	75,063
Thereafter	374,300	359,796
Totals	<u>\$ 1,267,719</u>	<u>\$ 1,069,863</u>

Medicare Premium Payment (MPP) Program

Plan Description

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

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2021 annual actuarial valuation report, Medicare Premium Payment Program. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <https://www.calstrs.com/general-information/gasb-6768>.

Benefits Provided

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

As of June 30, 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.

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

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

Medicare Premium Payment (MPP) Program (continued)

Total OPEB Liability

At June 30, 2024, the District reported a liability of \$618,262 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:

	Percentage Share of MPP Program		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 OPEB Liability	0.203753%	0.204768%	(0.001014%)

For the year ended June 30, 2024, the District reported OPEB expense of \$(56,265).

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.

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

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

Medicare Premium Payment (MPP) Program (continued)

Discount Rate

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

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

Sensitivity of the Proportionate Share of The Net OPEB Liability to Changes in the Discount Rate

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

		MPP OPEB
	Discount Rate	Liability
	1% decrease	\$ 671,925
	Current discount rate	\$ 618,262
	1% increase	\$ 571,603

Sensitivity of the Proportionate Share of The Net OPEB Liability to Changes in the Medicare Costs Trend Rates

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

	Medicare Cost	MPP OPEB
	Trend Rates	Liability
	1% decrease	\$ 568,862
	Current trend rate	\$ 618,262
	1% increase	\$ 674,033

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).

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 9 – PENSION PLANS (continued)

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	\$ 104,913,394	\$ 36,968,366	\$ 5,787,232	\$ 15,932,137
CalPERS	64,326,100	29,782,227	9,406,139	10,746,695
Totals	<u>\$ 169,239,494</u>	<u>\$ 66,750,593</u>	<u>\$ 15,193,371</u>	<u>\$ 26,678,832</u>

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.

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 9 – PENSION PLANS (continued)

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

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	2% at 60	2% at 62
Benefit Formula	5 years of service	5 years of service
Benefit Vesting Schedule	Monthly for life	Monthly for life
Benefit Payments	60	62
Retirement Age	2.0%-2.4%	2.0%-2.4%
Monthly Benefits as a Percentage of Eligible Compensation	10.25%	10.205%
Required Member Contribution Rate	19.10%	19.10%
Required Employer Contribution Rate	10.828%	10.828%
Required State Contribution Rate		

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 \$17,213,267.

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	\$	104,913,394
State's proportionate share of the net pension liability associated with the District		50,266,957
Total	\$	155,180,351

LIVERMORE VALLEY JOINT 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 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	June 30, 2023	June 30, 2022	
Proportion of the Net Pension Liability	0.137752%	0.136439%	0.001313%

For the year ended June 30, 2024, the District recognized pension expense of \$15,932,137. In addition, the District recognized pension expense and revenue of \$(729,979) 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	Deferred Inflows
Pension contributions subsequent to measurement date	\$ 17,213,267	\$ -
Net change in proportionate share of net pension liability	10,454,076	173,833
Difference between projected and actual earnings on pension plan investments	449,072	-
Changes of assumptions	607,487	-
Differences between expected and actual experience	8,244,464	5,613,399
Totals	\$ 36,968,366	\$ 5,787,232

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.

LIVERMORE VALLEY JOINT 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)

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	\$ 2,532,158	\$ 1,918,527
2026	2,392,892	3,764,404
2027	10,156,518	34,767
2028	1,490,838	34,767
2029	1,358,851	34,767
Thereafter	1,823,842	-
Totals	\$ 19,755,099	\$ 5,787,232

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%

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.

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 9 – PENSION PLANS (continued)

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

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.

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%)	\$ 175,983,847
Current discount rate (7.10%)	\$ 104,913,394
1% increase (8.10%)	\$ 45,881,100

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 \$8,040,279.

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 9 – PENSION PLANS (continued)

B. California Public Employees Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 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.

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		
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 \$9,221,335.

LIVERMORE VALLEY JOINT 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

As of June 30, 2024, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$64,326,100. 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	0.177702%	0.178334%	(0.000632%)

For the year ended June 30, 2024, the District recognized pension expense of \$10,746,695. 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	Deferred Inflows
Pension contributions subsequent to measurement date	\$ 9,221,335	\$ -
Net change in proportionate share of net pension liability	665,434	704,593
Difference between projected and actual earnings on pension plan investments	14,584,539	7,713,592
Changes of assumptions	2,963,478	-
Differences between expected and actual experience	2,347,441	987,954
Totals	\$ 29,782,227	\$ 9,406,139

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 3.8 years.

LIVERMORE VALLEY JOINT 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)

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	\$ 7,901,426	\$ 4,708,061
2026	7,164,435	4,499,251
2027	5,281,201	160,886
2028	213,830	37,941
2029	-	-
Thereafter	-	-
Totals	\$ 20,560,892	\$ 9,406,139

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.

LIVERMORE VALLEY JOINT 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 (continued)

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

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

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (5.9%)	\$ 92,998,913
Current discount rate (6.9%)	\$ 64,326,100
1% increase (7.9%)	\$ 40,628,673

C. Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by social security or an alternative plan. The District has elected to use the Social Security as its alternative plan.

D. Payables to the Pension Plans

At June 30, 2024, the District reported payables of \$2,531,767 and \$1,071,212 for the outstanding amount of legally required contributions to the CalSTRS and CalPERS pension plans, respectively, for the fiscal year ended June 30, 2024.

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 10 – JOINT VENTURES

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

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

Financial information can be obtained separately from each JPA.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

A. State and Federal Allowances, Awards, and Grants

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

B. Litigation

The District is involved in certain legal matters that arose out of the normal course of business. The District has not accrued a liability for any potential litigation against it because it does not meet the criteria to be considered a liability at June 30, 2024.

C. Construction Commitments

As of June 30, 2024, the District has commitments with respect to unfinished capital projects of \$29.0 million to be paid from local funds.

NOTE 12 – RISK MANAGEMENT

Property and Liability

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

Workers' Compensation

For fiscal year 2023-24, the District participated in the ACSIG JPA for workers' compensation.

Employee Medical Benefits

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

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

NOTE 12 – RISK MANAGEMENT (continued)

Claims Liability

The District records an estimated liability for property claims against the District. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred but not reported based on historical experience.

Unpaid Claims Liabilities

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

The following represent the changes in approximate aggregate liabilities for the District from July 1, 2022 to June 30, 2024:

	Claims Liability
Liability Balance, July 1, 2022	\$ 125,431
Claims and changes in estimates	47,064
Claims payments	<u>(47,064)</u>
Liability Balance, June 30, 2023	125,431
Claims and changes in estimates	136,570
Claims payments	<u>(136,570)</u>
Liability Balance, June 30, 2024	<u>\$ 125,431</u>
Assets available to pay claims at June 30, 2024	<u>\$ 255,206</u>

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Required Supplementary Information

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LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget - Pos (Neg)
Revenues				
LCFF Sources	\$ 150,779,182	\$ 152,667,380	\$ 152,668,123	\$ 743
Federal	6,575,674	9,299,777	7,429,308	(1,870,469)
Other State	19,260,820	23,683,516	23,524,077	(159,439)
Other Local	15,993,836	22,594,861	23,627,772	1,032,911
Total Revenues	192,609,512	208,245,534	207,249,280	(996,254)
Expenditures				
Current:				
Certificated Salaries	90,460,592	92,546,804	91,711,438	835,366
Classified Salaries	33,582,640	35,113,358	34,647,305	466,053
Employee Benefits	52,274,258	52,453,061	50,962,647	1,490,414
Books and Supplies	5,331,140	12,271,479	5,619,673	6,651,806
Services and Other Operating Expenditures	21,755,795	25,663,592	21,620,232	4,043,360
Transfers of indirect costs	(212,352)	(213,093)	(169,396)	(43,697)
Capital Outlay	83,923	206,911	325,077	(118,166)
Other Outgo	2,023,220	2,273,220	3,069,830	(796,610)
Total Expenditures	205,299,216	220,315,332	207,786,806	12,528,526
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(12,689,704)	(12,069,798)	(537,526)	11,532,272
Other Financing Sources and Uses				
Interfund Transfers In	11,012	479,687	468,675	(11,012)
Proceeds from SBITAs	-	-	210,009	210,009
Total Other Financing Sources and Uses	11,012	479,687	678,684	198,997
Excess (Deficiency) of Revenues and Other				
Financing Sources Over (Under)				
Expenditures and Other Financing Uses	(12,678,692)	(11,590,111)	141,158	11,731,269
Fund Balance, July 1, 2023	28,302,430	28,302,430	28,302,410	(20)
Fund Balance, June 30, 2024	\$ 15,623,738	\$ 16,712,319	\$ 28,443,568	\$ 11,731,249

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT
Schedule of Proportionate Share of the Net Pension Liability-CalSTRS
For the Fiscal Year Ended June 30, 2024

Last Ten Fiscal Years

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	0.1378%	0.1364%	0.1302%	0.1305%	0.1274%
District's proportionate share of the net pension liability	\$ 104,913,394	\$ 94,806,185	\$ 59,252,539	\$ 126,446,773	\$ 115,049,072
State's proportionate share of the net pension liability associated with the District	50,266,957	47,478,567	29,813,579	65,183,326	62,766,949
Totals	<u>\$ 155,180,351</u>	<u>\$ 142,284,752</u>	<u>\$ 89,066,118</u>	<u>\$ 191,630,099</u>	<u>\$ 177,816,021</u>
District's covered-employee payroll	<u>\$ 83,335,430</u>	<u>\$ 76,571,313</u>	<u>\$ 73,100,310</u>	<u>\$ 69,224,865</u>	<u>\$ 69,361,284</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	125.89%	123.81%	85.82%	182.66%	165.87%
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	0.1226%	0.1143%	0.1130%	0.1170%	0.1150%
District's proportionate share of the net pension liability	\$ 112,637,219	\$ 105,682,072	\$ 91,395,530	\$ 78,769,080	\$ 67,202,550
State's proportionate share of the net pension liability associated with the District	64,490,076	62,520,621	52,037,505	41,660,048	40,580,209
Totals	<u>\$ 177,127,295</u>	<u>\$ 168,202,693</u>	<u>\$ 143,433,035</u>	<u>\$ 120,429,128</u>	<u>\$ 107,782,759</u>
District's covered-employee payroll	<u>\$ 65,791,802</u>	<u>\$ 60,902,846</u>	<u>\$ 56,859,487</u>	<u>\$ 53,538,423</u>	<u>\$ 51,482,036</u>
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	171.20%	173.53%	160.74%	147.13%	130.54%
Plan fiduciary net position as a percentage of the total pension liability	71%	69%	70%	74%	77%

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT
Schedule of Proportionate Share of the Net Pension Liability-CalPERS
For the Fiscal Year Ended June 30, 2024

Last Ten Fiscal Years

Employer's Fiscal Year	2023-24	2022-23	2021-22	2020-21	2019-20
Measurement Period	2022-23	2021-22	2020-21	2019-20	2018-19
District's proportion of the net pension liability	0.1777%	0.1783%	0.1801%	0.1757%	0.1780%
District's proportionate share of the net pension liability	\$ 64,326,100	\$ 61,363,163	\$ 36,625,750	\$ 53,912,342	\$ 51,874,206
District's covered-employee payroll	\$ 30,860,512	\$ 27,451,899	\$ 25,963,488	\$ 24,421,556	\$ 24,717,938
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	208.44%	223.53%	134.39%	220.76%	209.86%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	81%	70%	70%

Employer's Fiscal Year	2018-19	2017-18	2016-17	2015-16	2014-15
Measurement Period	2017-18	2016-17	2015-16	2014-15	2013-14
District's proportion of the net pension liability	0.1707%	0.1616%	0.1615%	0.1642%	0.1682%
District's proportionate share of the net pension liability	\$ 45,522,209	\$ 38,572,724	\$ 31,896,350	\$ 24,203,242	\$ 19,094,795
District's covered-employee payroll	\$ 22,556,654	\$ 21,034,893	\$ 20,420,486	\$ 18,212,837	\$ 17,386,672
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	201.81%	183.37%	156.20%	132.89%	109.82%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%	74%	79%	83%

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT
Schedule of Pension Contributions-CalSTRS
For the Fiscal Year Ended June 30, 2024

Last Ten Fiscal Years

Employer's Fiscal Year	2023-24	2022-23	2021-22	2020-21	2019-20
Contractually required contribution	\$ 17,213,267	\$ 15,917,068	\$ 12,955,866	\$ 11,805,700	\$ 11,837,452
Contributions in relation to the contractually required contribution	17,213,267	15,917,068	12,955,866	11,805,700	11,837,452
Contribution deficiency (excess):	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 90,121,817	\$ 83,335,430	\$ 76,571,313	\$ 73,100,310	\$ 69,224,865
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	\$ 11,292,017	\$ 9,493,757	\$ 7,661,578	\$ 6,101,023	\$ 4,754,212
Contributions in relation to the contractually required contribution	11,292,017	9,493,757	7,661,578	6,101,023	4,754,212
Contribution deficiency (excess):	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 69,361,284	\$ 65,791,802	\$ 60,902,846	\$ 56,859,487	\$ 53,538,423
Contributions as a percentage of covered-employee payroll	16.28%	14.43%	12.58%	10.73%	8.88%

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT
Schedule of Pension Contributions-CalPERS
For the Fiscal Year Ended June 30, 2024

Last Ten Fiscal Years

Employer's Fiscal Year	2023-24	2022-23	2021-22	2020-21	2019-20
Contractually required contribution	\$ 9,221,335	\$ 7,829,312	\$ 6,289,230	\$ 5,374,442	\$ 4,816,175
Contributions in relation to the contractually required contribution	9,221,335	7,829,312	6,289,230	5,374,442	4,816,175
Contribution deficiency (excess):	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 34,562,725	\$ 30,860,512	\$ 27,451,899	\$ 25,963,488	\$ 24,421,556
Contributions as a percentage of covered-employee payroll	26.680%	25.370%	22.910%	20.700%	19.721%

Employer's Fiscal Year	2018-19	2017-18	2016-17	2015-16	2014-15
Contractually required contribution	\$ 4,464,554	\$ 3,503,274	\$ 2,921,326	\$ 2,419,215	\$ 2,143,833
Contributions in relation to the contractually required contribution	4,464,554	3,503,274	2,921,326	2,419,215	2,143,833
Contribution deficiency (excess):	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 24,717,938	\$ 22,556,654	\$ 21,034,893	\$ 20,420,486	\$ 18,212,837
Contributions as a percentage of covered-employee payroll	18.062%	15.531%	13.888%	11.847%	11.771%

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
For the Fiscal Year Ended June 30, 2024

*Last Ten Fiscal Years**

Employer's Fiscal Year Measurement Period	2023-24 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
Total OPEB liability							
Service cost	\$ 326,350	\$ 370,782	\$ 437,970	\$ 218,122	\$ 211,769	\$ 239,343	\$ 244,523
Interest	210,284	214,293	140,970	111,714	113,825	183,267	163,927
Differences between expected and actual experience	-	(188,361)	-	797,906	1,079,944	-	-
Changes in assumptions	(94,550)	(129,136)	(507,066)	630,983	(1,171,637)	62,543	(73,379)
Benefit payments	(570,795)	(504,467)	(519,742)	(318,824)	(327,785)	(645,523)	(376,732)
Net change in total OPEB liability	(128,711)	(236,889)	(447,868)	1,439,901	(93,884)	(160,370)	(41,661)
Total OPEB liability - beginning	5,883,420	6,120,309	6,568,177	5,128,276	5,222,160	5,382,530	5,424,191
Total OPEB liability - ending	\$ 5,754,709	\$ 5,883,420	\$ 6,120,309	\$ 6,568,177	\$ 5,128,276	\$ 5,222,160	\$ 5,382,530
Covered payroll	\$ 98,572,251	\$ 95,934,064	\$ 93,366,486	\$ 90,867,626	\$ 88,435,646	\$ 91,867,859	\$ 88,138,734
Total OPEB liability as a percentage of covered payroll	5.84%	6.13%	6.56%	7.23%	5.80%	5.68%	6.11%

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

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program For the Fiscal Year Ended June 30, 2024

	<i>Last Ten Fiscal Years*</i>						
Employer's Fiscal Year	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Measurement Period	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
District's proportion of net OPEB liability	0.2038%	0.2048%	0.1957%	0.1977%	0.1969%	0.1927%	0.1819%
District's proportionate share of net OPEB liability	\$ 618,262	\$ 674,527	\$ 780,638	\$ 838,002	\$ 733,182	\$ 737,690	\$ 765,184
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	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%)	(0.71%)	(0.71%)	(0.81%)	0.40%	0.01%

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

LIVERMORE VALLEY JOINT 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. In the future, as data becomes available, ten years of information will be presented.

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

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

Schedule of District Contributions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

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

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

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

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

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Notes to the Required Supplementary Information

For the Fiscal Year Ended June 30, 2024

NOTE 1 – PURPOSE OF SCHEDULES (continued)

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

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

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

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

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Supplementary Information

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LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT*Schedule of Average Daily Attendance**For the Fiscal Year Ended June 30, 2024*

	Second Period Report	Annual Report
Regular ADA & Extended Year:		
Grades TK-3	3,786.51	3,797.42
Grades 4-6	2,750.03	2,752.03
Grades 7-8	1,789.97	1,791.65
Grades 9-12	3,913.29	3,896.29
Total Regular ADA	12,239.80	12,237.39
Special Education, Nonpublic, Nonsectarian Schools:		
Grades TK-3	5.68	5.90
Grades 4-6	7.81	8.01
Grades 7-8	3.06	3.19
Grades 9-12	8.84	8.43
Total Special Education, Nonpublic, Nonsectarian Schools ADA	25.39	25.53
Total ADA	12,265.19	12,262.92

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT*Schedule of Instructional Time**For the Fiscal Year Ended June 30, 2024*

Grade Level	Instructional Minutes Requirement	Instructional Minutes Offered	Instructional Days Offered	Status
Kindergarten	36,000	42,945	180	Complied
Grade 1	50,400	54,240	180	Complied
Grade 2	50,400	54,240	180	Complied
Grade 3	50,400	54,240	180	Complied
Grade 4	54,000	54,240	180	Complied
Grade 5	54,000	54,240	180	Complied
Grade 6	54,000	56,160	180	Complied
Grade 7	54,000	56,160	180	Complied
Grade 8	54,000	56,160	180	Complied
Grade 9	64,800	65,015	180	Complied
Grade 10	64,800	65,015	180	Complied
Grade 11	64,800	65,015	180	Complied
Grade 12	64,800	65,015	180	Complied

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT
Schedule of Financial Trends and Analysis
For the Fiscal Year Ended June 30, 2024

General Fund	(Budget) 2025 ²	2024 ³	2023	2022
Revenues and other financing sources	\$ 196,859,733	\$ 207,927,964	\$ 206,282,132	\$ 179,529,053
Expenditures and other financing uses	206,374,463	207,786,806	196,711,799	177,657,524
Change in fund balance (deficit)	(9,514,730)	141,158	9,570,333	1,871,529
Ending fund balance	<u>\$ 18,928,838</u>	<u>\$ 28,443,568</u>	<u>\$ 28,302,410</u>	<u>\$ 18,732,077</u>
Available reserves ¹	<u>\$ 6,191,234</u>	<u>\$ 6,230,004</u>	<u>\$ 5,981,418</u>	<u>\$ 5,641,434</u>
Available reserves as a percentage of total outgo	<u>3.0%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>3.2%</u>
Total long-term debt	<u>\$ 426,290,585</u>	<u>\$ 435,417,448</u>	<u>\$ 433,497,781</u>	<u>\$ 369,031,131</u>
Average daily attendance at P-2	<u>12,378</u>	<u>12,265</u>	<u>12,164</u>	<u>12,051</u>

The General Fund balance has increased by \$9.7 million over the past two years. The fiscal year 2024-25 adopted budget projects a decrease of \$9.5 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 none of the past three years, but anticipates incurring an operating deficit during the 2024-25 fiscal year. Long-term debt has increased by \$66.4 million over the past two years.

ADA increased by 214 compared to 2021-22. Budgeted ADA projects an increase of 113 for 2024-25.

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

² Revised budget 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 Deferred Maintenance Fund, the Special Reserve Fund for Other Than Capital Outlay, and the Special Reserve Fund for Postemployment Benefits, in accordance with the fund type definitions promulgated by GASB Statement No. 54.

LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

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

*There were no differences between the Annual Financial and Budget Report and the
Audited Financial Statements in any funds.*

LIVERMORE VALLEY JOINT 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 Number	Pass-Through Entity Identifying Number	Sub-total Expenditures	Federal Expenditures
Federal Programs:				
U.S. Department of Agriculture:				
Passed through California Dept. of Education (CDE):				
Child Nutrition Cluster:				
School Breakfast Program - Basic	10.553	13525	\$ 146,472	
School Breakfast Program - Especially Needy	10.553	13526	30,451	
National School Lunch Program	10.555	13523	1,409,280	
Supply Chain Assistance (SCA) Funds	10.555	15655	402,937	
USDA Donated Foods	10.555	N/A	309,049	
Subtotal Child Nutrition Cluster				\$ 2,298,189
Passed through California Dept. of Social Services (CDSS):				
Child and Adult Care Food Program:				
Child and Adult Care Food Program	10.558	13393	207,974	
Cash in Lieu of Commodities	10.558	N/A	4,482	
Subtotal Child and Adult Care Food Program				212,456
Total U.S. Department of Agriculture				2,510,645
U.S. Department of Labor				
Youth Build Program	17.274	N/A		575,584
Total U.S. Department of Labor				575,584
U.S. Department of Education:				
Indian Education	84.060	N/A		56,773
Magnet Schools Assistance Program	84.165A	N/A		1,322,268
Latinx Grant	84.215K	N/A		60,210
Passed through California Dept. of Education (CDE):				
Adult Education - State Grants:				
Adult Basic Education and ELA	84.002A	14508	74,338	
Adult Secondary Education	84.002	13978	11,897	
English Literacy and Civics Education	84.002A	14109	53,287	
Total Adult Education - State Grants				139,522
Every Student Succeeds Act (ESSA):				
Title I, Part A, Basic Grants, Low-Income and Neglected	84.010	14329		787,661
Title II, Part A, Supporting Effective Instruction	84.367	14341		350,990
English Language Acquisition State Grants:				
Title III, Immigrant Education Program	84.365	15146	2,109	
Title III, Limited English Proficiency	84.365	14346	127,363	
Subtotal English Language Acquisition State Grants				129,472
Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396		22,480
Carl D. Perkins Career and Technical Education: Adult, Sec. 130	84.048	14893		75,248
COVID-19: American Rescue Plan - Homeless Children and Youth II	84.425	15566		8,662
Individuals with Disabilities Education Act (IDEA):				
COVID-19: ARP IDEA Part B, Sec. 619, Preschool Grants	84.173	15639	6,962	
Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	3,707,343	
Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	71,225	
Mental Health Allocation Plan, Part B, Sec 611	84.027A	15197	152,094	
Total Special Education (IDEA) Cluster				3,937,624
Total U.S. Department of Education				6,890,910
U.S. Department of Health & Human Services:				
Mental Health Awareness Training Project	93.243	N/A		353,084
Total U.S. Department of Health & Human Services				353,084
Total Expenditures of Federal Awards				\$ 10,330,223

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

LIVERMORE VALLEY JOINT 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.

	Assistance Listing Number	Amount
Total Federal Revenues from the Statement of Revenues, Expenditures, and Changes in Fund Balances		\$ 10,316,545
Differences between Federal Revenues and Expenditures:		
Child and Adult Care Food Program	10.558	122,765
Supply Chain Assistance (SCA) Funds	10.555	(359,835)
Youth Build Grant	17.274	250,748
Total Schedule of Expenditures of Federal Awards		<u>\$ 10,330,223</u>

Other Information

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LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Local Educational Agency Organization Structure

June 30, 2024

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

The Board of Education and the District Administrators for the fiscal year ended June 30, 2024 were as follows:

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

DISTRICT ADMINISTRATORS

Chris Van Schaack,¹
Superintendent

Kelly Manke,
Assistant Superintendent of Administrative Services

Teresa Fiscus,²
Assistant Superintendent of Business Services

Dr. Melissa Theide,³
Assistant Superintendent of Educational Services

¹Retired effective July 31, 2024. The current Superintendent is Dr. Torie Gibson.

²Resigned effective June 30, 2024. The current Assistant Superintendent of Business Services is Kayla Wasley.

³Released August 6, 2024. The current Assistant Superintendent of Educational Services is Michelle Pechette.

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Other Independent Auditors' Reports

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Livermore Valley Joint Unified School District as of and for the year ended June 30, 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 26, 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.

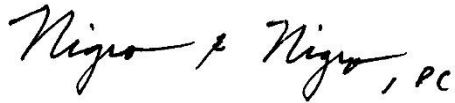
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 black ink that reads "Nigro & Nigro, PC". The signature is written in a cursive, flowing style.

Murrieta, California
November 26, 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
Livermore Valley Joint Unified School District
Livermore, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, the Livermore Valley Joint Unified School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 Livermore Valley Joint Unified School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Livermore Valley Joint Unified School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Nigro & Nigro, PC

Murrieta, California
November 26, 2024



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

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

Report on Compliance

Opinion

We have audited the Livermore Valley Joint Unified School District's (District) compliance with the requirements specified in the *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, Livermore Valley Joint Unified School District complied in all material aspects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 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 Livermore Valley Joint 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 for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the 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	No
Continuation Education	No
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Yes
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Yes

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

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

We did not perform testing for independent study or continuation education because the ADA for those programs was below the level that requires testing.

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

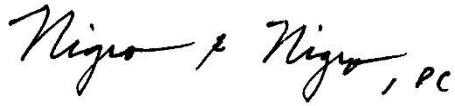
Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to 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.

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Murrieta, California
November 26, 2024

Schedule of Findings and Questioned Costs

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LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT

Summary of Auditors' Results

For the Fiscal Year Ended June 30, 2024

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

Federal Awards

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

Assistance Listing	
Numbers	Name of Federal Program or Cluster
84.165A	Magnet Schools Assistance Program
84.010	Title I, Part A
10.553, 10.555	Child Nutrition Cluster

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

State Awards

Type of auditors' report issued on compliance for state programs:	Unmodified
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LIVERMORE VALLEY JOINT 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.

LIVERMORE VALLEY JOINT 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).

There were no federal award findings or questioned costs in 2023-24.

LIVERMORE VALLEY JOINT 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.

There were no state award findings or questioned costs in 2023-24.

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LIVERMORE VALLEY JOINT UNIFIED SCHOOL DISTRICT
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2024

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