

SAN JUAN UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS

June 30, 2024

SAN JUAN UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2024

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FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Audit Committee
San Juan Unified School District
Carmichael, California

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

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 to 10 and the General Fund Budgetary Comparison Schedule, the Schedule of Changes in the District's Total Other Postemployment Benefits (OPEB) Liability, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 54 to 59 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)

Supplementary Information

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

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the Organization page but does not include the basic financial statements and our auditor's report thereon. Our opinion on the financial statements does 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 December 11, 2024 on our consideration of the San Juan Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the San Juan Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the San Juan Unified School District's internal control over financial reporting and compliance.

Crowe LLP
Crowe LLP

Sacramento, California
December 11, 2024

**San Juan Unified School District
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

The management's discussion and analysis of San Juan Unified School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the District's financial performance as a whole. To provide a complete understanding of the District's financial performance, please read it in conjunction with the Independent Auditor's Report on page 1 through 3, the District's financial statements which begin on page 11, and the notes to the financial statements on pages 24 through 53.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

- Fiduciary Funds - The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's ending net position was \$355,434,058 on June 30, 2024, resulting in an increase from the prior fiscal period by \$169,800,061.

Statement of Net Position

	2024	2023	Variance	% Diff
Current and other assets	708,894,980	636,229,261	72,665,719	11%
Capital assets	1,079,958,291	972,827,276	107,131,015	11%
Total Assets	1,788,853,271	1,609,056,537	179,796,734	11%
Deferred Outflows	208,633,703	167,108,004	41,525,699	
Current liabilities	84,656,855	121,698,499	(37,041,644)	-30%
Long-term liabilities	1,461,497,563	1,337,867,692	123,629,871	9%
Total Liabilities	1,546,154,417	1,459,566,191	86,588,226	6%
Deferred Inflows	95,898,499	130,964,353	(35,065,854)	
Net assets invested in capital assets, net of related debt	429,998,144	380,191,173	49,806,971	13%
Restricted	330,996,197	299,301,023	31,695,174	11%
Unrestricted	(405,560,283)	(493,858,199)	88,297,916	-18%
Total Net Position	355,434,058	185,633,997	169,800,061	91%

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

- Current and other assets include cash, including cash with fiscal agent, receivables, investments, due from (to) other funds, stores inventory and pre-paid expenses. Current assets increased by \$72,665,719 due to cash received from one-time grants received prior to June 30 and an increase in the stores balance.
- At the end of fiscal year 2023-24, the District had a total value of \$1,565,417,310 in capital assets. Capital assets include land, buildings, land improvements, equipment and capital projects that are still in progress. Total accumulated depreciation amounted to \$485,459,019. The net capital assets amounted to \$1,079,958,291, an increase of \$107,131,015 from prior year. This is a result of increased capital projects being handled and completed through Measures J, N and P.

Capital Assets

	2024	2023	Variance	% Diff
Land	6,350,107	6,350,107	-	0%
Work in Progress	306,490,347	179,819,845	126,670,502	70%
Land Improvements	86,752,532	86,677,276	75,256	0%
Buildings	1,123,496,383	1,098,799,371	24,697,012	2%
Equipment	42,327,941	34,704,341	7,623,600	22%
Capital Assets, cost	1,565,417,310	1,406,350,940	159,066,370	11%
Accumulated Depreciation	(485,459,019)	(433,523,664)	(51,935,355)	12%
Capital Assets, net	1,079,958,291	972,827,276	107,131,015	11%

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

- A decrease in current liabilities of \$37,041,644 is attributable to fewer goods and services received prior to June 30, 2024 that had not been paid and unearned revenue. Current liabilities include accounts payable, unearned revenue, interagency balances and unpaid claims and claim adjustment expenses. (See “Statement of Net Position” chart.)
- The District ended the year with a total of \$1,458,798,523 in outstanding financing obligations, including other post-employment benefits (OPEB), compensated absences and net pension liabilities. The increase in long-term debt of \$121,430,195 is mainly attributed to net pension liabilities and issuance of general obligation bonds.

Long-Term Liabilities

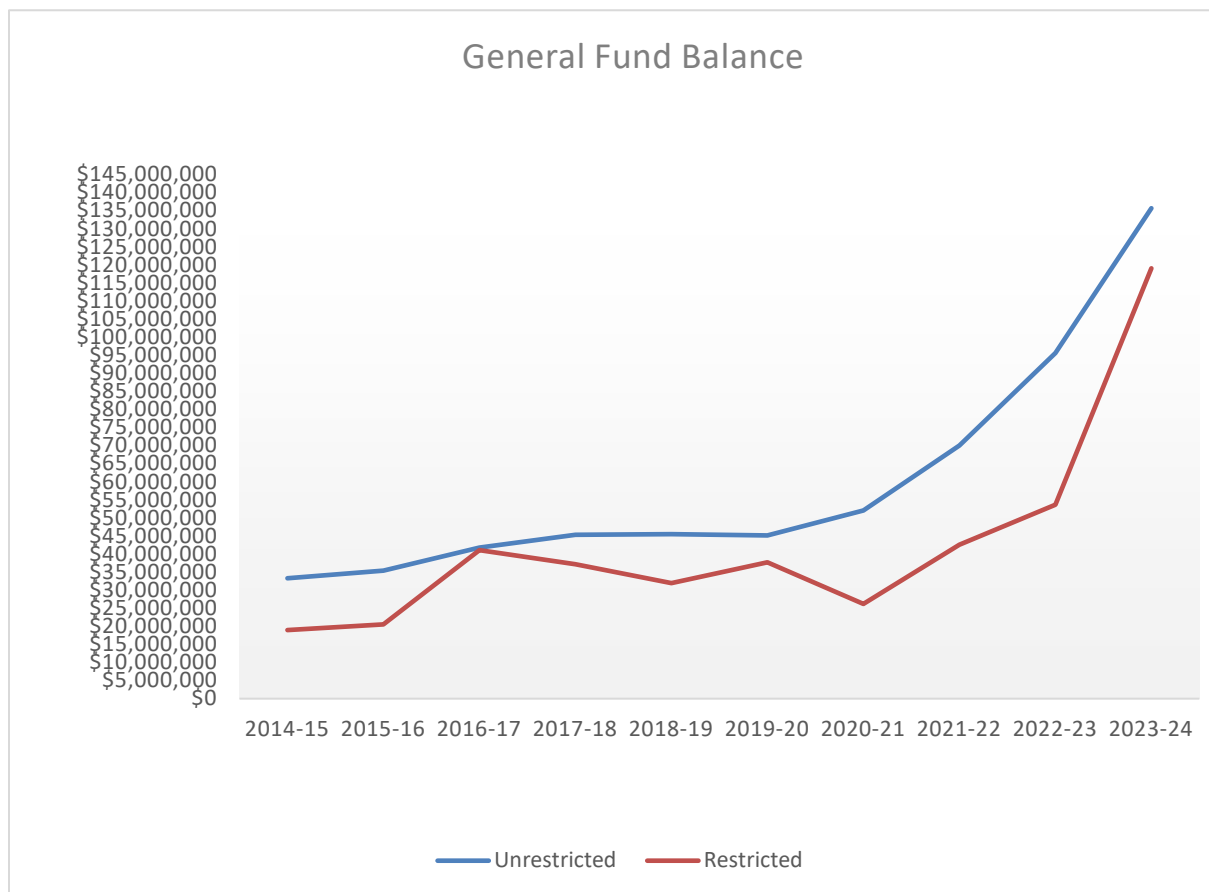
	2024	2023	Variance	% Diff
General Obligation Bonds	733,023,796	681,171,568	51,852,228	8%
Accreted Interest	60,025,936	64,455,947	(4,430,011)	-7%
Premium on Issuance of General Obligation Bonds	42,014,909	41,335,241	679,668	2%
Capitalized lease obligations	-	148,007	(148,007)	-100%
Other Postemployment Benefits	116,864,462	113,708,810	3,155,652	3%
Compensated absences	8,266,420	5,210,755	3,055,665	59%
Net Pension Liability (Asset)	498,603,000	431,338,000	67,265,000	16%
Total Long-Term Liabilities	1,458,798,523	1,337,368,328	121,430,195	9%

FINANCIAL HIGHLIGHTS

The District's change in net position from prior year was \$169,800,061. Revenues increased by \$33,081,802 which is primarily attributable to the increase in taxes and subventions, interest, federal and state resources. Expenditures have a net increase of \$45,571,812 which is primarily due to increased costs of instruction related staffing and instructional materials, increase in student support service expense from pandemic related resources and other one-time funding being spent in the current year and a decrease in general administration costs.

Statement of Activities

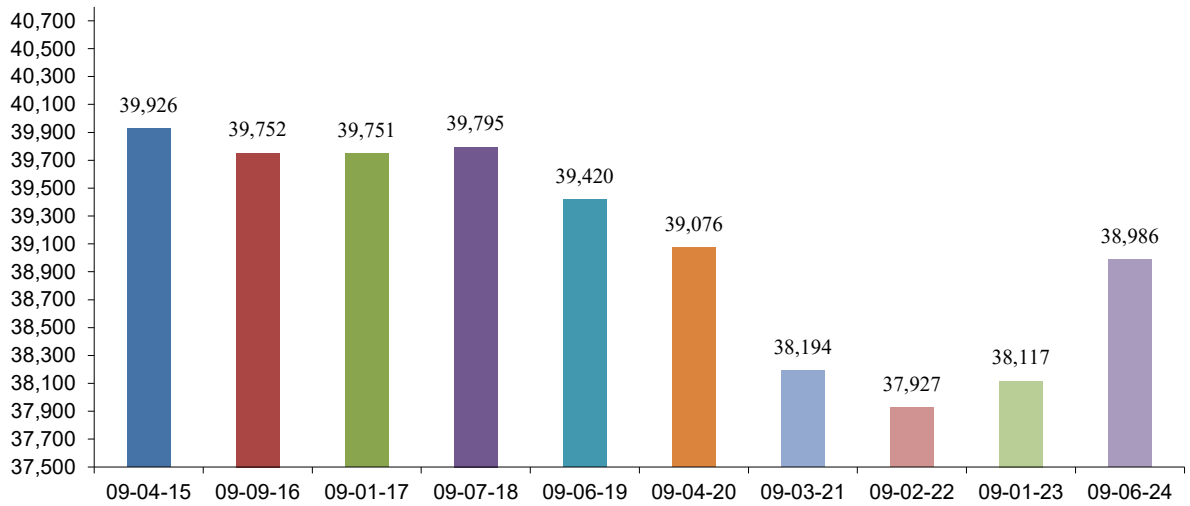
	2024	2023	Variance	% Diff
Program Revenue				
Charges for Services	\$ 9,715,886	\$ 11,298,492	\$ (1,582,606)	-14%
Operating Grants & Contributions	293,465,873	317,190,090	(23,724,217)	-7%
Capital Grants & Contributions	319,428	14,680,377	(14,360,949)	-98%
General Revenue			-	
Taxes and subventions	237,568,542	202,520,774	35,047,768	17%
Federal and State Aid	334,233,442	308,410,782	25,822,660	8%
Interest and Investment	13,446,073	6,655,660	6,790,413	102%
Interagency Revenues	1,391,090	839,840	551,250	66%
Miscellaneous	8,860,409	4,322,926	4,537,483	105%
Total Revenue	\$ 899,000,743	\$ 865,918,941	\$ 33,081,802	4%
Expenditures				
Instructional Related	\$ 409,159,384	\$ 393,357,467	\$ 15,801,917	4%
Student Support Services	107,534,394	96,092,865	11,441,529	12%
Pupil Services	68,855,272	65,943,523	2,911,749	4%
General Administration	38,238,724	31,830,996	6,407,728	20%
Plant Services	57,864,474	52,612,269	5,252,205	10%
Other Services	8,905,030	6,423,029	2,482,001	39%
Interest on long-term debt	37,001,735	35,811,948	1,189,787	3%
Other outgo	1,641,669	1,556,773	84,896	5%
Depreciation	-	-	-	
Total Expenditures	\$ 729,200,682	\$ 683,628,870	\$ 45,571,812	7%
Change in Net Assets	\$ 169,800,061	\$ 182,290,071	\$ (12,490,010)	-7%



The District's General Fund overall experienced an increase in its fund balance by \$72,438,222. Revenue increased by \$10.7 million which is mainly due to the LCFF calculation, mandated cost reimbursements, Special Education grants, and additional COVID Relief funds.

The District also experienced an overall increase in expenditures. There were increases in certificated salaries due to negotiation salary increases, additional training and staffing changes as the District continues to spend the Federal COVID-19 funds and other one-time funds to provide additional support and service functions for students. There was an increase in supplies and capital outlay to supply students and staff with the necessary supplies, for additional instructional supports. This included additional summer programs to mitigate the learning losses students were facing.

Enrollment



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

The District experienced an increase in student enrollment between FY22-23 and FY 23-24. An increase is also expected to be seen in FY 24-25.

FINANCIAL ISSUES

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

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

BASIC FINANCIAL STATEMENTS

SAN JUAN UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities
ASSETS	
Cash and investments (Note 2)	\$ 641,515,668
Receivables	65,961,182
Prepaid expenses	769,635
Stores inventory	648,495
Non-depreciable capital assets (Note 4)	312,840,454
Depreciable capital assets, net of accumulated depreciation (Note 4)	<u>767,117,837</u>
Total assets	<u>1,788,853,271</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pensions (Notes 8 and 9)	190,349,539
Deferred outflows of resources - OPEB (Notes 10)	13,257,573
Deferred loss on refunding of debt	<u>5,026,591</u>
Total deferred outflows of resources	<u>208,633,703</u>
LIABILITIES	
Accounts payable	75,534,345
Unearned revenue	8,100,366
Interagency balances	634,044
Unpaid claims and claim adjustment expenses (Note 5)	388,100
Long-term liabilities:	
Unpaid claims and claim adjustment expenses, less current portion (Note 5)	2,699,040
Due within one year (Note 6)	77,253,658
Due after one year (Note 6)	<u>1,381,544,865</u>
Total liabilities	<u>1,546,154,417</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pensions (Notes 8 and 9)	54,191,000
Deferred inflows of resources - OPEB (Note 10)	<u>41,707,499</u>
Total deferred inflows of resources	<u>95,898,499</u>
NET POSITION	
Net investment in capital assets	429,998,144
Restricted:	
Legally restricted programs	178,520,783
Capital projects	6,145,984
Debt service	95,528,785
Self-insurance	50,800,645
Unrestricted	<u>(405,560,283)</u>
Total net position	<u>\$ 355,434,058</u>

See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

		Program Revenues			Net (Expense) Revenues and Change in Net Position
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:					
Instruction	\$ 409,159,384	\$ 318,807	\$ 134,581,030	\$ 319,428	\$ (273,940,119)
Instruction-related services:					
Supervision of instruction	59,922,144	72,421	39,068,349	-	(20,781,374)
Instructional library, media and technology	2,129,480	789	116,465	-	(2,012,226)
School site administration	45,482,770	44,563	4,429,682	-	(41,008,525)
Pupil services:					
Home-to-school transportation	4,341,371	295	215,859	-	(4,125,217)
Food services	23,322,634	6,198	27,453,836	-	4,137,400
All other pupil services	41,191,267	74,826	18,113,140	-	(23,003,301)
General administration:					
Data processing	12,119,377	7,448	38,962	-	(12,072,967)
All other general administration	26,119,347	46,438	6,981,605	-	(19,091,304)
Plant services	57,864,474	90,575	6,307,900	-	(51,465,999)
Ancillary services	8,863,783	1,255,783	4,506,642	-	(3,101,358)
Community services	28,217	598	4,076	-	(23,543)
Enterprise activities	13,030	-	-	-	(13,030)
Interest on long-term liabilities	37,001,735	-	-	-	(37,001,735)
Other outgo	1,641,669	7,797,145	51,648,327	-	57,803,803
Total governmental activities	<u>\$ 729,200,682</u>	<u>\$ 9,715,886</u>	<u>\$ 293,465,873</u>	<u>\$ 319,428</u>	<u>(425,699,495)</u>
General revenues:					
Taxes and subventions:					
Taxes levied for general purposes					147,294,865
Taxes levied for debt service					90,092,451
Taxes levied for other specific purposes					181,226
Federal and state aid not restricted to specific purposes					334,233,442
Interest and investment earnings					13,446,073
Interagency revenues					1,391,090
Miscellaneous					8,860,409
Total general revenues					<u>595,499,556</u>
Change in net position					<u>169,800,061</u>
Net position, July 1, 2023					<u>185,633,997</u>
Net position, June 30, 2024					<u>\$ 355,434,058</u>

See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

	General Fund	Building Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
ASSETS					
Cash and investments:					
Cash in County Treasury	\$ 317,357,168	\$ 45,740,092	\$ 88,062,137	\$ 25,756,388	\$ 476,915,785
Cash in revolving fund	205,000	-	-	689	205,689
Cash on hand and in banks	-	-	-	2,607,513	2,607,513
Cash awaiting deposit	541,235	2,165,282	-	276,169	2,982,686
Cash with Fiscal Agent	-	87,456,088	13,428,447	-	100,884,535
Receivables	49,993,456	1,544,007	1,183,611	11,890,165	64,611,239
Prepaid expenditures	769,635	-	-	-	769,635
Due from other funds	7,899,440	108,700	6,284,766	7,346,723	21,639,629
Stores inventory	65,408	-	-	583,087	648,495
Total assets	<u>\$ 376,831,342</u>	<u>\$ 137,014,169</u>	<u>\$ 108,958,961</u>	<u>\$ 48,460,734</u>	<u>\$ 671,265,206</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 33,326,545	\$ 14,119,073	\$ 7,145,410	\$ 1,195,130	\$ 55,786,158
Unearned revenue	6,199,702	-	-	1,900,664	8,100,366
Due to other funds	9,982,128	9,127,895	-	517,334	19,627,357
Total liabilities	<u>49,508,375</u>	<u>23,246,968</u>	<u>7,145,410</u>	<u>3,613,128</u>	<u>83,513,881</u>
Fund balances:					
Nonspendable	1,040,043	-	-	583,776	1,623,819
Restricted	139,819,161	113,767,201	101,813,551	44,263,830	399,663,743
Committed	45,769,461	-	-	-	45,769,461
Assigned	9,174,633	-	-	-	9,174,633
Unassigned	131,519,669	-	-	-	131,519,669
Total fund balances	<u>327,322,967</u>	<u>113,767,201</u>	<u>101,813,551</u>	<u>44,847,606</u>	<u>587,751,325</u>
Total liabilities and fund balances	<u>\$ 376,831,342</u>	<u>\$ 137,014,169</u>	<u>\$ 108,958,961</u>	<u>\$ 48,460,734</u>	<u>\$ 671,265,206</u>

See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2024

Total fund balances - Governmental Funds		\$ 587,751,325
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used for governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$1,565,417,310 and the accumulated depreciation is \$485,459,019 (Note 4).		1,079,958,291
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at June 30, 2024 consisted of (Note 6):		
General Obligation Bonds	\$ (733,023,796)	
Accreted interest	(60,025,936)	
Unamortized Premium on issuance of		
General Obligation Bonds	(42,014,909)	
Total OPEB liability (Note 10)	(116,864,462)	
Net pension liability (Notes 8 and 9)	(498,603,000)	
Compensated absences	<u>(8,266,420)</u>	
		(1,458,798,523)
Losses on the refunding of debt are recognized as expenditures in the period they are incurred. In the government- wide statements, they are categorized as deferred outflows and are amortized over the shorter life of the refunded or refunding debt.		5,026,591
Internal service funds are included in the government-wide financial statements.		50,800,645
In government funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported (Notes 8 and 9).		
Deferred outflows of resources relating to pensions	\$ 190,349,539	
Deferred inflows of resources relating to pensions	<u>(54,191,000)</u>	
		136,158,539
Unmatured interest on long-term liabilities is recognized in the period incurred.		(17,012,884)

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2024

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

Deferred outflows of resources relating to OPEB	\$ 13,257,573	
Deferred inflows of resources relating to OPEB	<u>(41,707,499)</u>	
		<u>(28,449,926)</u>
 Total net position - governmental activities		 <u>\$ 355,434,058</u>

See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES –
GOVERNMENTAL FUNDS
June 30, 2024

	General <u>Fund</u>	Building <u>Fund</u>	Bond Interest and Redemption <u>Fund</u>	All Non-Major <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:					
Local Control Funding Formula (LCFF):					
State apportionment	\$ 317,056,850	\$ -	\$ -	\$ 3,372,114	\$ 320,428,964
Local sources	<u>147,302,805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>147,302,805</u>
Total LCFF	<u>464,359,655</u>	<u>-</u>	<u>-</u>	<u>3,372,114</u>	<u>467,731,769</u>
Federal sources	88,485,519	-	-	31,595,089	120,080,608
Other state sources	125,993,920	3,625	652,778	20,311,602	146,961,925
Other local sources	<u>31,818,761</u>	<u>11,483,785</u>	<u>101,029,753</u>	<u>11,536,773</u>	<u>155,869,072</u>
Total revenues	<u>710,657,855</u>	<u>11,487,410</u>	<u>101,682,531</u>	<u>66,815,578</u>	<u>890,643,374</u>
Expenditures:					
Current:					
Certificated salaries	254,975,187	-	-	12,415,186	267,390,373
Classified salaries	98,594,287	1,173,678	-	12,365,617	112,133,582
Employee benefits	182,316,822	563,213	-	13,690,612	196,570,647
Books and supplies	25,342,782	342,200	-	13,446,085	39,131,067
Contract services and operating expenditures	59,718,005	9,212,594	-	6,815,441	75,746,040
Other outgo	1,641,669	-	-	-	1,641,669
Capital outlay	8,572,217	142,424,924	-	2,049,369	153,046,510
Debt service:					
Principal retirement	148,007	-	64,086,021	-	64,234,028
Interest	<u>2,670</u>	<u>-</u>	<u>24,687,017</u>	<u>-</u>	<u>24,689,687</u>
Total expenditures	<u>631,311,646</u>	<u>153,716,609</u>	<u>88,773,038</u>	<u>60,782,310</u>	<u>934,583,603</u>
Excess (deficiency) of revenues over (under) expenditures	<u>79,346,209</u>	<u>(142,229,199)</u>	<u>12,909,493</u>	<u>6,033,268</u>	<u>(43,940,229)</u>
Other financing sources (uses)					
Transfers in	1,536,072	1,812,886	-	8,134,007	11,482,965
Transfers out	(8,444,059)	-	-	(3,038,906)	(11,482,965)
Deposit to refunding to escrow account	-	(114,848,744)	-	-	(114,848,744)
Proceeds from sale of bonds	-	230,935,000	-	-	230,935,000
Other financing sources (uses)	<u>-</u>	<u>9,915,797</u>	<u>5,724,766</u>	<u>-</u>	<u>15,640,563</u>
Total other financing sources (uses)	<u>(6,907,987)</u>	<u>127,814,939</u>	<u>5,724,766</u>	<u>5,095,101</u>	<u>131,726,819</u>
Net change in fund balances	72,438,222	(14,414,260)	18,634,259	11,128,369	87,786,590
Fund balances, July 1, 2023	<u>254,884,745</u>	<u>128,181,461</u>	<u>83,179,292</u>	<u>33,719,237</u>	<u>499,964,735</u>
Fund balances, June 30, 2024	<u>\$ 327,322,967</u>	<u>\$ 113,767,201</u>	<u>\$ 101,813,551</u>	<u>\$ 44,847,606</u>	<u>\$ 587,751,325</u>

See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS -
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Net change in fund balances - Total Governmental Funds	\$ 87,786,590
Amounts reported for governmental activities in the statement of activities are different because:	
Acquisition of capital assets is an expenditure in the governmental funds, but increases capital assets in the statement of net position (Note 4).	161,488,237
Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4).	(52,960,953)
Proceeds from disposal of capital assets is reported as revenue in governmental fund; only the resulting gain or loss is reported in the statement of activities (Note 4).	(1,396,296)
Proceeds from debt are recognized as other financing sources in the governmental funds but increases the long-term liabilities in the statement of net position (Note 6).	(230,935,000)
Payments made to the refunding escrow is an other financing use in the governmental funds, but decreases the long-term liabilities in the statement of net position (Note 6).	114,848,744
Repayment of principal on long-term liabilities is an expenditure in the government funds, but decreases the long-term liabilities in the statement of net position (Note 6).	64,234,028
Debt issue premiums are recognized as revenues in the period they are incurred. In government-wide statements, issue premiums are amortized over the life of the debt (Note 6).	(679,668)
Accreted interest on capital appreciation bonds is recognized in the period it is incurred. In governmental funds it is only recognized when it is due (Note 6).	4,430,011
Losses on the refunding of debt are recognized as expenditures in the period they are incurred, In the government-wide statements, they are categorized as deferred outflows and are amortized over the shorter life of the refunded or refunding debt.	3,189,339
Interest on long-term liabilities is recognized in the period incurred, in governmental funds it is recognized when due	7,688,843

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS -
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Activities of the internal service fund are reported with governmental activities.	\$ 6,362,125
In government funds, pension costs are recognized when employer contributions are made. In statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was: (Notes 8 and 9):	3,396,854
In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made, In the statement of activities, OPEB expenses are recognized on the accrual basis (Note 10).	5,402,874
In the statement of activities, expenses related to compensated absences are measured by the amounts earned during the year. In the governmental funds, expenditures are measured by the amount of financial resources used (Note 6).	<u>(3,055,667)</u>
Change in net position of governmental activities	<u>\$ 169,800,061</u>

See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION – PROPRIETARY FUND
SELF-INSURANCE FUND
June 30, 2024

ASSETS

Current assets:

Cash in County Treasury	\$ 57,919,460
Receivables	1,349,943
Due from other funds	<u>4,805,260</u>

Total assets	<u>64,074,663</u>
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LIABILITIES

Current liabilities:

Accounts payable	2,735,303
Due to other funds	7,451,576
Current unpaid claims and claim adjustment expenses (Note 5)	<u>388,100</u>

Total current liabilities	<u>10,574,979</u>
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Unpaid claims and claim adjustment expenses, less current portion (Note 5)	<u>2,699,040</u>
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Total liabilities	<u>13,274,018</u>
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NET POSITION

Restricted for self-insurance activities	<u>\$ 50,800,645</u>
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See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT
STATEMENT OF CHANGE IN NET POSITION –
PROPRIETARY FUND
SELF-INSURANCE FUND
For the Year Ended June 30, 2024

Operating revenues:

Self insurance premiums	\$ 25,156,589
Other local revenue	<u>150,623</u>
Total operating revenues	<u>25,307,212</u>

Operating expenses:

Classified salaries	453,284
Employee benefits	322,484
Books and supplies	21,026
Contract services	<u>20,675,905</u>
Total operating expense	<u>21,472,699</u>
Operating income	3,834,513

Non-operating revenue:

Interest income	<u>2,527,612</u>
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Change in net position	6,362,125
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Total net position, July 1, 2023	<u>44,438,520</u>
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Total net position, June 30, 2024	<u><u>\$ 50,800,645</u></u>
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See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
SELF-INSURANCE FUND
For the Year Ended June 30, 2024

Cash flows from operating activities:	
Cash received from self-insurance premiums	\$ 29,486,911
Cash received from other state and local sources	150,623
Cash paid for contract services	(26,992,376)
Cash paid for employee benefits	(322,484)
Cash paid for salaries	(453,284)
Cash paid for other expenses	<u>(21,026)</u>
Net cash provided by operating activities	<u>1,848,364</u>
Cash flows provided by investing activities:	
Interest income received	<u>2,527,612</u>
Increase in cash and investments	4,375,976
Cash and investments, July 1, 2023	<u>53,543,484</u>
Cash and investments, June 30, 2024	<u>\$ 57,919,460</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ <u>3,834,513</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
(Increase) decrease in:	
Receivables	(91,515)
Amount due from other funds	84,097
Prepaid expenses	692,153
(Decrease) increase in:	
Accounts payable	2,690,248
Amount due to other funds	2,507,031
Unearned revenue	(859,539)
Unpaid claims and claim adjustment expenses	<u>(7,008,624)</u>
Total adjustments	<u>(1,986,149)</u>
Net cash provided by operating activities	<u>\$ 1,848,364</u>

See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS
June 30, 2024

	Special Education Pass- Through <u>Fund</u>
ASSETS	
Cash in County Treasury	\$ 1,897,438
Due from other funds	<u>634,044</u>
Total assets	<u>2,531,482</u>
LIABILITIES	
Accounts payable	<u>2,531,292</u>
NET POSITION	
Total net position	<u>\$ 190</u>

See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS
For the Year Ended June 30, 2024

	Special Education Pass- Through <u>Fund</u>
Revenues	\$ <u>6,275,150</u>
Expenditures	<u>6,274,960</u>
Change in net position	190
Net Position, July 1, 2023	<u>-</u>
Net Position, June 30, 2024	<u>\$ 190</u>

See accompanying notes to financial statements.

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A - Major Funds

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

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

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

B - Other Funds

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

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

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

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

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

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

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

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

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables: Receivables are made up principally of amounts due from the State of California and Categorical programs. The District has determined that no allowance for doubtful accounts was needed as of June 30, 2024.

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

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

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

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

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

	<u>STRP</u>	<u>PERF B</u>	<u>Total</u>
Deferred outflows of resources	\$ 109,319,088	\$ 81,030,451	\$ 190,349,539
Deferred inflows of resources	\$ 49,166,000	\$ 5,025,000	\$ 54,191,000
Net pension liability	\$ 284,800,000	\$ 213,803,000	\$ 498,603,000
Pension expense	\$ 57,968,479	\$ 36,834,604	\$ 94,803,083

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Compensated Absences: Compensated absences benefits totaling \$8,266,420 are recorded as a long-term liability of the District. The liability is for the earned but unused benefits.

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

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

Net Position: Net position is displayed in three components:

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

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

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

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

A - Nonspendable Fund Balance:

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

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B - Restricted Fund Balance:

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

C - Committed Fund Balance:

The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Board of Education. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. Formal action by the Board of Education is required to remove any commitment from any fund balance. At June 30, 2024, the District had \$45,769,461 in committed fund balances.

D - Assigned Fund Balance:

The assigned fund balance classification reflects amounts that the District's Board of Education has approved to be used for specific purposes, based on the District's intent related to those specific purposes. The Board of Education can designate personnel with the authority to assign fund balances, however as of June 30, 2024, no such designation has occurred.

E - Unassigned Fund Balance:

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

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

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

While GASB Cod. Sec. 1300 and 1800 do not require districts to establish a minimum fund balance policy or a stabilization arrangement, GASB Cod. Sec. 1300 and 1800 do require the disclosure of a minimum fund balance policy and stabilization arrangements, if they have been adopted by the Board of Education. At June 30, 2024, the District has not established a minimum fund balance policy nor has it established a stabilization arrangement.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

NOTE 2 - CASH AND INVESTMENTS

Cash and investments at June 30, 2024 consisted of the following:

	Governmental Activities	Fiduciary Activities
Pooled Funds:		
Cash in County Treasury	\$ 534,835,245	\$ 1,897,438
Cash awaiting deposit	2,982,686	-
Deposits:		
Cash in revolving fund	205,689	-
Cash on hand and in banks	2,607,513	-
Cash with Fiscal Agent:		
Restricted for capital projects and debt repayment	100,884,535	-
Total	<u>\$ 641,515,668</u>	<u>\$ 1,897,438</u>

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

Deposits - Custodial Credit Risk: The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2024, the carrying amount of the District's accounts was \$2,813,202 and the bank balance was \$4,664,356, of which \$4,414,356 was uninsured.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 2 - CASH AND INVESTMENTS (Continued)

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

Interest Rate Risk: The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2024, the District had no significant interest rate risk related to cash and investments held.

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

Concentration of Credit Risk: The District does not place limits on the amount it may invest in any one issuer. At June 30, 2024, the District had no concentration of credit risk.

NOTE 3 - INTERFUND TRANSACTIONS

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

Interfund Receivables/Payables: Individual fund interfund receivable and payable balances at June 30, 2024 were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
General	\$ 7,899,440	\$ 9,982,128
Building	108,700	9,127,895
Bond Interest and Redemption	6,284,766	-
Non-Major Funds:		
Charter Schools	177,873	35,434
Adult Education	-	76,715
Child Development	7,091,624	187,099
Cafeteria	77,226	218,086
Self-Insurance Fund	4,805,260	7,451,576
Special Education Pass-Through	634,044	-
Totals	<u>\$ 27,078,933</u>	<u>\$ 27,078,933</u>

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 3 - INTERFUND TRANSACTIONS (Continued)

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

Transfers for the 2023-24 fiscal year were as follows:

Transfer from the General Fund to the Child Development Fund for various program student revenue.	\$ 4,045,005
Transfer from the General Fund to the Cafeteria Fund for nutrition services.	1,339,054
Transfer from the General Fund to the Deferred Maintenance Fund for the deferred maintenance transfer.	2,000,000
Transfer from the Charter Schools Fund to the Building Fund for Choices Charter facilities lease and utilities.	269,043
Transfer from the General Fund to the Building Fund for relocation and transfer of service.	1,060,000
Transfer from the County School Facilities Fund to the Building Fund for OPSC reimbursement.	319,428
Transfer from the Child Development Fund to the Cafeteria Fund for Nutrition services.	749,948
Transfer from the Adult Education Fund to the Building Fund for re-use site and custodial fee at Sunrise Elementary School.	164,415
Transfer from the Charter Schools Fund to the General Fund for indirect costs.	4,425
Transfer from the Adult Education Fund to the General Fund for indirect costs.	76,715
Transfer from the Child Development Fund to the General Fund for indirect costs.	944,255
Transfer from the Cafeteria Fund to the General Fund for indirect costs.	<u>510,677</u>
	<u>\$ 11,482,965</u>

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 4 - CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2024 is shown below:

	Balance July 1, <u>2023</u>	Transfers and <u>Additions</u>	Transfers and <u>Deletions</u>	Balance June 30, <u>2024</u>
Non-depreciable:				
Land	\$ 6,350,107	\$ -	\$ -	\$ 6,350,107
Work-in-process	179,819,845	143,172,163	16,501,661	306,490,347
Depreciable:				
Buildings	1,098,799,371	24,697,012	-	1,123,496,383
Improvement of sites	86,677,276	75,256	-	86,752,532
Equipment	<u>34,704,341</u>	<u>10,045,467</u>	<u>2,421,867</u>	<u>42,327,941</u>
Totals, at cost	<u>1,406,350,940</u>	<u>177,989,898</u>	<u>18,923,528</u>	<u>1,565,417,310</u>
Less accumulated depreciation:				
Buildings	(369,044,845)	(48,118,755)	-	(417,163,600)
Improvement of sites	(41,524,285)	(3,888,354)	-	(45,412,639)
Equipment	<u>(22,954,534)</u>	<u>(953,844)</u>	<u>1,025,598</u>	<u>(22,882,780)</u>
Total accumulated depreciation	<u>(433,523,664)</u>	<u>(52,960,953)</u>	<u>1,025,598</u>	<u>(485,459,019)</u>
Governmental activities capital assets, net	<u>\$ 972,827,276</u>	<u>\$ 125,028,945</u>	<u>\$ 17,897,930</u>	<u>\$ 1,079,958,291</u>

Depreciation expense was charged to governmental activities for the year ended June 30, 2024 as follows:

Instruction	\$ 51,177,305
Instructional supervision and administration	89,397
Home- to- school transportation	669,341
Food services	32,224
All other pupil services	10,111
All other general administration	383,342
Centralized data processing	159,057
Plant services	<u>440,176</u>
Total depreciation expense	<u>\$ 52,960,953</u>

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 5 - SELF-INSURANCE

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

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

The workers' compensation claims liability of \$2,887,000 is based on an actuarial study as of June 30, 2024 discounted at 0.5 percent. The Dental and Vision claims liabilities of \$190,718 and \$9,422, respectively are calculated based on an incremental lag factor methodology. Changes in the Fund's claims liability for the years ended June 30, 2024 and 2023 were as follows:

	<u>Workers'</u> <u>Compensation</u>	<u>Dental</u>	<u>Vision</u>	<u>Total</u>
Claims Liability at, June 30, 2022	\$ 8,869,624	\$ 196,487	\$ 10,955	\$ 9,077,066
Incurred claims	2,522,746	3,991,551	205,118	6,719,415
Claims payments	<u>(1,514,370)</u>	<u>(3,979,960)</u>	<u>(206,387)</u>	<u>(5,700,717)</u>
Claims Liability at, June 30, 2023	9,878,000	208,078	9,686	10,095,764
Incurred claims	(6,669,756)	3,992,014	194,812	(2,482,930)
Claims payments	<u>(321,244)</u>	<u>(4,009,374)</u>	<u>(195,076)</u>	<u>(4,525,694)</u>
Claims Liability at, June 30, 2024	<u>\$ 2,887,000</u>	<u>\$ 190,718</u>	<u>\$ 9,422</u>	<u>\$ 3,087,140</u>

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 6 - LONG-TERM LIABILITIES

General Obligation Bonds: A summary of General Obligation Bonds payable as of June 30, 2024 follows:

<u>Series</u>	<u>Interest Rate %</u>	<u>Original Maturity</u>	<u>Outstanding July 1, 2023</u>	<u>Issued Current Year</u>	<u>Redeemed Current Year</u>	<u>Outstanding June 30, 2024</u>
Series 1999	4.38-5.70%	2025	\$ 916,555	\$ -	\$ 472,417	\$ 444,138
Series 2000	4.375-6.250%	2026	1,165,378	-	408,246	757,132
Series 2001B	4.2-5.125%	2027	11,756,186	-	2,944,507	8,811,679
Series 2003A and 2003B	1-5.8%	2029	14,213,517	-	672,602	13,540,915
Series 2004A	5.52-5.53%	2030	1,794,932	-	-	1,794,932
Series 2011	0.8-5.5%	2026	7,805,000	-	-	7,805,000
Series 2014 Refunding	2-5%	2031	2,640,000	-	2,640,000	-
Series 2014	2-5%	2033	700,000	-	700,000	-
Series B (2014)	1-3%	2028	3,675,000	-	3,675,000	-
Election of 2012, 2017	2-4%	2029	28,570,000	-	4,410,000	24,160,000
Refunding Series 2017	2-3.375%	2027	28,835,000	-	7,740,000	21,095,000
Election of 2012, 2019	3-4%	2032	120,855,000	-	6,665,000	114,190,000
Election of 2016, 2019	4%	2032	30,350,000	-	6,600,000	23,750,000
GO Bonds Election of 2012, Series 2020	0.25-4.00%	2030	24,405,000	-	2,225,000	22,180,000
GO Bonds Election of 2016, Series 2020	0.25-4.00%	2042	128,555,000	-	5,530,000	123,025,000
GO Bonds Refunding 2020	0.265-2.416%	2035	132,730,000	-	132,730,000	-
GO Bonds Election of 2016, Series 2022	2.18-5%	2047	142,205,000	-	1,670,000	140,535,000
GO Bonds Election of 2016, Series 2024	4.00-5.00%	2051	-	125,000,000	-	125,000,000
GO Bonds Refunding 2024	5%	2033	-	105,935,000	-	105,935,000
			<u>\$ 681,171,568</u>	<u>\$ 230,935,000</u>	<u>\$ 179,082,772</u>	<u>\$ 733,023,796</u>

The annual requirements to amortize the General Obligation Bonds payable and outstanding as of June 30, 2024 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 58,083,857	\$ 31,745,265	\$ 89,829,122
2026	68,052,118	32,978,468	101,030,586
2027	59,272,238	35,432,440	94,704,678
2028	56,412,205	45,604,287	102,016,492
2029	48,458,774	35,187,245	83,646,019
2030-2034	147,159,604	99,006,070	246,165,674
2035-2039	78,700,000	56,046,550	134,746,550
2040-2044	98,680,000	39,527,188	138,207,188
2045-2049	101,760,000	18,822,400	120,582,400
2050-2051	16,445,000	657,800	17,102,800
	<u>\$ 733,023,796</u>	<u>\$ 395,007,713</u>	<u>\$ 1,128,031,509</u>

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 6 - LONG-TERM LIABILITIES (Continued)

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

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

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

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

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

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

In May 2014, the District issued General Obligation Bonds, Election of 2002, Series 2014 in the amount of \$44,265,000 to refund a portion of the District's outstanding General Obligation Bonds, Election of 2002, Series 2007. The bonds were issued at an interest rates ranging from 2% to 5%. With the issuance of the 2020 General Obligation Refunding Bonds, in October 2020, \$25,265,000 of the Series 2014 bonds were refunded. The bonds matured and were paid off as of June 30, 2024.

In July 2014, the District issued General Obligation Bonds Election of 2002, Series 2014 in the amount of \$25,925,000 to build, acquire, construct and furnish school facilities. The bonds were issued at an interest rates ranging from 2% to 5%. With the issuance of the 2020 General Obligation Refunding Bonds, in October 2020, \$15,260,000 of the Series 2014 bonds were refunded. The bonds matured and were paid off as of June 30, 2024.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 6 - LONG-TERM LIABILITIES (Continued)

In July 2014, the District issued General Obligation Bonds Election of 2012, Series B in the amount of \$80,000,000 to build, acquire, construct and furnish school facilities. The bonds were issued at an interest rates ranging from 1% to 3%. With the issuance of the 2020 General Obligation Refunding Bonds, in October 2020, \$15,830,000 of the Series B bonds were refunded. The bonds matured and were paid off as of June 30, 2024.

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

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

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

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

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

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

In October 2020, the District issued General Obligation Refunding Bonds Election of 2020 in the amount of \$143,090,000 to refund \$18,130,000 of the 2012 Refunding Bonds, Series A and B, \$19,235,000 of the 2012 Refunding, Series C, \$36,665,000 Election of 2002, Series 2013, \$25,265,000 Election 2002, Series 2014 Refunding Bonds, \$15,260,000 Election of 2002, Series 2014, and \$15,830,000 Election of 2012, Series B. These amounts have been removed from long-term liabilities. The bonds mature during succeeding years through August 2034. The bonds were issued at an interest rates ranging from 0.265% to 2.416%. With the issuance of the 2024 General Obligation Refunding Bonds, in January 2024, \$122,055,000 of the General Obligation Refunding Bonds Election of 2020 were refunded, with the remaining balance paid in full in 2024 ahead of the August 2035 maturity.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 6 - LONG-TERM LIABILITIES (Continued)

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

In January 2024, the District issued General Obligation Bonds Election of 2016, Series 2024 in the amount of \$125,000,000 to finance renovation, construction and improvement of school facilities. The bonds mature during succeeding years through August 2050. The bonds were issued at interest rates ranging from 4% to 5%.

In January 2024, the District issued 2024 General Obligation Refunding Bonds in the amount of \$105,935,000 to refund the remaining principal on the 2020 General Obligation Refunding Bonds. These amounts have been removed from long-term liabilities. The bonds mature during succeeding years through August 2032. The bonds were issued at an interest rate of 5%.

Although the current refunding resulted in the recognition of an accounting loss of \$3,747,706 for the year ended June 30, 2024, the District in effect reduced its aggregate debt service payments by \$5,538,363 over the next 10 years and obtained an economic gain of \$3,557,967.

Schedule of Changes in Long-Term Liabilities: A schedule of changes in long-term liabilities for the fiscal year ended June 30, 2024 is shown below:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Amounts Due Within One Year
<u>Debt:</u>					
General Obligation Bonds	\$ 681,171,568	\$ 230,935,000	\$ 179,082,772	\$ 733,023,796	\$ 58,083,857
Accreted interest	64,455,947	-	4,430,011	60,025,936	4,437,788
Unamortized premium on Issuance of General Obligation Bonds	41,335,241	16,200,563	15,520,895	42,014,909	6,465,593
Lease liabilities	148,007	-	148,007	-	-
<u>Other long-term liabilities:</u>					
Total OPEB liability (Note 10)	113,708,810	3,155,652	-	116,864,462	-
Net pension liability (Notes 8 and 9)	431,338,000	67,265,000	-	498,603,000	-
Compensated absences	5,210,753	3,055,667	-	8,266,420	8,266,420
Totals	\$ 1,337,368,326	\$ 320,611,882	\$ 199,181,685	\$ 1,458,798,523	\$ 77,253,658

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

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 7 - FUND BALANCES

Fund balances, by category, at June 30, 2024 consisted of the following:

	General Fund	Building Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total
Nonspendable:					
Revolving cash fund	\$ 205,000	\$ -	\$ -	\$ 689	\$ 205,689
Stores inventory	65,408	-	-	583,087	648,495
Prepaid expenditures	<u>769,635</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>769,635</u>
Subtotal nonspendable	<u>1,040,043</u>	<u>-</u>	<u>-</u>	<u>583,776</u>	<u>1,623,819</u>
Restricted:					
Legally restricted programs	139,819,161	-	-	-	139,819,161
Student body activities	-	-	-	2,634,090	2,634,090
Charter school operations	-	-	-	1,172,806	1,172,806
Adult education operations	-	-	-	2,471,009	2,471,009
Child development	-	-	-	10,172,310	10,172,310
Cafeteria operations	-	-	-	18,228,706	18,228,706
Deferred maintenance	-	-	-	3,438,925	3,438,925
Capital projects	-	113,767,201	-	6,145,984	119,913,185
Debt service	<u>-</u>	<u>-</u>	<u>101,813,551</u>	<u>-</u>	<u>101,813,551</u>
Subtotal restricted	<u>139,819,161</u>	<u>113,767,201</u>	<u>101,813,551</u>	<u>44,263,830</u>	<u>399,663,743</u>
Committed:					
Bus replacement plan	12,338,209	-	-	-	12,338,209
Technology device refresh and enhancements	9,086,488	-	-	-	9,086,488
Carryover of unspent Supplemental grants	14,344,764	-	-	-	14,344,764
Textbook adoptions	<u>10,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000,000</u>
Subtotal committed	<u>45,769,461</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,769,461</u>
Assigned:					
ERP Implementation	706,493	-	-	-	706,493
Carryover of Unspent Concentration Grant	6,696,515	-	-	-	6,696,515
Additional Unspent Supplemental	<u>1,771,625</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,771,625</u>
Subtotal assigned	<u>9,174,633</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,174,633</u>
Unassigned:					
Designated for economic uncertainty	12,764,450	-	-	-	12,764,450
Undesignated	<u>118,755,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>118,755,219</u>
Subtotal unassigned	<u>131,519,669</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,519,669</u>
Total fund balances	<u>\$ 327,322,967</u>	<u>\$ 113,767,201</u>	<u>\$ 101,813,551</u>	<u>\$ 44,847,606</u>	<u>\$ 587,751,325</u>

(Continued)

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

General Information about the State Teachers’ Retirement Plan

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

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

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

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

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

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

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

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

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

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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

Contributions: Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers’ Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014, and established a schedule of contribution rate increases shared among members, employers, and the State of California to bring CalSTRS toward full funding by 2046. Under the CalSTRS Funding Plan, authority to adjust contribution rates annually within approved ranges was delegated to the Board of CalSTRS.

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

Members - Under CalSTRS 2% at 60, the member contribution rate was 10.250 percent of applicable member earnings for fiscal year 2022-23.

Under CalSTRS 2% at 62, members pay 9% toward the normal cost and an additional 1.205 percent as per the CalSTRS Funding Plan for a total member contribution rate of 10.205 percent. The contribution rate for CalSTRS 2% at 62 members is adjusted if the normal cost increases or decreases by more than 1% since the last time the member contribution rate was set. Based on the June 30, 2022, valuation adopted by the CalSTRS board in May 2023, the increase in normal cost was less than 1 percent. Therefore, the contribution rate for CalSTRS 2% at 62 members did not change effective July 1, 2023.

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

The CalSTRS Funding Plan authorizes the CalSTRS board to adjust the employer supplemental contribution rate up or down by a maximum of 1% for a total rate of no higher than 20.25% and no lower than 8.25%. In May 2023, the CalSTRS board voted to keep the employer supplemental contribution rate at 10.85% for fiscal year 2023-24 for a total employer contribution rate of 19.10%.

The CalSTRS employer contribution rates effective for fiscal year 2023-24 through fiscal year 2046-47 are summarized in the table below:

<u>Effective Date</u>	<u>Base Rate</u>	<u>Supplemental Rate Per CalSTRS Funding Plan</u>	<u>Total</u>
July 1, 2023	8.250%	10.850%	19.100%
July 1, 2024 to June 30, 2046	8.250%	(1)	(1)
July 1, 2046	8.250%	Increase from AB 1469 rate ends in 2046-47	

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

The District contributed \$47,193,088 to the plan for the fiscal year ended June 30, 2024.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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

State – The state is required to contribute 10.828 percent of the members’ creditable compensation from the two fiscal years prior.

The state is required to contribute a base contribution rate set in statute at 2.017%. Pursuant to the CalSTRS Funding Plan, the state also has a supplemental contribution rate, which the board can increase by up to 0.5% each fiscal year to help eliminate the state’s share of the CalSTRS unfunded actuarial obligation by 2046. In May 2023, the CalSTRS board voted to keep the state supplemental contribution rate at 6.311% for fiscal year 2022-23 for a total contribution rate of 10.828%.

The CalSTRS state contribution rates effective for fiscal year 2023-24 and beyond are summarized in the table below.

<u>Effective Date</u>	<u>Base Rate</u>	<u>Supplemental Rate Per CalSTRS Funding Plan</u>	<u>SBMA Funding⁽¹⁾</u>	<u>Total</u>
July 01, 2023	2.017%	6.311%	2.50%	10.828%
July 01, 2024 to June 30, 2046	2.017%	(2)	2.50%	(2)
July 01, 2046	2.017%	(3)	2.50%	(3)

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

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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

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

At June 30, 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 the net pension liability	\$ 284,800,000
State’s proportionate share of the net pension liability associated with the District	<u>136,458,000</u>
Total	<u>\$ 421,258,000</u>

The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The District’s proportion of the net pension liability was based on the District’s share of contributions to the pension plan relative to the contributions of all participating school districts and the State. At June 30, 2024, the District’s proportion was 0.374 percent, which was an increase of 0.032 percent from its proportion as of June 30, 2023.

For the year ended June 30, 2024, the District recognized pension expense of \$57,968,479 and revenue of \$20,486,399 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 22,381,000	\$ 15,238,000
Changes of assumptions	1,649,000	-
Net differences between projected and actual earnings on investments	1,219,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	36,877,000	33,928,000
Contributions made subsequent to measurement date	<u>47,193,088</u>	<u>-</u>
Total	<u>\$ 109,319,088</u>	<u>\$ 49,166,000</u>

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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

\$47,193,088 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	
2025	\$ (11,270,650)
2026	\$ (18,639,650)
2027	\$ 23,011,350
2028	\$ 3,645,017
2029	\$ 9,058,266
2030	\$ 7,155,667

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

Actuarial Methods and Assumptions: The total pension liability for the STRP was determined by applying update procedures to the actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The actuarial valuation as of June 30, 2022, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2022
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2.00% simple for DB, maintain 85% purchasing power level for DB

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

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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

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

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

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

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term* Expected Real Rate of Return</u>
Public Equity	38%	5.25%
Real Estate	15	4.05
Private Equity	14	6.75
Fixed Income	14	2.45
Risk Mitigating Strategies	10	2.25
Inflation Sensitive	7	3.65
Cash / Liquidity	2	(0.05)

* 20-year geometric average

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

	<u>1% Decrease (6.10%)</u>	<u>Current Discount Rate (7.10%)</u>	<u>1% Increase (8.10%)</u>
District's proportionate share of the net pension liability	<u>\$ 477,730,000</u>	<u>\$ 284,800,000</u>	<u>\$ 124,550,000</u>

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

(Continued)

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

General Information about the Public Employer’s Retirement Fund B

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

The Plan was established to provide retirement, death and disability benefits to non-teaching and non-certified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at: <https://www.calpers.ca.gov/docs/forms-publications/acfr-2023.pdf>.

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

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

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

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2024 were as follows:

Members - The member contribution rate was 7.0 percent of applicable member earnings for fiscal year 2022-23.

Employers - The employer contribution rate was 26.68 percent of applicable member earnings.

The District contributed \$29,890,451 to the plan for the fiscal year ended June 30, 2024.

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 of \$213,803,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The District’s proportion of the net pension liability was based on the District’s share of contributions to the pension plan relative to the contributions of all participating school districts. At June 30, 2024, the District’s proportion was 0.591 percent, which was an increase of 0.028 percent from its proportion as of June 30, 2023.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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

For the year ended June 30, 2024, the District recognized pension expense of \$36,834,604. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 7,802,000	\$ 3,284,000
Changes of assumptions	9,850,000	-
Net differences between projected and actual earnings on investments	22,837,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	10,651,000	1,741,000
Contributions made subsequent to measurement date	<u>29,890,451</u>	<u>-</u>
Total	<u>\$ 81,030,451</u>	<u>\$ 5,025,000</u>

\$29,890,451 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending
June 30,

2025	\$ 12,711,250
2026	\$ 12,804,250
2027	\$ 19,888,750
2028	\$ 710,750

Differences between expected and actual experience, changes in assumptions and changes in proportion and differences between District contributions and proportionate share of contributions are amortized over a closed period equal to the expected average remaining service life of plan members, which was 3.8 years as of the June 30, 2023 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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

Actuarial Methods and Assumptions: The total pension liability for the Plan was determined by applying update procedures to the actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The actuarial valuation as of June 30, 2022, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2022
Experience Study	June 30, 2000 through June 30, 2019
Actuarial Cost Method	Entry age normal
Investment Rate of Return	6.90%
Consumer Price Inflation	2.30%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	2.00% until Purchasing Power Allowance Floor on Purchasing Power Applies, 2.30% thereafter

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 80% of scale MP2020. For more details on this table, please refer to the 2021 experience study report.

All other actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from 2000 to 2019, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS' website.

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

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Expected Real Rates of Return Years 1-10 ^(1, 2)</u>
Global Equity – cap-weighted	30.00%	4.54%
Global Equity non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	.27%
Mortgage-backed Securities	5.00%	.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

(1) An expected inflation rate of 2.30% used for this period

(2) Figures are based on the 2021-22 CalPERS Asset Liability Management Study

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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

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

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

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

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District’s proportionate share of the net pension liability	\$ 309,104,000	\$ 213,803,000	\$ 135,039,000

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

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS

Plan Description: In addition to the pension benefits described in Notes 8 and 9, the District provides post-employment health care benefits (medical and dental) under a single employer defined benefit OPEB plan to all certificated, management and confidential employees who are eligible to retire from the District and have completed a minimum of 5 years of employment with the District. The plan does not issue separate financial statements. Health care benefits are provided for supervisory employees who are eligible to retire under a single employer defined benefit OPEB plan and have completed a minimum of 10 years of employment with the District. Health care benefits are provided to classified and transportation employees, who have reached the age of 55, are eligible to retire under a single employer defined benefit OPEB plan and have completed a minimum of 10 years of employment with the District. Health care benefits are provided to these employees until they have attained the age of 65. As of June 30, 2024 the District has not accumulated assets in a qualified trust for the purpose of paying the benefits related to the District’s Total OPEB Liability.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Employees Covered by Benefit Terms: The following is a table of plan participants at June 30, 2024:

	<u>Number of Participants</u>	
	<u>District</u>	<u>Charter</u>
Inactive Plan members, covered spouses, or beneficiaries currently receiving benefits	540	1
Active employees	4,220	3
	<u>4,760</u>	<u>4</u>

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

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

Contributions to the Plan from the District were \$6,028,434 for the year ended June 30, 2024. Employees are not required to contribute to the OPEB plan.

Total OPEB Liability

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

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

<u>Actuarial Value of Assets</u>	Market Value
<u>Mortality Rate</u>	CalPERS 2021 Experience Study
<u>Discount Rate</u>	3.86% based on the Fidelity 20 Year AA Municipal Bond maturity yield index.
<u>Retirement Rate</u>	Retirement rates match rates developed in the most recent experience studies for CalPERS (2021) and CalSTRS (2020)

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Changes in Total OPEB Liability

	Total OPEB <u>Liability</u>
Balance at June 30, 2023	\$ <u>113,708,810</u>
Changes for the year:	
Service cost	6,734,139
Interest	4,322,773
Differences between actual and expected experience	-
Changes in assumptions	(1,312,024)
Benefit payments	<u>(6,589,236)</u>
Net change	<u>3,155,652</u>
Balance, at June 30, 2024	\$ <u><u>116,864,462</u></u>

The changes in assumptions include a change in the discount rate from 3.69 percent in the prior valuation, to 3.86 percent in the current valuation.

There were no changes between the measurement date and the year ended June 30, 2024 which had a significant effect on the District's Total OPEB Liability.

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

	1% Decrease <u>(2.86%)</u>	Current Discount <u>Rate (3.86%)</u>	1% Increase <u>(4.86%)</u>
Total OPEB Liability	\$ <u>124,734,345</u>	\$ <u>116,864,462</u>	\$ <u>109,357,329</u>

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

	1% Decrease (5.80%)	Healthcare Cost Trend Rates Rate (6.80%)	1% Increase (7.80%)
Total OPEB Liability	\$ 105,612,000	\$ 116,864,462	\$ 129,955,153

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 \$6,443,726. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	6,615,029	26,490,856
Net differences between projected and actual earnings on investments	614,110	15,216,643
Contributions made subsequent to measurement date	6,028,434	-
Total	<u>\$ 13,257,573</u>	<u>\$ 41,707,499</u>

\$6,028,434 reported as deferred outflows of resources related to benefits paid subsequent to the measurement date will be recognized as a reduction of the Total OPEB Liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending <u>June 30,</u>	
2025	\$ (4,613,186)
2026	\$ (4,603,023)
2027	\$ (4,588,203)
2028	\$ (4,017,450)
2029	\$ (3,721,924)
Thereafter	\$ (12,934,574)

The effect of changes in assumptions are amortized over a closed period of 10 years as of the June 30, 2023 measurement date.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 11 - JOINT POWERS AGREEMENT

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

The following is a summary of financial information for Schools Insurance Authority at June 30, 2023 (the most recent information available):

Total assets	\$ 223,071,864
Deferred outflows	\$ 4,747,151
Total liabilities	\$ 106,527,925
Deferred inflows	\$ 1,649,206
Net position	\$ 119,641,884
Total revenues	\$ 86,229,305
Total expenses	\$ 89,821,165

The following is a summary of financial information for Education Technology Joint Powers Authority at June 30, 2023 (the most recent information available):

Total assets	\$ 310,347
Total liabilities	\$ 375,963
Net position	\$ (65,616)
Total revenues	\$ 210,123
Total expenses	\$ 200,638

The following is a summary of financial information for Sourcewell Staples Minnesota at June 30, 2023 (the most recent information available):

Total assets	\$ 103,991,535
Deferred outflows	\$ 10,837,633
Total liabilities	\$ 35,198,739
Deferred inflows	\$ 2,209,334
Net position	\$ 77,421,095
Total revenues	\$ 85,288,446
Total expenses	\$ 65,251,806

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 11 - JOINT POWERS AGREEMENT (Continued)

The following is a summary of financial information for School Project for Utility Rate Reduction at June 30, 2023 (the most recent information available):

Total assets	\$ 30,991,858
Total liabilities	\$ 23,085,492
Net position	\$ 7,906,366
Total revenues	\$ 100,743,604
Total expenses	\$ 98,467,033

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

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

NOTE 12 - CONTINGENCIES

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

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

As of June 30, 2024, the District has approximately \$139.3 million in outstanding commitments on ongoing construction contracts.

REQUIRED SUPPLEMENTARY INFORMATION

SAN JUAN UNIFIED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2024

	Budget			Variance Favorable (Unfavorable)
	Original	Final	Actual	
Revenues:				
Local Control Funding Formula:				
State apportionment	\$ 348,142,482	\$ 350,417,902	\$ 317,056,850	\$ (33,361,052)
Local sources	<u>106,929,243</u>	<u>113,958,741</u>	<u>147,302,805</u>	<u>33,344,064</u>
Total Local Control Funding Formula	<u>455,071,725</u>	<u>464,376,643</u>	<u>464,359,655</u>	<u>(16,988)</u>
Federal sources	97,249,921	95,218,021	88,485,519	(6,732,502)
Other state sources	104,271,765	124,338,555	125,993,920	1,655,365
Other local sources	<u>6,034,698</u>	<u>24,050,650</u>	<u>31,818,761</u>	<u>7,768,111</u>
Total revenues	<u>662,628,109</u>	<u>707,983,869</u>	<u>710,657,855</u>	<u>2,673,986</u>
Expenditures:				
Current:				
Certificated salaries	257,640,800	260,825,740	254,975,187	5,850,553
Classified salaries	106,154,346	102,168,712	98,594,287	3,574,425
Employee benefits	197,873,184	189,094,424	182,316,822	6,777,602
Books and supplies	32,597,972	34,261,036	25,342,782	8,918,254
Contract services and operating expenditures	43,318,874	69,605,485	59,718,005	9,887,480
Other outgo	70,953	134,024	1,641,669	(1,507,645)
Capital outlay	16,608,731	14,464,573	8,572,217	5,892,356
Debt service:				
Principal Retirement	148,005	148,007	148,007	-
Interest	<u>2,013</u>	<u>2,013</u>	<u>2,670</u>	<u>(657)</u>
Total expenditures	<u>654,414,878</u>	<u>670,704,014</u>	<u>631,311,646</u>	<u>39,392,368</u>
Excess of revenues over expenditures	<u>8,213,231</u>	<u>37,279,855</u>	<u>79,346,209</u>	<u>42,066,354</u>
Other financing sources (uses):				
Transfers in	1,000	3,000	1,536,072	1,533,072
Transfers out	<u>(6,405,613)</u>	<u>(8,112,017)</u>	<u>(8,444,059)</u>	<u>(332,042)</u>
Total other financing sources (uses)	<u>(6,404,613)</u>	<u>(8,109,017)</u>	<u>(6,907,987)</u>	<u>1,201,030</u>
Net change in fund balance	1,808,618	29,170,838	72,438,222	43,267,384
Fund balance, July 1, 2023	<u>254,884,745</u>	<u>254,884,745</u>	<u>254,884,745</u>	<u>-</u>
Fund balance, June 30, 2024	<u>\$ 256,693,363</u>	<u>\$ 284,055,583</u>	<u>\$ 327,322,967</u>	<u>\$ 43,267,384</u>

See accompanying notes to required supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL
OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY
For the Year Ended June 30, 2024

	Last 10 Fiscal Years						
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total OPEB liability							
Service cost	\$ 8,222,343	\$ 7,637,903	\$ 7,479,653	\$ 7,443,646	\$ 8,677,026	\$ 9,733,598	\$ 6,734,139
Interest	3,858,622	4,697,188	4,704,410	4,006,726	3,442,719	2,921,516	4,322,773
Differences between actual and expected experience	-	(3,579,711)	-	865,424	-	(16,934,616)	-
Change in assumptions	(5,883,410)	(4,655,008)	(8,303,445)	4,857,799	5,030,517	(20,932,012)	(1,312,024)
Benefit payments	<u>(5,664,072)</u>	<u>(5,964,429)</u>	<u>(5,894,659)</u>	<u>(5,685,895)</u>	<u>(6,110,611)</u>	<u>(7,016,728)</u>	<u>(6,589,236)</u>
Net change in total OPEB liability	533,483	(1,864,057)	(2,014,041)	11,487,700	11,039,651	(32,228,242)	3,155,652
Total OPEB liability - beginning of year	<u>126,754,316</u>	<u>127,287,799</u>	<u>125,423,742</u>	<u>123,409,701</u>	<u>134,897,401</u>	<u>145,937,052</u>	<u>113,708,810</u>
Total OPEB liability - end of year	<u>\$ 127,287,799</u>	<u>\$ 125,423,742</u>	<u>\$ 123,409,701</u>	<u>\$ 134,897,401</u>	<u>\$ 145,937,052</u>	<u>\$ 113,708,810</u>	<u>\$ 116,864,462</u>
Covered employee payroll	\$ 278,515,266	\$ 287,698,401	\$ 300,868,065	\$ 299,318,431	\$ 304,111,313	\$ 299,327,181	\$ 344,050,908
Total OPEB liability as a percentage of covered-employee payroll	45%	44%	41%	44%	48%	38%	34%

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

See accompanying notes to required supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2024

	State Teachers' Retirement Plan Last 10 Fiscal Years									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
District's proportion of the net pension liability	0.385%	0.413%	0.397%	0.386%	0.407%	0.377%	0.355%	0.317%	0.342%	0.374%
District's proportionate share of the net pension liability	\$ 224,874,000	\$ 277,909,000	\$ 320,872,000	\$ 357,172,000	\$ 373,991,000	\$ 340,258,000	\$ 344,255,000	\$ 144,380,000	\$ 237,502,000	\$ 284,800,000
State's proportionate share of the net pension liability associated with the district	<u>135,789,000</u>	<u>146,988,000</u>	<u>182,684,000</u>	<u>211,301,000</u>	<u>214,128,000</u>	<u>185,635,000</u>	<u>188,133,000</u>	<u>85,903,000</u>	<u>134,242,000</u>	<u>136,458,000</u>
Total net pension liability	<u>\$ 360,663,000</u>	<u>\$ 424,897,000</u>	<u>\$ 503,556,000</u>	<u>\$ 568,473,000</u>	<u>\$ 588,119,000</u>	<u>\$ 525,893,000</u>	<u>\$ 532,388,000</u>	<u>\$ 230,283,000</u>	<u>\$ 371,744,000</u>	<u>\$ 421,258,000</u>
District's covered payroll	\$ 171,397,000	\$ 191,597,000	\$ 197,714,000	\$ 204,691,000	\$ 215,487,000	\$ 206,117,000	\$ 208,678,000	\$ 173,548,000	\$ 195,596,000	\$ 238,681,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	131.20%	145.05%	162.29%	174.49%	173.56%	165.08%	164.97%	83.19%	121.42%	119.32%
Plan fiduciary net position as a percentage of the total pension liability	76.52%	74.02%	70.04%	69.46%	70.99%	72.56%	71.82%	87.21%	81.20%	80.62%

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

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2024

	Public Employer's Retirement Fund B Last 10 Fiscal Years									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
District's proportion of the net pension liability	0.644%	0.605%	0.634%	0.621%	0.609%	0.564%	0.553%	0.528%	0.563%	0.591%
District's proportionate share of the net pension liability	\$ 73,164,000	\$ 89,144,000	\$ 125,145,000	\$ 148,249,000	\$ 162,464,000	\$ 164,471,000	\$ 169,659,000	\$ 107,451,000	\$ 193,836,000	\$ 213,803,000
District's covered payroll	\$ 67,654,000	\$ 66,954,000	\$ 76,018,000	\$ 78,847,000	\$ 80,829,000	\$ 78,471,000	\$ 79,910,000	\$ 76,131,000	\$ 86,772,000	\$ 102,773,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	108.14%	133.14%	164.63%	188.02%	201.00%	209.59%	212.31%	141.14%	223.39%	208.03%
Plan fiduciary net position as a percentage of the total pension liabi	83.38%	79.43%	73.89%	71.87%	70.85%	70.05%	70.00%	80.97%	69.76%	69.96%

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

See accompanying notes to required supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2024

	State Teachers' Retirement Plan Last 10 Fiscal Years									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required contribution	\$ 17,013,776	\$ 21,214,764	\$ 26,349,076	\$ 31,094,788	\$ 33,555,853	\$ 35,683,900	\$ 33,147,701	\$ 37,358,851	\$ 45,588,081	\$ 47,193,088
Contributions in relation to the contractually required contribution	<u>(17,013,776)</u>	<u>(21,214,764)</u>	<u>(26,349,076)</u>	<u>(31,094,788)</u>	<u>(33,555,853)</u>	<u>(35,683,900)</u>	<u>(33,147,701)</u>	<u>(37,358,851)</u>	<u>(45,588,081)</u>	<u>(47,193,088)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 191,597,000	\$ 197,714,000	\$ 204,691,000	\$ 215,487,000	\$ 206,117,000	\$ 208,678,000	\$ 173,548,000	\$ 195,596,000	\$ 238,681,000	\$ 247,084,000
Contributions as a percentage of covered payroll	8.88%	10.73%	12.58%	14.43%	16.28%	17.10%*	16.15%**	16.92%***	16.92%***	19.10%

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

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

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

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2024

Public Employer's Retirement Fund B Last 10 Fiscal Years										
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required contribution	\$ 7,881,146	\$ 9,005,903	\$ 10,950,220	\$ 12,553,571	\$ 14,173,377	\$ 15,758,955	\$ 15,759,182	\$ 19,879,574	\$ 26,073,604	\$ 29,890,451
Contributions in relation to the contractually required contribution	<u>(7,881,146)</u>	<u>(9,005,903)</u>	<u>(10,950,220)</u>	<u>(12,553,571)</u>	<u>(14,173,377)</u>	<u>(15,758,955)</u>	<u>(15,759,182)</u>	<u>(19,879,574)</u>	<u>(26,073,604)</u>	<u>(29,890,451)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 66,954,000	\$ 76,018,000	\$ 78,847,000	\$ 80,829,000	\$ 78,471,000	\$ 79,910,000	\$ 76,131,000	\$ 86,772,000	\$ 102,773,000	\$ 112,033,000
Contributions as a percentage of covered payroll	11.77%	11.85%	13.89%	15.53%	18.06%	19.72%	20.70%	22.91%	25.37%	26.68%

See accompanying notes to required supplementary information.

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

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

Schedule of the District's Proportionate Share of the Net Pension Liability: The Schedule of the District's Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District's Net Pension Liability. There is a requirement to show information for 10 years.

Schedule of the District's Contributions: The Schedule of the District's Contributions is presented to illustrate the District's required contributions relating to the pensions. There is a requirement to show information for 10 years.

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

Changes of Assumptions: The discount rate used to calculate the District's OPEB liability was 3.13, 2.45, 1.92, 1.92, 3.69, and 3.86 percent in the June 30, 2019, 2020, 2021, 2022, 2023 and 2024 actuarial reports, respectively.

The following are the assumptions for the Public Employer's Retirement Fund B (PERF B) Plan:

<u>Assumption</u>	<u>Measurement Period</u>								
	As of June 30, 2023	As of June 30, 2022	As of June 30, 2021	As of June 30, 2020	As of June 30, 2019	As of June 30, 2018	As of June 30, 2017	As of June 30, 2016	As of June 30, 2015
Inflation rate	2.30%	2.30%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Discount rate	6.90%	6.90%	7.15%	7.15%	7.15%	7.15%	7.65%	7.65%	7.50%

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

<u>Assumption</u>	<u>Measurement Period</u>								
	As of June 30, 2023	As of June 30, 2022	As of June 30, 2021	As of June 30, 2020	As of June 30, 2019	As of June 30, 2018	As of June 30, 2017	As of June 30, 2016	As of June 30, 2015
Consumer price inflation	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%
Investment rate of return	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.60%	7.60%
Wage growth	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.75%	3.75%

SUPPLEMENTARY INFORMATION

SAN JUAN UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NON-MAJOR FUNDS
June 30, 2024

	Student Activity Fund	Charter Schools Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Total
ASSETS									
Cash and investments:									
Cash in County Treasury	\$ 100,078	\$ 1,093,229	\$ 1,625,561	\$ 2,485,964	\$ 11,334,766	\$ 3,377,328	\$ 5,739,462	\$ -	\$ 25,756,388
Cash in revolving fund	-	-	-	-	689	-	-	-	689
Cash on hand and in banks	2,534,012	-	-	-	73,501	-	-	-	2,607,513
Cash awaiting deposit	-	-	-	25,310	5,203	-	245,656	-	276,169
Receivables	-	63,304	945,055	3,553,865	7,078,462	88,613	160,866	-	11,890,165
Due from other funds	-	177,873	-	7,091,624	77,226	-	-	-	7,346,723
Stores inventory	-	-	-	-	583,087	-	-	-	583,087
Total assets	<u>\$ 2,634,090</u>	<u>\$ 1,334,406</u>	<u>\$ 2,570,616</u>	<u>\$ 13,156,763</u>	<u>\$ 19,152,934</u>	<u>\$ 3,465,941</u>	<u>\$ 6,145,984</u>	<u>\$ -</u>	<u>\$ 48,460,734</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ -	\$ 126,166	\$ 22,892	\$ 896,690	\$ 122,366	\$ 27,016	\$ -	\$ -	\$ 1,195,130
Unearned revenue	-	-	-	1,900,664	-	-	-	-	1,900,664
Due to other funds	-	35,434	76,715	187,099	218,086	-	-	-	517,334
Total liabilities	<u>-</u>	<u>161,600</u>	<u>99,607</u>	<u>2,984,453</u>	<u>340,452</u>	<u>27,016</u>	<u>-</u>	<u>-</u>	<u>3,613,128</u>
Fund balances:									
Nonspendable	-	-	-	-	583,776	-	-	-	583,776
Restricted	2,634,090	1,172,806	2,471,009	10,172,310	18,228,706	3,438,925	6,145,984	-	44,263,830
Total fund balance	<u>2,634,090</u>	<u>1,172,806</u>	<u>2,471,009</u>	<u>10,172,310</u>	<u>18,812,482</u>	<u>3,438,925</u>	<u>6,145,984</u>	<u>-</u>	<u>44,847,606</u>
Total liabilities and fund balances	<u>\$ 2,634,090</u>	<u>\$ 1,334,406</u>	<u>\$ 2,570,616</u>	<u>\$ 13,156,763</u>	<u>\$ 19,152,934</u>	<u>\$ 3,465,941</u>	<u>\$ 6,145,984</u>	<u>\$ -</u>	<u>\$ 48,460,734</u>

SAN JUAN UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
ALL NON-MAJOR FUNDS
For the Year Ended June 30, 2024

	Student Activity Fund	Charter Schools Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	County School Facilities Fund	Total
Revenues:									
Local Control Funding Formula	\$ -	\$ 3,372,114	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,372,114
Federal sources	-	-	437,566	14,065,810	17,091,713	-	-	-	31,595,089
Other state sources	-	317,391	4,329,193	5,342,443	10,003,147	-	-	319,428	20,311,602
Other local sources	<u>3,142,339</u>	<u>34,842</u>	<u>190,405</u>	<u>5,747,489</u>	<u>513,314</u>	<u>166,404</u>	<u>1,741,980</u>	<u>-</u>	<u>11,536,773</u>
Total revenues	<u>3,142,339</u>	<u>3,724,347</u>	<u>4,957,164</u>	<u>25,155,742</u>	<u>27,608,174</u>	<u>166,404</u>	<u>1,741,980</u>	<u>319,428</u>	<u>66,815,578</u>
Expenditures:									
Current:									
Certificated salaries	-	1,627,975	1,304,286	9,482,925	-	-	-	-	12,415,186
Classified salaries	-	252,014	478,228	5,194,384	6,424,785	16,206	-	-	12,365,617
Employee benefits	-	972,831	865,189	8,086,346	3,764,125	2,121	-	-	13,690,612
Books and supplies	491,736	53,232	96,586	742,372	12,062,159	-	-	-	13,446,085
Contract services and operating expenditures	2,550,525	299,579	1,450,998	944,547	911,105	581,564	77,123	-	6,815,441
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>583,469</u>	<u>1,465,900</u>	<u>-</u>	<u>-</u>	<u>2,049,369</u>
Total expenditures	<u>3,042,261</u>	<u>3,205,631</u>	<u>4,195,287</u>	<u>24,450,574</u>	<u>23,745,643</u>	<u>2,065,791</u>	<u>77,123</u>	<u>-</u>	<u>60,782,310</u>
Excess (deficiency) of revenues over (under) expenditures	<u>100,078</u>	<u>518,716</u>	<u>761,877</u>	<u>705,168</u>	<u>3,862,531</u>	<u>(1,899,387)</u>	<u>1,664,857</u>	<u>319,428</u>	<u>6,033,268</u>
Other financing sources (uses):									
Transfers in	-	-	-	4,045,005	2,089,002	2,000,000	-	-	8,134,007
Transfers out	<u>-</u>	<u>(273,466)</u>	<u>(241,130)</u>	<u>(1,694,204)</u>	<u>(510,678)</u>	<u>-</u>	<u>-</u>	<u>(319,428)</u>	<u>(3,038,906)</u>
Total other financing sources (uses)	<u>-</u>	<u>(273,466)</u>	<u>(241,130)</u>	<u>2,350,801</u>	<u>1,578,324</u>	<u>2,000,000</u>	<u>-</u>	<u>(319,428)</u>	<u>5,095,101</u>
Net change in fund balances	100,078	245,250	520,747	3,055,969	5,440,855	100,613	1,664,857	-	11,128,369
Fund balance, July 1, 2023	<u>2,534,012</u>	<u>927,556</u>	<u>1,950,262</u>	<u>7,116,341</u>	<u>13,371,627</u>	<u>3,338,312</u>	<u>4,481,127</u>	<u>-</u>	<u>33,719,237</u>
Fund balance, June 30, 2024	<u>\$ 2,634,090</u>	<u>\$ 1,172,806</u>	<u>\$ 2,471,009</u>	<u>\$ 10,172,310</u>	<u>\$ 18,812,482</u>	<u>\$ 3,438,925</u>	<u>\$ 6,145,984</u>	<u>\$ -</u>	<u>\$ 44,847,606</u>

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
June 30, 2024

	<u>Second Period Report</u>	<u>Audited Second Period Report</u>	<u>Annual Report</u>	<u>Audited Annual Report</u>
DISTRICT				
Certificate number	85A55D66	*	F4057A9A	*
Elementary:				
Transitional Kindergarten through Third	10,939	10,939	10,968	10,968
Fourth through Sixth	8,140	8,140	8,135	8,135
Seventh and Eighth	<u>5,350</u>	<u>5,349</u>	<u>5,329</u>	<u>5,328</u>
Subtotal Elementary	<u>24,429</u>	<u>24,428</u>	<u>24,432</u>	<u>24,431</u>
Secondary:				
Ninth through Twelfth	<u>11,010</u>	<u>11,010</u>	<u>10,867</u>	<u>10,867</u>
District Totals	<u><u>35,439</u></u>	<u><u>35,438</u></u>	<u><u>35,299</u></u>	<u><u>35,298</u></u>
CHARTER SCHOOLS				
Certificate number	9C360E4C	9C360E4C	B02F99E5	B02F99E5
Choices (Nonclassroom-Based):				
Fourth through Sixth	10	10	12	12
Seventh and Eighth	66	66	66	66
Ninth through Twelfth	<u>185</u>	<u>185</u>	<u>183</u>	<u>183</u>
Charter School Totals	<u>261</u>	<u>261</u>	<u>261</u>	<u>261</u>

**ADA has been adjusted to reflect finding 2024-002.

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
For the Year Ended June 30, 2024

<u>Grade Level</u>	<u>Statutory Minutes Require- ment</u>	<u>2023-2024 Actual Minutes</u>	<u>Actual Number of Days Offered</u>	<u>Credited Days per Approved Form J-13A*</u>	<u>Number of Days</u>	<u>Status</u>
District:						
Kindergarten	36,000	36,000	179	1	180	In Compliance
Grade 1	50,400	52,580	179	1	180	In Compliance
Grade 2	50,400	52,580	179	1	180	In Compliance
Grade 3	50,400	52,625	179	1	180	In Compliance
Grade 4	54,000	54,100	179	1	180	In Compliance
Grade 5	54,000	54,100	179	1	180	In Compliance
Grade 6	54,000	54,315	179	1	180	In Compliance
Grade 7	54,000	56,392	179	1	180	In Compliance
Grade 8	54,000	56,392	179	1	180	In Compliance
Grade 9	64,800	64,990	180	-	180	In Compliance
Grade 10	64,800	64,990	180	-	180	In Compliance
Grade 11	64,800	65,297	180	-	180	In Compliance
Grade 12	64,800	65,102	180	-	180	In Compliance

* The District closed the Albert Schweitzer Elementary School, Carmichael Elementary School, Kingwood K-8 and Mariemont Elementary School sites for one day (February 5, 2024) in response to weather-related issues. A Form J-13A waiver application was submitted to the California Department of Education and was approved on May 28, 2024. Accordingly, the Number of Days Traditional Calendar and related school day minutes, have been reduced from the 180 days planned to the days actually offered, by grade level, as a result of these closures. There were no minutes waived as a result of the Form J-13A waiver.

See accompanying notes to supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

Assistance Listing <u>Number</u>	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying <u>Number</u>	Federal <u>Expenditures</u>
<u>U.S. Department of Education - Passed through California</u>			
<u>Department of Education</u>			
Vocational Programs:			
84.048	Carl D. Perkins Career and Technical Education: Secondary, Section 131	14894	\$ 7,721
84.048	Carl D. Perkins Career and Technical Education: Adult Section 132	14893	557,321
	Subtotal Vocational Programs		<u>565,042</u>
Special Education Cluster:			
84.027	Special Education: IDEA Basic Local Assistance Entitlement, Part B, Section 611	13379	13,403,716
84.027	Special Education: IDEA Local Assistance, Part B, Section 611, Private School ISPs	10115	181,671
84.027	Special Ed: ARP IDEA Part B, Sec. 611, Local Assistance Entitlement	15638	67,639
84.027A	Special Education: IDEA Mental Health ADA, Part B, Section 611	15197	544,029
84.173	Special Education: IDEA Preschool Grants, Part B, Section 619 (Ages 3-4-5)	13430	611,815
84.173A	Special Ed: IDEA Early Intervention Grants, Part C	23761	162,284
84.173A	Special Ed: IDEA Preschool Staff Development, Part B, Sec 619	13431	2,317
84.173A	Special Ed: Alternate Dispute Resolution, Part B, Sec 611	13007	16,573
	Subtotal Special Education Cluster		<u>14,990,044</u>
Adult Education Programs:			
84.002A	Adult Education: Adult Basic Education & ELA	14508	280,507
84.002	Adult Education: Adult Secondary Education	13978	85,276
84.002A	Adult Education: English Literacy & Civics Education	14109	64,062
	Subtotal Adult Education Programs		<u>429,845</u>
ESEA Title III Programs:			
84.365	ESEA (ESSA) : Title III, Immigrant Ed Program	15146	201,746
84.365	ESEA (ESSA) : Title III, English Learner Student Program	14346	1,204,483
	Subtotal ESEA Title III Programs		<u>1,406,229</u>
Title I Grants to Local Education Agencies:			
84.010	ESEA: Title I, Part A, Basic Grants Low-Income and Neglected	14329	18,773,791
84.010	ESEA: ESSA School Improvement (CSI) Funding for LEAs	15438	913,935
	Subtotal Title I Grants to Local Education Agencies		<u>\$ 19,687,726</u>

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Education - Passed through California</u>			
<u>Department of Education (Continued)</u>			
	COVID-19: Education Stabilization Fund (ESF) Programs:		
84.425	Elementary and Secondary School Emergency Relief II (ESSER II) Fund - COVID-19	15547	\$ 2,597
84.425	Elementary and Secondary School Emergency Relief III (ESSER III) Fund	15559	31,476,443
84.425U	Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss - COVID-19	10155	10,559,536
84.425	Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve - COVID-19	15618	913,895
84.425	Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs - COVID-19	15620	1,571,444
84.425	Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	15621	2,004,239
84.425	Expanded Learning Opportunities (ELO) Grant GEER II	15619	487,585
84.425	American Rescue Plan-Homeless Children and Youth (ARP - Homeless I)	15564	94,088
84.425	American Rescue Plan - Homeless Children and Youth II (ARP HYC II) - COVID-19	15566	266,279
	Subtotal COVID-19: Education Stabilization Fund (ESF) Programs		47,376,106
84.181	Special Education: IDEA Early Intervention Grants, Part C	13007	16,573
84.060	Indian Education	10011	31,601
84.367	ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grants	14341	2,088,228
84.196	ESEA (ESSA): Education for Homeless Children and Youth, Subtitle VII-B McKinney-Vento Act	14332	102,447
	Title IV Programs		
84.424	ESSA: Title IV, Part A, Student Support and Academic Enrichment Grant Program (Competitive)	15391	1,500
84.424	ESSA: Title IV, Part A, Student Support and Academic Enrichment	15396	1,146,999
	Subtotal Title IV Programs		1,148,499
84.287	ESEA: Title IV, Part B, 21st Century Community Learning Centers (CCLC) - High School	14535	434,779
	Total U.S. Department of Education		88,277,119

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

Assistance Listing Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Health and Human Services</u>			
<u>Passed through California Department of Education</u>			
	Child Care and Development Cluster:		
93.596	Child Development: Federal Child Care, Center-based	13609	\$ 1,529,684
93.575	Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act- Alternative Pymt - COVID-19	15555	356,891
	Subtotal Child Care and Development Cluster		1,886,575
N/A	Child Care and Development Programs Administered by CA Department of Social Services (Federal Funds)	10163	3,067
93.600	Head Start	10016	11,256,880
93.243	Advancing Wellness & Resilience in Education (NITT-AWARE) Program	15520	138,553
93.566	Refugee and Entrant Assistance—State-Administered Programs	N/A	174,013
	Total U.S. Department of Health and Human Services		13,459,088
<u>U.S. Department of Agriculture - Passed through California</u>			
<u>Department of Education</u>			
	Child Nutrition Cluster:		
10.555	Child Nutrition: School Programs - Child Nutrition Cluster	13396	14,481,329
10.555	Supply Chain Assistance (SCA) Funds	15655	1,126,823
10.555	SNP COVID-19 Emergency Operational Costs Reimbursement (ECR)	15637	258,388
	Subtotal Child Nutrition Cluster		15,866,540
10.558	Child Nutrition: CACFP Claims - Centers and Family Day Care	13393	685,313
	Total U.S. Department of Agriculture		16,551,853
	Total Federal Programs		\$ 118,288,060

See accompanying notes to supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT
RECONCILIATION OF UNAUDITED ACTUAL FINANCIAL REPORT
WITH AUDITED FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

	Self-Insurance <u>Fund</u>
Unaudited Actual Financial Statements Ending Fund Balances June 30, 2024	\$ 47,378,313
To record current fiscal year self-insurance activity	<u>3,422,332</u>
Audited Ending Fund Balances, June 30, 2024	<u>\$ 50,800,645</u>
	Building <u>Fund</u>
Unaudited Actual Financial Statements Ending Fund Balances June 30, 2024	\$ 120,051,967
Adjustment to record a portion of the premium related to issuance of the Election of 2016, Series 2024 General Obligation bonds to the Bond Interest and Redemption Fund.	<u>(6,284,766)</u>
Audited Ending Fund Balances, June 30, 2024	<u>\$ 113,767,201</u>
	Bond Interest and Redemption <u>Fund</u>
Unaudited Actual Financial Statements Ending Fund Balances June 30, 2024	\$ 88,511,127
Adjustment to record a portion of the premium related to issuance of the Election of 2016, Series 2024 General Obligation bonds to the Bond Interest and Redemption Fund.	6,284,766
To correct debt issuance premiums recorded by the Sacramento County Treasurer	<u>7,017,658</u>
Audited Ending Fund Balances, June 30, 2024	<u>\$ 101,813,551</u>

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

See accompanying notes to supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
For the Year Ended June 30, 2024
(UNAUDITED)

	(Budgeted) 2025	2024	2023	2022
<u>General Fund</u>				
Revenues and other financing sources	\$ 656,997,655	\$ 712,193,927	\$ 701,465,480	\$ 592,982,625
Expenditures	695,674,469	631,311,646	587,912,720	552,303,569
Other uses and transfers out	6,000,000	8,444,059	7,986,529	4,052,628
Total outgo	701,674,469	639,755,705	595,899,249	556,356,197
Change in fund balance	\$ (44,676,814)	\$ 72,438,222	\$ 105,566,231	\$ 36,626,428
Ending fund balance	\$ 282,646,153	\$ 327,322,967	\$ 254,884,845	\$ 149,318,614
Restricted fund balance	\$ 99,121,934	\$ 139,819,161	\$ 118,076,085	\$ 31,683,376
Assigned fund balance	\$ 12,246,899	\$ 9,174,633	\$ 6,434,184	\$ 6,107,273
Available reserves	\$ 139,361,094	\$ 131,519,669	\$ 87,738,859	\$ 80,612,744
Designated for economic uncertainties	\$ 14,093,489	\$ 12,764,450	\$ 11,895,349	\$ 11,103,418
Undesignated fund balance	\$ 125,267,605	\$ 118,755,219	\$ 75,843,510	\$ 69,509,326
Available reserves as percentages of total outgo	19.86%	20.56%	14.72%	14.49%
<u>All Funds</u>				
Total long-term liabilities	\$ 1,381,544,865	\$ 1,458,798,523	\$ 1,337,368,329	\$ 1,269,640,809
Average daily attendance at P-2, excluding charters	35,581	35,438	34,596	33,972

The General Fund fund balance has increased by \$214,630,881 over the past three years. The fiscal year 2024-2025 budget projects a decrease of \$44,676,814. For a district this size, the State of California recommends available reserves of at least 2 percent of total General Fund expenditures, transfers out, and other uses be maintained. For the year ended June 30, 2024, the District has met this requirement.

The District has incurred operating surpluses for the past three years and anticipates an operating deficit in fiscal year 2024-2025.

Total long-term liabilities have increased by \$189,157,714 over the past two years.

Average daily attendance has decreased by 1,466 over the past two years. There is an anticipated increase of 143 ADA (excluding charter) projected for the 2024-2025 fiscal year.

See accompanying notes to supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
For the Year Ended June 30, 2024

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

See accompanying notes to supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE
IN FUND BALANCE - BUDGET AND ACTUAL - RESTRICTED AND UNRESTRICTED
GENERAL FUND
For the Year Ended June 30, 2024

	Restricted			Unrestricted			Total		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:									
Local control funding formula:									
State apportionment	\$ 2,380,355	\$ 2,581,917	\$ 201,562	\$ 348,037,547	\$ 314,474,933	\$ (33,562,614)	\$ 350,417,902	\$ 317,056,850	\$ (33,361,052)
Local sources	-	-	-	113,958,741	147,302,805	33,344,064	113,958,741	147,302,805	33,344,064
Total LCFF	<u>2,380,355</u>	<u>2,581,917</u>	<u>201,562</u>	<u>461,996,288</u>	<u>461,777,738</u>	<u>(218,550)</u>	<u>464,376,643</u>	<u>464,359,655</u>	<u>(16,988)</u>
Federal sources	97,249,921	88,485,517	(8,764,404)	(2,031,900)	2	2,031,902	95,218,021	88,485,519	(6,732,502)
Other state sources	92,790,544	113,555,222	20,764,678	31,548,011	12,438,698	(19,109,313)	124,338,555	125,993,920	1,655,365
Other local sources	<u>5,643,915</u>	<u>13,465,112</u>	<u>7,821,197</u>	<u>18,406,735</u>	<u>18,353,649</u>	<u>(53,086)</u>	<u>24,050,650</u>	<u>31,818,761</u>	<u>7,768,111</u>
Total revenues	<u>198,064,735</u>	<u>218,087,768</u>	<u>20,023,033</u>	<u>509,919,134</u>	<u>492,570,087</u>	<u>(17,349,047)</u>	<u>707,983,869</u>	<u>710,657,855</u>	<u>2,673,986</u>
Expenditures:									
Current:									
Certificated salaries	64,466,807	68,056,465	(3,589,658)	196,358,933	186,918,722	9,440,211	260,825,740	254,975,187	5,850,553
Classified salaries	51,904,349	47,890,332	4,014,017	50,264,363	50,703,955	(439,592)	102,168,712	98,594,287	3,574,425
Employee benefits	85,141,938	79,270,360	5,871,578	103,952,486	103,046,462	906,024	189,094,424	182,316,822	6,777,602
Books and supplies	21,629,884	16,672,458	4,957,426	12,631,152	8,670,324	3,960,828	34,261,036	25,342,782	8,918,254
Contract services and operating expenditures	13,053,358	30,100,771	(17,047,413)	56,552,127	29,617,234	26,934,893	69,605,485	59,718,005	9,887,480
Other outgo	7,169,370	6,792,582	376,788	(7,035,346)	(5,150,913)	(1,884,433)	134,024	1,641,669	(1,507,645)
Capital outlay	10,756,255	4,977,166	5,779,089	3,708,318	3,595,051	113,267	14,464,573	8,572,217	5,892,356
Debt service:									
Principal Retirement	-	-	-	148,007	148,007	-	148,007	148,007	-
Interest	-	-	-	2,013	2,670	(657)	2,013	2,670	(657)
Total expenditures	<u>254,121,961</u>	<u>253,760,134</u>	<u>361,827</u>	<u>416,582,053</u>	<u>377,551,512</u>	<u>39,030,541</u>	<u>670,704,014</u>	<u>631,311,646</u>	<u>39,392,368</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(56,057,226)</u>	<u>(35,672,366)</u>	<u>20,384,860</u>	<u>93,337,081</u>	<u>115,018,575</u>	<u>21,681,494</u>	<u>37,279,855</u>	<u>79,346,209</u>	<u>42,066,354</u>
Other financing sources (uses):									
Transfers in	-	-	-	3,000	1,536,072	1,533,072	3,000	1,536,072	1,533,072
Transfers out	(3,814,637)	(7,296,358)	3,481,721	(4,297,380)	(1,147,701)	3,149,679	(8,112,017)	(8,444,059)	(332,042)
Contributions from unrestricted	<u>62,899,188</u>	<u>(63,895,919)</u>	<u>(126,795,107)</u>	<u>(62,899,188)</u>	<u>63,895,919</u>	<u>126,795,107</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>59,084,551</u>	<u>(71,192,277)</u>	<u>(123,313,386)</u>	<u>(67,193,568)</u>	<u>64,284,290</u>	<u>131,477,858</u>	<u>(8,109,017)</u>	<u>(6,907,987)</u>	<u>1,201,030</u>
Net change in fund balances	3,027,325	(106,864,643)	(102,928,526)	26,143,513	179,302,865	153,159,352	29,170,838	72,438,222	43,267,384
Fund balance, July 1, 2023	<u>113,451,951</u>	<u>119,124,251</u>	<u>5,672,300</u>	<u>141,432,794</u>	<u>135,760,494</u>	<u>(5,672,300)</u>	<u>254,884,745</u>	<u>254,884,745</u>	<u>-</u>
Fund balance, June 30, 2024	<u>\$ 116,479,276</u>	<u>\$ 12,259,608</u>	<u>\$ (97,256,226)</u>	<u>\$ 167,576,307</u>	<u>\$ 315,063,359</u>	<u>\$ 147,487,052</u>	<u>\$ 284,055,583</u>	<u>\$ 327,322,967</u>	<u>\$ 43,267,384</u>

See accompanying notes to supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF FIRST 5 REVENUES AND EXPENSES
For the Year Ended June 30, 2024

	<u>First 5 / School Readiness</u>	<u>All Other Programs</u>	<u>Total Child Development Fund</u>
Revenues			
Federal sources	\$ -	\$ 14,065,810	\$ 14,065,810
Other state sources	-	5,342,443	5,342,443
Other local sources	<u>398,004</u>	<u>5,349,485</u>	<u>5,747,489</u>
Total revenues	<u>398,004</u>	<u>24,757,738</u>	<u>25,155,742</u>
Expenditures:			
Current:			
Certificated salaries	61,941	9,420,984	9,482,925
Classified salaries	169,741	5,024,643	5,194,384
Employee benefits	124,295	7,962,051	8,086,346
Books and supplies	21,929	720,443	742,372
Contract services and operating expenditures	<u>20,098</u>	<u>924,449</u>	<u>944,547</u>
Total expenditures	<u>398,004</u>	<u>24,052,570</u>	<u>24,450,574</u>
Excess of revenues over expenditures	<u>-</u>	<u>705,168</u>	<u>705,168</u>
Other financing sources (uses):			
Transfers in	-	4,045,005	4,045,005
Transfers out	<u>-</u>	<u>(1,694,204)</u>	<u>(1,694,204)</u>
Total other financing sources (uses)	<u>-</u>	<u>2,350,801</u>	<u>2,350,801</u>
Net change in fund balances	-	3,055,969	3,055,969
Fund balance, July 1, 2023	<u>-</u>	<u>7,116,341</u>	<u>7,116,341</u>
Fund balance, June 30, 2024	<u>\$ -</u>	<u>\$ 10,172,310</u>	<u>\$ 10,172,310</u>

See accompanying notes to supplementary information.

SAN JUAN UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2024

NOTE 1 - PURPOSE OF SCHEDULES

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

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

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

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

Schedule of Financial Trends and Analysis - (Unaudited): This schedule provides information on the District's financial condition over the past three years and its anticipated condition for the 2024-25 fiscal year, as required by the State Controller's Office. The information in the schedule has been derived from audited information.

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

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

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

NOTE 2 - EARLY RETIREMENT INCENTIVE PROGRAM

Education Code Section 14502 requires certain disclosure in the financial statements of districts which adopt Early Retirement Incentive Programs pursuant to Education Code Section 22714 and 44929. For the fiscal year ended June 30, 2024, the District did not adopt such a program.

OTHER INFORMATION

SAN JUAN UNIFIED SCHOOL DISTRICT
ORGANIZATION
June 30, 2024

San Juan Unified School District, a political subdivision of the State of California, was established on July 1, 1960. San Juan Unified School District operates 2 preschool centers, 33 elementary schools, 8 K-8 grade schools, 8 middle schools, 9 high schools, 3 alternative learning centers, 2 adult education schools, 3 special education schools and 1 charter school. All of the District's schools are located in Sacramento County. There have been no changes in the District's boundaries as of June 30, 2024.

BOARD OF EDUCATION

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

ADMINISTRATION

Melissa Bassanelli
Superintendent of Schools

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

Fhanysha Clark Gaddis, J.D., MPP
General Counsel

Trent Allen, APR
Chief of Staff

Frank Camarda
Chief Operations Officer

Joel Ryan
Chief Financial Officer

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

Kristan Schnepf
Assistant Superintendent, Secondary Education & Programs

Rebecca Toto, Ed.D.
Assistant Superintendent, Human Resources

Amberlee Townsend-Snyder
Assistant Superintendent, Elementary Education & Programs

Daniel Thigpen
Executive Director, Labor Relations & Government Affairs

Peter Skibitzki
Senior Director, Technology

*Debra Calvin has subsequently left the District and was replaced by F.J. "Harvey" Oaxaca, Ed.D. in August of 2024.

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE AND
ON INTERNAL CONTROL OVER COMPLIANCE FOR STATE PROGRAMS

Audit Committee
San Juan Unified School District
Carmichael, California

Report on Compliance

Qualified Opinion on State Compliance

We have audited San Juan Unified School District's (the "District") c compliance with the requirements specified in the State of California *2023-2024 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, except for the noncompliance described in the Basis for Qualified Opinion section of our report, the District complied, in all material respects, with the compliance requirements that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2024.

Basis for Qualified Opinion on State Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Matters Giving Rise to Qualified Opinion on State Compliance

As described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001 and 2024-002, the District did not comply with requirements regarding Attendance Reporting and Independent Study, respectively. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to those programs.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements noted in the table below 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 *2023-2024 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 noted in the table below 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 *2023-2024 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 below 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 *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

<u>2023-24 K-12 Audit Guide Procedures</u>	<u>Procedures Performed</u>
<i>Local Education Agencies Other than Charter Schools:</i>	
A. Attendance	Yes
B. Teacher Certification and Misassignments	Yes
C. Kindergarten Continuance	Yes
D. Independent Study	Yes
E. Continuation Education	N/A, see below
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratio of Administrative Employees to Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive Program	N/A, see below
K. Gann Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	N/A, see below
N. Middle or Early College High Schools	N/A, see below
O. K-3 Grade Span Adjustment	Yes
P. Apprenticeship: Related and Supplemental Instruction	Yes
Q. Comprehensive School Safety Plan	Yes
R. District of Choice	N/A, see below
TT. Home to School Transportation Reimbursement	Yes

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

S. Proposition 28 Arts and Music in Schools	Yes
T. After/Before School Education and Safety Program	Yes
U. Proper Expenditure of Education Protection Account Funds	Yes
V. Unduplicated Local Control Funding Formula Pupil Counts	Yes
W. Local Control and Accountability Plan	Yes
X. Independent Study – Course-Based	N/A, see below
Y. Immunizations	Yes
AZ. Educator Effectiveness	Yes
BZ. Expanded Learning Opportunities Grant (ELO-G)	N/A, see below
CZ. Career Technical Education Incentive Grant	Yes
DZ. Expanded Learning Opportunities Program	Yes
EZ. Transitional Kindergarten	Yes

Charter Schools:

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

The District did not report a material amount of ADA for Continuation Education Program; therefore, we did not perform any procedures related to this program.

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

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

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

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

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

The District did not have any Expanded Learning Opportunities Grant expenditures in the current year, therefore, we did not perform any procedures related to Expanded Learning Opportunities Grant.

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

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

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

Other Matters

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

Report on Internal Control over Compliance

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

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

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

Purpose of this Report

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 *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Crowe LLP
Crowe LLP

Sacramento, California
December 11, 2024

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

Audit Committee
San Juan Unified School District
Carmichael, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of San Juan Unified School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise San Juan Unified School District's basic financial statements, and have issued our report thereon dated December 11, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Crowe LLP
Crowe LLP

Sacramento, California
December 11, 2024

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

Audit Committee
San Juan Unified School District
Carmichael, California

Report on Compliance

Opinion on First 5 Sacramento County Program

We have audited San Juan Unified School District's compliance with the types of compliance requirements described in the Program Guidelines for the First 5 Sacramento County Program that have a direct and material effect on the First 5 Sacramento County Program for the year ended June 30, 2024.

In our opinion, San Juan Unified School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its First 5 Sacramento County Program for the year ended June 30, 2024.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the First 5 Sacramento County Program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the First 5 Sacramento County Program Guidelines will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the First 5 Sacramento County Program Guidelines, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the First 5 Sacramento County Program Guidelines, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the First 5 Sacramento County Program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the First 5 Sacramento County Program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the First 5 Sacramento County Program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of First 5 Sacramento County Program Guidelines. Accordingly, this report is not suitable for any other purpose.


Crowe LLP

Sacramento, California
December 11, 2024

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

Audit Committee
San Juan Unified School District
Carmichael, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, San Juan Unified School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Crowe LLP
Crowe LLP

Sacramento, California
December 11, 2024

FINDINGS AND RECOMMENDATIONS

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

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

Internal control over major programs:

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

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

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

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

<u>AL Numbers</u>	<u>Name of Federal Program or Cluster</u>
93.600	Headstart
84.027, 84.027A, 84.173, 84.173A	Special Education Cluster
84.425, 84.425U	COVID-19: Education Stabilization Fund (ESF) Programs

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

Auditee qualified as low-risk auditee?

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

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

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

2024-001 DEFICIENCY – STATE COMPLIANCE – ATTENDANCE REPORTING (10000)

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

Condition: While performing absence testing we noted for three school sites one student at each site selected for absence note testing was marked absent in the log/notes but was marked present in the attendance report for a total of 6 days claimed in error.

Context: We performed the audit procedure enumerated in the State of California *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect: The District is not in compliance with Attendance Reporting requirements for the year ended June 30, 2024.

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

Fiscal Impact: Fiscal impact was not calculated as the total ADA impact was less than 0.5.

Repeat Finding: Yes. See Finding 2023-002.

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

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

SAN JUAN UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS
(Continued)

2024-002 DEFICIENCY – STATE COMPLIANCE – INDEPENDENT STUDY (40000)

Criteria: Pursuant to Education Code Section 51747, no days of attendance are to be reported for students without signed independent study agreements in place with all required criteria. Further, the District is required to maintain work samples from students enrolled in independent study for which attendance is claimed.

Condition: While performing independent study procedures Crowe inspected the agreement and supporting documents for selected students and noted for one student the site was unable to locate the contract or work samples. Crowe also noted for seven selected students contracts, the number of course credits to be earned was not included in the written agreement.

Context: We performed the audit procedure enumerated in the State of California *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect: The District is not in compliance with Independent Study requirements for the year ended June 30, 2024.

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

Fiscal Impact: The effect of this finding is an overstatement of 0.1 ADA in Grade Span 4-6, 0.41 ADA in Grade Span 7-8, and 0.09 ADA in Grade Span 9-12, or approximately \$7,323.

Repeat Finding: Yes. See Finding 2023-003.

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

Views of responsible officials and planned corrective actions: The District will ensure that independent study agreements contain all necessary elements, and they are saved properly. Additional reminders to staff of the importance of saving the agreements and evidence of work will be sent out. Sites will be asked to conduct spot checking of agreements and evidence of work files.

(Continued)

STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

SAN JUAN UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year Ended June 30, 2024

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

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

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

Current Status: Implemented.

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

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year Ended June 30, 2024

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

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

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

Current Status: Not Implemented. See finding 2024-001.

District Explanation if Not Implemented: See finding 2024-001.

(Continued)

SAN JUAN UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year Ended June 30, 2024

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

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

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

Current Status: Not Implemented. See finding 2024-002.

District Explanation if Not Implemented: See finding 2024-002.