Financial Statements
June 30, 2024

Redwood City School District

Redwood City School District
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Independent Auditor's Report

To the Governing Board
Redwood City School District
Redwood City, 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 Redwood City School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements 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 District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the District's total OPEB liability and related ratios, schedule of the District's proportionate share of the net pension liability, and the schedule of the District's pension contributions, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, schedule of average daily attendance, schedule of instructional time, reconciliation of annual financial and budget report with audited financial statements, schedule of financial trends and analysis, schedule of charter schools, and the combining schedules of nonmajor governmental funds, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the 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*, schedule of average daily attendance, schedule of instructional time, reconciliation of annual financial and budget report with audited financial statements, schedule of financial trends and analysis, schedule of charter schools, and the combining schedules of nonmajor governmental fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report January 22, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Menlo Park, California
January 22, 2025

This section of Redwood City School District's (District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2024, with comparative information for the year ended June 30, 2023. Please read it in conjunction with the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

The Financial Statements

The financial statements presented herein include all of the activities of the District using the integrated approach as prescribed by generally accepted accounting principles.

The *Government-Wide Financial Statements* present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately. These statements include all assets of the District (including capital assets), deferred outflows of resources, as well as all liabilities (including long-term liabilities) and deferred inflows of resources. Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables, and receivables.

The *Fund Financial Statements* include statements for each of the two categories of activities: governmental and fiduciary.

The *Governmental Activities* are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach.

The financial statements also include notes that explain some of the information in the statements and provide detailed data. The statements are followed by supplementary information that further explains and supports the financial statements.

Reporting the District as A Whole

The Statement of Net Position and the Statement of Activities

The *Statement of Net Position* and the *Statement of Activities* report information about the District as a whole and about its activities. These statements include all assets, deferred outflows of resources, deferred inflows of resources and liabilities of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net position* and changes in them. Net position is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

The relationship between revenues and expenses is the District's operating results. Since the governing board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the *overall health* of the District. The quality of the education and the safety of our schools are also an important component in this evaluation.

In the *Statement of Net Position* and the *Statement of Activities*, the District activities are presented as follows:

Governmental Activities - Most of the District's services are reported in this category. This includes the education of preschool through grade eight students, the operation of child development activities, and the on-going effort to improve and maintain buildings and sites. Property taxes, state income taxes, user fees, interest income, Federal, State, and local grants, as well as general obligation bonds, finance these activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money that it receives from the U.S. Department of Education.

Governmental Funds - All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement.

The District as A Whole

Net Position

The District's net position was a surplus of $60.5 million for the fiscal year ended June 30, 2024. Of this amount, ($104.5) million deficit was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the governing board's ability to use the net position for day-to-day operations. The District's analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

	Governmental Activities (in thousands of dollars)	
	2024	2023
Assets		
Current and other assets	$ 224,800	$ 211,323
Capital assets	257,439	264,003
Total assets	482,239	475,326
Deferred outflows of resources	39,420	37,580
Liabilities		
Current liabilities	21,329	19,813
Long-term liabilities	415,492	418,423
Total liabilities	436,821	438,236
Deferred inflows of resources	24,374	31,916
Net Position		
Net investment in capital assets	72,323	91,388
Restricted	92,630	62,346
Unrestricted	(104,490)	(110,980)
Total net position	$ 60,463	$ 42,754

The ($104.5) million deficit in unrestricted net position of governmental activities represents the accumulated results of all past years' operations and includes $77 million of net pension liabilities and pension deferrals and $37 million of other post-employment benefits liabilities and related deferrals.

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the *Statement of Activities*. Table 2 takes the information from the Statement, rounds off the numbers, and rearranges them slightly so that it would reflect the District's total revenues for the year.

Table 2

	Governmental Activities (in thousands of dollars)	
	2024	2023
Revenues		
Program revenues		
Charges for services	$ 1,890	$ 532
Operating grants and contributions	42,282	63,112
Capital grants and contributions	18,560	-
General revenues		
Federal and State aid not restricted	5,668	6,488
Property and other taxes	118,085	105,299
Other general revenues	13,422	(1,284)
Total revenues	199,907	174,147
Expenses		
Instruction-related	113,123	96,083
Pupil services	24,089	20,073
Administration	9,764	8,673
Plant services	15,937	14,513
All other services	19,284	12,978
Total expenses	182,197	152,320
Change in net position	$ 17,710	$ 21,827

Governmental Activities

As reported in the *Statement of Activities*, the cost of all of District's governmental activities this year was $182.2 million. However, the amount that taxpayers ultimately financed for these activities through local taxes was $118.1 million because the cost was paid by those who benefited from the programs ($1.9 million) or by other governments and organizations who subsidized certain programs with grants and contributions ($60.8 million). The District paid for the remaining "public benefit" portion of its governmental activities with a combination of Federal, State, and local other revenues, such as property taxes, and general entitlements. The District received $118.1 million in property and other taxes for the year, as compared to $105.3 million the prior year.

In Table 3, the District has presented the cost and net cost of each of the District's largest functions: regular program instruction, school administration, pupil services, administration, plant services and other. As discussed above, net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows its citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3 (In thousands of dollars)

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
Instruction-related	$ 113,124	$ 96,084	$ (72,409)	$ (63,370)
Pupil services	24,089	20,073	(16,220)	(8,694)
Administration	9,764	8,673	(8,701)	(7,586)
Plant services	15,937	14,513	(15,880)	(13,910)
All other services	19,283	12,977	(6,255)	4,884
Total	$ 182,197	$ 152,320	$ (119,465)	$ (88,676)

The District's Funds

As the District completed this year, its governmental funds reported a combined fund balance of $199.6 million, which is an increase of $18.0 million from last year (Table 4).

Table 4

	Balances and Activity			
Governmental Fund	June 30, 2023 as restated	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2024
General fund	$ 34,749,948	$ 140,950,791	$ 151,416,258	$ 24,284,481
Child Development fund	1,112,602	7,630,792	6,824,854	1,918,540
Building fund	90,370,706	5,225,368	3,330,496	92,265,578
Capital facilities fund	28,059,628	7,300,480	8,473,330	26,886,778
Bond interest and redemption fund	17,392,638	21,118,524	13,746,707	24,764,455
Nonmajor governmental funds	9,938,965	26,123,486	6,558,162	29,504,289
Total	$ 181,624,487	$ 208,349,441	$ 190,349,807	$ 199,624,121

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget to comply with Education Code requirements for interim reporting and to adjust for unexpected changes in revenues and expenditures. The final amendment to the budget was adopted in June 2024. (A schedule showing the District's original and final budget amounts compared with amounts paid and received is provided in our annual report on page 57). Changes between the 2024-25 original budget adoption and the final budgets are primarily due to budget revisions as new information becomes available during the fiscal year.

a) Budgeted revenues increased by $14.4 million due to the following:

   The General Fund budgeted revenues increased partially due to increased estimated property taxes for 2023-2024. Additionally, federal and state resources increased due to carryover funds from the previous year. These include the Expanded Learning Opportunities grant and the Art & Music in Schools grant (Prop 28). In addition, new funding that was unknown during Budget Adoption, such as the California Community Schools Partnership Program (CCSPP), State Mental Health Related Services, and the Special Education Early Intervention Preschool grant, were also added.

   Revenues from local sources have also changed during the year based on new donor commitments. Due to the increase in overall General Fund revenues, the projected interfund transfer of $14.3 million was reduced to $9.3 million.

b) Budgeted expenditures increased by $13.8 million due to the following:

   The increase in the General Fund budgeted expenditures includes the CSEA settlement agreement and increases for carryover funds from the prior year. The funds were primarily intended to address the students' educational needs, purchases of materials and supplies, and costs of contracted services.

Capital Assets

At June 30, 2024, the District had $6.6 million decrease in capital assets (net of depreciation), including land, buildings, furniture, and equipment. This amount is consistent to the amount last year (Table 5).

Table 5

	Governmental Activities	
	2024	2023
Land and construction in progress	$ 36,274,109	$ 99,670,690
Buildings and improvements	218,546,718	161,728,879
Equipment	2,617,884	2,602,944
Total	$ 257,438,711	$ 264,002,513

We present more detailed information about our capital assets in Note 5 to the financial statements.

Long-Term Liabilities

At the end of this year, the District had $415.5 million in long-term liabilities versus $418.4 million last year, a decrease of $2.9 million or 1%. Long-term liabilities are illustrated in the following table:

Table 6

	Governmental Activities	
	2024	2023
Long-Term Liabilities		
General obligation bonds	$ 255,875,000	$ 260,775,000
Qualified Zone Academy Bonds	432,953	538,506
Unamortized premium	19,834,589	20,747,264
Financed purchase	1,238,549	1,450,761
Compensated absences	773,674	693,881
Total OPEB liability	34,081,581	33,150,527
Aggregate net pension liability	103,255,751	101,066,585
Total	$ 415,492,097	$ 418,422,524

The District's general obligation bond rating is "A+". The State limits the amount of general obligation debt that districts can issue to 2.5% of the assessed value of all taxable property within the District's boundaries. The District's outstanding general obligation debt of $276 million is below the statutorily imposed limit.

Other obligations include compensated absences payable, postemployment benefits, net pension obligations, and other long-term liabilities. We present more detailed information regarding our long-term liabilities in Note 10 of the financial statements.

Economic Factors and Next Year's Budgets and Rates

Redwood City School District is primarily funded through local property taxes rather than state funding. As such, economic factors that can impact RCSD, a Basic Aid school district, include:

1. Real Estate Market: The value of properties within the district can significantly impact the amount of funding we receive. A decline in property values can lead to decreased property tax revenues, which can reduce our funding.

2. State Funding Cuts: Although RCSD, as a Basic Aid district, receives most of our funding from local property taxes, we still receive some funding from the state. If California faces budget issues, it may reduce the amount of funding allocated to Basic Aid school districts which would impact our budget.

3. Inflation: Inflation can lead to increases in the costs of obtaining goods and services.

Fortunately, beginning in 2019-20, the Redwood City School District funding status changed to Basic Aid. As a Basic Aid district, the main source of funding switched from Local Control Funding Formula (LCFF) State Aid to local property taxes. The district will continue to receive State apportionment for the constitutionally guaranteed state basic aid.

The District is projected to maintain its Basic Aid funding status through the future years. Taking into account the factors above and overall district fiscal resources, the district took a conservative approach in its Basic Aid funding projections.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, students, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, please contact Rick Edson, Chief Business Official, at Redwood City School District, 750 Bradford Street, California, 94063, or e-mail at redson@rcsdk8.net.

	Governmental Activities
Assets	
Deposits and investments	$ 206,042,756
Receivables	9,120,053
Prepaid expense	214,167
Stores inventories	23,710
Lease receivables	9,399,392
Capital assets not being depreciated	36,274,109
Capital assets, net of accumulated depreciation	221,164,602
Total assets	482,238,789
Deferred Outflows of Resources	
OPEB related	4,374,492
Pension related	35,045,797
Total deferred outflows of resources	39,420,289
Liabilities	
Accounts payable	11,572,404
Interest payable	4,422,261
Unearned revenue	5,334,813
Long-term debt	
Compensated absences, due within one year	773,674
Due within one year	6,150,928
Due in more than one year	271,230,163
Total other postemployment benefits liabilities, due within one year	1,286,767
Total other postemployment benefits liabilities, due in more than one year	32,794,814
Aggregate net pension liabilities, due in more than one year	103,255,751
Total liabilities	436,821,575
Deferred Inflows of Resources	
Lease related	8,268,740
OPEB related	7,478,365
Pension related	8,626,954
Total deferred inflows of resources	24,374,059
Net Position	
Net investment in capital assets	72,323,198
Restricted for	
Debt service	20,342,194
Capital projects	51,869,898
Educational programs	15,897,300
Child nutrition programs	4,521,169
Unrestricted deficit	(104,490,315)
Total net position	$ 60,463,444

Functions/Programs	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities Total
Governmental Activities					
Instruction	$ 94,871,530	$ 320,253	$ 19,591,979	$ 18,559,962	$ (56,399,336)
Instruction-related activities					
Supervision of instruction	6,368,255	25,448	1,222,363	-	(5,120,444)
Instructional library, media, and technology	2,907,638	-	5,406	-	(2,902,232)
School site administration	8,975,143	18,249	969,598	-	(7,987,296)
Pupil services					
Home-to-school transportation	2,053,888	-	534	-	(2,053,354)
Food services	6,594,129	84,100	6,304,807		(205,222)
All other pupil services	15,441,075	114,554	1,365,150	-	(13,961,371)
Administration					
Data processing	584,866	-	-	-	(584,866)
All other administration	9,179,264	13,323	1,049,941	-	(8,116,000)
Plant services	15,937,224	3,244	54,164	-	(15,879,816)
Ancillary services	478,426	-	464,388	-	(14,038)
Community services	9,263,238	41,530	5,731,110	-	(3,490,598)
Interest	9,448,687	-	-	-	(9,448,687)
Other outgo	93,577	1,269,146	5,522,668	-	6,698,237
Total governmental activities	$ 182,196,940	$ 1,889,847	$ 42,282,108	$ 18,559,962	$ (119,465,023)
General revenues					
Property taxes, levied for general purposes					92,790,067
Property taxes, levied for debt service					20,229,153
Taxes levied for other specific purposes					5,065,517
Federal and State aid not restricted to specific purposes					5,667,815
Interest and investment earnings					8,777,059
Miscellaneous					4,645,069
Total general revenues					137,174,680
Change in Net Position					17,709,657
Net Position - Beginning					42,753,787
Net Position - Ending					$ 60,463,444

Redwood City School District
Balance Sheet – Governmental Funds
June 30, 2024

	General Fund	Child Development Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Deposits and investments	$ 20,843,826	$ 5,219,582	$ 91,600,063	$ 34,840,875	$ 24,544,995	$ 28,993,415	$ 206,042,756
Accounts receivable	2,236,300	52,466	908,313	352,110	219,460	269,257	4,037,906
Due from other funds	9,628,736	-	-	-	-	839	9,629,575
Due from other governments	3,929,439	136,140	-	-	-	1,016,568	5,082,147
Prepaid expenditures	92,538	-	121,629	-	-	-	214,167
Stores inventories	23,710	-	-	-	-	-	23,710
Leases receivable	9,399,392	-	-	-	-	-	9,399,392
Total assets	$ 46,153,941	$ 5,408,188	$ 92,630,005	$ 35,192,985	$ 24,764,455	$ 30,280,079	$ 234,429,653
Liabilities and Fund Balances							
Liabilities							
Accounts payable	$ 9,000,465	$ 688,064	$ 363,177	$ 5,368	$ -	$ 305,158	$ 10,362,232
Due to other funds	-	901,146	1,250	8,300,839	-	426,340	9,629,575
Due to other governments	1,210,065	-	-	-	-	107	1,210,172
Unearned revenue	3,390,190	1,900,438	-	-	-	44,185	5,334,813
Total liabilities	13,600,720	3,489,648	364,427	8,306,207	-	775,790	26,536,792
Deferred Inflows of Resources							
Leases related	$ 8,268,740	-	-	-	-	-	8,268,740
Total deferred inflows of resources	8,268,740	-	-	-	-	-	8,268,740
Fund Balances							
Nonspendable	1,320,180	-	121,629	-	-	-	1,441,809
Restricted	13,978,760	1,918,540	92,143,949	26,886,778	24,764,455	29,504,289	189,196,771
Assigned	5,390,535	-	-	-	-	-	5,390,535
Unassigned	3,595,006	-	-	-	-	-	3,595,006
Total fund balances	24,284,481	1,918,540	92,265,578	26,886,778	24,764,455	29,504,289	199,624,121
Total liabilities and fund balances	$ 46,153,941	$ 5,408,188	$ 92,630,005	$ 35,192,985	$ 24,764,455	$ 30,280,079	$ 234,429,653

See Notes to Financial Statements

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

Total fund balance - governmental funds		$ 199,624,121
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	$ 365,585,487	
Accumulated depreciation is	(108,146,776)	
Net capital assets		257,438,711
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(4,422,261)
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the governmental funds. Deferred outflows of resources amounted to and related to		
Other postemployment benefits (OPEB)	4,374,492	
Net pension liability	35,045,797	
Total deferred outflows of resources		39,420,289
Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported in the governmental funds. Deferred inflows of resources amount to and related to		
Other postemployment benefits (OPEB)	(7,478,365)	
Net pension liability	(8,626,954)	
Total deferred inflows of resources		(16,105,319)
Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(103,255,751)
The District's OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		(34,081,581)
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 year-end consist of		
Outstanding bonds and loans	(277,381,091)	
Compensated absences (vacations)	(773,674)	
Total long-term liabilities		(278,154,765)
Total net position - governmental activities		$ 60,463,444

Redwood City School District

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended June 30, 2024

	General Fund	Child Development Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Local Control Funding Formula	$ 95,806,658	$ -	$ -	$ -	$ -	$ -	$ 95,806,658
Federal sources	5,669,665	-	-	-	-	3,678,831	9,348,496
Other State sources	17,237,205	7,054,366	-	-	43,694	21,580,649	45,915,914
Other local sources	13,937,263	576,426	5,225,368	7,300,480	21,060,374	721,162	48,821,073
Total revenues	132,650,791	7,630,792	5,225,368	7,300,480	21,104,068	25,980,642	199,892,141
Expenditures							
Current							
Instruction	85,617,541	5,784,323	-	-	-	-	91,401,864
Instruction-related activities							
Supervision of instruction	6,175,832	-	-	-	-	-	6,175,832
Instructional library, media and technology	2,798,160	-	-	-	-	-	2,798,160
School site administration	8,089,250	618,704	-	-	-	-	8,707,954
Pupil services							
Home-to-school transportation	1,973,781	-	-	-	-	-	1,973,781
Food services	110,852	-	-	-	-	6,181,102	6,291,954
All other pupil services	14,912,623	-	-	-	-	-	14,912,623
Administration							
Data processing	559,970	-	-	-	-	-	559,970
All other administration	8,213,615	377,452	-	7,621	-	176,675	8,775,363
Plant services	13,240,834	44,375	-	22,865	-	141,533	13,449,607
Ancillary services	452,109	-	-	-	-	-	452,109
Community services	8,817,961	-	-	-	-	-	8,817,961
Other outgo	93,577	-	-	-	-	-	93,577
Capital outlay	-	-	3,330,496	-	-	58,852	3,389,348
Debt service							
Principal	317,765	-	-	-	4,900,000	-	5,217,765
Interest and other	42,388	-	-	-	8,846,707	-	8,889,095
Total expenditures	151,416,258	6,824,854	3,330,496	30,486	13,746,707	6,558,162	181,906,963
Excess (Deficiency) of Revenues Over Expenditures	(18,765,467)	805,938	1,894,872	7,269,994	7,357,361	19,422,480	17,985,178
Other Financing Sources (Uses)							
Transfers in	8,300,000	-	-	-	-	142,844	8,442,844
Proceeds from sale of bonds	-	-	-	-	14,456	-	14,456
Transfers out	-	-	-	(8,442,844)	-	-	(8,442,844)
Total Other Financing Sources (Uses)	8,300,000	-	-	(8,442,844)	14,456	142,844	14,456
Net Change in Fund Balances	(10,465,467)	805,938	1,894,872	(1,172,850)	7,371,817	19,565,324	17,999,634
Fund Balance - Beginning, as previously reported	34,749,948	-	90,370,706	28,059,628	17,392,638	11,051,567	181,624,487
Adjustment (Note 17)	-	1,112,602	-	-	-	(1,112,602)	1,112,602
Fund Balance - Beginning, as restated	34,749,948	1,112,602	90,370,706	28,059,628	17,392,638	9,938,965	181,624,487
Fund Balance - Ending	$ 24,284,481	$ 1,918,540	$ 92,265,578	$ 26,886,778	$ 24,764,455	$ 29,504,289	$ 199,624,121

Amounts reported for governmental activities in the statement of activities are different because:		
Total Net Change in Fund Balances - Governmental Funds		$ 17,999,634
Capital outlay to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.		
This is the amount by which capital outlays exceeds depreciation in the period.		
Depreciation expense	$ (8,710,106)	
Capital outlay	2,146,304	
Net expense adjustment		(6,563,802)
In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount is the difference between vacation earned and used.		(79,793)
In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year.		2,550,213
In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows, and net OPEB liability during the year.		(854,768)

Governmental funds report the effect of premiums, discounts, and the deferred charge on refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.	
Premium amortization	912,675
Payment of principal on long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	
General obligation bonds	4,900,000
State School Building Loan	105,553
Capital leases	212,212
Interest on long-term liabilities is recorded as an expenditure in the funds when it is due; however, in the Statement of Activities, interest expense is recognized as the interest accretes or accrues, regardless of when it is due.	(1,472,267)
Change in net position of governmental activities	$ 17,709,657

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The Redwood City School District (District) was established in 1895 under the laws of the State of California. The District operates under a locally elected five-member Board form of government and provides educational services to grades Preschool through eight, as mandated by state and/or federal agencies. The District operates 10 elementary and 2 middle schools.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District.

Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's funds are categorized as governmental funds.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's governmental funds:

Major Governmental Funds

General Fund The General Fund is the chief operating fund for the District. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund.

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

Capital Facilities Fund The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approving a development (*Education Code* Sections 17620-17626). Expenditures are restricted to the purposes specified in *Government Code* sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).

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

Nonmajor Governmental Funds

Special Revenue Funds The Special Revenue Funds are used to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to expenditures for specified purposes and that compose a substantial portion of the inflows of the fund. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund.

- **Child Development Fund** The Child Development Fund is used to account separately for Federal, State, and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.

- **Cafeteria Fund** The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).

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

Capital Project Funds The Capital Project Funds are used to account for financial resources that are restricted, committed, or assigned to the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

- **Special Reserve Fund for Capital Outlay Projects** The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (Education Code Section 42840).

Basis of Accounting - Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment for each governmental function. Direct expenses are those that are specifically associated with a service, program, or department and are therefore, clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the Statement of Activities except for depreciation of capital assets Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District.

Net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities result from special revenue funds and the restrictions on their use.

Fund Financial Statements Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Governmental Funds All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

Revenues – Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

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

Unearned Revenue Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred. Principal and interest on long-term liabilities, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the entity-wide statements.

Investments

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in County and State investment pools are determined by the program sponsor.

The District's investment in the county treasury is measured at fair value on a recurring basis, which is determined by the fair value per share of the underlying portfolio determined by the program sponsor. Positions in this investment pool are not required to be categorized within the fair value hierarchy.

Prepaid Expenditures (Expenses)

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Stores Inventories

Stores inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental funds when consumed rather than when purchased.

Capital Assets and Depreciation/Amortization

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the District. The District maintains a capitalization threshold of $5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide statement of net position. The valuation basis for capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at acquisition value on the date donated.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets is the same as those used for the capital assets of governmental funds.

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; land improvements, 20 years; equipment, 5 to 15 years; vehicles, 8 years.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities columns of the statement of net position.

Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide statement of net position. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are reported in the fund from which the employees who have accumulated leave are paid.

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Credit for unused sick leave is applicable to all certificated employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full-time.

The following table shows the changes in compensated absences during the year:

Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due in One Year
$ 693,881	$ 249,623	$ (169,830)	$ 773,674	$ 773,674

Accrued Liabilities and Long-Term Liabilities

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Plan have been determined on the same basis as they are reported by the District Plan. For this purpose, the District Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The total OPEB liability attributable to the governmental activities will be paid primarily by the general fund.

Debt Issuance Costs, Premiums and Discounts

In the government-wide financial statements and in the proprietary fund type financial statements, long-term liabilities are reported as liabilities in the applicable governmental activities, or proprietary fund statement of net position. Debt premiums and discounts, as well as issuance costs related to prepaid insurance costs are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the period the bonds are issued. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures in the period the bonds are issued.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for deferred charges on refunding of debt, for pension related items, and for OPEB related items. The deferred charge on refunding resulted from the difference between the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate to differences between expected and actual earnings on investments, changes of assumptions, and other pension and OPEB related changes.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for deferred charges on refunding of debt, for pension related items, and for OPEB related items.

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Plan and additions to/deductions from the District Plan have been determined on the same basis as they are reported by the District Plan. For this purpose, the District Plan recognizes benefit payments when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund. The District has a defined benefit plan that is administered through a trust that meets the criteria of paragraph 3 of GASB Statement No. 74. More detailed information is discussed in Note 12 of the financial statements.

Leases and Subscription Based Information Technology Arrangements (SBITA)

As lessor: The District is a lessor for four noncancellable facilities leases of District property. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease/subscription receipts/payments to present value, (2) lease/subscription term, and (3) lease receipts. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee. The District monitors changes in circumstances that would require a remeasurement of its lease/subscription and will remeasure the lease/subscription if certain changes occur that are expected to significantly affect the amount of the lease/subscription.

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

Fund Balances - Governmental Funds

As of June 30, 2024, fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's practice, only the chief business officer may assign amounts for specific purposes.

Unassigned - all other spendable amounts. It is the District's practice to maintain an amount equal to at least 3% of General Fund annual expenditures and other financing uses for economic uncertainties and another 3% designated by the governing board for the same purpose.

Spending Order Policy

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

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position reported as net of investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements. Interfund transfers are eliminated in the governmental activities' column of the statement of activities.

Estimates

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

Property Tax

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of San Mateo bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

Note 2 - Deposits and Investments

Summary of Deposits and Investments

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

Cash on hand and in banks	$ 247,277
Revolving cash	73,300
Investments with the San Mateo County Treasury Pool	205,722,179
Total deposits and investments	$ 206,042,756

Policies and Practices

The District is authorized under California *Government Code* to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

Investment in County Treasury - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting 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.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to change in market interest rate. The District manages its exposure to interest rate risk by investing in the county pool and having the pool purchase a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The weighted average maturity of the San Mateo County Investment Pool was 1.65 years in June 30, 2024.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the San Mateo County Investment Pool are not rated as of June 30, 2024.

Note 3 - Fair Value Measurements

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. Investment in the county treasury investment pool is not measured using the input levels because the participant's transactions are uncategorized. All contributions and redemptions are transacted at fair value measurements.

Note 4 - Receivables, and Due From Other Governments

Receivables at June 30, 2024, consisted of intergovernmental grants, entitlements, interest and other local sources.

	General Fund	Child Development Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Nonmajor Governmental Funds	Total
Federal Government							
Categorical aid	$ 2,250,795	$ -	$ -	$ -	$ -	$ 1,016,568	$ 3,267,363
State Government							
LCFF apportionment	314,024	-	-	-	-	-	314,024
Categorical aid	989,949	-	-	-	-	-	989,949
Lottery	395,432	-	-	-	-	-	395,432
Local Government							
Interest	261,919	52,466	908,313	328,873	219,460	266,610	2,037,641
Other local sources	1,953,620	136,140	-	23,237	-	2,647	2,115,644
Total	$ 6,165,739	$ 188,606	$ 908,313	$ 352,110	$ 219,460	$ 1,285,825	$ 9,120,053

Note 5 - Capital Assets

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

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
Governmental Activities				
Capital assets not being depreciated				
Land	$ 1,441,595	$ -	$ -	$ 1,441,595
Construction in progress	98,229,095	732,472	(64,129,053)	34,832,514
Total capital assets not being depreciated	99,670,690	732,472	(64,129,053)	36,274,109
Capital assets being depreciated				
Land improvements	15,060,696	-	-	15,060,696
Buildings and improvements	242,790,633	65,312,834	-	308,103,467
Furniture and equipment	5,917,164	230,051	-	6,147,215
Total capital assets being depreciated	263,768,493	65,542,885	-	329,311,378
Total capital assets	363,439,183	66,275,357	(64,129,053)	365,585,487
Accumulated depreciation				
Land improvements	(11,232,887)	(267,466)	-	(11,500,353)
Buildings and improvements	(84,889,563)	(8,227,529)	-	(93,117,092)
Furniture and equipment	(3,314,220)	(215,111)	-	(3,529,331)
Total accumulated depreciation	(99,436,670)	(8,710,106)	-	(108,146,776)
Governmental activities capital assets, net	$ 264,002,513	$ 57,565,251	$ (64,129,053)	$ 257,438,711

Depreciation expense was charged as a direct expense to governmental functions as follows:

Governmental Activities	
Instruction	$ 4,845,020
Supervision of instruction	327,368
Instructional library, media, and technology	148,325
School site administration	461,590
Home-to-school transportation	104,626
Food services	333,523
All other pupil services	790,487
Ancillary Services	23,965
Data processing	29,683
All other administration	465,163
Plant services	712,935
Community services	467,421
Total depreciation expense governmental activities	$ 8,710,106

Note 6 - Interfund Transactions

Interfund Receivables and Payables

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2024, between major and non-major governmental funds, are as follows:

	Due From		
Due To	General Fund	Nonmajor Governmental Funds	Total
Capital Facilities Fund	$ 8,300,000	$ 839	$ 8,300,839
Building Fund	1,250	-	1,250
Child Development Fund	901,146	-	901,146
Nonmajor Governmental Funds	426,340	-	426,340
Total	$ 9,628,736	$ 839	$ 9,629,575

All remaining balances resulted from the time lag between the date that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Operating Transfers

Interfund transfers consisted of the capital facilities fund transferring to the deferred maintenance fund $142,844 for the required maintenance match and capital facilities fund transferring to the general fund $8,300,000 for capital projects.

Note 7 - Accounts Payable, and Due to Other Governments

Accounts payable at June 30, 2024, consisted of the following:

	General Fund	Child Development Fund	Building Fund	Capital Facilities Fund	Nonmajor Governmental Funds	Total
Vendor payables	7,376,307	$ 615,300	$ 363,177	$ 5,368	$ 245,652	$ 8,605,804
State LCFF apportionment	704,114	-	-	-	-	704,114
Salaries and benefits	1,414,124	72,764	-	-	59,613	1,546,501
Other	715,985	-	-	-	-	715,985
Total	$ 10,210,530	$ 688,064	$ 363,177	$ 5,368	$ 305,265	$ 11,572,404

Note 8 - Unearned Revenue

Unearned revenue at June 30, 2024, consisted of the following:

	General Fund	Child Development Fund	Nonmajor Governmental Funds	Total
Federal sources	$ 95,452	$ -	$ 44,185	$ 139,637
State sources	611,901	1,900,438	-	2,512,339
Local sources	2,682,837	-	-	2,682,837
Total	$ 3,390,190	$ 1,900,438	$ 44,185	$ 5,334,813

Note 9 - Lease Receivables as Lessor

The District is leasing four of its buildings to third parties under noncancellable lease agreements. The leases agreements expire during fiscal years 2025 through 2031 and the District is currently receiving annual payments of $2.2 million. The District recognized $2.1 million in lease revenue and $272 thousand in interest revenue during the current fiscal year related to the leases. As of June 30, 2024, the District's receivable for lease payments was $9.4 million and was calculated using a discount rate range of 2.06%. to 2.47%. Also, the District has a deferred inflow of resources associated with the leases that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was $8.3 million. Final receipt is expected in fiscal year 2031.

Regulated Leases

The District has charter school facilities program use agreements with three charter organizations, as required by status. California Education Code (EC) Section 47614 was amended in November 2000, with the intent that public school facilities are shared among all public-school pupils, including those in charter schools. EC Section 47614 requires that school districts make available to all charter schools operating in their school district with projections of at least 80 units of average daily attendance (ADA), facilities that will sufficiently accommodate all of the charter's in-district students, and that facilities be "reasonably equivalent" to other classrooms, buildings, or facilities in the district. EC Section 47614(b)(1) states that school districts may charge a charter school a pro-rata share of the facilities costs which the school district pays for with unrestricted general fund revenues. The pro-rata share is based on the ratio of space allocated by the school district to the charter school divided by the total space of the district. Charter schools shall not be otherwise charged for use of the facilities.
We should insert a schedule of future charter school lease payments here.

Note 10 - Long-Term Debt

Summary

The changes in the District's long-term debt during the year consisted of the following:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due in One Year
General obligation bonds	$ 260,775,000	$ -	$ (4,900,000)	$ 255,875,000	$ 4,900,000
State school building loan	538,506	-	(105,553)	432,953	110,689
Unamortized debt premiums	20,747,264	-	(912,675)	19,834,589	912,675
Finance purchase	1,450,761	-	(212,212)	1,238,549	227,564
Total	$ 283,511,531	$ -	$ (6,130,440)	$ 277,381,091	$ 6,150,928

Payments on the general obligation bonds are made from the Bond Interest and Redemption Bond Fund with local resources. Payments on the state school building loans, lease financing payments are made by the general fund. Compensated absences, other postemployment benefits, and net pension liabilities are paid by the funds for which the employee worked.

General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2023	Additions	Redemptions	Bonds Outstanding June 30, 2024
6/14/2012	2/1/2027	3.0-5.0%	18,545,000	10,980,000	-	(1,810,000)	9,170,000
8/24/2016	8/1/2046	2.0-4.0%	60,000,000	44,900,000	-	-	44,900,000
3/1/2018	8/1/2040	4.0-5.0%	67,000,000	57,395,000	-	-	57,395,000
10/16/2019	8/1/2041	2.625-4.0%	41,500,000	41,500,000	-	(1,100,000)	40,400,000
10/16/2019	8/1/2029	1.817-2.384%	16,000,000	16,000,000	-	(1,990,000)	14,010,000
8/1/2023	8/1/2052	5.00%	90,000,000	90,000,000	-	-	90,000,000
				$ 260,775,000	$ -	$ (4,900,000)	$ 255,875,000

Debt Service Requirements to Maturity

The bonds mature through 2053 as follows:

Finance purchase

Fiscal Year	Principal	Interest	Total
2025	$ 227,564	$ 31,224	$ 258,788
2026	243,702	24,765	268,467
2027	260,660	17,851	278,511
2028	278,476	10,460	288,936
2029	228,147	2,706	230,853
Total	$ 1,238,549	$ 87,006	$ 1,325,555

Series 2023 Bonds

The District received authorization to issue bonds of the District in an aggregate principal amount not to exceed $298,000,000 to provide funds to finance the specific school facilities projects set forth in the ballot measure approved by the District's voters at an election held on November 8,2022, and pay certain costs of issuance of bonds. The Series 2023 bonds are the first series of bonds issued pursuant to the authorization obtained above. The Series 2023 bonds mature through fiscal year 2053 and have an interest of 5.00%.

State and Public School Building Loans

The state school building loan was disbursed in fiscal year 2014. Principal and interest payments of one percent mature through fiscal year 2028 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2025	$ 106,625	$ 4,064	$ 110,689
2026	107,694	2,995	110,689
2027	108,773	1,916	110,689
2028	109,861	827	110,688
Total	$ 432,953	$ 9,802	$ 442,755

The State and public-school building loans are secured by all sites purchased and improved, all equipment purchased, and all buildings constructed, reconstructed, altered, or added to through the expenditure of such funds in accordance with Section 16019 of the *Education Code*. Annual repayment is determined by the State Controller in accordance with Section 16214 of the *Education Code*.

Finance Purchase

The District has entered into an agreement to finance the purchase of equipment. Such agreements are, in substance, purchases and are reported as finance purchase obligations. The financed purchases have minimum lease payments as follows:

Year Ending June 30,	Principal	Interest
2025	$ 227,564	$ 31,224
2026	243,702	24,765
2027	260,660	17,851
2028	278,476	10,460
2029	228,147	2,706
Total	$ 1,238,549	$ 87,006

Note 11 - Fund Balances

Fund balances are composed of the following elements on June 30, 2024:

	General Fund	Child Development Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Nonmajor Governmental Funds	Total
Nonspendable							
Leases	$ 1,130,652	$ -	$ -	$ -	$ -	$ -	$ 1,130,652
Revolving cash	73,300	-	-	-	-	-	73,300
Stores inventories	23,710	-	-	-	-	-	23,710
Prepaid expenditures	92,518	-	121,629	-	-	-	214,147
Total nonspendable	1,320,180	-	121,629	-	-	-	1,441,809
Restricted							
Education	13,787,047	1,918,540	-	-	-	-	15,705,587
Food service	-	-	-	-	-	4,521,169	4,521,169
Capital projects	-	-	92,143,949	26,886,778	-	24,983,120	144,013,847
Debt services	-	-	-	-	24,764,455	-	24,764,455
Student body activities	191,713	-	-	-	-	-	191,713
Total restricted	13,978,760	1,918,540	92,143,949	26,886,778	24,764,455	29,504,289	189,196,771
Assigned							
Carryover of unspent funds	1,455,946	-	-	-	-	-	1,455,946
Health care	100,000	-	-	-	-	-	100,000
Capital outlay	3,834,589	-	-	-	-	-	3,834,589
Total assigned	5,390,535	-	-	-	-	-	5,390,535
Unassigned							
Reserve for economic uncertainties	3,595,006	-	-	-	-	-	3,595,006
Total unassigned	3,595,006	-	-	-	-	-	3,595,006
Total	$ 24,284,481	$ 1,918,540	$ 92,265,578	$ 26,886,778	$ 24,764,455	$ 29,504,289	$ 199,624,121

Note 12 - Postemployment Benefits Other Than Pensions (OPEB)

As of June 30, 2024, the District reported the following amounts for total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense:

Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
$ 34,081,581	$ 4,374,492	$ 7,478,365	$ 2,141,535

General Information About the OPEB Plan

Plan Description

The Retiree Health Benefits Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the Redwood City School District. There are no assets accumulated in a trust that meet the criteria in paragraph 4 GASB Statement No. 75.

Benefits Provided

The District contributes to PEMHCA on behalf of each retiree eligible for PEMHCA. The contribution was $149/month for calendar 2024. The District has now participated in PEMHCA for over 20 years; therefore, the minimum contribution for retirees will be 100% of the minimum contribution for active employees for all future years.

Certificated employees who retired on or after July 1, 2007 and attain age 55 with at least 10 years of consecutive service are eligible to retire and receive an additional District contribution towards healthcare coverage up to the single-party medical cap, family dental and single-party vision. The medical cap is based on the least expensive medical plan offered. Medical, dental and vision caps are all updated for premium increases, if any, each year after retirement.

Classified employees who hired prior to July 1, 2012 and attain age 55 with at least 10 years of consecutive service (15 years for Classified Employees hired on or after July 1, 2012) are eligible to retire and receive an additional District contribution towards medical and dental coverage up to the single-party medical cap and family dental. The medical cap is based on the least expensive of the four most common HMOs in the year of retirement. Dental cap is updated for premium increases, if any, each year after retirement.

Management employees attain age 55 with at least 15 years of service are eligible to retire and receive an additional District contribution towards medical coverage up to the single-party medical cap and family dental. The medical cap is based on monthly allowance in the year of retirement. Dental cap is updated for premium increases, if any, each year after retirement.

When benefits end at age 65, the District contribution is limited to the PEMHCA statutory minimum (as increased with medical inflation) toward PEMHCA coverage only for the retiree's remaining lifetime. The District pays a 0.31%-of-premium administrative fee to CalPERS for each retiree (in addition to the statutory minimum contribution but included in the cap).

Employees Covered by Benefit Terms

As of the June 30, 2023 measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits payments	368
Active employees	754
Total	1,122

Total OPEB Liability

The District's total OPEB liability of $34,081,581 was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2022.

Actuarial Assumptions and Other Inputs

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

Inflation	2.75	%
Salary increases	3.00	%, average, including inflation
Discount rate	3.86	%
Investment rate of return	3.86	%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	4.00	% for 2023, 5.50 percent for 2024, 5.25 percent for 2025-2029, 5.00 percent for 2030-2039, 4.75 percent for 2040-2049, 4.50 percent for 2050-2069, and 4.00 percent for 2070 and later years; Medicare ages: 4.50 percent for 2023-2029 and 4.00 percent for 2030 and later years.

The discount rate was based on the Municipal Bond 20 Year High Grade Rate Index.

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, June 30, 2023	$ 33,150,527
Service cost	1,749,121
Interest	1,261,795
Differences between expected and actual experience	(1,323,053)
Changes of assumptions or other inputs	665,399
Benefit payments	(1,422,208)
Net change in total OPEB liability	931,054
Balance, June 30, 2024	$ 34,081,581

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 percent lower or higher than the current rate:

Discount Rate	Total OPEB Liability
1% decrease (2.86%)	$ 38,316,043
Current discount rate (3.86%)	34,081,581
1% increase (4.86%)	30,554,460

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 rate that are one percent lower or higher than the current healthcare costs trend rates:

Healthcare Cost Trend Rates	Total OPEB Liability
1% decrease (3.00%)	$ 29,913,109
Current trend rate (4.00%)	34,081,581
1% increase (5.00%)	39,249,591

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

For the year ended June 30, 2024, the District recognized OPEB expense of $2,141,535. On June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 1,286,767	$ -
Differences between expected and actual experience	-	(1,687,746)
Changes of assumptions	3,087,725	(5,790,619)
Total	$ 4,374,492	$ (7,478,365)

Contributions paid subsequent to the measurement date will be recognized as part of the OPEB expense in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ (574,260)
2026	(782,083)
2027	(1,253,757)
2028	(1,528,846)
2029	(81,192)
Thereafter	(170,502)
Total	$ (4,390,640)

Note 13 - Risk Management

Property and Liability

The District is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2024, the District contracted with San Mateo County Schools Insurance Group (SMCSIG) for property and liability insurance coverage. SMCSIG is self-insured retention for up to $250,000 per occurrence. SMCSIG purchases coverage for liability insurance from CSAC Excess Insurance Authority (CSAC EIA) for claims in excess of $250,000 and up to $5 million. In addition, excess liability coverage is provided through Schools Excess Liability Fund (SELF) for claims in excess of $5 million and up to $55 million.

Settled claims have not exceeded coverage in any of the past three years. There has not been a reduction in coverage to date.

Workers' Compensation

For fiscal year 2024, the District participated in the San Mateo County Schools Insurance Group, a workers' compensation insurance purchasing pool. Claims liability is covered by Protected Insurance Program for Schools (PIPS) with minimal individual liability to the District. The intent of the San Mateo County Schools Insurance Group is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the San Mateo County Schools Insurance Group. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in the San Mateo County Schools Insurance Group. Each participant pays its workers' compensation premium based on its individual rate. Total savings are than calculated and each participant's individual performance is compared to the overall savings percentage. A participant will then either receive money from or be required to contribute to the "equity-pooling fund". This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the San Mateo County Schools Insurance Group.

Note 14 - Employee Retirement Systems

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

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

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

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 53,974,023	$ 15,624,026	$ 6,146,144	$ 6,668,395
CalPERS	49,281,728	19,421,771	2,480,810	7,853,546
Total	$ 103,255,751	$ 35,045,797	$ 8,626,954	$ 14,521,941

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

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

Benefits Provided

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

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

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

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

	STRP Defined Benefit Program	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	19.10%	19.10%
Required state contribution rate	10.828%	10.828%

Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the District's total contributions were $9,049,211.

Pension Liabilities, Pension Expense, 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:

Total net pension liability, including State share	
Proportionate share of net pension liability	$ 53,974,023
State’s proportionate share of the net pension liability	25,860,472
Total	$ 79,834,495

The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively was 0.0709% and 0.0741%, resulting in a net decrease in the proportionate share of 0.0032%.

For the year ended June 30, 2024, the District recognized pension expense of $6,668,395. In addition, the District recognized pension expense and revenue of $3,517,739 for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 9,049,211	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	1,789,786	3,258,260
Differences between projected and actual earnings on pension plan investments	231,031	-
Differences between expected and actual experience in the measurement of the total pension liability	4,241,469	2,887,884
Changes of assumptions	312,529	-
Total	$ 15,624,026	$ 6,146,144

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows of resources related to the difference between projected and actual earnings on pension plan investments are amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ (1,698,065)
2026	(2,661,164)
2027	4,373,225
2028	217,035
Total	$ 231,031

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is seven years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ (443,514)
2026	(222,274)
2027	177,773
2028	191,133
2029	84,918
Thereafter	409,604
Total	$ 197,640

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 2015 through June 30, 2018
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

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

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
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%

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10%) and assuming that contributions, benefit payments and administrative expense occurred midyear. Based on these 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 total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 90,537,116
Current discount rate (7.10%)	53,974,023
1% increase (8.10%)	23,604,112

California Public Employees' Retirement System (CalPERS)

Plan Description

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

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

Benefits Provided

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

	School Employer Pool (CalPERS)	
Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	8.00%
Required employer contribution rate	26.680%	26.680%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2023, are presented above and the total District contributions were $8,022,944.

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

As of June 30, 2024, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $49,281,728. The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively was 0.1361% and 0.1440%, resulting in a net decrease in the proportionate share of 0.0079%.

For the year ended June 30, 2024, the District recognized pension expense of $7,853,546. 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 of Resources
Pension contributions subsequent to measurement date	$ 8,022,944	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	2,066,015	1,723,915
Differences between projected and actual earnings on pension plan investments	5,263,992	-
Differences between expected and actual experience in the measurement of the total pension liability	1,798,430	756,895
Changes of assumptions	2,270,390	-
Total	$ 19,421,771	$ 2,480,810

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

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 981,939
2026	581,726
2027	3,536,506
2028	163,821
Total	$ 5,263,992

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period.

The EARSL for the measurement period is 4.1 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 1,848,994
2026	1,757,762
2027	47,269
Total	$ 3,654,025

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	6.90%
Investment rate of return	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and service

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global Equity - cap-weighted	30%	4.54%
Global Equity non-cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool 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 total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (5.90%)	$ 71,248,640
Current discount rate (6.90%)	49,281,728
1% increase (7.90%)	31,126,575

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. The state contribution for fiscal year ending June 30, 2024 was $4,136,409. The CalSTRS on behalf contribution is reported in the general fund as state revenue and pension expenditure.

Note 15 - Commitments and Contingencies

Grants

The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2024.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2024.

Construction Commitments

As of June 30, 2024, the District has commitments for capital construction projects totaling approximately $2 million.

Note 16 - Participation in Public Entity Risk Pools, Joint Powers Authorities and Other Related Party Transactions

The District is a member of the San Mateo County Schools Insurance Group (SMCSIG) joint powers authority (JPA). The District pays an annual premium to the applicable entity for its dental, vision, workers' compensation, and property liability coverage. The relationship between the District and the JPA is such that it is not a component unit of the District for financial reporting purposes. SMCSIG has budgeting and financial reporting requirements of member units and its financial statements are not presented in these financial statements; however, transactions between SMCSIG and the District are included in these statements. Audited financial statements are available from the entity. During the year ended June 30, 2024, the District made payments of $2.73 million to SMCSIG JPA for workers' compensation premiums and $1.38 million for dental and vision premiums.

Note 17 - Change within the Reporting Entity

During fiscal year 2023-2024, there was a change within the financial reporting entity which resulted in the Child Development Fund being reported as a major fund instead of as a nonmajor fund. As a result, fund balance of the Child Development Fund of $1,112,602 which was previously reported in the nonmajor funds is now reported as a major fund with a beginning fund balance of $1,112,602. This resulted in adjustments to and restatement of beginning fund balance to nonmajor funds as follows:

	July 1, 2023 As Previously Report	Change to or Within the Financial Reporting Entity	July 1, 2023 As Restated
Governmental Funds			
Nonmajor Funds	$ 11,051,566	$ (1,112,602)	$ 9,938,964
Child Development Fund	Not Applicable	1,112,602	1,112,602

Required Supplementary Information
June 30, 2024

Redwood City School District

	Budgeted Amounts			Variances - Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
Local control funding formula	$ 93,040,107	$ 95,867,999	$ 95,806,658	$ (61,341)
Federal sources	5,552,977	5,584,589	5,669,665	85,076
Other State sources	10,093,853	17,494,847	17,237,205	(257,642)
Other local sources	8,919,920	13,092,448	13,937,263	844,815
Total revenues	117,606,857	132,039,883	132,650,791	610,908
Expenditures				
Current				
Certificated salaries	52,411,661	53,140,576	52,055,638	1,084,938
Classified salaries	23,014,239	26,616,719	26,499,129	117,590
Employee benefits	35,671,790	36,337,124	34,976,470	1,360,654
Books and supplies	4,647,092	6,512,161	5,280,367	1,231,794
Services and operating expenditures	26,251,454	33,191,486	32,244,501	946,985
Debt service				
Debt service - principal	-	-	317,765	(317,765)
Debt service - interest and other	-	-	42,388	(42,388)
Total expenditures	141,996,236	155,798,066	151,416,258	4,381,808
Excess (Deficiency) of Revenues Over expenditures	(24,389,379)	(23,758,183)	(18,765,467)	4,992,716
Other Financing Sources (Uses)				
Transfers in	14,300,000	9,300,000	8,300,000	(1,000,000)
Net financing sources (uses)	14,300,000	9,300,000	8,300,000	(1,000,000)
Net Change in Fund Balances	(10,089,379)	(14,458,183)	(10,465,467)	3,992,716
Fund Balance - Beginning, as restated	34,749,948	34,749,948	34,749,948	-
Fund Balance - Ending	$ 24,660,569	$ 20,291,765	$ 24,284,481	$ 3,992,716

	Budgeted Amounts			Variances - Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
Other State sources	$ 6,182,999	$ 6,182,999	$ 7,054,366	$ 871,367
Other local sources	700,596	700,596	576,426	(124,170)
Total revenues	6,883,595	6,883,595	7,630,792	747,197
Expenditures				
Current				
Certificated salaries	2,168,639	2,168,639	1,643,588	(525,051)
Classified salaries	1,626,040	1,626,040	1,954,335	328,295
Employee benefits	1,775,293	1,775,293	1,774,721	(572)
Books and supplies	417,717	417,717	88,127	(329,590)
Services and operating expenditures	475,352	475,352	986,630	511,278
Other outgo	420,554	420,554	377,452	(43,102)
Total expenditures	6,883,595	6,883,595	6,824,853	(58,742)
Net Change in Fund Balances	-	-	805,939	805,939
Fund Balance - Beginning, as restated	1,112,602	1,112,602	1,112,602	-
Fund Balance - Ending	$ 1,112,602	$ 1,112,602	$ 1,918,541	$ 805,939

Redwood City School District

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

Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	$ 1,749,121	$ 2,278,218	$ 2,055,090	$ 1,614,529	$ 1,365,799	$ 1,814,207	$ 1,759,146
Interest	1,261,795	800,947	934,905	1,038,713	1,106,615	923,085	876,477
Difference between expected and actual experience	(1,323,053)	-	(394,964)	-	(2,166,935)	-	-
Changes of assumptions	665,399	(8,685,929)	2,045,504	3,092,089	3,185,779	(1,874,358)	-
Benefit payments	(1,422,208)	(1,354,483)	(1,258,478)	(1,164,657)	(1,082,177)	(1,219,608)	(1,074,610)
Net change in total OPEB liability	931,054	(6,961,247)	3,382,057	4,580,674	2,409,081	(356,674)	1,561,013
Total OPEB Liability - Beginning	33,150,527	40,111,774	36,729,717	32,149,043	29,739,962	30,096,636	28,535,623
Total OPEB Liability - Ending	$ 34,081,581	$ 33,150,527	$ 40,111,774	$ 36,729,717	$ 32,149,043	$ 29,739,962	$ 30,096,636
Covered-Employee Payroll	$ 69,522,248	$ 63,078,073	$ 54,444,090	$ 55,221,208	$ 56,498,439	$ 55,703,225	$ 57,506,254
Total OPEB Liability as a Percentage of Covered Payroll	49%	53%	74%	67%	57%	53%	52%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

Note: In the future, as data becomes available, ten years of information will be presented.

Redwood City School District

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

Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
CalSTRS										
Proportion of the net pension liability	0.0709%	0.0741%	0.0744%	0.0696%	0.0694%	0.0713%	0.0732%	0.0753%	0.0820%	0.0817%
Proportionate share of the net pension liability	$ 53,974,023	$ 51,512,324	$ 33,870,775	$ 67,453,872	$ 62,678,276	$ 65,533,452	$ 6,766,293	$ 60,926,858	$ 55,191,692	$ 47,739,990
State's proportionate share of the net pension liability (asset)	25,860,472	25,797,171	17,042,460	34,772,479	34,195,184	37,520,966	40,027,258	34,684,573	29,190,321	28,827,467
Total	$ 79,834,495	$ 77,309,495	$ 50,913,235	$ 102,226,351	$ 96,873,460	$ 103,054,418	$ 46,793,551	$ 95,611,431	$ 84,382,013	$ 76,567,457
Covered payroll	$ 44,463,953	$ 43,498,061	$ 40,475,963	$ 37,987,386	$ 37,893,326	$ 37,157,034	$ 38,775,429	$ 37,541,855	$ 37,677,883	$ -
Proportionate share of the net pension liability as a percentage of its covered payroll	121.39%	118.42%	83.68%	177.57%	165.41%	176.37%	17.45%	162.29%	146.48%	130.22%
Plan fiduciary net position as a percentage of the total pension liability	81%	81%	87%	72%	73%	71%	69%	70%	74%	77%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS										
Proportion of the net pension liability	0.1361%	0.1440%	0.1294%	0.1302%	0.1334%	0.1402%	0.1469%	0.1501%	0.1482%	0.1455%
Proportionate share of the net pension liability	$ 49,281,728	$ 49,554,261	$ 26,310,841	$ 39,939,291	$ 38,877,413	$ 37,391,485	$ 35,065,496	$ 29,643,117	$ 21,848,267	$ 16,515,190
Covered payroll	$ 23,758,112	$ 22,672,095	$ 18,597,324	$ 18,847,224	$ 18,605,113	$ 18,546,191	$ 18,730,825	$ 18,006,500	$ 16,302,064	$ -
Proportionate share of the net pension liability as a percentage of its covered payroll	207.43%	218.57%	141.48%	211.91%	208.96%	201.61%	187.21%	164.62%	134.02%	109.00%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	81%	70%	70%	71%	72%	74%	79%	83%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

See Notes to Required Supplementary Information

Redwood City School District
Schedule of the District Pension Contributions
Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
CalSTRS										
Contractually required contribution	$ 9,049,211	$ 8,492,615	$ 7,359,872	$ 6,536,868	$ 6,495,843	$ 6,146,112	$ 5,361,760	$ 4,877,949	$ 4,028,241	$ 3,345,796
Less contributions in relation to the contractually required contribution	9,049,211	8,492,615	7,359,872	6,536,868	6,495,843	6,146,112	5,361,760	4,877,949	4,028,241	3,345,796
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 47,378,068	$ 44,463,953	$ 43,498,061	$ 40,475,963	$ 37,987,386	$ 37,893,326	$ 37,157,034	$ 38,775,429	$ 37,541,855	$ 37,677,883
Contributions as a percentage of covered payroll	19.10%	19.10%	16.92%	16.15%	17.10%	16.22%	14.43%	12.58%	10.73%	8.88%
CalPERS										
Contractually required contribution	$ 8,022,944	$ 6,027,433	$ 5,194,177	$3,849,646	$ 3,716,861	$ 3,348,741	$ 2,880,409	$ 2,601,337	$ 2,133,230	$ 1,918,916
Less contributions in relation to the contractually required contribution	8,022,944	6,027,433	5,194,177	3,849,646	3,716,861	3,348,741	2,880,409	2,601,337	2,133,230	1,918,916
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 30,071,004	$ 23,758,112	$ 22,672,095	$ 18,597,324	$ 18,847,224	$ 18,605,113	$ 18,546,191	$ 18,730,825	$ 18,006,500	$ 16,302,064
Contributions as a percentage of covered payroll	26.68%	25.37%	22.91%	20.70%	19.72%	18.00%	15.53%	13.89%	11.85%	11.77%

See Notes to Required Supplementary Information

Note 1 - Purpose of Schedules

Budgetary Comparison Schedule

This schedule presents information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations. Budget is adopted on a basis consistent with Generally Accepted Accounting Principles.

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

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

Schedule of Changes in Total Other Postemployment Benefits (OPEB) Liability

This schedule presents information on the District's Total OPEB liability. In the future, as data becomes available, ten years of information will be presented. There are no assets accumulated in a trust that meet the criteria in paragraph 4 GASB Statement No. 75.

- ***Changes in Benefit Terms*** – There were no changes in benefit terms since the previous valuation.
- ***Changes of Assumptions*** – The discount rate was changed as of the 2022 measurement date to 3.69 from 1.92 (as of the 2021 measurement date).

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

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

- ***Changes in Benefit Terms*** – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- ***Changes of Assumptions*** – There were no changes in economic assumptions for the CalSTRS or CalPERS plans from the previous valuations.

Schedule of District Pension Contributions

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

Supplementary Information
June 30, 2024

Redwood City School District

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Education			
Passed Through California Department of Education (CDE)			
Migrant Education State Grant Program	84.011	14838	$ 78,076
Subtotal			78,076
English Language Acquisition Grants	84.365	15146	54,903
English Language Acquisition Grants	84.365	14346	296,347
Subtotal			351,250
Title I Grants to Local Educational Agencies	84.010	14329	1,112,460
Education for Homeless Children and Youth	84.196	14332	92
Supporting Effective Instruction State Grant	84.367	14341	243,705
Student Support and Academic Enrichment Program	84.424	15396	107,151
Subtotal			1,463,408
Special Education Cluster:			
Special Education–Grants to States (IDEA, Part B)	84.027	13379	1,632,944
Special Education–Grants to States (IDEA, Part B)	84.027	10115	65,146
Special Education–Grants to States (IDEA, Part B)	84.027	15197	78,034
Subtotal			1,776,124
Special Education–Preschool Grants (IDEA Preschool)	84.173	13430	84,227
Special Education–Preschool Grants (IDEA Preschool)	84.173	13431	700
Subtotal			84,927
Total Special Education Cluster			1,861,051
COVID-19, American Rescue Plan–Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	15559	1,048,640
COVID-19, American Rescue Plan–Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	10155	500,000
COVID-19, American Rescue Plan–Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	15636	272,738
COVID-19, American Rescue Plan–Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	15566	8,774
Subtotal			1,830,152
Total Education Stabilization Fund			1,830,152
Total U.S. Department of Education			5,583,937
U.S. Department of Agriculture			
Passed Through California Department of Education			
Child Nutrition Cluster:			
National School Lunch Program	10.555	13391	2,521,519
School Breakfast Program	10.553	15655	208,158
Total Child Nutrition Cluster			2,729,677
Child and Adult Care Food Program	10.558	13393	949,154
Total U.S. Department of Agriculture			3,678,831
Total Federal Financial Assistance			$ 9,262,768

	Second Period Report	Annual Report
Regular ADA		
Transitional kindergarten through third	2,580.58	2,597.33
Fourth through sixth	1,954.93	1,960.04
Seventh and eighth	1,368.73	1,368.60
Total Regular ADA	5,904.24	5,925.97
Extended Year Special Education		
Transitional kindergarten through third	4.22	4.22
Fourth through sixth	3.68	3.68
Seventh and eighth	1.36	1.36
Total Extended Year Special Education	9.26	9.26
Special Education, Nonpublic, Nonsectarian Schools		
Transitional kindergarten through third	3.04	2.98
Fourth through sixth	8.26	8.33
Seventh and eighth	5.32	5.26
Total Special Education, Nonpublic, Nonsectarian Schools	16.62	16.57
Extended Year Special Education, Nonpublic, Nonsectarian Schools		
Transitional kindergarten through third	0.18	0.18
Fourth through sixth	0.33	0.33
Seventh and eighth	0.23	0.23
Total Extended Year Special Education, Nonpublic, Nonsectarian Schools	0.74	0.74
Total ADA	5,930.86	5,952.54

Grade Level	1986-1987 Minutes Requirement	2023-2024 Actual Minutes	Number of Actual Days		Status
			Traditional Calendar	Total Days Offered	
Kindergarten	36,000	42,750	180	N/A	Complied
Grades 1 - 3					
Grade 1	50,400	50,400	180	N/A	Complied
Grade 2	50,400	50,400	180	N/A	Complied
Grade 3	50,400	50,400	180	N/A	Complied
Grades 4 - 8					
Grade 4	54,000	54,040	180	N/A	Complied
Grade 5	54,000	54,040	180	N/A	Complied
Grade 6	54,000	54,585	180	N/A	Complied
Grade 7	54,000	54,585	180	N/A	Complied
Grade 8	54,000	54,585	180	N/A	Complied

The District did not file J-13A during FY2023-24.

	(Budget) 2025 [1]	2024	2023	2022
General Fund				
Revenues	$ 128,990,059	$ 132,650,791	$ 141,567,600	$ 123,029,146
Other sources	9,725,000	8,300,000	-	-
Total revenues and other sources	138,715,059	140,950,791	141,567,600	123,029,146
Expenditures	143,441,439	151,416,256	132,108,981	122,097,520
Total expenditures and other uses	143,441,439	151,416,256	132,108,981	122,097,520
Change in Fund Balance	(4,726,380)	(10,465,465)	9,458,619	931,626
Ending Fund Balance	$ 19,558,101	$ 24,284,481	$ 34,749,946	$ 25,291,327
Available Reserves [2]	$ 4,303,243	$ 3,595,006	$ 10,369,047	$ 10,369,047
Available Reserves as a Percentage of Total Outgo	3.00%	2.37%	8.49%	8.49%
Long-Term Commitments				
Debt	$ 271,230,163	$ 277,381,091	$283,511,531	$197,908,385
Direct district obligations				
Net pension liability	103,255,751	103,255,751	101,066,585	60,181,616
Total OPEB liability	32,794,814	34,081,581	33,150,527	40,111,774
Other	-	773,674	693,881	890,437
Total Long-Term Liabilities	$ 407,280,728	$ 415,492,097	$ 418,422,524	$ 299,092,212
K-12 Average Daily Attendance at P-2	5,891	5,931	5,808	5,912

The general fund balance has decreased by $1,006,846 over the past two years. The fiscal year 2024-2025 budget projects an operating deficit of $4,726,380. For a district this size, the State recommends available reserves of at least 3% of total general fund expenditures, transfers out, and other uses (total outgo). Total long-term liabilities have increased by $116,399,885 over the past two years due mostly to general obligation bonds and pensions. Average daily attendance has increased by 19 over the past two years.

[1] Budget 2025 is included for analytical purposes only and has not been subjected to audit.

[2] Available reserves consist of all unassigned fund balances including all amounts reserved for economic uncertainties.

Name of Charter School	Charter Number	Included in Audit Report
Connect Community Charter School	1498	No
KIPP Excelencia Community Preparatory	1735	No
Rocketship Redwood City	1736	No

	Cafeteria Fund	Deferred Maintenance Fund	County School Facilities Fund	Special Reserve Capital Outlay Fund	Total Nonmajor Governmental Funds
Assets					
Deposits and investments	$ 4,213,779	$ 4,296	$ 22,958,123	$ 1,817,217	$ 28,993,415
Receivables	41,593	2,647	207,021	17,996	269,257
Due from other funds	-	839	-	-	839
Due from other governments	1,016,568	-	-	-	1,016,568
Total assets	$ 5,271,940	$ 7,782	$ 23,165,144	$ 1,835,213	$ 30,280,079
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 281,749	$ 6,159	$ -	$ 17,250	$ 305,158
Due to other funds	424,837	1,503	-	-	426,340
Due to other governments	-	107	-	-	107
Unearned revenue	44,185	-	-	-	44,185
Total liabilities	750,771	7,769	-	17,250	775,790
Fund Balances					
Restricted	4,521,169	13	23,165,144	1,817,963	29,504,289
Total fund balances	4,521,169	13	23,165,144	1,817,963	29,504,289
Total liabilities and fund balances	$ 5,271,940	$ 7,782	$ 23,165,144	$ 1,835,213	$ 30,280,079

Redwood City School District

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds

Year Ended June 30, 2024

	Cafeteria Fund	Deferred Maintenance Fund	County School Facilities Fund	Special Reserve Capital Outlay Fund	Total Nonmajor Governmental Funds
Revenues					
Federal sources	$ 3,678,831	$ -	$ -	$ -	$ 3,678,831
Other State sources	3,020,688	-	18,559,961	-	21,580,649
Other local sources	278,469	(1,298)	341,720	102,271	721,162
Total revenues	6,977,988	(1,298)	18,901,681	102,271	25,980,642
Expenditures					
Current					
Pupil services					
Food services	6,181,102	-	-	-	6,181,102
Administration					
All other administration	176,675	-	-	-	176,675
Plant services	-	141,533	-	-	141,533
Capital outlay	-	-	-	58,852	58,852
Total expenditures	6,357,777	141,533	-	58,852	6,558,162
Excess (Deficiency) of Revenues Over Expenditures	620,211	(142,831)	18,901,681	43,419	19,422,480
Other Financing Sources					
Transfers in	-	142,844	-	-	142,844
Net Financing Sources	-	142,844	-	-	142,844
Net Change in Fund Balances	620,211	13	18,901,681	43,419	19,565,324
Fund Balance - Beginning, as restated	3,900,958	-	4,263,463	1,774,544	9,938,965
Fund Balance - Ending	$ 4,521,169	$ 13	$ 23,165,144	$ 1,817,963	$ 29,504,289

Note 1 - Purpose of Schedules

Schedule of Expenditures of Federal Awards (SEFA)

Basis of presentation

The schedule of expenditures of federal awards (schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2022. The information 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). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the District.

Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the accrual basis of accounting basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Indirect Cost Rate

The District has not elected to use the ten percent de minimis cost rate.

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. The District has met its target funding. 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 46200 through 46207.

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

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Financial Trends and Analysis

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

Schedule of Charter Schools

This schedule lists all Charter Schools chartered by the District, and displays information for each Charter School on whether or not the Charter School is included in the School District audit.

Schedules of Combining Nonmajor Funds

The Nonmajor Governmental Funds Combining Balance Sheet and Combining Statement or Revenues, Expenditures and Changes in Fund Balances is included to provide information regarding the individual funds that have been included in Nonmajor Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances.

Other Information
June 30, 2024

Redwood City School District

Organization

The Redwood City School District was established in 1895 and consists of an area comprising approximately 19 square miles. The District operates 10 elementary schools and 2 middle schools. There were no boundary changes during the year.

Governing Board

Member	Office	Term Expires
Janet Lawson	President	2024
Mike Wells	Vice President	2028
Alisa MacAvoy	Clerk	2024
Cecilia l. Marquez	Member	2026
David Weekly	Member	2026

Administration

Name	Title
John R. Baker, Ed. D.	Superintendent
Wendy Kelly	Deputy Superintendent
Anna Herrera	Assistant Superintendent of Ed Services
Rick Edson	Chief Business Official

Independent Auditor's Reports
June 30, 2024

Redwood City School District

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Governing Board
Redwood City School District
Redwood City, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Redwood City School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon January 22, 2025.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying Schedule of Findings Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Eide Bailly LLP

Menlo Park, California
January 22, 2025

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Governing Board
Redwood City School District
Redwood City, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the 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 the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Eide Bailly LLP

Menlo Park, California
January 22, 2025

EideBailly

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Independent Auditor's Report on State Compliance and on Internal Control Over Compliance

To the Governing Board
Redwood City School District
Redwood City, California

Report on Compliance

Qualified and Unmodified Opinions on State Compliance

We have audited Redwood City School District's (District) compliance with the requirements specified in the *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.

Qualified Opinion on the Classroom Teacher Salaries

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2024.

Unmodified Opinion on Each of the Other Programs

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2024, except as described in the accompanying Schedule of Findings and Questioned Costs.

Basis for Qualified and Unmodified Opinions

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 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

Responsibilities of Management for Compliance

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

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

Matter Giving Rise to Qualified Opinion on Classroom Teacher Salaries

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding Classroom Teacher Salaries. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *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 referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2023-2024 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 above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2023-2024 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:

2023-2024 K-12 Audit Guide Procedures	Procedures Performed
Local Education Agencies Other Than Charter Schools	
Attendance	Yes
Teacher Certification and Misassignments	N/A
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	N/A
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	N/A
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	N/A
Middle or Early College High Schools	N/A
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	N/A
Comprehensive School Safety Plan	Yes
District of Choice	N/A
Home to School Transportation Reimbursement	N/A
School Districts, County Offices of Education, and Charter Schools	
Proposition 28 Arts and Music in Schools	N/A
After/Before School Education and Safety Program	N/A
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study - Course Based	N/A
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	N/A
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Charter Schools	
Attendance	Yes
Mode of Instruction	N/A
Nonclassroom-Based Instruction/Independent Study	N/A
Determination of Funding for Nonclassroom-Based Instruction	N/A
Annual Instructional Minutes - Classroom Based	N/A
Charter School Facility Grant Program	N/A

The term "Not Applicable" is used above to mean either the District did not offer the program during the current fiscal year, the District did not participate in the program during the current fiscal year, or the program applies to a different type of local education agency.

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

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

Report on Internal Control over Compliance

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

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002. To be a material weakness.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *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.

Ede Bailly LLP

Menlo Park, California
January 22, 2025

Schedule of Findings and Questioned Costs
June 30, 2024

Redwood City School District

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)	No

Identification of major programs

l Program or Cluster	Federal Financial Assistance Listing
Title I Grants to Local Educational Agencies	84.010
Child Nutrition Cluster	10.555

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

State Compliance

Internal control over state compliance program	
Material weaknesses identified	Yes
Significant deficencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for programs:	
Unmodified for all programs except for the following programs which were qualified	

Name of Program
Classroom Teacher Salaries

The following findings represent significant deficiencies and material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

2024-001 3000 – Material Audit Adjustments

Criteria
Management is responsible for the design, implementation, and maintenance of internal controls to ensure the financial statements are free from material misstatement. Additionally, management is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles (GAAP).

Condition
We were requested to draft the financial statements and related notes to the financial statements. The District incorrectly reported its revenue related to federal grant funds at the end of the fiscal year. Further, the District incorrectly reported its LCFF funds passed through to charter schools. The District does not have an internal control system designed to provide for the preparation of the financial statements and related financial statement disclosures being audited. Although this circumstance is not unusual for a California school district similar to this District, the preparation of financial statements as a part of the audit engagement may result in financial statements and related information included in financial statement disclosures not being available for management purposes as timely as it would be if prepared by District personnel. It is the responsibility of management and those charged with governance to determine whether to accept the risk associated with this condition because of cost or other considerations.

Effect
Audit adjustments were necessary in order for the District's financial statements to be fairly stated in accordance with GAAP.

Cause
Errors noted above appear to be management oversight during the year end closing process.

Repeat Finding
No.

Recommendation
We recommend management continue its effort to implement procedures to ensure revenues and receivables are correctly recorded in the District's financial statements as of year-end.

Management's Response
The District will implement additional review procedures of the revenue posting process.

None reported.

The following findings represent instances of noncompliance and material weaknesses including questioned costs that are required to be reported by the 2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. The findings have been coded as follows:

Five Digit Code	AB 3627 Finding Type
40000	State Compliance
61000	Classroom Teacher Salaries

2024-002 **Noncompliance, Classroom Teacher Salaries**
Code 40000, 61000

Criteria
EDC §41372 indicates that there shall be expenses during each fiscal year for payment of salaries of classroom teachers for an elementary school district 60 percent of the District's current expense of education.

Condition
The District's current education expense for the year 2023 was 56.23%.

Questioned Costs
The current education expense is $128,073,004 times the percentage short of the 60% or 5.20%, which equals a $6,659,796 deficit.

Context
The District spent 54.80% of its expenditures on the current education expense but was required to pay 60%, creating a shortage of 5.20%. The District has a pending waiver on file with the CDE, and management of the District believes that the District meets the criteria for approval based on "serious hardship to the school district."

Effect
The District does not comply with Education Code Section 41372, requiring a minimum threshold of expenditures on education costs for classrooms.

Cause and Recommendation
We recommend that the District consider the requirements of Education Code Section 41372 when budgeting and planning for District operations and consider any implications of needing to meet the requirement or requesting a waiver when not completed.

Views of Responsible Officials/Corrective Action Plan
Due to severe financial hardship, the District will file a request with the San Mateo County Office of Education (SMCOE) to waive the minimum classroom compensation requirement.

Identification as a Repeat Finding
This finding was reported in the previous year's audit.

Summarized below is the status of all audit findings reported in the prior year state compliance findings.

2023-001 Noncompliance, material weakness in internal control, Ratio of Administrative Employees to Teachers

Finding
Education Code section 41402 specified the number of administrative employees per hundred teachers, which for Redwood City School District is .09. The District exceeded the maximum allowable administrative employees per hundred teachers.

Context
The number of excess administrative employees is three. The associated penalty, as outlined in Education Code section 41404, is $58,426.

Current Status
Resolved.

2023-002 Noncompliance, material weakness in internal control, School Accountability Report Card

Finding
The District must publish a School Accountability Report Card for each site and include all information regarding school facilities as reported in the interim evaluation instrument developed by the Office of Public School Construction (FIT). The District did not comply with this requirement.

Context
We sampled three sites, and this condition applies to one of them.

Current Status
Resolved.

2023-003 **Noncompliance, Classroom Teacher Salaries**

Finding

The District's current education expense for the year 2023 was 56.53% and did not meet the minimum requirement of 60%.

Context

The District spent 56.53% of its expenditures on the current education expense but was required to pay 60%, creating a shortage of 3.47%. The District has a pending waiver on file with the CDE, and management of the District believes that the District meets the criteria for approval based on "serious hardship to the school district.

Current Status

See current year's finding, item 2024-002.

2023-004 **Noncompliance, material weakness in internal control, Home to School Transportation Reimbursement**

Finding

The District was to develop and adopt a plan by April 1, 2023, under Education Code section 39800.1(a), describing the transportation services it will offer its pupils and how it will prioritize planned transportation services (Plan). The District did not adopt a Plan before April 1, 2023.

Context

The Plan was adopted on April 19, 2023. Management of the District informed us that the Plan was not adopted before the April 1, 2023, statutory deadline because information from the California Department of Education (CDE) was not solidified until after March 2023 for this new program. We verified that the noncompliance was limited to the Plan's adoption date and that the grant accounting treatment was consistent with governmental accounting standards.

Current Status

Resolved.

2023-005 **Noncompliance, material weakness in internal control, After School Education and Safety Program Attendance Reporting**

Finding
The District evidences student participation in the after-school program by reporting attendance to the California Department of Education. The daily attendance is recorded for all the students attending the after-school program on each school day the program operates. We identified discrepancies in the attendance reported for participation.

Context
The number of student days provided in the test month for the sampled school was 13,768, and the number reported to the CDE was 8,084. The difference is 5,684 or 41 percent.

Current Status
Resolved**.**