



Financial Statements
June 30, 2024

San Bernardino City Unified School
District

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Independent Auditor's Report

Governing Board
San Bernardino City Unified School District
San Bernardino, California

Report on the Audit of the Financial Statements

Opinions

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 net OPEB liability and related ratios, schedule of the District's proportionate share of the net OPEB liability – MPP program, schedule of the District's proportionate share of the net pension liability – CalSTRS,

schedule of the District's proportionate share of the net pension liability – CalPERS, schedule of the District's proportionate share of the net pension liability – CalPERS Safety Risk Pool, schedule of the District's contributions – CalSTRS, schedule of the District's contributions – CalPERS, and schedule of the District's contributions – CalPERS Safety Risk Pool 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*, combining non-major governmental fund financial statements, and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the 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, combining non-major governmental fund financial statements, and other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the Local Education Agency Organization Structure, Student Activity Fund - District Wide - Combining Balance Sheets, Student Activity Fund - District Wide - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, Student Activity Fund - High School - Combining Balance Sheets, Student Activity Fund - High School - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, Student Activity Fund - Middle School - Combining Balance Sheet, Student Activity Fund - Middle School - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, Student Activity Fund - Unorganized - Combining Balance Sheets, Student Activity Fund - Unorganized - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
March 14, 2025



SAN BERNARDINO CITY
UNIFIED SCHOOL DISTRICT
Making Hope Happen

Mauricio Arellano
Superintendent

Terry Comnick
Associate Superintendent, Business, Facilities, and Operations

This section of San Bernardino City Unified School District's (the 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 ending 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

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

The first two statements are *Government-Wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.

The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the District, reporting the District's operations *in more detail* than the District-wide statements.

- The *Governmental Funds* statements tell how *basic* services like regular and special education were financed in the *short-term*, as well as what remains for future spending.
- *Proprietary Funds* statements offer *short* and *long-term* financial information about the activities the District operates like *businesses*.

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

The Primary unit of the government is the San Bernardino City Unified School District.

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

BUSINESS SERVICES

Government-Wide Financial Statements

The Government-Wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The *Statement of Net Position* includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the *Statement of Activities* regardless of when cash is received or paid.

The two Government-Wide financial statements report the District's *net position* and how they have changed. Net position - the difference between the District's assets and deferred inflows of resources, and liabilities and deferred outflows of resources - is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, consideration should be given to additional non-financial factors such as changes in the District's condition of school buildings and other facilities.

In the Government-Wide financial statements, the District's activities are reported as follows:

Governmental Activities - The District reports all of its services in this category. This includes the education of kindergarten through grade twelve students, adult education 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 - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the Government-Wide financial statements, we provide additional information with the governmental funds statements that explain the relationship (or differences) between them.

Proprietary Funds - Services for which the District charges a fee is generally reported in proprietary funds. Proprietary funds are reported in the same way as the Government-Wide financial statements.

- We use Internal Service funds (the other kind of proprietary fund) to report activities that provide supplies and services for the District's other programs and activities. The District currently has one internal service fund - the Self-Insurance Fund.

THE DISTRICT AS A WHOLE

Net Position

The District's net position was \$758,344,269 for the fiscal year ended June 30, 2024. Of this amount, \$(426,081,134) was unrestricted deficit. 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 net position for day-to-day operations.

Table A-1

	Governmental Activities		Business-Type Activities		School District Activities	
	2024	2023 as restated*	2024	2023 as restated*	2024	2023 as restated*
Assets						
Current and other assets	\$ 847,095,293	\$ 798,089,326	\$ -	\$ -	\$ 847,095,293	\$ 798,089,326
Capital assets	1,131,811,086	1,021,800,727	-	-	1,131,811,086	1,021,800,727
Total assets	<u>1,978,906,379</u>	<u>1,819,890,053</u>	<u>-</u>	<u>-</u>	<u>1,978,906,379</u>	<u>1,819,890,053</u>
Deferred outflows of resources	<u>266,914,497</u>	<u>221,118,004</u>	<u>-</u>	<u>-</u>	<u>266,914,497</u>	<u>221,118,004</u>
Liabilities						
Current liabilities	118,879,607	220,544,557	-	-	118,879,607	220,544,557
Long-term liabilities other than OPEB and pensions	484,184,580	433,935,148	-	-	484,184,580	433,935,148
Net OPEB liability	143,817,174	131,092,995	-	-	143,817,174	131,092,995
Aggregate net pension liability	<u>682,209,601</u>	<u>623,475,646</u>	<u>-</u>	<u>-</u>	<u>682,209,601</u>	<u>623,475,646</u>
Total liabilities	<u>1,429,090,962</u>	<u>1,409,048,346</u>	<u>-</u>	<u>-</u>	<u>1,429,090,962</u>	<u>1,409,048,346</u>
Deferred inflows of resources	<u>58,385,645</u>	<u>86,291,438</u>	<u>-</u>	<u>-</u>	<u>58,385,645</u>	<u>86,291,438</u>
Net Position						
Net investment in capital assets	787,500,779	701,594,667	-	-	787,500,779	701,594,667
Restricted	396,924,624	346,391,865	-	-	396,924,624	346,391,865
Unrestricted (deficit)	<u>(426,081,134)</u>	<u>(502,318,259)</u>	<u>-</u>	<u>-</u>	<u>(426,081,134)</u>	<u>(502,318,259)</u>
Total net position	<u>\$ 758,344,269</u>	<u>\$ 545,668,273</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 758,344,269</u>	<u>\$ 545,668,273</u>

* Refer to Note 17 to the financial statements for additional information related to the restatement.

Changes in Net Position

The District's total revenues increased by \$107,030,555 (see Table A-2). State and Federal aid for specific programs contributed about 39 cents of every dollar raised. Another 57 cents of every dollar raised came from property taxes and State and Federal formula aid, and the remainder from fees charged for services and miscellaneous sources.

Table A-2

	Governmental Activities		Business-Type Activities		School District Activities	
	2024	2023 as restated*	2024	2023 as restated*	2024	2023 as restated*
Revenues						
Program revenues						
Charges for services and sales	\$ 10,494,726	\$ 9,627,431	\$ -	\$ -	\$ 10,494,726	\$ 9,627,431
Operating grants and contributions	502,604,573	473,873,625	-	-	502,604,573	473,873,625
Capital grants and contributions	20,466,408	3,787,993	-	-	20,466,408	3,787,993
General revenues						
Federal and State unrestricted	659,299,416	627,436,193	-	-	659,299,416	627,436,193
Property taxes	103,093,220	97,357,451	-	-	103,093,220	97,357,451
Other general revenues	34,213,257	11,058,352	-	-	34,213,257	11,058,352
Total revenues	1,330,171,600	1,223,141,045	-	-	1,330,171,600	1,223,141,045
Expenses						
Instruction-related	773,976,882	688,697,263	-	-	773,976,882	688,697,263
Pupil services	157,201,396	102,658,576	-	-	157,201,396	102,658,576
Administration	46,822,839	47,716,219	-	-	46,822,839	47,716,219
Plant services	98,476,415	114,212,505	-	-	98,476,415	114,212,505
Other services	41,018,072	74,112,667	-	-	41,018,072	74,112,667
Total expenses	1,117,495,604	1,027,397,230	-	-	1,117,495,604	1,027,397,230
Change in net position	\$ 212,675,996	\$ 195,743,815	\$ -	\$ -	\$ 212,675,996	\$ 195,743,815

* Refer to Note 17 to the financial statements for additional information related to the restatement.

The total cost of all programs and services increased by \$90,098,374. The District's expenses are predominantly related to educating and caring for students (83.3%). The purely administrative activities of the District accounted for just 4.2% of total costs.

Total revenues were greater than expenses, increasing net position by \$212,675,996 this fiscal year.

Governmental Activities

Revenues for the District's governmental activities were \$1,330,171,600, whereas total expenses were \$1,117,495,604. The increase in net position for governmental activities occurred due to an overall increase in revenues.

- Some of the District's activities (\$10,494,726) were financed by the users of the District's programs. See Table A-2.
- The Federal and State governments subsidized certain programs with grants and contributions (\$523,070,981). See Table A-2.

Net Cost of Services

Table A-3 presents the costs of major District governmental activities: instruction-related activities, pupil services (guidance, counseling, and evaluation), administration, plant services, and other activities. The table also shows each activity's *net cost* (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

- Most of the District's governmental activity net costs (\$583,929,897) were financed by District taxpayers and the taxpayers of our State.
- This portion of governmental activities was financed with \$103,093,220 in property taxes, and \$659,299,416 of unrestricted State and Federal aid based on the State-wide education aid formula. See Table A-2.

Table A-3

	Total Cost of Services		Net Cost of Services	
	2024	2023 as restated*	2024	2023 as restated*
Instruction-related	\$ 773,976,882	\$ 688,697,263	\$ (460,442,468)	\$ (366,007,173)
Pupil services	157,201,396	102,658,576	(73,363,773)	(73,691,557)
Administration	46,822,839	47,716,219	(16,129,038)	(32,177,292)
Plant services	98,476,415	114,212,505	(24,686,084)	(55,961,530)
Other services	41,018,072	74,112,667	(9,308,534)	(12,270,629)
Total	\$ 1,117,495,604	\$ 1,027,397,230	\$ (583,929,897)	\$ (540,108,181)

* Refer to Note 17 to the financial statements for additional information related to the restatement.

THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported combined fund balances of \$612,567,143, an increase of 28.4% from the previous year.

The District's General Fund increased in fund balance by \$52,896,914. The District continues to meet the State required two percent fund balance reserve for Economic Uncertainties.

Table A-4

	Balances and Activity			
	July 1, 2023 as restated*	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2024
General Fund	\$ 313,855,567	\$ 1,197,260,924	\$ 1,144,364,010	\$ 366,752,481
Building Fund	29,677,939	73,099,577	45,692,709	57,084,807
Special Reserve Fund for Capital Outlay Projects	31,049,517	124,565,201	45,972,270	109,642,448
Student Activity Fund	2,188,908	3,378,386	3,307,567	2,259,727
Adult Education Fund	2,152,360	8,321,125	8,838,601	1,634,884
Child Development Fund	3,149,733	22,604,341	18,946,492	6,807,582
Cafeteria Fund	24,528,088	47,067,009	38,796,137	32,798,960
Capital Facilities Fund	9,380,733	3,109,628	9,374,065	3,116,296
County School Facilities Fund	27,249,881	20,470,483	45,376,208	2,344,156
Capital Projects Fund for Blended Component Units	5,817,045	170	4,937,579	879,636
Bond Interest and Redemption Fund	27,873,837	25,396,827	24,024,498	29,246,166
Total	<u>\$ 476,923,608</u>	<u>\$ 1,525,273,671</u>	<u>\$ 1,389,630,136</u>	<u>\$ 612,567,143</u>

* Refer to Note 17 to the financial statements for additional information related to the restatement.

General Fund Budgetary Highlights

The District revises the annual operating budget on an ongoing basis throughout the year.

The District's final budget for the General Fund anticipated that expenditures would exceed revenues by \$88,492,282 and the actual results for the year show revenues exceeding expenditures by \$52,896,914.

Actual revenues were \$80,301,421 higher than expected, due primarily to higher LCFF sources.

The actual expenditures were \$149,987,094 under budget, due primarily to less spending on books and supplies and other operating expenditures.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

By the end of 2024, the District had \$1,131,811,086 in a broad range of capital assets (net of depreciation and amortization). Total depreciation and amortization expense for the year was \$39,325,961. (More detailed information about capital assets can be found in Note 5 to financial statements.)

Table A-5

	Governmental Activities		Business-Type Activities		Total	
	2024	2023 as restated*	2024	2023 as restated*	2024	2023 as restated*
Land and construction in process	\$ 197,875,042	\$ 134,222,748	\$ -	\$ -	\$ 197,875,042	\$ 134,222,748
Buildings and improvements	913,039,462	869,991,390	-	-	913,039,462	869,991,390
Equipment	17,242,003	14,287,505	-	-	17,242,003	14,287,505
Leased assets	41,197	-	-	-	41,197	-
Right-to-use subscription information technology assets	3,613,382	3,299,084	-	-	3,613,382	3,299,084
Total	\$ 1,131,811,086	\$ 1,021,800,727	\$ -	\$ -	\$ 1,131,811,086	\$ 1,021,800,727

* Refer to Note 17 to the financial statements for additional information related to the restatement.

Long-Term Liabilities

At the end of this year, the District had \$1,310,211,355 in long-term liabilities outstanding versus \$1,188,503,789 last year, an increase of 10.2%. Those long-term liabilities consisted of:

Table A-6

	Governmental Activities		Business-Type Activities		Total	
	2024	2023 as restated*	2024	2023 as restated*	2024	2023 as restated*
General obligation bonds - net (financed with property taxes)	\$ 376,752,416	\$ 318,734,150	\$ -	\$ -	\$ 376,752,416	\$ 318,734,150
Certificates of Participation-net of premium	78,742,096	86,877,603	-	-	78,742,096	86,877,603
Discount on issuance	(66,573)	(106,516)	-	-	(66,573)	(106,516)
Leases	40,699	-	-	-	40,699	-
Subscription-based information technology arrangements	1,144,851	1,204,220	-	-	1,144,851	1,204,220
Compensated absences	5,031,799	4,179,253	-	-	5,031,799	4,179,253
Claims liability	22,539,292	23,046,438	-	-	22,539,292	23,046,438
Net other postemployment benefits (OPEB) liability	143,817,174	131,092,995	-	-	143,817,174	131,092,995
Aggregate net pension liability	682,209,601	623,475,646	-	-	682,209,601	623,475,646
Total	\$ 1,310,211,355	\$ 1,188,503,789	\$ -	\$ -	\$ 1,310,211,355	\$ 1,188,503,789

* Refer to Note 17 to the financial statements for additional information related to the restatement.

The District's general obligation bond rating continues to be "A+ Stable." The State limits the amount of general obligation debt that districts can issue to five percent of the assessed value of all taxable property within the District's boundaries. The District's outstanding general obligation debt is significantly below this statutorily-imposed limit.

At year-end, the District has a net OPEB liability of \$143,817,174 versus \$131,092,995 last year, an increase of \$12,724,179, or 9.7%.

At year-end, the District has a net pension liability of \$682,209,601 versus \$623,475,646 last year, an increase of \$58,733,955, or 9.4%.

We present more detailed information regarding our long-term liabilities, including net OPEB liability and net pension liability, in Notes 10, 11, and 14 to financial statements.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could significantly affect its financial health in the future:

1. Since the Local Control Funding Formula is based on an improved or slow/no growth in the economy of the State of California, any volatility in revenues will impact the District's financial condition.
2. The District anticipates that its enrollment or Average Daily Attendance (2.8% decrease in 2022-2024) will decrease during fiscal year 2024-2025.
3. Collective bargaining.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Office, 777 North F Street, San Bernardino, California 92410.

San Bernardino City Unified School District
Statement of Net Position
June 30, 2024

	Governmental Activities
Assets	
Deposits and investments	\$ 781,785,122
Receivables	62,945,402
Prepaid expense	95,180
Stores inventories	1,971,103
Lease receivables	298,486
Capital assets not depreciated or amortized	197,875,042
Capital assets, net of accumulated depreciation and amortization	933,936,044
Total assets	1,978,906,379
Deferred Outflows of Resources	
Deferred charge on refunding	5,428,712
Deferred outflows of resources related to OPEB	39,781,232
Deferred outflows of resources related to pensions	221,704,553
Total deferred outflows of resources	266,914,497
Liabilities	
Accounts payable	101,567,864
Accrued interest payable	5,486,766
Unearned revenue	11,824,977
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	23,874,892
OPEB liability due in one year	6,040,512
Long-term liabilities other than OPEB and pensions due in more than one year	460,309,688
Net other postemployment benefits (OPEB) liability	137,776,662
Aggregate net pension liability	682,209,601
Total liabilities	1,429,090,962
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	14,984,802
Deferred inflows of resources related to pensions	43,102,357
Deferred inflows of resources related to leases	298,486
Total deferred inflows of resources	58,385,645
Net Position	
Net investment in capital assets	787,500,779
Restricted for	
Debt service	23,759,400
Capital projects	5,460,452
Educational programs	228,009,408
Child nutrition	30,946,782
Self-insurance	98,297,531
Other activities	10,451,051
Unrestricted (deficit)	(426,081,134)
Total net position	\$ 758,344,269

San Bernardino City Unified School District
Statement of Activities
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Revenues and Changes in Net Position		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction	\$ 632,552,941	\$ 3,017,244	\$ 221,974,720	\$ 20,466,408	\$ (387,094,569)	\$ -	\$ (387,094,569)
Instruction-related activities							
Supervision of instruction	59,201,166	38,855	25,074,281	-	(34,088,030)	-	(34,088,030)
Instructional library, media, and technology	4,928,113	42	2,566,672	-	(2,361,399)	-	(2,361,399)
School site administration	77,294,662	2,659,558	37,736,634	-	(36,898,470)	-	(36,898,470)
Pupil services							
Home-to-school transportation	34,266,708	896	1,076,480	-	(33,189,332)	-	(33,189,332)
Food services	40,398,053	766,242	48,347,681	-	8,715,870	-	8,715,870
All other pupil services	82,536,635	439,538	33,206,786	-	(48,890,311)	-	(48,890,311)
Administration							
Data processing	10,227,073	(5,792)	3,351,864	-	(6,881,001)	-	(6,881,001)
All other administration	36,595,766	304,860	27,042,869	-	(9,248,037)	-	(9,248,037)
Plant services	98,476,415	2,514,540	71,275,791	-	(24,686,084)	-	(24,686,084)
Ancillary services	3,307,567	-	3,378,386	-	70,819	-	70,819
Community services	19,704,235	5,480	20,317,045	-	618,290	-	618,290
Enterprise services	(462,405)	(10,688)	-	-	451,717	-	451,717
Interest on long-term liabilities	16,357,020	763,951	-	-	(15,593,069)	-	(15,593,069)
Other outgo	2,111,655	-	7,255,364	-	5,143,709	-	5,143,709
Total governmental activities	\$ 1,117,495,604	\$ 10,494,726	\$ 502,604,573	\$ 20,466,408	(583,929,897)	-	(583,929,897)
General revenues and subventions							
Property taxes, levied for general purposes					73,022,740	-	73,022,740
Property taxes, levied for debt service					19,585,126	-	19,585,126
Taxes levied for other specific purposes					10,485,354	-	10,485,354
Federal and State aid not restricted to specific purposes					659,299,416	-	659,299,416
Interest and investment earnings					22,947,971	-	22,947,971
Miscellaneous					11,265,286	-	11,265,286
Subtotal, general revenues and subventions					796,605,893	-	796,605,893
Change in Net Position					212,675,996	-	212,675,996
Net Position - Beginning, as previously reported					535,521,562	10,146,711	545,668,273
Adjustments (Note 17)					10,146,711	(10,146,711)	-
Net Position - Beginning, as restated					545,668,273	-	545,668,273
Net Position - Ending					\$ 758,344,269	\$ -	\$ 758,344,269

San Bernardino City Unified School District

Balance Sheet – Governmental Funds

June 30, 2024

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Assets					
Deposits and investments	\$ 412,323,610	\$ 58,825,708	\$ 117,145,868	\$ 75,212,239	\$ 663,507,425
Receivables	47,787,214	704,408	1,122,684	12,178,325	61,792,631
Due from other funds	7,999,095	-	-	1,464,425	9,463,520
Prepaid expenditures	95,180	-	-	-	95,180
Stores inventories	-	-	-	1,971,103	1,971,103
Lease receivables	-	-	298,486	-	298,486
Total assets	\$ 468,205,099	\$ 59,530,116	\$ 118,567,038	\$ 90,826,092	\$ 737,128,345
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable	\$ 87,711,598	\$ 2,445,309	7,078,413	\$ 3,924,602	\$ 101,159,922
Due to other funds	3,232,414	-	1,547,691	6,497,712	11,277,817
Unearned revenue	10,508,606	-	-	1,316,371	11,824,977
Total liabilities	101,452,618	2,445,309	8,626,104	11,738,685	124,262,716
Deferred Inflows of Resources					
Deferred inflows of resources related to leases	-	-	298,486	-	298,486
Fund Balances					
Nonspendable	306,180	-	-	1,982,063	2,288,243
Restricted	228,009,408	57,084,807	-	76,984,087	362,078,302
Assigned	112,465,230	-	109,642,448	121,257	222,228,935
Unassigned	25,971,663	-	-	-	25,971,663
Total fund balances	366,752,481	57,084,807	109,642,448	79,087,407	612,567,143
Total liabilities, deferred inflows of resources, and fund balances	\$ 468,205,099	\$ 59,530,116	\$ 118,567,038	\$ 90,826,092	\$ 737,128,345

San Bernardino City Unified School District
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
 June 30, 2024

Total Fund Balance - Governmental Funds \$ 612,567,143

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

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: \$ 1,632,292,192
 Accumulated depreciation and amortization is (500,481,106)

Net capital assets 1,131,811,086

An Internal Service Fund is used by the District's management to charge the costs of the workers' compensation insurance program to the individual funds. The assets and liabilities of the Internal Service Fund are included with governmental activities in the statement of net position.

98,297,531

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.

(5,486,766)

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

Deferred charge on refunding 5,428,712
 Net other postemployment benefits (OPEB) liability 39,781,232
 Aggregate net pension liability 221,704,553

Total deferred outflows of resources 266,914,497

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

Net OPEB liability (14,984,802)
 Aggregate net pension liability (43,102,357)

Total deferred inflows of resources (58,087,159)

Aggregate net pension liability is not due and payable in the current period, and is not reported as a liability in the fund.

(682,209,601)

San Bernardino City Unified School District
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
 June 30, 2024

The District's net OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		\$ (143,817,174)
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		
General obligation bonds	\$ (315,584,425)	
Premium on issuance	(22,065,060)	
Certificates of participation	(68,935,000)	
Discount on issuance	66,573	
Leases	(40,699)	
Subscription-based information technology arrangements	(1,144,851)	
Compensated absences	(5,031,799)	
In addition, the District issues "capital appreciation" general obligation bonds. The accretion of interest on unmatured general obligation bonds to date is:	<u>(48,910,027)</u>	
Total long-term liabilities		<u>(461,645,288)</u>
Total net position - governmental activities		<u><u>\$ 758,344,269</u></u>

San Bernardino City Unified School District
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2024

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Local control funding formula (LCFF)	\$ 710,325,839	\$ -	\$ -	\$ -	\$ 710,325,839
Federal sources	226,225,617	958,522	-	41,058,974	268,243,113
Other state sources	208,816,341	-	-	48,051,231	256,867,572
Other local sources	51,225,908	3,366,605	3,186,077	36,758,416	94,537,006
Total revenues	<u>1,196,593,705</u>	<u>4,325,127</u>	<u>3,186,077</u>	<u>125,868,621</u>	<u>1,329,973,530</u>
Expenditures					
Current					
Instruction	607,383,046	-	-	4,763,696	612,146,742
Instruction-related activities					
Supervision of instruction	59,970,766	-	-	379,176	60,349,942
Instructional library, media, and technology	5,046,806	-	-	-	5,046,806
School site administration	75,675,093	-	-	3,285,664	78,960,757
Pupil services					
Home-to-school transportation	34,294,018	-	-	-	34,294,018
Food services	2,521,459	-	-	37,768,121	40,289,580
All other pupil services	81,992,315	-	-	565,850	82,558,165
Administration					
Data processing	10,550,968	-	-	-	10,550,968
All other administration	34,586,570	-	-	1,882,030	36,468,600
Plant services	94,987,029	-	-	1,862,405	96,849,434
Ancillary services	-	-	-	3,307,567	3,307,567
Community services	3,485,523	-	-	16,521,937	20,007,460
Other outgo	2,111,655	-	-	-	2,111,655
Enterprise services	1,960	-	-	(447,649)	(445,689)
Facility acquisition and construction	37,371,682	37,360,145	45,965,886	26,120,816	146,818,529
Debt service					
Principal	1,935,889	6,185,000	-	15,615,000	23,735,889
Interest and other	2,882,693	2,147,564	-	8,409,498	13,439,755
Total expenditures	<u>1,054,797,472</u>	<u>45,692,709</u>	<u>45,965,886</u>	<u>120,034,111</u>	<u>1,266,490,178</u>
Excess (Deficiency) of Revenues over Expenditures	<u>141,796,233</u>	<u>(41,367,582)</u>	<u>(42,779,809)</u>	<u>5,834,510</u>	<u>63,483,352</u>
Other Financing Sources (Uses)					
Transfers in	-	1,754,450	121,379,124	6,384	123,139,958
Other sources - leases	51,497	-	-	-	51,497
Other sources - SBITAs	615,722	-	-	-	615,722
Other sources - proceeds from issuance of general obligation bonds	-	67,020,000	-	-	67,020,000
Other sources - premium on issuance of general obligation bonds	-	-	-	4,472,964	4,472,964
Transfers out	(89,566,538)	-	(6,384)	(33,567,036)	(123,139,958)
Net Financing Sources (Uses)	<u>(88,899,319)</u>	<u>68,774,450</u>	<u>121,372,740</u>	<u>(29,087,688)</u>	<u>72,160,183</u>
Net Change in Fund Balances	52,896,914	27,406,868	78,592,931	(23,253,178)	135,643,535
Fund Balance - Beginning, as previously reported	313,855,567	29,677,939	-	108,862,014	452,395,520
Adjustments (Note 17)	-	-	31,049,517	(6,521,429)	24,528,088
Fund Balance - Beginning, as restated	<u>313,855,567</u>	<u>29,677,939</u>	<u>31,049,517</u>	<u>102,340,585</u>	<u>476,923,608</u>
Fund Balances - Ending	<u>\$ 366,752,481</u>	<u>\$ 57,084,807</u>	<u>\$ 109,642,448</u>	<u>\$ 79,087,407</u>	<u>\$ 612,567,143</u>

San Bernardino City Unified School District
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
 Funds to the Statement of Activities
 Year Ended June 30, 2024

Total Net Change in Fund Balances - Governmental Funds \$ 135,643,535

Amounts Reported for Governmental Activities in the Statement
 of Activities are Different Because

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 expense in the Statement of Activities. This is the amount by which capital outlay exceed depreciation and amortization expense in the period.

Capital outlay	\$ 149,413,877	
Depreciation and amortization expense	<u>(39,325,961)</u>	

Net expense adjustment		110,087,916
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Loss on disposal of capital assets is reported in the government-wide Statement of Net Position, but is not recorded in the governmental funds.		(77,557)
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Right-to-use leased assets acquired this year were financed with leases. The amount financed by the leases is reported in the governmental funds as a source of financing. On the other hand, the leases are not revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position.		(51,497)
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Right-to-use subscription information technology assets acquired this year were financed with subscription-based information technology arrangements (SBITAs). The amount financed by the SBITAs is reported in the governmental funds as a source of financing. On the other hand, the SBITAs are not revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position.		(615,722)
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In the Statement of Activities, certain operating expenses - compensated absences is measured by the amounts earned during the year. In the governmental funds, however, expenditures for this item is measured by the amount of financial resources used (essentially, the amounts actually paid). Vacation earned was more than the amounts used by \$852,546.		(852,546)
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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.		8,969,669
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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.		(6,262,897)
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San Bernardino City Unified School District

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

<p>Proceeds received from sale of general obligation bonds is a revenue in the governmental funds, but it increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.</p>	\$ (67,020,000)
<p>Governmental funds report the effects of premiums, discounts, issuance costs, and the deferred amount on a refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities. This is the net effect of these related items:</p>	
Premium on issuance	(4,472,956)
<p>Repayment of debt principal 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</p>	
General obligation bonds	15,615,000
Certificate of participations	7,435,000
Leases	10,798
Subscription-based information technology arrangements	675,091
<p>Under the modified basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This adjustment combines the net changes of the following balances</p>	
Amortization of debt premium	\$ 1,795,820
Amortization of debt discount	(39,943)
Amortization of deferred charge on refunding	<u>(472,098)</u>
Combined adjustment	1,283,779
<p>Interest on long-term liabilities in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the Statement of Activities is the result of two factors. First, accrued interest on the general obligation bonds and certificates of participation increased \$965,421, and second, \$3,235,623 of additional accumulated interest was accreted on the District's "capital appreciation" general obligation bonds.</p>	(4,201,044)
<p>An Internal Service Fund is used by the District's management to charge the costs of the workers compensation insurance program to the individual funds. The net revenue of the Internal Service Fund is reported with governmental activities.</p>	<u>16,509,427</u>
Change in net position of governmental activities	<u><u>\$ 212,675,996</u></u>

San Bernardino City Unified School District
Statement of Net Position – Proprietary Funds
June 30, 2024

	Governmental Activities - Internal Service Fund
Assets	
Current assets	
Deposits and investments	\$ 118,277,697
Receivables	1,152,771
Due from other funds	1,819,179
Total current assets	121,249,647
Liabilities	
Current liabilities	
Accounts payable	407,942
Due to other funds	4,882
Current portion of claims liability	5,310,117
Total current liabilities	5,722,941
Noncurrent liabilities	
Noncurrent portion of claims liability	17,229,175
Total liabilities	22,952,116
Net Position	
Restricted	\$ 98,297,531

San Bernardino City Unified School District
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds
Year Ended June 30, 2024

	Business-Type Activities Enterprise Fund Food Service	Governmental Activities - Internal Service Fund
Operating Revenues		
Charges to other funds and miscellaneous revenues	\$ -	\$ 21,847,373
Operating Expenses		
Payroll costs	-	961,983
Supplies and materials	-	8,813
Facility rental	-	523
Other operating cost	-	9,691,741
Total operating expenses	-	10,663,060
Operating income	-	11,184,313
Nonoperating Revenues		
Interest income	-	4,088,606
Net change in fair market value	-	1,236,508
Total nonoperating revenues	-	5,325,114
Change in Net Position	-	16,509,427
Total Net Position - Beginning, as previously reported	10,146,711	81,788,104
Adjustments (Note 17)	(10,146,711)	-
Total Net Position - Beginning, as restated	-	81,788,104
Total Net Position - Ending	\$ -	\$ 98,297,531

San Bernardino City Unified School District
Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2024

	Governmental Activities - Internal Service Fund
Operating Activities	
Cash receipts for interfund services provided	\$ 21,652,893
Other operating cash receipts (payments)	(83,202)
Cash payments to employees for services	(961,983)
Cash payments for insurance claims	<u>(10,198,887)</u>
Net Cash from Operating Activities	<u>10,408,821</u>
Investing Activities	
Net gain on investments	<u>4,402,064</u>
Net Increase in Cash and Cash Equivalents	14,810,885
Cash and Cash Equivalents - Beginning	<u>103,466,812</u>
Cash and Cash Equivalents - Ending	<u><u>\$ 118,277,697</u></u>
Reconciliation of Operating Income to Net Cash from Operating Activities	
Operating income	\$ 11,184,313
Adjustments to reconcile operating income to net cash from operating activities	
Changes in assets and liabilities	
Receivables	551,605
Due from other fund	(193,699)
Accounts payables	(625,471)
Due to other fund	(781)
Claims liability and self assessment	<u>(507,146)</u>
Net Cash from Operating Activities	<u><u>\$ 10,408,821</u></u>

Note 1 - Summary of Significant Accounting Policies**Financial Reporting Entity**

The San Bernardino City Unified School District (the District) was unified on July 1, 1964, under the laws of the State of California. The District operates under a locally elected seven-member Board form of government and provides educational services to grades K-12 as mandated by the State and/or Federal agencies. The District operates forty-nine elementary schools, ten middle schools, a K-8 school, a middle college, six comprehensive high schools, one alternative education school, two continuation high schools, a virtual academy, an adult education school, and two special education 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. For San Bernardino City Unified School District, this includes general operations, food service, and student related activities of the District.

Component Units

Component units are legally separate organization for which the District is financially accountable. Component units may include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. For financial reporting purposes, the component units have a financial and operational relationship which meets the reporting entity definition criteria of the GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 80, *Blending Requirements For Certain Component Units* and thus are included in the financial statements of the District. The component units, although legally separate entities, are reported in the financial statements using the blended presentation method as if they were part of the District's operations because the governing board of the component unit is essentially the same as the governing board of the District and because their purpose is to finance the construction of facilities to be used for the benefit of the District.

The San Bernardino City Unified School District and San Bernardino Schools Financing Corporation (the Corporation), as represented by the 2011 and 2019 Certifications of Participation, have a financial and operational relationship which meets the reporting entity definition for inclusion of the Corporation as a component unit of the District. Accordingly, the financial activities of the Corporation have been included in the financial statements of the District. The financial statements present the Corporation's financial activity within the Capital Project Fund for Blended Component Units. All debt instruments issued by the Corporation are included as long-term liabilities in the government-wide financial statements.

Other Related Entities

Charter School The District has approved Charters for Provisional Accelerated Learning (PAL) Academy (Charter Number 0335), ASA Charter (Charter Number 0677), Public Safety Academy (Charter Number 0731), SOAR Charter Academy (Charter Number 0982), Options for Youth - San Bernardino (Charter Number 1132), New Vision Middle (Charter Number 1089), Hardy Brown College Prep (Charter Number 1155), iEmpire Academy (Charter Number 1153), Woodward Leadership Academy (Charter Number 1438), Savant Preparatory Academy of Business (Charter Number 1971), Ballington Academy for the Arts and Science – San Bernardino (1795), and Entrepreneur High School (Charter Number 1922) pursuant to *Education Code* Section 47605. The Charter Schools are operated independently and are not considered component units of 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 out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's funds are grouped into two broad fund categories: governmental and proprietary.

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 major and non-major governmental funds:

Major Governmental Funds

General Fund The General Fund is the chief operating fund for all districts. 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.

One fund currently defined as a special revenue fund in the California State Accounting Manual (CSAM) does not meet the GASB Statement No. 54 special revenue fund definition. Specifically, Fund 14, Deferred Maintenance Fund, is not substantially composed of restricted or committed revenue sources. While this fund is authorized by statute and will remain open for internal reporting purposes, this fund functions effectively as an extension of the General Fund, and accordingly has been combined with the General Fund for presentation in these audited financial statements.

Due to implementation of GASB Statement No. 84, Fiduciary Activities, the District's Fund 73, Foundation Private-Purpose Trust Fund (Jeffords Trust Fund) is consolidated into the General Fund.

As a result, the General Fund reflects an increase in fund balance of \$16,229,529.

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.

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).

Non-Major 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 the financing of particular activities, that compose a substantial portion of the inflows of the fund, and that are reasonably expected to continue. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund.

- **Student Activity Fund** The Student Activity Fund is used to account separately for the operating activities of the associated student body accounts that are not fiduciary in nature, including student clubs, general operations, athletics, and other student body activities.
- **Adult Education Fund** The Adult Education Fund is used to account separately for Federal, State, and local revenues that are restricted or committed for adult education programs and is to be expended for adult education purposes only.
- **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).

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

- **Capital Facilities Fund** 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 approval (*Education Code* Sections 17620-17626 and *Government Code* Section 65995 et seq.). 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).

- **County School Facilities Fund** The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), or the 2006 State Schools Facilities Fund (Proposition 1D) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070.10 et seq.).
- **Capital Projects Fund for Blended Component Units** The Capital Projects Fund for Blended Component Units is used to account for capital projects financed by the San Bernardino Schools Financing Corporation and similar entities that are considered blended component units of the District under generally accepted accounting principles (GAAP).

Debt Service Funds The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, principal and interest on general long-term liabilities.

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

Proprietary Funds Proprietary Funds are used to account for activities that are more business-like than government-like in nature. Proprietary funds are generally intended to be self-supporting and are classified as enterprise or internal service. The District has the following proprietary funds:

- **Internal Service Fund** Internal Service Funds may be used to account for goods or services provided to other funds of the District on a cost-reimbursement basis. The District operates a self-insured workers' compensation program that is accounted for in an internal service fund.

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 direct expenses and program revenues. 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 and amortization of leased assets and subscription information technology 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. Eliminations have been made to minimize the double counting of internal activities.

Net position should be reported as restricted when constraints placed on net position 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 internal service fund, and the restrictions on their use.

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

- **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 balances 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.
- **Proprietary Funds** Proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net position. The statement of revenues, expenses and changes in net position presents increases (revenues) and decreases (expenses) in net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

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 government-wide statements.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

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 the County investment pool 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

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at the lower of cost or market, utilizing the weighted average method. The costs of inventory items are recorded as expenditures in the governmental funds and expenses in the proprietary funds when consumed rather than when purchased.

Capital Assets, Depreciation, and 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 financial Statement of Net Position. The valuation basis for general capital assets are 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 and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements/infrastructure, 5 to 50 years; equipment, 2 to 15 years.

The District records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended June 30, 2024.

The District records the value of intangible right-to-use assets based on the underlying leased asset in accordance with GASB Statement No. 87, *Leases*. The right-to-use intangible asset is amortized each year for the term of the contract or useful life of the underlying asset.

The District records the value of right-to-use subscription information technology assets based on the underlying subscription asset in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The right-to-use subscription information technology asset is amortized each year for the term of the contract or useful life of the underlying asset.

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 column 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.

Accrued Liabilities and Long-Term Liabilities

All payables, accrued liabilities, and long-term liabilities are reported in the government-wide and proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full, from current financial resources are reported as liabilities of the governmental funds.

However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the governmental fund financial statements only to the extent that they are due for payment during the current year. Bonds, leases, and long-term loans are recognized as liabilities in the governmental fund financial statements when due.

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 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 charge on refunding of debt, for pension related items, and for OPEB related items.

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 related to leases, 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 the CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from the District Plan and the MPP's fiduciary net position have been determined on the same basis as they are reported by the District Plan and the MPP. For this purpose, the District Plan and the MPP 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.

Leases

The District recognizes a lease liability and an intangible right-to-use leased asset (leased asset) in the government-wide financial statements. At the commencement of the lease term, the District measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, plus certain initial direct costs. Subsequently, the leased asset is amortized on a straight-line basis over the lease term or useful life of the underlying asset.

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.

Subscriptions

The District recognizes a subscription liability and an intangible right-to-use subscription information technology asset (subscription information technology asset) in the government-wide financial statements. At the commencement of the subscription term, the District measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription information technology asset is initially measured as the initial amount of the subscription liability, plus certain initial direct costs. Subsequently, the subscription information technology asset is amortized on a straight-line basis over the shorter of the subscription term or useful life of the underlying asset. The amortization period varies from two to eight years.

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.

Committed - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board. The District currently does not have any committed funds.

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 adopted policy, only the chief business and financial officer/assistant superintendent of business services may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

Spending Order Policy

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

Minimum Fund Balance Policy

The governing board adopted a minimum fund balance policy for the General Fund in order to protect the district against revenue shortfalls or unpredicted one-time expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than two percent of General Fund expenditures and other financing uses.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position 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. The government-wide financial statements report \$396,924,624 of restricted net position, which is restricted by enabling legislation.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues charges to other funds for self-insurance activity. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Interfund Activity

Transfers between governmental activities in the government-wide financial statements are reported in the same manner as general revenues.

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 and after non-operating revenues/expenses in proprietary 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 accordance 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 Bernardino bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

Adoption of New Accounting Standard**Implementation of GASB Statement No. 100**

As of July 1, 2023, the District adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. The implementation of this standard requires additional presentation and disclosure requirements for accounting changes and error corrections. The financial statements have been updated to conform to the presentation requirements related to the change in reporting entity in the financial statements for the year ended June 30, 2024. The additional disclosures required by this standard are included in Note 17.

Note 2 - Deposits and Investments

Summary of Deposits and Investments

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

Governmental activities	<u><u>\$ 781,785,122</u></u>
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Deposits and investments as of June 30, 2024, consist of the following:

Cash on hand and in banks	\$ 5,623,795
Cash in revolving	221,960
Investments	<u>775,939,367</u>
Total deposits and investments	<u><u>\$ 781,785,122</u></u>

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.

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.

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

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 changes in market interest rates. The District manages its exposure to interest rate risk by investing in the San Bernardino County Treasury Investment Pool to provide the cash flow and liquidity needed for operations, and by purchasing 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 necessary for debt service requirements.

Specific Identification

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuation is provided by the following schedule that shows the distribution of the District's investment by maturity:

Investment Type	Reported Amount	Average Maturity in Days
San Bernardino County Treasury Investment Pool	\$ 774,576,212	724
US Bank Money Market Mutual Fund	<u>1,363,155</u>	1
Total	<u><u>\$ 775,939,367</u></u>	

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 investments with the San Bernardino County Treasury Investment Pool is rated AAA by Fitch Ratings. The US Bank Money Market Mutual Fund is not rated.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the *California Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2024, the District's bank balance of \$1,039,449 held by Bank of America was exposed to custodial credit risk because it was uninsured and collateralized by securities held by pledging financial institution's trust department or agent but not in the name of the District. The remaining bank balance of \$4,098,470 held by other financial institutions was exposed to custodial credit risk because it was uninsured and uncollateralized.

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. The following provides a summary of the hierarchy used to measure fair value:

- Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.
- Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.
- Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District’s own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

The District’s fair value measurements are as follows at June 30, 2024:

Investment Type	Reported Amount	Fair Value Measurements Using Level 2 Inputs
US Bank Money Market Mutual Fund	\$ 1,363,155	\$ 1,363,155

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

Note 4 - Receivables

Receivables at June 30, 2024, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Internal Service Fund	Total Governmental Activities
Federal Government						
Categorical aid	\$ 35,743,646	\$ -	\$ -	\$ 9,083,764	\$ -	\$ 44,827,410
State Government						
LCFF apportionment	1,407,675	-	-	-	-	1,407,675
Categorical aid	1,561,367	-	-	2,539,904	-	4,101,271
Lottery	2,653,226	-	-	-	-	2,653,226
Other Local Sources						
Interest	3,033,960	704,408	1,072,684	303,057	1,112,264	6,226,373
Other	3,387,340	-	50,000	251,600	40,507	3,729,447
Total	<u>\$ 47,787,214</u>	<u>\$ 704,408</u>	<u>\$ 1,122,684</u>	<u>\$ 12,178,325</u>	<u>\$ 1,152,771</u>	<u>\$ 62,945,402</u>

Note 5 - Capital Assets

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

	Balance July 1, 2023 as restated	Additions	Deductions	Balance June 30, 2024
Governmental Activities				
Capital assets not being depreciated or amortized				
Land	\$ 32,151,833	\$ -	\$ -	\$ 32,151,833
Construction in process	102,070,915	134,763,031	(71,110,737)	165,723,209
	<u>134,222,748</u>	<u>134,763,031</u>	<u>(71,110,737)</u>	<u>197,875,042</u>
Total capital assets not being depreciated or amortized				
Capital assets being depreciated and amortized				
Land improvements	126,900,857	16,576,389	-	143,477,246
Buildings and improvements	1,163,554,394	60,219,681	-	1,223,774,075
Furniture and equipment	54,968,406	6,113,380	(626,255)	60,455,531
Lease assets	-	51,497	-	51,497
Right-to-use subscription information technology assets	4,908,160	2,800,636	(1,049,995)	6,658,801
	<u>1,350,331,817</u>	<u>85,761,583</u>	<u>(1,676,250)</u>	<u>1,434,417,150</u>
Total capital assets being depreciated and amortized				
Accumulated depreciation and amortization				
Land improvements	(52,776,603)	(4,451,079)	-	(57,227,682)
Buildings and improvements	(367,687,258)	(29,296,919)	-	(396,984,177)
Furniture and equipment	(40,680,901)	(3,081,325)	548,698	(43,213,528)
Lease assets	-	(10,300)	-	(10,300)
Right-to-use subscription information technology assets	(1,609,076)	(2,486,338)	1,049,995	(3,045,419)
	<u>(462,753,838)</u>	<u>(39,325,961)</u>	<u>1,598,693</u>	<u>(500,481,106)</u>
Total accumulated depreciation and amortization				
Net depreciable and amortizable capital assets	<u>887,577,979</u>	<u>46,435,622</u>	<u>(77,557)</u>	<u>933,936,044</u>
Governmental activities capital assets, net				
	<u>\$ 1,021,800,727</u>	<u>\$ 181,198,653</u>	<u>\$ (71,188,294)</u>	<u>\$ 1,131,811,086</u>

Depreciation and amortization expense were charged as a direct expense to governmental and business-type functions as follows:

Governmental Activities	
Instruction	\$ 35,421,019
Supervision of instruction	5,308
Instructional library, media, and technology	291
School site administration	100,993
Food services	368,293
All other pupil services	736,587
All other general administration	473,411
Plant services	<u>2,220,059</u>
Total depreciation and amortization expense governmental activities	<u>\$ 39,325,961</u>

Note 6 - Lease Receivables

Lease receivables are recorded by the District at the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the District charges the lessee. The District has accrued a receivable for leasing a portion of its facilities to a lessee. This lease is non-cancelable for a period of more than one year. During the fiscal year, the District recognized \$9,478 in lease revenue and \$12,146 in interest revenue related to this agreement. As of June 30, 2024, the District recorded \$298,486 in leases receivable and \$298,486 in deferred inflows of resources related to leases for these arrangements. The interest rate on these lease agreements was 4.0%.

Note 7 - Interfund Transactions

Interfund Receivables/Payables (Due To/Due From)

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, enterprise funds, and internal service funds, are as follows:

Due To	Due From				Total
	General Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Internal Service Fund	
General Fund	\$ -	\$ 1,541,160	\$ 6,453,053	\$ 4,882	\$ 7,999,095
Non-Major Governmental Funds	1,458,042	6,383	-	-	1,464,425
Internal Service Fund	<u>1,774,372</u>	<u>148</u>	<u>44,659</u>	<u>-</u>	<u>1,819,179</u>
Total	<u>\$ 3,232,414</u>	<u>\$ 1,547,691</u>	<u>\$ 6,497,712</u>	<u>\$ 4,882</u>	<u>\$ 11,282,699</u>

San Bernardino City Unified School District

Notes to Financial Statements

June 30, 2024

A balance of \$1,458,005 due to the Cafeteria Non-Major Governmental Fund from the General Fund resulted from reimbursement of operating expenses.

The balance of \$1,774,372 due to the Internal Service Fund from the General Fund was for worker's compensation charges.

A balance of \$160,980 due to the General Fund from the Adult Education Non-Major Governmental Fund resulted from reimbursement of operating expenses.

A balance of \$422,977 due to the General Fund from the Child Development Non-Major Governmental Fund resulted from reimbursement of operating expenses.

A balance of \$5,869,096 due to the General Fund from the Cafeteria Non-Major Governmental Fund resulted from reimbursement of operating expenses.

The balance of \$1,541,160 due to the General Fund from the Special Reserve Fund for Capital Outlay Projects resulted from reimbursement of eligible construction project costs.

All remaining balances resulted for 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 for the year ended June 30, 2024, consisted of the following:

Transfer To	Transfer From			Total
	General Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	
Building Fund	\$ -	\$ -	\$ 1,754,450	\$ 1,754,450
Special Reserve Fund for Capital Outlay Projects	89,566,538	-	31,812,586	121,379,124
Non-Major Governmental Funds	-	6,384	-	6,384
Total	<u>\$ 89,566,538</u>	<u>\$ 6,384</u>	<u>\$ 33,567,036</u>	<u>\$ 123,139,958</u>

The General Fund transferred to the Special Reserve Fund for Capital Outlay Projects for reimbursement of eligible construction project costs. \$ 89,566,538

The Special Reserve Fund for Capital Outlay Projects transferred to the Capital Facilities Non-Major Governmental Fund for reimbursement of eligible construction project costs. 6,384

The County School Facilities Non-Major Governmental Fund transferred to the Building Fund for reimbursement of eligible construction project costs. 1,754,450

The County School Facilities Non-Major Governmental Fund transferred to the Special Reserve Fund for Capital Outlay Projects for reimbursement of eligible construction project costs. 31,812,586

Total \$ 123,139,958

Note 8 - Accounts Payable

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

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Internal Service Fund	Total Governmental Activities
Salaries and benefits	\$ 47,044,098	\$ -	\$ -	\$ 991,469	\$ 2,311	\$ 48,037,878
Other payables	40,667,500	2,445,309	7,078,413	2,933,133	405,631	53,529,986
Total	\$ 87,711,598	\$ 2,445,309	\$ 7,078,413	\$ 3,924,602	\$ 407,942	\$ 101,567,864

Note 9 - Unearned Revenue

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

	General Fund	Non-Major Governmental Funds	Total Governmental Activities
Federal financial assistance	\$ 2,781,998	\$ 112,859	\$ 2,894,857
State categorical aid	6,696,183	-	6,696,183
Other local	1,030,425	1,203,512	2,233,937
Total	\$ 10,508,606	\$ 1,316,371	\$ 11,824,977

Note 10 - Long-Term Liabilities Other than OPEB and Pensions

Summary

The changes in the District's long-term liabilities other than OPEB and pensions during the year consisted of the following:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due in One Year
Governmental Activities					
General obligation bonds	\$ 309,853,829	\$ 70,255,623	\$ (15,615,000)	\$ 364,494,452	\$ 16,315,000
Premium on issuance	8,880,321	4,472,956	(1,095,313)	12,257,964	-
Certificates of participation	76,370,000	-	(7,435,000)	68,935,000	1,525,000
Discount on issuance	(106,516)	-	39,943	(66,573)	-
Premium on issuance	10,507,603	-	(700,507)	9,807,096	-
Leases	-	51,497	(10,798)	40,699	9,030
Subscription-based information technology arrangements	1,204,220	615,722	(675,091)	1,144,851	715,745
Compensated absences	4,179,253	852,546	-	5,031,799	-
Claims liability	23,046,438	4,802,971	(5,310,117)	22,539,292	5,310,117
Total	\$ 433,935,148	\$ 81,051,315	\$ (30,801,883)	\$ 484,184,580	\$ 23,874,892

San Bernardino City Unified School District

Notes to Financial Statements

June 30, 2024

Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund with local revenues. 2011 certificates of participations (COPs) are paid from the Building Fund and 2019 COPs are paid by the General Fund. The leases and subscription-based information technology arrangements will be paid by the General Fund. The compensated absences will be paid by the fund for which the employee worked, which includes the General Fund, Adult Education Fund, Child Development Fund, and Cafeteria Fund. Claims liability is paid by the Internal Service Fund.

General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds			Bonds Outstanding June 30, 2024	
				Outstanding July 1, 2023	Issued	Accreted		Redeemed
5/1/03	8/1/27	1.10 - 5.46%	\$ 15,000,000	\$ 16,460,204	\$ -	\$ 853,056	\$ (2,005,000)	\$ 15,308,260
9/16/04	8/1/29	1.25 - 5.46%	44,999,498	2,219,356	-	254,266	-	2,473,622
5/18/06	8/1/30	4.50 - 5.15%	67,999,967	6,643,607	-	273,862	-	6,917,469
3/3/11	8/1/42	7.41 - 7.50%	11,525,419	29,824,892	-	1,113,704	-	30,938,596
3/3/11	8/1/35	7.41 - 7.50%	5,477,434	16,710,770	-	740,735	-	17,451,505
5/22/13	8/1/28	2.00 - 5.00%	86,000,000	14,605,000	-	-	(6,995,000)	7,610,000
6/12/13	8/1/27	0.99 - 4.66%	12,515,000	955,000	-	-	(955,000)	-
8/7/14	8/1/28	2.00 - 5.00%	24,705,000	9,325,000	-	-	(2,075,000)	7,250,000
7/15/15	8/1/40	2.00 - 5.00%	32,495,000	29,725,000	-	-	(50,000)	29,675,000
10/31/17	8/1/42	3.00 - 5.00%	31,550,000	28,720,000	-	-	(905,000)	27,815,000
10/31/17	8/1/42	4.00 - 5.00%	21,085,000	16,765,000	-	-	(400,000)	16,365,000
9/24/20	8/1/44	3.00%	35,000,000	35,000,000	-	-	-	35,000,000
9/24/20	8/1/37	0.489 - 2.732%	20,185,000	18,360,000	-	-	(830,000)	17,530,000
9/24/20	8/1/31	1.25 - 4.00%	13,250,000	13,250,000	-	-	-	13,250,000
9/24/20	8/1/37	0.429 - 2.722%	74,315,000	71,290,000	-	-	(1,400,000)	69,890,000
9/13/23	8/1/43	4.00 - 5.00%	53,350,000	-	53,350,000	-	-	53,350,000
9/13/23	8/1/35	6.25 - 6.50%	13,670,000	-	13,670,000	-	-	13,670,000
				<u>\$ 309,853,829</u>	<u>\$ 67,020,000</u>	<u>\$ 3,235,623</u>	<u>\$ (15,615,000)</u>	<u>\$ 364,494,452</u>

2012 General Obligation Bonds, Series H

On September 13, 2023, the District issued the 2012 General Obligation Bonds, Series H in the amount of \$53,350,000. The bonds were issued as current interest bonds. The bonds were issued at an aggregate price of \$57,069,271 (representing the principal amount of \$53,350,000 plus premium of \$3,719,271, less cost of issuance of \$468,575). The bonds have a final maturity to occur on August 1, 2043, with interest rates ranging from 4.00 to 5.00%. Proceeds from sale of bonds will be used to finance the acquisition, construction, repair, furnishing and equipping of District sites and facilities, and pay the costs of issuing the bonds. At June 30, 2024, 2012 General Obligation Bonds, Series H, totaling \$53,350,000 were still outstanding.

2012 General Obligation Bonds, Series I

On September 13, 2023, the District issued the 2012 General Obligation Bonds, Series I in the amount of \$13,670,000. The bonds were issued as current interest bonds. The bonds were issued at an aggregate price of \$14,423,685 (representing the principal amount of \$13,670,000 plus premium of \$753,685, less cost of issuance of \$118,528). The bonds have a final maturity to occur on August 1, 2035, with interest rates ranging from 6.25 to 6.50%. Proceeds from sale of bonds will be used to pay certain of the lease payments with respect to the District’s outstanding Taxable Certificates of Participation, 2011 Series A (Direct Subsidy Qualified School Construction Bonds) and pay the costs of issuing the bonds. At June 30, 2024, 2012 General Obligation Bonds, Series I, totaling \$13,670,000 were still outstanding.

Debt Service Requirements to Maturity

The bonds mature through 2045 as follows:

Fiscal Year	Principal Including Accreted Interest to Date	Accreted Interest	Current Interest to Maturity	Total
2025	\$ 16,258,793	\$ 56,207	\$ 10,135,307	\$ 26,450,307
2026	17,492,378	377,622	9,718,030	27,588,030
2027	17,560,548	634,452	9,450,441	27,645,441
2028	18,416,541	898,459	9,154,082	28,469,082
2029	15,250,000	-	8,797,351	24,047,351
2030-2034	69,919,885	18,805,114	38,798,239	127,523,238
2035-2039	86,239,639	39,315,361	29,038,609	154,593,609
2040-2044	109,831,668	31,653,332	12,296,529	153,781,529
2045	13,525,000	-	202,875	13,727,875
Total	\$ 364,494,452	\$ 91,740,547	\$ 127,591,463	\$ 583,826,462

Certificates of Participation

Issue Date	Maturity Date	Interest Rate	Original Issue	Certificates Outstanding July 1, 2023	Issued	Redeemed	Certificates Outstanding June 30, 2024
3/3/11	2/1/26	7.903-8.403%	\$ 53,080,000	\$ 19,095,000	\$ -	\$ (6,185,000)	\$ 12,910,000
6/27/19	10/1/38	3.00-5.00%	62,705,000	57,275,000	-	(1,250,000)	56,025,000
				\$ 76,370,000	\$ -	\$ (7,435,000)	\$ 68,935,000

Debt Service Requirements to Maturity

The certificates mature through 2039 as follows:

Year Ending June 30,	Principal	Current Interest to Maturity	Total
2025	\$ 1,525,000	\$ 3,828,587	\$ 5,353,587
2026	14,720,000	3,220,322	17,940,322
2027	2,115,000	2,581,625	4,696,625
2028	2,425,000	2,468,125	4,893,125
2029	2,765,000	2,338,375	5,103,375
2030-2034	18,380,000	9,191,750	27,571,750
2035-2039	27,005,000	3,602,375	30,607,375
Total	<u>\$ 68,935,000</u>	<u>\$ 27,231,159</u>	<u>\$ 96,166,159</u>

Leases

The District has entered into an agreement to lease facilities. As of June 30, 2024, the District recognized a net right-to-use leased asset of \$41,197 and a lease liability of \$40,699 related to this agreement. During the fiscal year, the District recorded \$10,300 in amortization expense. The District is required to make principal and interest payments through June 2028. The lease agreement has an interest rate of 4.00%.

The remaining principal and interest payment requirements for the lease obligation debt as of June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 9,030	\$ 1,628	\$ 10,658
2026	9,765	1,267	11,032
2027	10,541	876	11,417
2028	11,363	455	11,818
Total	<u>\$ 40,699</u>	<u>\$ 4,226</u>	<u>\$ 44,925</u>

Subscriptions-Based Information Technology Arrangements (SBITAs)

The District has entered into SBITAs for the use of various software. At June 30, 2024, the District has recognized a right-to-use subscriptions information technology asset of \$3,613,382 and a SBITA liability of \$1,144,851 related to these agreements. During the fiscal year, the District recorded \$2,486,338 in amortization expense. The District is required to make annual principal and interest payments through March 2026. The subscriptions have an interest rate of 4.0%.

San Bernardino City Unified School District

Notes to Financial Statements

June 30, 2024

The remaining principal and interest payment requirements for the SBITA obligation debt as of June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 715,745	\$ 45,791	\$ 761,536
2026	429,106	17,164	446,270
Total	<u>\$ 1,144,851</u>	<u>\$ 62,955</u>	<u>\$ 1,207,806</u>

Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2024, amounted to \$5,031,799.

Claims Liability

Liabilities associated with workers' compensation claims are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are based upon estimated ultimate cost of settling the claims, considering recent claim settlement trends including the frequency and amount of payouts and other economic and social factors. The liability for workers' compensation claims is reported in the Internal Service Fund. The outstanding claims liability at June 30, 2024, amounted to \$22,539,292, using a discount factor of 1.9%. See Note 13 for additional details.

Note 11 - Other Postemployment Benefit (OPEB) Liability

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

OPEB Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
District Plan	\$ 141,220,890	\$ 39,781,232	\$ 14,984,802	\$ 12,637,164
Medicare Premium Payment (MPP) Program	2,596,284	-	-	(148,036)
Total	<u>\$ 143,817,174</u>	<u>\$ 39,781,232</u>	<u>\$ 14,984,802</u>	<u>\$ 12,489,128</u>

The details of each plan are as follows:

District Plan

Plan Administration

The California Public Employees' Retirement System (CalPERS) administers the San Bernardino City Unified School District's Postemployment Benefits Plan (the Plan) by maintaining the assets provided and payment at the direction of the District. The Plan is an agent multi-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. Financial information for CalPERS can be found on the CalPERS website at: <https://calpers.ca.gov/pages/formspublications>.

Management of the trustee assets is vested with the California Public Employees' Retirement System (CalPERS).

Plan Membership

At June 30, 2023, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	482
Active employees	<u>4,348</u>
	<u><u>4,830</u></u>

Benefits Provided

The Plan provides medical and vision insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District's governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

Contributions

The contribution requirements of the Plan members and the District are established and may be amended by the District, the San Bernardino Teachers Association (SBTA), the local California Service Employees Association (CSEA), and unrepresented groups. The District contributions are based on pay-as-you-go financing requirements, which include the statutory minimum required monthly premium, plus an administrative fee, on behalf of each retiree. In addition, the District makes supplemental contributions towards eligible retirees' premiums until age 65 according to the provisions of the District's agreement with its various employee groups. Any additional contributions are based on availability of funds. For the measurement period of June 30, 2023, the District contributed \$5,017,073 to the Plan, all of which was used for current premiums.

Net OPEB Liability of the District

The District's net OPEB liability of \$141,220,890 was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The components of the net OPEB liability of the District at June 30, 2023, measurement date, were as follows:

Total OPEB liability	\$ 141,315,472
Plan fiduciary net position	<u>(94,582)</u>
District's net OPEB liability	<u><u>\$ 141,220,890</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u><u>0.07%</u></u>

Actuarial Assumptions

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

Inflation	2.50% for 2023
Salary increases	2.75%, average, including inflation
Investment rate of return	3.67% for 2023, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	4.00%

The discount rate was based on the Bond Buyer 20-bond General Obligation Index.

Mortality rates were based on the 2020 CalSTRS Mortality Table for certificated employees and the 2021 CalPERS Active Mortality for Miscellaneous and School Employees Table for classified employees.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actual experience study for the period July 1, 2022 to June 30, 2023.

The long-term expected rate of return on OPEB plan investment was determined using a rolling periods of time for all asset classes in combination to appropriately reflect correlation between asset classes. That means that the average returns for any asset class do not necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
All Equities	59%	7.545%
All Fixed Income	25%	4.250%
Real Estate Investment Trusts	8%	7.250%
All Commodities	3%	7.545%
Treasury Inflation Protected Securitie	5%	3.000%

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2022 (Measurement Date)	\$ 128,437,582	\$ 88,907	\$ 128,348,675
Service cost	6,581,527	-	6,581,527
Interest	4,605,370	-	4,605,370
Differences between expected and actual experience	3,666,179	-	3,666,179
Contributions-employer	-	5,017,073	(5,017,073)
Net investment income	-	(6,926)	6,926
Investment gain/losses	-	12,627	(12,627)
Changes of assumptions	3,041,887	-	3,041,887
Benefit payments	(5,017,073)	(5,017,073)	-
Administrative expense	-	(26)	26
Net change in total OPEB liability	<u>12,877,890</u>	<u>5,675</u>	<u>12,872,215</u>
Balance at June 30, 2023 (Measurement Date)	<u>\$ 141,315,472</u>	<u>\$ 94,582</u>	<u>\$ 141,220,890</u>

No changes of benefit terms were noted.

Changes of assumptions reflect a change in the discount rate from 3.55% in 2022 to 3.67% in 2023.

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

The following presents the net OPEB liability of the District, as well as what the District's net 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	Net OPEB Liability
1% decrease (2.67%)	\$ 152,769,859
Current discount rate (3.67%)	141,220,890
1% increase (4.67%)	130,322,120

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

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percent lower or higher than the current healthcare costs trend rates:

<u>Healthcare Cost Trend Rates</u>	<u>Net OPEB Liability</u>
1% decrease (3.00%)	\$ 124,483,338
Current healthcare cost trend rate (4.00%)	141,220,890
1% increase (5.00%)	161,037,816

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 \$12,367,164. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 12,496,091	\$ -
Differences between expected and actual experience	7,363,386	-
Changes of assumptions	19,915,176	14,984,802
Net difference between projected and actual earnings on OPEB plan investments	<u>6,579</u>	<u>-</u>
Total	<u>\$ 39,781,232</u>	<u>\$ 14,984,802</u>

The deferred outflows of resources for OPEB contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year.

The remaining deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2024	\$ 1,456,584
2025	1,456,049
2026	1,459,337
2027	1,455,209
2028	1,455,150
Thereafter	<u>5,018,010</u>
Total	<u>\$ 12,300,339</u>

Medicare Premium Payment (MPP) Program

Plan Description

The Medicare Premium Payment (MPP) Program is administered by the California State Teachers' Retirement System (CalSTRS). The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (OPEB) established pursuant to Chapter 1032, Statutes 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022 annual actuarial valuation report, Medicare Premium Payment Program 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 MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (STRP) Defined Benefit (DB) Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis.

The MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program.

The MPP Program is funded on a pay-as-you go basis from a portion of monthly District benefit payments. In accordance with California *Education Code* Section 25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

Net OPEB Liability and OPEB Expense

At June 30, 2024, the District reported a liability of \$2,596,284 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively, was 0.8556%, and 0.8331%, resulting in a net increase in the proportionate share of 0.0225%.

For the year ended June 30, 2024, the District recognized OPEB expense of \$(148,036).

Actuarial Methods and Assumptions

The June 30, 2023 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total OPEB liability to June 30, 2023, using the assumptions listed in the following table:

Measurement Date	June 30, 2023	June 30, 2022
Valuation Date	June 30, 2022	June 30, 2021
Experience Study	July 1, 2015 through June 30, 2018	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.65%	3.54%
Medicare Part A Premium Cost Trend Rate	4.50%	4.50%
Medicare Part B Premium Cost Trend Rate	5.40%	5.40%

For the valuation as of June 30, 2022, 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 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.

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

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

Discount Rate

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

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

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

<u>Discount Rate</u>	<u>Net OPEB Liability</u>
1% decrease (2.65%)	\$ 2,821,627
Current discount rate (3.65%)	2,596,284
1% increase (4.65%)	2,400,348

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

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

<u>Medicare Costs Trend Rate</u>	<u>Net OPEB Liability</u>
1% decrease (3.50% Part A and 4.40% Part B)	\$ 2,388,839
Current Medicare costs trend rate (4.50% Part A and 5.40% Part B)	2,596,284
1% increase (5.50% Part A and 6.40% Part B)	2,830,482

Note 12 - Fund Balances

Fund balances are composed of the following elements:

	General Fund	Building Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds	Total
Nonspendable					
Revolving cash	\$ 211,000	\$ -	\$ -	\$ 10,960	\$ 221,960
Stores inventories	-	-	-	1,971,103	1,971,103
Prepaid expenditures	95,180	-	-	-	95,180
Total nonspendable	<u>306,180</u>	<u>-</u>	<u>-</u>	<u>1,982,063</u>	<u>2,288,243</u>
Restricted					
Legally restricted programs	228,009,408	-	-	41,397,833	269,407,241
Capital projects	-	57,084,807	-	6,340,088	63,424,895
Debt services	-	-	-	29,246,166	29,246,166
Total restricted	<u>228,009,408</u>	<u>57,084,807</u>	<u>-</u>	<u>76,984,087</u>	<u>362,078,302</u>
Assigned					
Deferred maintenance	16,479,762	-	-	-	16,479,762
Scholarships	423,314	-	-	-	423,314
Adult education	-	-	-	66,441	66,441
Future capital projects	-	-	109,642,448	54,816	109,697,264
Other assignments	95,562,154	-	-	-	95,562,154
Total assigned	<u>112,465,230</u>	<u>-</u>	<u>109,642,448</u>	<u>121,257</u>	<u>222,228,935</u>
Unassigned					
Reserve for economic uncertainties	23,500,000	-	-	-	23,500,000
Remaining unassigned	2,471,663	-	-	-	2,471,663
Total unassigned	<u>25,971,663</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,971,663</u>
Total	<u>\$ 366,752,481</u>	<u>\$ 57,084,807</u>	<u>\$ 109,642,448</u>	<u>\$ 79,087,407</u>	<u>\$ 612,567,143</u>

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 participated in the Southern California Schools Risk Management (SCSRM) public risk entity pool for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2024, the District was self-funded for workers' compensation, with excess coverage provided by the Schools Excess Liability Fund (SELF) public entity risk pool.

Employee Medical Benefits

The District has contracted with Kaiser and Health Net to provide employee medical and surgical benefits, and Delta Care and Met Life for dental benefits. Additional dental benefits and basic life insurance benefits are provided through the Southern California Schools Employee Benefits Association (SCSEBA) public risk entity pool.

Claims Liabilities

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

Unpaid Claims Liabilities

The fund establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represents the changes in approximate aggregate liabilities for the District from July 1, 2022 to June 30, 2024:

	<u>Workers' Compensation</u>
Liability Balance, July 1, 2022	\$ 23,129,602
Provision for estimated claims and claims administration	4,656,461
Claims payments	<u>(4,739,625)</u>
Liability Balance, June 30, 2023	23,046,438
Provision for estimated claims and claims administration	4,802,971
Claims payments	<u>(5,310,117)</u>
Liability Balance, June 30, 2024	<u>\$ 22,539,292</u>
Assets available to pay claims at June 30, 2024	<u>\$ 49,073,367</u>

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).

For the fiscal year ended June 30, 2024, the District reported its proportionate share of 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	\$ 440,565,484	\$ 137,143,136	\$ 29,151,563	\$ 65,982,927
CalPERS	235,763,431	81,484,457	13,913,832	33,389,718
CalPERS - Safety Risk Pool	5,880,686	3,076,960	36,962	1,130,716
Total	<u>\$ 682,209,601</u>	<u>\$ 221,704,553</u>	<u>\$ 43,102,357</u>	<u>\$ 100,503,361</u>

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 December 31, 2012	On or after January 1, 2013
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 Years of Service	5 Years of Service
Benefit payments	Monthly for Life	Monthly for Life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required 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. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1% of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the District's total contributions were \$73,596,118.

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:

District's proportionate share of net pension liability	\$ 440,565,484
State's proportionate share of the net pension liability associated with the District	<u>211,087,312</u>
Total	<u>\$ 651,652,796</u>

The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022 respectively, was 0.5785% and 0.5551%, resulting in a net increase in the proportionate share of 0.0234%.

For the year ended June 30, 2024, the District recognized pension expense of \$65,982,927. In addition, the District recognized pension expense and revenue of \$28,713,706 for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 73,596,118	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	24,488,994	5,579,073
Differences between projected and actual earnings on pension plan investments	1,885,799	-
Differences between expected and actual experience in the measurement of the total pension liability	34,621,190	23,572,490
Changes of assumptions	<u>2,551,035</u>	<u>-</u>
Total	<u>\$ 137,143,136</u>	<u>\$ 29,151,563</u>

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

The deferred outflows 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:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>
2025	\$ (13,860,528)
2026	(21,721,880)
2027	35,696,655
2028	<u>1,771,552</u>
Total	<u>\$ 1,885,799</u>

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:

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2025	\$ 5,047,737
2026	5,371,899
2027	2,799,907
2028	3,715,171
2029	7,107,519
Thereafter	<u>8,467,423</u>
Total	<u>\$ 32,509,656</u>

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022 and rolling forward the total pension liability to June 30, 2023. 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-2020) 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 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 current and future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class 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%	0.1%

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 of 7.10% and assume 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:

<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease (6.10%)	\$ 739,013,443
Current discount rate (7.10%)	440,565,484
1% increase (8.10%)	192,669,668

California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) and the Safety Risk Pool 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 plans regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022 annual actuarial valuation reports, Schools Pool Actuarial Valuation, and the Risk Pool Actuarial Valuation Report, Safety. These reports 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.

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

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 Years of Service	5 Years of Service
Benefit payments	Monthly for Life	Monthly for Life
Retirement age	55	62
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%

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

	Safety Risk Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	3% at 55	2.7% at 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	57
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	9.00%	16.50%
Required employer contribution rate	30.76%	16.31%

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 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, 2024, are presented above and the total District contributions for CalPERS and CalPERS Safety Risk Pool were \$35,876,912 and \$606,170, respectively.

Pension Liabilities, Pension Expense, 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 and CalPERS Safety Risk Pool net pension liabilities totaling \$235,763,431 and \$5,880,686, respectively. 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 0.6513% and 0.6764%, resulting in a net decrease in the proportionate share of 0.0251% for CalPERS. The District's proportionate share for the measurement period June 30, 2023 and June 30, 2022, respectively was 0.0787% and 0.0727%, resulting in a net increase in the proportionate share of 0.0060% for CalPERS Safety Risk Pool.

For the year ended June 30, 2024, the District recognized pension expense of \$33,389,718 for CalPERS and \$1,130,716 for CalPERS Safety Risk Pool. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	CalPERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 35,876,912	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	959,439	10,292,852
Differences between projected and actual earnings on pension plan investments	25,182,905	-
Differences between expected and actual experience in the measurement of the total pension liability	8,603,674	3,620,980
Changes of assumptions	10,861,527	-
Total	\$ 81,484,457	\$ 13,913,832
	CalPERS Safety Risk Pool	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 606,170	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	891,064	-
Differences between projected and actual earnings on pension plan investments	804,770	-
Differences between expected and actual experience in the measurement of the total pension liability	431,751	36,962
Changes of assumptions	343,205	-
Total	\$ 3,076,960	\$ 36,962

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 will be amortized over a closed five-year period and will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>
2025	\$ 4,697,593
2026	2,782,971
2027	16,918,625
2028	783,716
Total	<u>\$ 25,182,905</u>

<u>Year Ended June 30,</u>	<u>CalPERS Safety Risk Pool Deferred Outflows of Resources</u>
2025	\$ 148,083
2026	91,004
2027	543,221
2028	22,462
Total	<u>\$ 804,770</u>

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 3.9 years and will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2025	\$ 3,175,170
2026	2,354,115
2027	<u>981,523</u>
Total	<u><u>\$ 6,510,808</u></u>

<u>Year Ended June 30,</u>	<u>CalPERS Safety Risk Pool Deferred Outflows/(Inflows) of Resources</u>
2025	\$ 922,465
2026	551,495
2027	<u>155,098</u>
Total	<u><u>\$ 1,629,058</u></u>

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 rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. 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 the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. 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 expected rate of return on the School Employer Pool investments 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:

<u>Discount Rate</u>	<u>CalPERS Net Pension Liability</u>
1% decrease (5.90%)	\$ 340,852,979
Current discount rate (6.90%)	235,763,431
1% increase (7.90%)	148,909,310

<u>Discount Rate</u>	<u>CalPERS Safety Risk Pool Net Pension Liability</u>
1% decrease (5.90%)	\$ 9,091,285
Current discount rate (6.90%)	5,880,686
1% increase (7.90%)	3,255,793

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$33,763,727 (10.828% of annual payroll). Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Public Agency Retirement System

The District also contributes to the Public Agency Retirement System (PARS), which is a defined contribution pension plan. A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account. As established by Federal law, all public sector employees who are not members of their employee's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use PARS as its alternative plan. Contributions made by the District and an employee vest immediately. The District contributes one percent of an employee's gross earnings. An employee is required to contribute 6.5% of his or her gross earnings to the pension plan.

During the year, the District's required and actual contributions amounted to \$127,251, which was one percent of its current-year covered payroll. Employee contributions amounted to \$827,123.

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 had the following commitments with respect to the unfinished capital projects:

Capital Projects	Remaining Construction Commitments	Expected Date of Completion
Air Handling Unit Replacement - Emmerton & Oehl	\$ 4,779,842	12/31/2024
Athletic Renovations - AVHS Fields & Tennis Courts	657,446	Undetermined
Athletic Renovations - Cajon HS Tennis Court	265,457	Undetermined
Athletic Renovations - PHS Bleacher Replacement	44,253	Undetermined
Athletic Renovations- San G HS Bleachers	102,047	12/31/2024
Athletic Renovations- SBHS Baseball & Softball	327,962	12/31/2024
Athletic Renovations-Cajon HS - Baseball & Softball + At3	6,006,971	12/31/2024
Athletic Renovations-Cajon HS Bleachers	64,680	12/31/2024
AVHS & Serrano Fencing	1,136,803	11/30/2024
Boe Renovation- Dinning Room	16,146	8/16/2024
Bradley ES - Mod 2	153,384	Undetermined
Burbank Canopies	56,363	12/17/2024
Cajon CTE-Dental Pathway	65,200	1/30/2025
Cajon HS - Marquee	77,571	12/31/2024
CAPS - Muscoy & Del Rosa - Indoor	88,893	Undetermined
CAPS - Muscoy & Del Rosa - Outdoor	99,265	Undetermined
CAPS - N. Verdemont	57,190	Undetermined
Cardinal CDC	16,408,707	12/31/2024
Carmack - Entry Modifications	2,343	6/30/2025
EXL Building	229,542	Undetermined
Exterior Paint @ AVHS	22,000	3/31/2025
Hunt ES - Mod 2	69,894	Undetermined
Hunt ES Water Line Replacement	60,160	1/30/2025
Indian Springs HS - Wellness Center	160,822	Undetermined
Jones ES - Steam Lab	7,738	8/16/2024
Muscoy Site Improvements	3,550,676	1/30/2025
Office Remodel-9th Street	186,310	Undetermined
Office Remodel-9th Street -New Metal Building Yard	270,525	Undetermined
Paakuma Sports Lighting	98,415	2/28/2025
Pacific HS - Addition	30,613	8/30/2025
Pacific HS - CTE - Biomed	3,807,756	12/31/2024
Pacific HS - Performing Arts Center - Bldg. T	400,399	6/30/2025
Pacific HS - Student Center	147,928	Undetermined
Pacific HS C West	15,000	Undetermined
Paint Schemes @ 26 Sites	61,780	6/30/2025
Public Safety Building	768,880	6/30/2026
Lincoln - Fencing Improvements	14,390	6/3/2024
Roof Replacement	297,076	12/31/2024
San Andreas HS - Wellness Center Remodel	12,375	1/19/2025
Paakumá K-8 Growth Project	467,498	6/3/2024

Construction Commitments (Continued)

Capital Projects	Remaining Construction Commitments	Expected Date of Completion
San Bernardino HS Auditorium	\$ 3,363,025	12/31/2024
San G HS - Boiler Replacement	390,000	12/17/2024
San Gorgonio HS - Cte - Hospitality & Tourism	1,197,806	12/31/2024
San Gorgonio HS Pool Replacement	1,127,656	12/31/2024
San Gorgonio Tennis Court Fencing Replacement	111,211	12/31/2024
Serrano MS - Mod 2	29,118	Undetermined
Shandin Hills MS - Mod 2	86,229	Undetermined
Sierra HS Wellness Center & Classroom Addition	6,116,556	11/30/2024
Sports Lighting	18,750	6/30/2025
Rio Vista PA System	19,200	6/26/2024
Sports Lighting-SBHS	496,205	12/31/2024
Sports Lighting-SGHS	497,168	12/31/2024
Welcoming Resource Center	20,593,791	3/21/2025
	<u>\$ 75,137,015</u>	

Note 16 - Participation in Public Entity Risk Pools

The District is a member of the Southern California School's Risk Management (SCSRM), Southern California School's Employees Benefit Association (SCSEBA), and the Schools' Excess Liability Fund (SELF) public entity risk pools. The District pays an annual premium to each entity for its property and liability coverage, dental and life insurance coverage, and excess liability coverage, respectively. The relationships between the District and the pools are such that they are not component units of the District for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these statements. Audited financial statements are available from the respective entities.

During the year ended June 30, 2024, the District made payments of \$6,276,276, \$506,653, and \$454,504 to SCSRM, SCSEBA, and SELF, respectively, for the coverage noted above.

Note 17 - Restatement

Change within the Reporting Entity

During fiscal year 2023-2024, there was a change within the financial reporting entity which resulted in the Special Reserve Fund for Capital Outlay Projects being reported as a major governmental fund instead of as a non-major governmental fund. As a result, fund balance of the Special Reserve Fund for Capital Outlay Projects of \$31,049,517 which was previously reported in the non-major governmental funds is now reported as a major fund with a beginning fund balance of \$31,049,517. Additionally, during fiscal year 2023-2024, there was a change within the financial reporting entity which resulted in the Cafeteria Enterprise Fund/Cafeteria Fund being reported as a non-major governmental fund instead of as a business-type enterprise fund. This resulted in adjustments to and restatements of beginning fund balance/net position as follows:

	<u>Governmental Funds</u>	
	<u>Special Reserve Fund for Capital Outlay Projects</u>	<u>Non-Major Governmental Funds</u>
Beginning, as previously reported on June 30, 2023	\$ -	\$ 108,862,014
Change to or within the financial reporting entity	<u>31,049,517</u>	<u>(6,521,429)</u>
Beginning, as Restated on July 1, 2023	<u>\$ 31,049,517</u>	<u>\$ 102,340,585</u>

	<u>Government-Wide</u>	
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Beginning, as previously reported on June 30, 2023	\$ 535,521,562	\$ 10,146,711
Change to or within the financial reporting entity	<u>10,146,711</u>	<u>(10,146,711)</u>
Beginning, as Restated on July 1, 2023	<u>\$ 545,668,273</u>	<u>\$ -</u>



Required Supplementary Information
June 30, 2024

**San Bernardino City Unified School
District**

San Bernardino City Unified School District
 Budgetary Comparison Schedule – General Fund
 Year Ended June 30, 2024

	Budgeted Amounts		Actual (GAAP Basis)	Variances - Positive (Negative)
	Original	Final		Final to Actual
Revenues				
Local Control Funding Formula	\$ 692,541,089	\$ 626,914,361	\$ 710,325,839	\$ 83,411,478
Federal sources	216,815,889	257,639,236	226,225,617	(31,413,619)
Other State sources	172,614,532	195,091,322	208,816,341	13,725,019
Other local sources	11,208,458	36,647,365	51,225,908	14,578,543
Total revenues ¹	<u>1,093,179,968</u>	<u>1,116,292,284</u>	<u>1,196,593,705</u>	<u>80,301,421</u>
Expenditures				
Current				
Certificated salaries	379,443,961	394,237,526	393,749,899	487,627
Classified salaries	117,129,676	122,915,153	121,433,322	1,481,831
Employee benefits	256,022,169	257,924,077	245,373,885	12,550,192
Books and supplies	86,611,134	124,364,157	67,498,303	56,865,854
Services and operating expenditures	284,297,859	235,900,019	182,135,043	53,764,976
Other outgo	(39,659)	(1,399,790)	226,876	(1,626,666)
Capital outlay	22,341,525	60,550,691	39,561,562	20,989,129
Debt service - principal	1,250,000	1,250,000	1,935,889	(685,889)
Debt service - interest	2,832,500	9,042,733	2,882,693	6,160,040
Total expenditures ¹	<u>1,149,889,165</u>	<u>1,204,784,566</u>	<u>1,054,797,472</u>	<u>149,987,094</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(56,709,197)</u>	<u>(88,492,282)</u>	<u>141,796,233</u>	<u>230,288,515</u>
Other Financing Sources (Uses)				
Other sources - leases	-	-	51,497	51,497
Other sources - SBITAs	-	-	615,722	615,722
Transfers out	-	(89,566,538)	(89,566,538)	-
Net Financing Sources (Uses)	<u>-</u>	<u>(89,566,538)</u>	<u>(88,899,319)</u>	<u>667,219</u>
Net Change in Fund Balance	(56,709,197)	(178,058,820)	52,896,914	230,955,734
Fund Balance - Beginning	<u>313,855,567</u>	<u>313,855,567</u>	<u>313,855,567</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 257,146,370</u>	<u>\$ 135,796,747</u>	<u>\$ 366,752,481</u>	<u>\$ 230,955,734</u>

¹ As Fund 14, Deferred Maintenance Fund and Fund 73, Foundation Private-Purpose Trust Fund, for reporting purposes have been consolidated into the General Fund, additional revenues and expenditures pertaining to these funds are included in the Actual (GAAP) revenues and expenditures; however, they are not included in the original and final General Fund budgets.

San Bernardino City Unified School District
Schedule of Changes in the District's Net OPEB Liability and Related Ratios
Year Ended June 30, 2024

	2024	2023	2022	2021
Total OPEB Liability				
Service cost	\$ 6,581,527	\$ 8,247,162	\$ 11,194,410	\$ 8,528,220
Interest	4,605,370	3,042,721	2,723,470	3,603,322
Difference between expected and actual experience	3,666,179	-	(3,670,630)	123,469
Changes of assumptions	3,041,887	(16,437,311)	10,788,965	11,109,806
Benefit payments	(5,017,073)	(3,731,520)	(3,833,186)	(3,755,033)
Net change in total OPEB liability	12,877,890	(8,878,948)	17,203,029	19,609,784
Total OPEB liability - beginning	128,437,582	137,316,530	120,113,501	100,503,717
Total OPEB liability - ending	<u>\$ 141,315,472</u>	<u>\$ 128,437,582</u>	<u>\$ 137,316,530</u>	<u>\$ 120,113,501</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 5,017,073	\$ 3,731,520	\$ 10,101,568	\$ 3,755,033
Net investment income	(6,926)	(6,926)	5,639	5,449
Investment gain/losses	12,627	(6,797)	16,476	(2,703)
Other	-	-	-	-
Benefit payments	(5,017,073)	(3,731,520)	(10,101,568)	(3,755,033)
Administrative expense	(26)	(26)	(30)	(38)
Net change in plan fiduciary net position	5,675	(13,749)	22,085	2,708
Plan fiduciary net position - beginning	88,907	102,656	80,571	77,863
Plan fiduciary net position - ending	<u>\$ 94,582</u>	<u>\$ 88,907</u>	<u>\$ 102,656</u>	<u>\$ 80,571</u>
District's net OPEB liability - ending	<u>\$ 141,220,890</u>	<u>\$ 128,348,675</u>	<u>\$ 137,213,874</u>	<u>\$ 120,032,930</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.07%	0.07%	0.07%	0.07%
Covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Net OPEB liability as a percentage of covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020

¹ The District's OPEB Plan is administered through a trust; however, the contributions to the trust are not made based on a measure of pay. Therefore, no measure of payroll is presented.

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

San Bernardino City Unified School District
Schedule of Changes in the District's Net OPEB Liability and Related Ratios
Year Ended June 30, 2024

	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 7,283,362	\$ 7,088,430	\$ 6,898,715
Interest	3,420,481	3,229,893	2,744,804
Difference between expected and actual experience	3,159,537	-	-
Changes of assumptions	2,018,514	(1,989,663)	-
Benefit payments	<u>(3,498,325)</u>	<u>(3,322,945)</u>	<u>(3,195,139)</u>
Net change in total OPEB liability	12,383,569	5,005,715	6,448,380
Total OPEB liability - beginning	<u>88,120,148</u>	<u>83,114,433</u>	<u>76,666,053</u>
Total OPEB liability - ending	<u>\$ 100,503,717</u>	<u>\$ 88,120,148</u>	<u>\$ 83,114,433</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 3,498,325	\$ 3,322,945	\$ 3,195,139
Net investment income	2,787	2,578	6,515
Investment gain/losses	1,733	2,830	-
Other	-	177	-
Benefit payments	(3,498,325)	(3,322,945)	(3,195,139)
Administrative expense	<u>(16)</u>	<u>(126)</u>	<u>(54)</u>
Net change in plan fiduciary net position	4,504	5,459	6,461
Plan fiduciary net position - beginning	<u>73,359</u>	<u>67,900</u>	<u>61,439</u>
Plan fiduciary net position - ending	<u>\$ 77,863</u>	<u>\$ 73,359</u>	<u>\$ 67,900</u>
District's net OPEB liability - ending	<u>\$ 100,425,854</u>	<u>\$ 88,046,789</u>	<u>\$ 83,046,533</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>0.08%</u>	<u>0.08%</u>	<u>0.08%</u>
Covered payroll	<u>N/A¹</u>	<u>N/A¹</u>	<u>N/A¹</u>
Net OPEB liability as a percentage of covered payroll	<u>N/A¹</u>	<u>N/A¹</u>	<u>N/A¹</u>
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017

¹ The District's OPEB Plan is administered through a trust; however, the contributions to the trust are not made based on a measure of pay. Therefore, no measure of payroll is presented.

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

San Bernardino City Unified School District
Schedule of the District's Proportionate Share of the Net OPEB Liability – MPP Program
Year Ended June 30, 2024

Year ended June 30,	2024	2023	2022	2021
Proportion of the net OPEB liability	0.8556%	0.8331%	0.8210%	0.8228%
Proportionate share of the net OPEB liability	\$ 2,596,284	\$ 2,744,320	\$ 3,274,771	\$ 4,009,174
Covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Plan fiduciary net position as a percentage of the total OPEB liability	(0.96%)	(0.94%)	(0.80%)	(0.71%)
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Year ended June 30,	2020	2019	2018	
Proportion of the net OPEB liability	0.9703%	0.9217%	0.9334%	
Proportionate share of the net OPEB liability	\$ 3,613,190	\$ 3,528,155	\$ 3,927,024	
Covered payroll	N/A ¹	N/A ¹	N/A ¹	
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A ¹	N/A ¹	N/A ¹	
Plan fiduciary net position as a percentage of the total OPEB liability	(0.81%)	(0.40%)	0.01%	
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	

¹As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

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

San Bernardino City Unified School District
Schedule of the District's Proportionate Share of the Net Pension Liability - CalSTRS
Year Ended June 30, 2024

CalSTRS	2024	2023	2022	2021	2020
Proportion of the net pension liability	0.5785%	0.5551%	0.5462%	0.5429%	0.5485%
Proportionate share of the net pension liability	\$ 440,565,484	\$ 385,719,928	\$ 248,563,870	\$ 526,152,294	\$ 495,357,132
State's proportionate share of the net pension liability	211,087,312	193,167,032	125,067,699	271,231,570	270,250,386
Total	<u>\$ 651,652,796</u>	<u>\$ 578,886,960</u>	<u>\$ 373,631,569</u>	<u>\$ 797,383,864</u>	<u>\$ 765,607,518</u>
Covered payroll	<u>\$ 355,415,696</u>	<u>\$ 322,352,429</u>	<u>\$ 302,909,356</u>	<u>\$ 298,400,292</u>	<u>\$ 294,509,146</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	123.96%	119.66%	82.06%	176.32%	168.20%
Plan fiduciary net position as a percentage of the total pension liability	81%	81%	87%	72%	73%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.5135%	0.5156%	0.5069%	0.5067%	0.4545%
Proportionate share of the net pension liability	\$ 471,976,343	\$ 476,814,851	\$ 409,953,840	\$ 341,161,128	\$ 265,575,937
State's proportionate share of the net pension liability	270,228,530	282,079,638	233,379,408	180,436,628	160,366,217
Total	<u>\$ 742,204,873</u>	<u>\$ 758,894,489</u>	<u>\$ 643,333,248</u>	<u>\$ 521,597,756</u>	<u>\$ 425,942,154</u>
Covered payroll	<u>\$ 261,948,385</u>	<u>\$ 271,078,657</u>	<u>\$ 256,558,229</u>	<u>\$ 235,204,155</u>	<u>\$ 224,057,629</u>
Proportionate share of the net pension liability as a percentage of its covered payroll	180.18%	175.90%	159.79%	145.05%	118.53%
Plan fiduciary net position as a percentage of the total pension liability	71%	69%	70%	74%	77%
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

San Bernardino City Unified School District
Schedule of the District's Proportionate Share of the Net Pension Liability - CalPERS
Year Ended June 30, 2024

CalPERS	2024	2023	2022	2021	2020
Proportion of the net pension liability	0.6513%	0.6764%	0.7172%	0.7080%	0.6943%
Proportionate share of the net pension liability	\$ 235,763,431	\$ 232,758,638	\$ 145,840,074	\$ 217,241,037	\$ 202,349,338
Covered payroll	\$ 113,734,371	\$ 107,551,794	\$ 107,557,275	\$ 102,438,761	\$ 97,102,757
Proportionate share of the net pension liability as a percentage of its covered payroll	207.29%	216.42%	135.59%	212.07%	208.39%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	81%	70%	71%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.6941%	0.6748%	0.6771%	0.6606%	0.7166%
Proportionate share of the net pension liability	\$ 185,064,897	\$ 161,091,171	\$ 133,720,804	\$ 97,352,351	\$ 81,354,671
Covered payroll	\$ 93,009,607	\$ 87,645,191	\$ 81,804,735	\$ 79,747,749	\$ 69,703,855
Proportionate share of the net pension liability as a percentage of its covered payroll	198.97%	183.80%	163.46%	122.08%	116.71%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%	74%	79%	83%
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

San Bernardino City Unified School District
Schedule of the District's Proportionate Share of the Net Pension Liability – CalPERS Safety Risk Pool
Year Ended June 30, 2024

CalPERS Safety Risk Pool	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Proportion of the net pension liability	0.0787%	0.0727%	0.0314%	0.0561%	0.0576%
Proportionate share of the net pension liability	\$ 5,880,686	\$ 4,997,080	\$ 1,101,409	\$ 3,868,656	\$ 3,595,769
Covered payroll	\$ 2,097,494	\$ 2,478,766	\$ 2,331,095	\$ 2,264,069	\$ 2,053,305
Proportionate share of the net pension liability as a percentage of its covered payroll	280.37%	201.60%	47.25%	170.87%	175.12%
Plan fiduciary net position as a percentage of the total pension liability	76%	77%	88%	70%	71%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability	0.0592%	0.0628%	0.0657%	0.0713%	0.0473%
Proportionate share of the net pension liability	\$ 3,475,844	\$ 3,751,888	\$ 3,402,716	\$ 2,937,502	\$ 2,941,679
Covered payroll	\$ 2,074,975	\$ 1,853,036	\$ 1,545,625	\$ 1,192,863	\$ 1,158,119
Proportionate share of the net pension liability as a percentage of its covered payroll	167.51%	202.47%	220.15%	246.26%	254.00%
Plan fiduciary net position as a percentage of the total pension liability	71%	72%	74%	78%	79%
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

San Bernardino City Unified School District
Schedule of the District's Contributions - CalSTRS
Year Ended June 30, 2024

CalSTRS	2024	2023	2022	2021	2020
Contractually required contribution	\$ 73,596,118	\$ 67,884,398	\$ 54,542,031	\$ 48,919,861	\$ 51,026,450
Less contributions in relation to the contractually required contribution	<u>73,596,118</u>	<u>67,884,398</u>	<u>54,542,031</u>	<u>48,919,861</u>	<u>51,026,450</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 385,319,990</u>	<u>\$ 355,415,696</u>	<u>\$ 322,352,429</u>	<u>\$ 302,909,356</u>	<u>\$ 298,400,292</u>
Contributions as a percentage of covered payroll	<u>19.10%</u>	<u>19.10%</u>	<u>16.92%</u>	<u>16.15%</u>	<u>17.10%</u>
	2019	2018	2017	2016	2015
Contractually required contribution	\$ 47,946,089	\$ 37,799,152	\$ 34,101,695	\$ 27,528,698	\$ 20,886,129
Less contributions in relation to the contractually required contribution	<u>47,946,089</u>	<u>37,799,152</u>	<u>34,101,695</u>	<u>27,528,698</u>	<u>20,886,129</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 294,509,146</u>	<u>\$ 261,948,385</u>	<u>\$ 271,078,657</u>	<u>\$ 256,558,229</u>	<u>\$ 235,204,155</u>
Contributions as a percentage of covered payroll	<u>16.28%</u>	<u>14.43%</u>	<u>12.58%</u>	<u>10.73%</u>	<u>8.88%</u>

San Bernardino City Unified School District
Schedule of the District's Contributions - CalPERS
Year Ended June 30, 2024

CalPERS	2024	2023	2022	2021	2020
Contractually required contribution	\$ 35,876,912	\$ 28,854,410	\$ 24,640,116	\$ 22,264,356	\$ 20,201,948
Less contributions in relation to the contractually required contribution	<u>35,876,912</u>	<u>28,854,410</u>	<u>24,640,116</u>	<u>22,264,356</u>	<u>20,201,948</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 134,471,184</u>	<u>\$ 113,734,371</u>	<u>\$ 107,551,794</u>	<u>\$ 107,557,275</u>	<u>\$ 102,438,761</u>
Contributions as a percentage of covered payroll	<u>26.680%</u>	<u>25.370%</u>	<u>22.910%</u>	<u>20.700%</u>	<u>19.721%</u>
	2019	2018	2017	2016	2015
Contractually required contribution	\$ 17,538,700	\$ 14,445,322	\$ 12,173,917	\$ 9,691,407	\$ 9,386,310
Less contributions in relation to the contractually required contribution	<u>17,538,700</u>	<u>14,445,322</u>	<u>12,173,917</u>	<u>9,691,407</u>	<u>9,386,310</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 97,102,757</u>	<u>\$ 93,009,607</u>	<u>\$ 87,645,191</u>	<u>\$ 81,804,735</u>	<u>\$ 79,747,749</u>
Contributions as a percentage of covered payroll	<u>18.062%</u>	<u>15.531%</u>	<u>13.890%</u>	<u>11.847%</u>	<u>11.770%</u>

San Bernardino City Unified School District
Schedule of the District's Contributions – CalPERS Safety Risk Pool
Year Ended June 30, 2024

CalPERS Safety Risk Pool	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 606,170	\$ 580,762	\$ 609,417	\$ 862,279	\$ 559,264
Less contributions in relation to the contractually required contribution	<u>606,170</u>	<u>580,762</u>	<u>609,417</u>	<u>862,279</u>	<u>559,264</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 2,093,659</u>	<u>\$ 2,097,494</u>	<u>\$ 2,478,766</u>	<u>\$ 2,331,095</u>	<u>\$ 2,264,069</u>
Contributions as a percentage of covered payroll	<u>28.953%</u>	<u>27.688%</u>	<u>24.585%</u>	<u>36.990%</u>	<u>24.702%</u>
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 499,559	\$ 703,070	\$ 790,628	\$ 934,869	\$ 729,241
Less contributions in relation to the contractually required contribution	<u>499,559</u>	<u>703,070</u>	<u>790,628</u>	<u>934,869</u>	<u>729,241</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 2,053,305</u>	<u>\$ 2,074,975</u>	<u>\$ 1,853,036</u>	<u>\$ 1,545,625</u>	<u>\$ 1,192,863</u>
Contributions as a percentage of covered payroll	<u>24.330%</u>	<u>33.883%</u>	<u>42.667%</u>	<u>60.485%</u>	<u>61.134%</u>

Note 1 - Purpose of Schedules**Budgetary Comparison Schedule**

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget 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.

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

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

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

- *Changes in Benefit Terms* – No changes noted in benefit terms.
- *Changes of Assumptions* – Changes of assumptions and other inputs reflect a change in the discount rate from 3.55% in 2022 to 3.67% in 2023.

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

This schedule presents information on the District's proportionate share of the net OPEB Liability – MPP Program and the plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 3.54% to 3.65% since the previous valuation.

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 the District's 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

San Bernardino City Unified School District

San Bernardino City Unified School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Program Expenditures
U.S. Department of Education			
Indian Education	84.060A	10011	\$ 63,466
Passed through California Department of Education (CDE)			
Adult Education - Basic Grants to States ELA	84.002A	14508	736,877
Adult Education - Basic Grants to States Secondary	84.002	13978	175,406
Adult Education - Basic Grants to State English Literacy and Civics	84.002A	14109	<u>44,402</u>
Subtotal			<u>956,685</u>
Title I Grant to Local Educational Agencies - Low Income and Neglected	84.010	14329	32,995,370
Title I Grant to Local Educational Agencies - School Improvement Funding	84.010	15438	<u>1,364,153</u>
Subtotal			<u>34,359,523</u>
English Language Acquisition State Grants - Immigrant Student Program	84.365	15146	92,973
English Language Acquisition State Grants - English Learner Student Program	84.365	14346	<u>1,726,303</u>
Subtotal			<u>1,819,276</u>
Twenty-First Century Community Learning Centers - High School ASSETs	84.287	14535	482,500
Twenty-First Century Community Learning Centers	84.287	14349	<u>2,274,070</u>
Subtotal			<u>2,756,570</u>
Special Education (IDEA) Cluster			
Special Education Grants to States - Basic Local Assistance	84.027	13379	11,442,686
Special Education Grants to States - Mental Health Alternate Dispute Resolution, Part B, Sec 611	84.027A	15197	508,413
	84.027A	13007	<u>15,171</u>
Subtotal			<u>11,966,270</u>
Special Education Preschool Grants	84.173	13430	170,345
Special Education Preschool Grants - Preschool Staff Development	84.173A	13431	<u>1,000</u>
Subtotal			<u>171,345</u>
Subtotal Special Education (IDEA) Cluster			<u>12,137,615</u>
Special Education - Grants for Infants and Families	84.181	23761	59,697
Career and Technical Education - Basic Grants to States	84.048	14894	680,358
Student Support and Academic Enrichment Program	84.424	15396	1,636,119
Supporting Effective Instruction State Grants	84.367	14341	1,511,108
McKinney-Vento Homeless Assistance Grants	84.196	14332	206,457

San Bernardino City Unified School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Program Expenditures
Passed through California Department of Rehabilitation			
Workability II, Transition Partnership	84.126A	10006	\$ 351,518
Vocational Rehabilitation Services Program	84.126A	31077	<u>55,014</u>
Subtotal			<u>406,532</u>
Passed through CDE			
Education Stabilization Fund			
COVID-19: Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	241,736
COVID-19: Expanded Learning Opportunities (ELO) Grant: ESSER II State Reserve	84.425D	15618	5,107,027
COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	128,331,805
COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	25,324,927
COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund: State Reserve, Emergency Needs	84.425U	15620	3,925,667
COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund: State Reserve, Learning Loss	84.425U	15621	4,979,757
COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund: CCLC Rate Increase	84.425U	15651	1,352
COVID-19: ARP Homeless Children and Youth Program I	84.425W	15564	39,528
COVID-19: ARP Homeless Children and Youth Program II	84.425W	15566	<u>840,652</u>
Subtotal			<u>168,792,451</u>
Total U.S. Department of Education			<u>225,385,857</u>
U. S. Department of Health and Human Services			
Passed through California Department of Social Services			
Child Care and Development Fund (CCDF) Cluster			
Child Care and Development Block Grant	93.575	15136	1,546,596
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	13609	<u>132,330</u>
Subtotal CCDF Cluster			<u>1,678,926</u>
Total U.S. Department of Health and Human Services			<u>1,678,926</u>

San Bernardino City Unified School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Program Expenditures
U.S. Department of Agriculture			
Passed through CDE			
Child Nutrition Cluster			
National School Lunch Program - Section 4	10.555	13523	\$ 2,835,672
National School Lunch Program - Section 11	10.555	13524	21,834,671
After School Meal Supplements	10.555	13755	129,508
Local Food for Schools	10.555	15708	158,221
Supply Chain Assistance (SCA) Funds	10.555	15655	2,108,955
Commodities	10.555	13524	<u>1,955,008</u>
Subtotal			<u>29,022,035</u>
Basic School Breakfast	10.553	13525	315
School Breakfast Program - Especially Needy	10.553	13526	<u>6,184,640</u>
Subtotal			<u>6,184,955</u>
Subtotal Child Nutrition Cluster			<u>35,206,990</u>
Passed Through California Department of Social Services			
Child & Adult Care Food Program	10.558	13529	3,739,282
Child & Adult Care Food Program - Cash in Lieu of Commodities	10.558	13534	<u>259,550</u>
Subtotal			<u>3,998,832</u>
Total U.S. Department of Agriculture			<u>39,205,822</u>
U.S. Department of Defense			
Junior Reserve Office Training Corps	12.000	[1]	<u>54,832</u>
Total U.S. Department of Defense			<u>54,832</u>
U.S. Department of Justice			
School Violence Prevention	16.710	[1]	139,147
Body Worn Camera Program	16.835	2020-BC-BX-0037	21,650
STOP School Violence - Safety Threat and Assessment	16.839	2020-YS-BX-0044	<u>151,038</u>
Total U.S. Department of Justice			<u>311,835</u>
Total Federal Financial Assistance			<u>\$ 266,637,272</u>

[1] Direct award

San Bernardino City Unified School District

Schedule of Average Daily Attendance

Year Ended June 30, 2024

	Final Report	
	Second Period	Annual
	Report	Report
	525F21F1	A604F9CC
Regular ADA		
Transitional kindergarten through third	13,181.28	13,237.46
Fourth through sixth	9,873.51	9,876.29
Seventh and eighth	6,251.74	6,233.76
Ninth through twelfth	11,542.76	11,382.21
Total Regular ADA	40,849.29	40,729.72
Special Education, Nonpublic, Nonsectarian Schools		
Transitional kindergarten through third	3.58	3.96
Fourth through sixth	3.82	5.78
Seventh and eighth	4.31	4.85
Ninth through twelfth	25.03	23.57
Total Special Education, Nonpublic, Nonsectarian Schools	36.74	38.16
Extended Year Special Education, Nonpublic, Nonsectarian Schools		
Transitional kindergarten through third	0.06	0.06
Seventh and eighth	0.03	0.03
Ninth through twelfth	0.18	0.18
Total Extended Year Special Education, Nonpublic, Nonsectarian Schools	0.27	0.27
Total ADA	40,886.30	40,768.15

San Bernardino City Unified School District
 Schedule of Instructional Time
 Year Ended June 30, 2024

All Sites Except Yvonne Harmon Elementary School

Grade Level	1986-1987 Minutes Requirement	2023-2024 Actual Minutes	Number of Minutes Credited Form J-13A	Total Minutes Offered	Traditional Calendar			Multitrack Calendar			Status
					Number of Actual Days	Number of Days Credited Form J-13A	Total Days Offered	Number of Actual Days	Number of Days Credited Form J-13A	Total Days Offered	
Kindergarten	36,000	36,000	-	36,000	180	-	180	N/A	N/A	N/A	Complied
Grades 1 - 3	50,400										
Grade 1		54,000	-	54,000	180	-	180	N/A	N/A	N/A	Complied
Grade 2		54,000	-	54,000	180	-	180	N/A	N/A	N/A	Complied
Grade 3		54,000	-	54,000	180	-	180	N/A	N/A	N/A	Complied
Grades 4 - 8	54,000										
Grade 4		54,000	-	54,000	180	-	180	N/A	N/A	N/A	Complied
Grade 5		54,000	-	54,000	180	-	180	N/A	N/A	N/A	Complied
Grade 6		54,000	-	54,000	180	-	180	N/A	N/A	N/A	Complied
Grade 7		59,875	-	59,875	180	-	180	N/A	N/A	N/A	Complied
Grade 8		59,875	-	59,875	180	-	180	N/A	N/A	N/A	Complied
Grades 9 - 12	64,800										
Grade 9		65,586	-	65,586	180	-	180	N/A	N/A	N/A	Complied
Grade 10		65,586	-	65,586	180	-	180	N/A	N/A	N/A	Complied
Grade 11		65,586	-	65,586	180	-	180	N/A	N/A	N/A	Complied
Grade 12		65,586	-	65,586	180	-	180	N/A	N/A	N/A	Complied

San Bernardino City Unified School District
 Schedule of Instructional Time
 Year Ended June 30, 2024

Yvonne Harmon Elementary School

Grade Level	1986-1987 Minutes Requirement	2023-2024 Actual Minutes	Number of Minutes Credited Form J-13A*	Total Minutes Offered	Traditional Calendar			Multitrack Calendar			Status
					Number of Actual Days	Number of Days Credited Form J-13A*	Total Days Offered	Number of Actual Days	Number of Days Credited Form J-13A	Total Days Offered	
Kindergarten	36,000	44,250	750	45,000	177	3	180	N/A	N/A	N/A	Complied
Grades 1 - 3	50,400										
Grade 1		53,100	900	54,000	177	3	180	N/A	N/A	N/A	Complied
Grade 2		53,100	900	54,000	177	3	180	N/A	N/A	N/A	Complied
Grade 3		53,100	900	54,000	177	3	180	N/A	N/A	N/A	Complied
Grades 4 - 8	54,000										
Grade 4		53,100	900	54,000	177	3	180	N/A	N/A	N/A	Complied
Grade 5		53,100	900	54,000	177	3	180	N/A	N/A	N/A	Complied
Grade 6		53,100	900	54,000	177	3	180	N/A	N/A	N/A	Complied

* The District received an approved J-13A for 750 minutes for Kindergarten and 900 minutes for all other grade levels and three days for Yvonne Harmon Elementary School.

San Bernardino City Unified School District
 Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
 Year Ended June 30, 2024

Summarized below are the fund balance reconciliations between the Unaudited Actual Financial Report and the audited financial statements.

	General Fund
Net Position	
Balance, June 30, 2024, Unaudited Actuals with GASB 54 and GASB 84 Consolidation	\$ 348,905,337
Increase in	
Unearned revenue	(4,324,065)
Decrease in	
Receivables	(1,044,894)
Accounts payable	23,216,103
Balance, June 30, 2024, Audited Financial Statement	\$ 366,752,481

San Bernardino City Unified School District

Schedule of Financial Trends and Analysis

Year Ended June 30, 2024

	(Budget) 2025 ¹	2024	2023 ¹	2022 ¹
General Fund ³				
Revenues	\$ 975,664,809	\$ 1,185,100,740	\$ 1,102,656,202	\$ 892,091,852
Other sources	-	667,219	1,174,427	731,001
Total revenues and other sources	<u>975,664,809</u>	<u>1,185,767,959</u>	<u>1,103,830,629</u>	<u>892,822,853</u>
Expenditures	(1,073,786,883)	(1,048,595,992)	(975,463,131)	(818,453,701)
Other uses	(985,426)	(89,566,538)	(18,000,000)	(265)
Total expenditures and other uses	<u>(1,074,772,309)</u>	<u>(1,138,162,530)</u>	<u>(993,463,131)</u>	<u>(818,453,966)</u>
Increase (Decrease) in Fund Balance	<u>\$ (99,107,500)</u>	<u>\$ 47,605,429</u>	<u>\$ 110,367,498</u>	<u>\$ 74,368,887</u>
Ending Fund Balance	<u>\$ 251,415,452</u>	<u>\$ 350,522,952</u>	<u>\$ 302,917,523</u>	<u>\$ 192,550,025</u>
Available Reserves ²	<u>\$ 23,500,000</u>	<u>\$ 25,971,663</u>	<u>\$ 19,900,000</u>	<u>\$ 16,400,000</u>
Available Reserves as a Percentage of Total Outgo	<u>2.2%</u>	<u>2.3%</u>	<u>2.0%</u>	<u>2.0%</u>
Long-Term Liabilities	<u>N/A</u>	<u>\$ 1,310,211,355</u>	<u>\$ 1,188,503,789</u>	<u>\$ 987,828,426</u>
K-12 Average Daily Attendance at P-2	<u>40,346</u>	<u>40,886</u>	<u>41,289</u>	<u>39,754</u>

The General Fund balance has increased by \$157,972,927 over the past two years. The fiscal year 2024-2025 budget projects a decrease of \$99,107,500 (28.3%). For a district this size, the State recommends available reserves of at least two percent of total General Fund expenditures and other uses (total outgo).

The District has incurred operating surpluses in each of the past three years but anticipates incurring an operating deficit during the 2024-2025 fiscal year. Total long-term liabilities have increased by \$322,382,929 over the past two years.

Average daily attendance has increased by 1,132 over the past two years. However, a decrease of 540 ADA is anticipated during fiscal year 2024-2025.

¹ Financial information for 2025, 2023, and 2022 are 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 contained with the General Fund.

³ General Fund amounts do not include activity related to the consolidation of the Fund 14, Deferred Maintenance Fund, and Fund 73, Foundation Private-Purpose Trust Fund, as required by GASB 54 and GASB 84, respectively.

San Bernardino City Unified School District

Schedule of Charter Schools

Year Ended June 30, 2024

Name of Charter School	Charter Number	Included in Audit Report
Provisional Accelerated Learning (PAL) Academy	0335	No
ASA Charter	0677	No
Public Safety Academy	0731	No
SOAR Charter Academy	0982	No
Options for Youth	1132	No
New Vision Middle	1089	No
Hardy Brown College Prep	1155	No
iEmpire Academy	1153	No
Woodward Leadership Academy	1438	No
Savant Preparatory Academy of Business	1971	No
Ballington Academy for the Arts and Science - San Bernardino	1795	No
Entrepreneur High School	1922	No

San Bernardino City Unified School District
Combining Balance Sheet – Non-Major Governmental Funds
June 30, 2024

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund
Assets					
Deposits and investments	\$ 2,146,567	\$ 1,601,655	\$ 9,204,875	\$ 25,825,418	\$ 3,983,820
Receivables	7,401	850,428	140,035	10,987,636	104,632
Due from other funds	-	17	20	1,458,005	6,383
Stores inventories	128,435	-	-	1,842,668	-
Total assets	<u>\$ 2,282,403</u>	<u>\$ 2,452,100</u>	<u>\$ 9,344,930</u>	<u>\$ 40,113,727</u>	<u>\$ 4,094,835</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 22,676	\$ 430,127	\$ 1,092,309	\$ 1,332,812	\$ 978,539
Due to other funds	-	174,209	454,407	5,869,096	-
Unearned revenue	-	212,880	990,632	112,859	-
Total liabilities	<u>22,676</u>	<u>817,216</u>	<u>2,537,348</u>	<u>7,314,767</u>	<u>978,539</u>
Fund Balances					
Nonspendable	129,885	-	-	1,852,178	-
Restricted	2,129,842	1,568,443	6,752,766	30,946,782	3,116,296
Assigned	-	66,441	54,816	-	-
Total fund balances	<u>2,259,727</u>	<u>1,634,884</u>	<u>6,807,582</u>	<u>32,798,960</u>	<u>3,116,296</u>
Total liabilities and fund balances	<u>\$ 2,282,403</u>	<u>\$ 2,452,100</u>	<u>\$ 9,344,930</u>	<u>\$ 40,113,727</u>	<u>\$ 4,094,835</u>

San Bernardino City Unified School District
Combining Balance Sheet – Non-Major Governmental Funds
June 30, 2024

	County School Facilities Fund	Capital Project Fund for Blended Component Units	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
Assets				
Deposits and investments	\$ 2,324,102	\$ 879,636	\$ 29,246,166	\$ 75,212,239
Receivables	88,193	-	-	12,178,325
Due from other funds	-	-	-	1,464,425
Stores inventories	-	-	-	1,971,103
Total assets	<u>\$ 2,412,295</u>	<u>\$ 879,636</u>	<u>\$ 29,246,166</u>	<u>\$ 90,826,092</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 68,139	\$ -	\$ -	\$ 3,924,602
Due to other funds	-	-	-	6,497,712
Unearned revenue	-	-	-	1,316,371
Total liabilities	<u>68,139</u>	<u>-</u>	<u>-</u>	<u>11,738,685</u>
Fund Balances				
Nonspendable	-	-	-	1,982,063
Restricted	2,344,156	879,636	29,246,166	76,984,087
Assigned	-	-	-	121,257
Total fund balances	<u>2,344,156</u>	<u>879,636</u>	<u>29,246,166</u>	<u>79,087,407</u>
Total liabilities and fund balances	<u>\$ 2,412,295</u>	<u>\$ 879,636</u>	<u>\$ 29,246,166</u>	<u>\$ 90,826,092</u>

San Bernardino City Unified School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds
Year Ended June 30, 2024

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Capital Facilities Fund
Revenues					
Federal sources	\$ -	\$ 956,685	\$ 1,729,966	\$ 38,372,323	\$ -
Other State sources	-	480,986	20,511,947	7,687,698	-
Other local sources	<u>3,378,386</u>	<u>6,883,454</u>	<u>362,428</u>	<u>1,006,988</u>	<u>3,103,244</u>
Total revenues	<u>3,378,386</u>	<u>8,321,125</u>	<u>22,604,341</u>	<u>47,067,009</u>	<u>3,103,244</u>
Expenditures					
Current					
Instruction	-	4,353,176	410,520	-	-
Instruction-related activities					
Supervision of instruction	-	-	379,176	-	-
School site administration	-	2,951,867	333,797	-	-
Pupil services					
Food services	-	-	-	37,768,121	-
All other pupil services	-	390,369	175,481	-	-
Administration					
All other administration	-	301,021	746,162	834,847	-
Plant services	-	842,168	379,419	640,818	-
Ancillary services	3,307,567	-	-	-	-
Community services	-	-	16,521,937	-	-
Enterprise services	-	-	-	(447,649)	-
Facility acquisition and construction	-	-	-	-	9,374,065
Debt service					
Principal	-	-	-	-	-
Interest and other	-	-	-	-	-
Total expenditures	<u>3,307,567</u>	<u>8,838,601</u>	<u>18,946,492</u>	<u>38,796,137</u>	<u>9,374,065</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>70,819</u>	<u>(517,476)</u>	<u>3,657,849</u>	<u>8,270,872</u>	<u>(6,270,821)</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	6,384
Other sources - premium on issuance of general obligation bonds	-	-	-	-	-
Transfers out	-	-	-	-	-
Net Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,384</u>
Net Change in Fund Balances	70,819	(517,476)	3,657,849	8,270,872	(6,264,437)
Fund Balance - Beginning, as previously reported	2,188,908	2,152,360	3,149,733	-	9,380,733
Adjustments (Note 17)	-	-	-	24,528,088	-
Fund Balance - Beginning, as restated	<u>2,188,908</u>	<u>2,152,360</u>	<u>3,149,733</u>	<u>24,528,088</u>	<u>9,380,733</u>
Fund Balances - Ending	<u>\$ 2,259,727</u>	<u>\$ 1,634,884</u>	<u>\$ 6,807,582</u>	<u>\$ 32,798,960</u>	<u>\$ 3,116,296</u>

San Bernardino City Unified School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds
Year Ended June 30, 2024

	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Capital Project Fund for Blended Component Units	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
Revenues					
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ 41,058,974
Other State sources	19,273,335	-	-	97,265	48,051,231
Other local sources	1,197,148	-	170	20,826,598	36,758,416
Total revenues	20,470,483	-	170	20,923,863	125,868,621
Expenditures					
Current					
Instruction	-	-	-	-	4,763,696
Instruction-related activities					
Supervision of instruction	-	-	-	-	379,176
School site administration	-	-	-	-	3,285,664
Pupil services					
Food services	-	-	-	-	37,768,121
All other pupil services	-	-	-	-	565,850
Administration					
All other administration	-	-	-	-	1,882,030
Plant services	-	-	-	-	1,862,405
Ancillary services	-	-	-	-	3,307,567
Community services	-	-	-	-	16,521,937
Enterprise services	-	-	-	-	(447,649)
Facility acquisition and construction	11,809,172	-	4,937,579	-	26,120,816
Debt service					
Principal	-	-	-	15,615,000	15,615,000
Interest and other	-	-	-	8,409,498	8,409,498
Total expenditures	11,809,172	-	4,937,579	24,024,498	120,034,111
Excess (Deficiency) of Revenues Over Expenditures	8,661,311	-	(4,937,409)	(3,100,635)	5,834,510
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	6,384
Other sources - premium on issuance of general obligation bonds	-	-	-	4,472,964	4,472,964
Transfers out	(33,567,036)	-	-	-	(33,567,036)
Net Financing Sources (Uses)	(33,567,036)	-	-	4,472,964	(29,087,688)
Net Change in Fund Balances	(24,905,725)	-	(4,937,409)	1,372,329	(23,253,178)
Fund Balance - Beginning, as previously reported	27,249,881	31,049,517	5,817,045	27,873,837	108,862,014
Adjustments (Note 17)	-	(31,049,517)	-	-	(6,521,429)
Fund Balance - Beginning, as restated	27,249,881	-	5,817,045	27,873,837	102,340,585
Fund Balances - Ending	\$ 2,344,156	\$ -	\$ 879,636	\$ 29,246,166	\$ 79,087,407

Note 1 - Purpose of Schedules**Schedule of Expenditures of Federal Awards (SEFA)**Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the federal award activity of the San Bernardino City Unified School District (the District) under programs of the federal government for the year ended June 30, 2024. 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, fund balance, or cash flows of the District.

Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual 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 assistance was provided to a subrecipient.

Indirect Cost Rate

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

Food Donation

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. At June 30, 2024, the District did not report any commodities as inventory.

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 Actuals 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 and whether or not the Charter School is included in the District audit.

Non-Major Governmental Funds - Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances

These schedules are included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.



Other Information
June 30, 2024

San Bernardino City Unified School District

ORGANIZATION

The San Bernardino City Unified School District was established July 1, 1964. The District operates forty-nine elementary schools, ten middle schools, one K-8 school, a middle college, six comprehensive high schools, one alternative education school, two continuation high schools, a virtual school, an adult education school, and two special education schools. There were no boundary changes during the year.

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Danny Tillman	President	2026
Mayra Ceballos	Vice President	2024
Abigail Rosales-Medina	Member	2026
Mikki Cichocki	Member	2024
Mary Ellen A. Grande	Member	2026
Felicia Alexander	Member	2024
Dr. Scott Wyatt	Member	2024

ADMINISTRATION

Mauricio Arellano	Superintendent
Terry Comnick	Associate Superintendent Business, Facilities, and Operations
Marcus Funchess, Ed.D.	Assistant Superintendent, Human Resources
Sandra Rodriguez, Ed.D.	Assistant Superintendent, Student Services
Ana Applegate	Assistant Superintendent, Educational Services

San Bernardino City Unified School District
Student Activity Fund - District Wide - Combining Balance Sheets
June 30, 2024

	High Schools	Middle Schools	Unorganized ASB	Total
Assets				
Cash in banks				
Checking	\$ 1,247,358	\$ 388,554	\$ 360,582	\$ 1,996,494
Savings	145,361	106	1,096	146,563
Temporary clearing	-	2,060	-	2,060
Cash on hand - revolving	1,400	50	-	1,450
Receivables	7,001	400	-	7,401
Inventory	46,667	81,768	-	128,435
	<u>46,667</u>	<u>81,768</u>	<u>-</u>	<u>128,435</u>
Total assets	<u>\$ 1,447,787</u>	<u>\$ 472,938</u>	<u>\$ 361,678</u>	<u>\$ 2,282,403</u>
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ 8,799	\$ 13,877	\$ -	\$ 22,676
Fund Balances				
Nonspendable	48,067	81,818	-	129,885
Restricted	1,390,921	377,243	361,678	2,129,842
	<u>1,390,921</u>	<u>377,243</u>	<u>361,678</u>	<u>2,129,842</u>
Total liabilities	<u>1,438,988</u>	<u>459,061</u>	<u>361,678</u>	<u>2,259,727</u>
Total liabilities and fund balances	<u>\$ 1,447,787</u>	<u>\$ 472,938</u>	<u>\$ 361,678</u>	<u>\$ 2,282,403</u>

San Bernardino City Unified School District

Student Activity Fund - District Wide - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 June 30, 2024

	High Schools	Middle Schools	Unorganized ASB	Total
Revenues				
Interest income	\$ 2,738	\$ 3	\$ -	\$ 2,741
ASB operating income	274,095	129,635	-	403,730
PE clothes revenue	35,308	107,216	-	142,524
Other revenues	1,552,062	504,641	772,688	2,829,391
Total revenues	1,864,203	741,495	772,688	3,378,386
Expenditures				
Bank charges	3,921	32	-	3,953
ASB operating expense	359,188	196,938	-	556,126
PE clothes expense	11,817	41,149	-	52,966
8th Grade Activities expense	-	45,591	-	45,591
Winter Formal Dance expense	13,119	-	-	13,119
Senior Grad Bash expense	60,571	-	-	60,571
Inventory Adjustments	-	(4,715)	-	(4,715)
Other expenses	1,346,995	486,688	746,273	2,579,956
Total expenditures	1,795,611	765,683	746,273	3,307,567
Net Change in Fund Balance	68,592	(24,188)	26,415	70,819
Beginning Fund Balance	1,370,396	483,249	335,263	2,188,908
Ending Fund Balance	\$ 1,438,988	\$ 459,061	\$ 361,678	\$ 2,259,727

San Bernardino City Unified School District
Student Activity Fund - High School - Combining Balance Sheets
June 30, 2024

	Arroyo Valley	Cajon	Pacific	San Bernardino	Indian Springs	San Gorgonio	Total High Schools
Assets							
Cash in banks							
Checking	\$ 178,848	\$ 310,302	\$ 152,548	\$ 87,477	\$ 86,431	\$ 431,752	\$ 1,247,358
Savings	27	138,351	-	30	25	6,928	145,361
Cash on hand - revolving	200	200	400	300	100	200	1,400
Accounts receivable	-	-	7,001	-	-	-	7,001
Inventory	9,775	6,042	4,398	8,796	10,140	7,516	46,667
	<u>188,850</u>	<u>454,895</u>	<u>164,347</u>	<u>96,603</u>	<u>96,696</u>	<u>446,396</u>	<u>1,447,787</u>
Total assets	\$ 188,850	\$ 454,895	\$ 164,347	\$ 96,603	\$ 96,696	\$ 446,396	\$ 1,447,787
Liabilities and Fund Balance							
Liabilities							
Accounts payable	\$ 7,946	\$ -	\$ 360	\$ -	\$ 493	\$ -	\$ 8,799
Fund Balances							
Nonspendable	9,975	6,242	4,798	9,096	10,240	7,716	48,067
Restricted	170,929	448,653	159,189	87,507	85,963	438,680	1,390,921
	<u>180,904</u>	<u>454,895</u>	<u>163,987</u>	<u>96,603</u>	<u>96,203</u>	<u>446,396</u>	<u>1,438,988</u>
Total fund balances	180,904	454,895	163,987	96,603	96,203	446,396	1,438,988
Total liabilities and fund balance	\$ 188,850	\$ 454,895	\$ 164,347	\$ 96,603	\$ 96,696	\$ 446,396	\$ 1,447,787

San Bernardino City Unified School District

Student Activity Fund - High School - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

June 30, 2024

	Arroyo Valley	Cajon	Pacific	San Bernardino	Indian Springs	San Gorgonio	Total High Schools
Revenues							
Interest income	\$ -	\$ 1,686	\$ -	\$ -	\$ -	\$ 1,052	\$ 2,738
ASB operating income	15,558	123,344	14,950	24,863	47,211	48,169	274,095
PE clothes revenue	6,316	10,196	5,191	7,215	6,390	-	35,308
Other revenues	361,021	374,808	121,940	294,554	175,518	224,221	1,552,062
Total revenues	382,895	510,034	142,081	326,632	229,119	273,442	1,864,203
Expenditures							
Bank charges	-	1,911	884	-	1,126	-	3,921
ASB operating expense	23,787	136,833	10,214	59,778	67,635	60,941	359,188
PE clothes expense	-	7,420	2,925	-	881	591	11,817
Winter Formal Dance expense	13,119	-	-	-	-	-	13,119
Senior Grad Bash expense	60,571	-	-	-	-	-	60,571
Other expenses	236,354	360,666	99,893	231,815	231,584	186,683	1,346,995
Total expenditures	333,831	506,830	113,916	291,593	301,226	248,215	1,795,611
Net Change in Fund Balance	49,064	3,204	28,165	35,039	(72,107)	25,227	68,592
Beginning Fund Balance	131,840	451,691	135,822	61,564	168,310	421,169	1,370,396
Ending Fund Balance	\$ 180,904	\$ 454,895	\$ 163,987	\$ 96,603	\$ 96,203	\$ 446,396	\$ 1,438,988

San Bernardino City Unified School District
Student Activity Fund - Middle School - Combining Balance Sheets
June 30, 2024

	<u>Arrowview</u>	<u>Cesar Chavez</u>	<u>Curtis</u>	<u>Del Vallejo</u>	<u>Golden Valley</u>	<u>Martin Luther King Jr.</u>
Assets						
Cash in banks						
Checking	\$ 41,856	\$ 59,143	\$ 23,794	\$ 8,290	\$ 42,761	\$ 18,205
Savings	-	26	-	-	-	30
Temporary clearing	-	-	-	260	50	-
Cash on hand - revolving	-	50	-	-	-	-
Accounts receivable	-	-	-	-	-	64
Inventory	2,581	7,103	3,063	5,522	2,593	2,720
	<u>2,581</u>	<u>7,103</u>	<u>3,063</u>	<u>5,522</u>	<u>2,593</u>	<u>2,720</u>
Total assets	<u>\$ 44,437</u>	<u>\$ 66,322</u>	<u>\$ 26,857</u>	<u>\$ 14,072</u>	<u>\$ 45,404</u>	<u>\$ 21,019</u>
Liabilities and Fund Balance						
Liabilities						
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,220</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances						
Nonspendable	2,581	7,153	3,063	5,522	2,593	2,720
Restricted	<u>41,856</u>	<u>59,169</u>	<u>18,574</u>	<u>8,550</u>	<u>42,811</u>	<u>18,299</u>
Total fund balances	<u>44,437</u>	<u>66,322</u>	<u>21,637</u>	<u>14,072</u>	<u>45,404</u>	<u>21,019</u>
Total liabilities and fund balance	<u>\$ 44,437</u>	<u>\$ 66,322</u>	<u>\$ 26,857</u>	<u>\$ 14,072</u>	<u>\$ 45,404</u>	<u>\$ 21,019</u>

San Bernardino City Unified School District
Student Activity Fund - Middle School - Combining Balance Sheets
June 30, 2024

	<u>Paakuma</u>	<u>Richardson</u>	<u>Rodriguez</u>	<u>Serrano</u>	<u>Shandin Hills</u>	<u>Total Middle Schools</u>
Assets						
Cash in banks						
Checking	\$ 41,582	\$ 84,094	\$ 18,089	\$ 28,950	\$ 21,790	\$ 388,554
Savings	25	-	25	-	-	106
Temporary clearing	-	-	-	-	1,750	2,060
Cash on hand - revolving	-	-	-	-	-	50
Accounts receivable	336	-	-	-	-	400
Inventory	2,561	7,050	8,845	15,770	23,960	81,768
	<u>2,561</u>	<u>7,050</u>	<u>8,845</u>	<u>15,770</u>	<u>23,960</u>	<u>81,818</u>
Total assets	<u>\$ 44,504</u>	<u>\$ 91,144</u>	<u>\$ 26,959</u>	<u>\$ 44,720</u>	<u>\$ 47,500</u>	<u>\$ 472,938</u>
Liabilities and Fund Balance						
Liabilities						
Accounts payable	<u>\$ 8,439</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218</u>	<u>\$ -</u>	<u>\$ 13,877</u>
Fund Balances						
Nonspendable	2,561	7,050	8,845	15,770	23,960	81,818
Restricted	<u>33,504</u>	<u>84,094</u>	<u>18,114</u>	<u>28,732</u>	<u>23,540</u>	<u>377,243</u>
	<u>36,065</u>	<u>91,144</u>	<u>26,959</u>	<u>44,502</u>	<u>47,500</u>	<u>459,061</u>
Total fund balances	<u>36,065</u>	<u>91,144</u>	<u>26,959</u>	<u>44,502</u>	<u>47,500</u>	<u>459,061</u>
Total liabilities and fund balance	<u>\$ 44,504</u>	<u>\$ 91,144</u>	<u>\$ 26,959</u>	<u>\$ 44,720</u>	<u>\$ 47,500</u>	<u>\$ 472,938</u>

San Bernardino City Unified School District

Student Activity Fund - Middle School - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

June 30, 2024

	Arrowview	Cesar Chavez	Curtis	Del Vallejo	Golden Valley	Martin Luther King Jr.
Revenues						
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ASB operating income	840	45,009	2,159	10,052	-	1,030
PE clothes revenue	13,845	15,758	11,610	5,940	7,790	6,512
Other revenues	35,648	48,516	18,211	3,671	31,597	16,366
Total revenues	<u>50,333</u>	<u>109,283</u>	<u>31,980</u>	<u>19,663</u>	<u>39,387</u>	<u>23,908</u>
Expenditures						
Bank charges	-	-	-	-	-	-
ASB operating expense	5,353	66,333	2,569	9,764	16,749	360
PE clothes expense	3,046	-	-	4,986	-	5,695
8th grade activities expense	14,499	-	16,085	-	-	-
Inventory adjustments	-	-	-	-	-	-
Other expenses	19,073	42,589	6,910	3,287	25,605	16,250
Total expenditures	<u>41,971</u>	<u>108,922</u>	<u>25,564</u>	<u>18,037</u>	<u>42,354</u>	<u>22,305</u>
Net Change in Fund Balance	8,362	361	6,416	1,626	(2,967)	1,603
Beginning Fund Balance	<u>36,075</u>	<u>65,961</u>	<u>15,221</u>	<u>12,446</u>	<u>48,371</u>	<u>19,416</u>
Ending Fund Balance	<u>\$ 44,437</u>	<u>\$ 66,322</u>	<u>\$ 21,637</u>	<u>\$ 14,072</u>	<u>\$ 45,404</u>	<u>\$ 21,019</u>

San Bernardino City Unified School District

Student Activity Fund - Middle School - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

June 30, 2024

	<u>Paakuma</u>	<u>Richardson</u>	<u>Rodriguez</u>	<u>Serrano</u>	<u>Shandin Hills</u>	<u>Total Middle Schools</u>
Revenues						
Interest income	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ 3
ASB operating income	32,686	23,284	12,569	2,243	(237)	129,635
PE clothes revenue	8,639	9,180	-	12,125	15,817	107,216
Other revenues	<u>64,566</u>	<u>122,897</u>	<u>75,834</u>	<u>50,980</u>	<u>36,355</u>	<u>504,641</u>
Total revenues	<u>105,891</u>	<u>155,361</u>	<u>88,403</u>	<u>65,348</u>	<u>51,938</u>	<u>741,495</u>
Expenditures						
Bank charges	-	25	-	-	7	32
ASB operating expense	47,504	22,307	12,078	2,605	11,316	196,938
PE clothes expense	7,021	-	-	20,416	(15)	41,149
8th grade activities expense	-	-	-	15,007	-	45,591
Inventory adjustments	(4,715)	-	-	-	-	(4,715)
Other expenses	<u>65,615</u>	<u>161,938</u>	<u>72,296</u>	<u>38,830</u>	<u>34,295</u>	<u>486,688</u>
Total expenditures	<u>115,425</u>	<u>184,270</u>	<u>84,374</u>	<u>76,858</u>	<u>45,603</u>	<u>765,683</u>
Net Change in Fund Balance	(9,534)	(28,909)	4,029	(11,510)	6,335	(24,188)
Beginning Fund Balance	<u>45,599</u>	<u>120,053</u>	<u>22,930</u>	<u>56,012</u>	<u>41,165</u>	<u>483,249</u>
Ending Fund Balance	<u>\$ 36,065</u>	<u>\$ 91,144</u>	<u>\$ 26,959</u>	<u>\$ 44,502</u>	<u>\$ 47,500</u>	<u>\$ 459,061</u>

San Bernardino City Unified School District
Student Activity Fund - Unorganized - Combining Balance Sheets
June 30, 2024

	<u>Adult Education</u>	<u>Alessandro Elementary</u>	<u>Anton Elementary</u>	<u>Arrowhead Elementary</u>	<u>Barton Elementary</u>
Assets					
Cash in banks					
Checking	\$ 6,105	\$ 1,570	\$ 2,780	\$ 4,182	\$ 1,820
Savings	33	-	26	33	25
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 6,138</u>	<u>\$ 1,570</u>	<u>\$ 2,806</u>	<u>\$ 4,215</u>	<u>\$ 1,845</u>
Fund Balances					
Restricted	<u>\$ 6,138</u>	<u>\$ 1,570</u>	<u>\$ 2,806</u>	<u>\$ 4,215</u>	<u>\$ 1,845</u>
	<u>Bob Holcomb Elementary</u>	<u>Bradley Elementary</u>	<u>Cole Elementary</u>	<u>Cypress Elementary</u>	<u>Davidson Elementary</u>
Assets					
Cash in banks					
Checking	\$ 21,967	\$ 7,474	\$ 16,757	\$ 7,972	\$ 4,455
Savings	25	-	-	26	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 21,992</u>	<u>\$ 7,474</u>	<u>\$ 16,757</u>	<u>\$ 7,998</u>	<u>\$ 4,455</u>
Fund Balances					
Restricted	<u>\$ 21,992</u>	<u>\$ 7,474</u>	<u>\$ 16,757</u>	<u>\$ 7,998</u>	<u>\$ 4,455</u>
	<u>Del Rosa Elementary</u>	<u>Fairfax Elementary</u>	<u>George Brown Jr. Elementary</u>	<u>Gomez Elementary</u>	<u>Henry Elementary</u>
Assets					
Cash in banks					
Checking	\$ 220	\$ 5,212	\$ 5,547	\$ 2,579	\$ 3,051
Savings	25	-	25	-	25
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 245</u>	<u>\$ 5,212</u>	<u>\$ 5,572</u>	<u>\$ 2,579</u>	<u>\$ 3,076</u>
Fund Balances					
Restricted	<u>\$ 245</u>	<u>\$ 5,212</u>	<u>\$ 5,572</u>	<u>\$ 2,579</u>	<u>\$ 3,076</u>

San Bernardino City Unified School District
Student Activity Fund - Unorganized - Combining Balance Sheets
June 30, 2024

	<u>Highland- Pacific Elementary</u>	<u>Hunt Elementary</u>	<u>Inghram Elementary</u>	<u>Juanita Blakely Jones Elementary</u>	<u>Kendall Elementary</u>
Assets					
Cash in banks					
Checking	\$ 1,457	\$ 1,184	\$ -	\$ 2,676	\$ 1,215
Savings	<u>-</u>	<u>-</u>	<u>25</u>	<u>26</u>	<u>25</u>
Total assets	<u>\$ 1,457</u>	<u>\$ 1,184</u>	<u>\$ 25</u>	<u>\$ 2,702</u>	<u>\$ 1,240</u>
Fund Balances					
Restricted	<u>\$ 1,457</u>	<u>\$ 1,184</u>	<u>\$ 25</u>	<u>\$ 2,702</u>	<u>\$ 1,240</u>
	<u>Kimbark Elementary</u>	<u>Lankershim Elementary</u>	<u>Lincoln Elementary</u>	<u>Lytle Creek Elementary</u>	<u>Marshall Elementary</u>
Assets					
Cash in banks					
Checking	\$ 11,096	\$ 14,609	\$ 5,397	\$ 1,556	\$ 3,077
Savings	<u>273</u>	<u>25</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 11,369</u>	<u>\$ 14,634</u>	<u>\$ 5,397</u>	<u>\$ 1,556</u>	<u>\$ 3,077</u>
Fund Balances					
Restricted	<u>\$ 11,369</u>	<u>\$ 14,634</u>	<u>\$ 5,397</u>	<u>\$ 1,556</u>	<u>\$ 3,077</u>
	<u>Middle College High School</u>	<u>Monterey Elementary</u>	<u>Mt. Vernon Elementary</u>	<u>Newmark Elementary</u>	<u>North Park Elementary</u>
Assets					
Cash in banks					
Checking	\$ 26,857	\$ 12,314	\$ 4,364	\$ 9,210	\$ 4,973
Savings	<u>25</u>	<u>-</u>	<u>-</u>	<u>78</u>	<u>-</u>
Total assets	<u>\$ 26,882</u>	<u>\$ 12,314</u>	<u>\$ 4,364</u>	<u>\$ 9,288</u>	<u>\$ 4,973</u>
Fund Balances					
Restricted	<u>\$ 26,882</u>	<u>\$ 12,314</u>	<u>\$ 4,364</u>	<u>\$ 9,288</u>	<u>\$ 4,973</u>

San Bernardino City Unified School District
Student Activity Fund - Unorganized - Combining Balance Sheets
June 30, 2024

	<u>North Verdemont Elementary</u>	<u>Norton Elementary</u>	<u>Palm Avenue Elementary</u>	<u>Parkside Elementary</u>	<u>Riley Elementary</u>
Assets					
Cash in banks					
Checking	\$ 28,996	\$ 1,378	\$ 9,393	\$ 2,667	\$ 2,276
Savings	31	-	28	32	33
Total assets	<u>\$ 29,027</u>	<u>\$ 1,378</u>	<u>\$ 9,421</u>	<u>\$ 2,699</u>	<u>\$ 2,309</u>
Fund Balances					
Restricted	<u>\$ 29,027</u>	<u>\$ 1,378</u>	<u>\$ 9,421</u>	<u>\$ 2,699</u>	<u>\$ 2,309</u>
	<u>Rio Vista Elementary</u>	<u>E. Neal Roberts Elementary</u>	<u>Roosevelt Elementary</u>	<u>Manuel A. Salinas Elementary</u>	<u>San Andreas Continuation</u>
Assets					
Cash in banks					
Checking	\$ 3,621	\$ 18,913	\$ 1,313	\$ 6,678	\$ 43,652
Savings	-	-	32	25	25
Total assets	<u>\$ 3,621</u>	<u>\$ 18,913</u>	<u>\$ 1,345</u>	<u>\$ 6,703</u>	<u>\$ 43,677</u>
Fund Balances					
Restricted	<u>\$ 3,621</u>	<u>\$ 18,913</u>	<u>\$ 1,345</u>	<u>\$ 6,703</u>	<u>\$ 43,677</u>
	<u>Sierra Continuation</u>	<u>Thompson Elementary</u>	<u>Urbita Elementary</u>	<u>Vermont Elementary</u>	<u>Virtual Academy</u>
Assets					
Cash in banks					
Checking	\$ 23,460	\$ 6,134	\$ 1,002	\$ 2,480	\$ 1,248
Savings	110	-	27	-	-
Total assets	<u>\$ 23,570</u>	<u>\$ 6,134</u>	<u>\$ 1,029</u>	<u>\$ 2,480</u>	<u>\$ 1,248</u>
Fund Balances					
Restricted	<u>\$ 23,570</u>	<u>\$ 6,134</u>	<u>\$ 1,029</u>	<u>\$ 2,480</u>	<u>\$ 1,248</u>

San Bernardino City Unified School District
 Student Activity Fund - Unorganized - Combining Balance Sheets
 June 30, 2024

	<u>Warm Springs Elementary</u>	<u>Wilson Elementary</u>	<u>Total Unorganized</u>
Assets			
Cash in banks			
Checking	\$ 6,903	\$ 8,792	\$ 360,582
Savings	33	-	1,096
	<u>6,936</u>	<u>-</u>	<u>1,096</u>
Total assets	<u>\$ 6,936</u>	<u>\$ 8,792</u>	<u>\$ 361,678</u>
Fund Balances			
Restricted	<u>\$ 6,936</u>	<u>\$ 8,792</u>	<u>\$ 361,678</u>

San Bernardino City Unified School District
Student Activity Fund - Unorganized - Combining Statement of Revenues, Expenditures, and Changes in Fund
Balances
June 30, 2024

	Adult Education	Alessandro Elementary	Anton Elementary	Arrowhead Elementary	Barton Elementary
Revenues					
Other revenues	\$ 2,181	\$ 15,029	\$ 3,764	\$ 5,625	\$ 15,502
Expenditures					
Other	4,040	15,805	1,440	4,562	15,425
Net Change in Fund Balance	(1,859)	(776)	2,324	1,063	77
Beginning Fund Balance	7,997	2,346	482	3,152	1,768
Ending Fund Balance	<u>\$ 6,138</u>	<u>\$ 1,570</u>	<u>\$ 2,806</u>	<u>\$ 4,215</u>	<u>\$ 1,845</u>

	Bob Holcomb Elementary	Bradley Elementary	Cole Elementary	Cypress Elementary	Davidson Elementary
Revenues					
Other revenues	\$ 22,363	\$ 24,773	\$ 24,572	\$ 20,009	\$ 8,813
Expenditures					
Other	14,030	20,971	13,489	20,179	6,034
Net Change in Fund Balance	8,333	3,802	11,083	(170)	2,779
Beginning Fund Balance	13,659	3,672	5,674	8,168	1,676
Ending Fund Balance	<u>\$ 21,992</u>	<u>\$ 7,474</u>	<u>\$ 16,757</u>	<u>\$ 7,998</u>	<u>\$ 4,455</u>

	Del Rosa Elementary	Fairfax Elementary	George Brown Jr. Elementary	Gomez Elementary	Henry Elementary
Revenues					
Other revenues	\$ 29,712	\$ 7,038	\$ 24,376	\$ 10,816	\$ 11,650
Expenditures					
Other	29,892	5,008	25,541	10,933	10,657
Net Change in Fund Balance	(180)	2,030	(1,165)	(117)	993
Beginning Fund Balance	425	3,182	6,737	2,696	2,083
Ending Fund Balance	<u>\$ 245</u>	<u>\$ 5,212</u>	<u>\$ 5,572</u>	<u>\$ 2,579</u>	<u>\$ 3,076</u>

San Bernardino City Unified School District

Student Activity Fund - Unorganized - Combining Statement of Revenues, Expenditures, and Changes in Fund
Balances
June 30, 2024

	Highland- Pacific Elementary	Hunt Elementary	Inghram Elementary	Juanita Blakely Jones Elementary	Kendall Elementary
Revenues					
Other revenues	\$ 7,921	\$ 5,662	\$ 25	\$ 12,192	\$ 9,500
Expenditures					
Other	9,851	5,719	639	12,848	10,966
Net Change in Fund Balance	(1,930)	(57)	(614)	(656)	(1,466)
Beginning Fund Balance	3,387	1,241	639	3,358	2,706
Ending Fund Balance	<u>\$ 1,457</u>	<u>\$ 1,184</u>	<u>\$ 25</u>	<u>\$ 2,702</u>	<u>\$ 1,240</u>
	Kimbark Elementary	Lankershim Elementary	Lincoln Elementary	Lytle Creek Elementary	Marshall Elementary
Revenues					
Other revenues	\$ 48,594	\$ 14,014	\$ 7,281	\$ 23,003	\$ 6,946
Expenditures					
Other	59,624	6,294	1,884	26,084	8,348
Net Change in Fund Balance	(11,030)	7,720	5,397	(3,081)	(1,402)
Beginning Fund Balance	22,399	6,914	-	4,637	4,479
Ending Fund Balance	<u>\$ 11,369</u>	<u>\$ 14,634</u>	<u>\$ 5,397</u>	<u>\$ 1,556</u>	<u>\$ 3,077</u>
	Middle College High School	Monterey Elementary	Mt. Vernon Elementary	Newmark Elementary	North Park Elementary
Revenues					
Other revenues	\$ 52,356	\$ 17,539	\$ 16,157	\$ 8,136	\$ 3,600
Expenditures					
Other	51,964	12,071	17,864	7,737	3,021
Net Change in Fund Balance	392	5,468	(1,707)	399	579
Beginning Fund Balance	26,490	6,846	6,071	8,889	4,394
Ending Fund Balance	<u>\$ 26,882</u>	<u>\$ 12,314</u>	<u>\$ 4,364</u>	<u>\$ 9,288</u>	<u>\$ 4,973</u>

San Bernardino City Unified School District
Student Activity Fund - Unorganized - Combining Statement of Revenues, Expenditures, and Changes in Fund
Balances
June 30, 2024

	North Verdemont Elementary	Norton Elementary	Palm Avenue Elementary	Parkside Elementary	Riley Elementary
Revenues					
Other revenues	\$ 38,472	\$ -	\$ 30,575	\$ 1,432	\$ 5,978
Expenditures					
Other	38,984	-	30,274	3,220	4,882
Net Change in Fund Balance	(512)	-	301	(1,788)	1,096
Beginning Fund Balance	29,539	1,378	9,120	4,487	1,213
Ending Fund Balance	<u>\$ 29,027</u>	<u>\$ 1,378</u>	<u>\$ 9,421</u>	<u>\$ 2,699</u>	<u>\$ 2,309</u>
	Rio Vista Elementary	E. Neal Roberts Elementary	Roosevelt Elementary	Manuel A. Salinas Elementary	San Andreas Continuation
Revenues					
Other revenues	\$ 16,328	\$ 10,792	\$ 1,780	\$ 18,337	\$ 50,288
Expenditures					
Other	18,252	10,452	1,044	25,345	44,004
Net Change in Fund Balance	(1,924)	340	736	(7,008)	6,284
Beginning Fund Balance	5,545	18,573	609	13,711	37,393
Ending Fund Balance	<u>\$ 3,621</u>	<u>\$ 18,913</u>	<u>\$ 1,345</u>	<u>\$ 6,703</u>	<u>\$ 43,677</u>
	Sierra Continuation	Thompson Elementary	Urbita Elementary	Vermont Elementary	Virtual Academy
Revenues					
Other revenues	\$ 22,427	\$ 11,865	\$ 30,320	\$ 10,195	\$ 4,252
Expenditures					
Other	16,987	12,365	44,337	7,715	4,014
Net Change in Fund Balance	5,440	(500)	(14,017)	2,480	238
Beginning Fund Balance	18,130	6,634	15,046	-	1,010
Ending Fund Balance	<u>\$ 23,570</u>	<u>\$ 6,134</u>	<u>\$ 1,029</u>	<u>\$ 2,480</u>	<u>\$ 1,248</u>

San Bernardino City Unified School District
 Student Activity Fund - Unorganized - Combining Statement of Revenues, Expenditures, and Changes in Fund
 Balances
 June 30, 2024

	<u>Warm Springs Elementary</u>	<u>Wilson Elementary</u>	<u>Total Unorganized</u>
Revenues			
Other revenues	<u>\$ 42,469</u>	<u>\$ 18,029</u>	<u>\$ 772,688</u>
Expenditures			
Other	<u>37,517</u>	<u>13,961</u>	<u>746,273</u>
Net Change in Fund Balance	4,952	4,068	26,415
Beginning Fund Balance	<u>1,984</u>	<u>4,724</u>	<u>335,263</u>
Ending Fund Balance	<u><u>\$ 6,936</u></u>	<u><u>\$ 8,792</u></u>	<u><u>\$ 361,678</u></u>



Independent Auditor's Reports
June 30, 2024

**San Bernardino City Unified School
District**



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
San Bernardino City Unified School District
San Bernardino, 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 San Bernardino City Unified 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 dated March 14, 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 a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 that we consider to be a material weakness.

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*.

We noted certain matters that we reported to management of the District in a separate letter dated March 14, 2025.

The District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and 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 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.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California
March 14, 2025



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
San Bernardino City Unified School District
San Bernardino, California

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited San Bernardino City Unified 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.

Qualified Opinion on Education Stabilization Fund

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 could have a direct and material effect on the Education Stabilization Fund for the year ended June 30, 2024.

Unmodified Opinion on the Other Major Federal Program

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 its other major federal program identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2024.

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 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.

Matters Giving Rise to Qualified Opinion on Education Stabilization Fund

As described in the accompanying Schedule of Findings and Questioned Costs, the District did not comply with requirements regarding Assistance Listing No. 84.425 Education Stabilization Fund as described in finding numbers 2024-002 for Allowable Activities and Allowable Costs and 2024-003 for Reporting.

Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2024-004. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District’s response to the noncompliance findings identified in our audit 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.

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 with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2024-002, 2024-003, and 2024-004 to be material weaknesses.

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

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance 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 requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
March 14, 2025



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

To the Governing Board
San Bernardino City Unified School District
San Bernardino, California

Report on Compliance

Opinion on State Compliance

We have audited San Bernardino City Unified School District's (the 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.

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.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*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.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the 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	Yes
Kindergarten Continuance	Yes
Independent Study	No, see below
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes

2023-2024 K-12 Audit Guide Procedures	Procedures Performed
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Yes
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Yes
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Yes
 School Districts, County Offices of Education, and Charter Schools	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study - Course Based	Yes
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
 Charter Schools	
Attendance	Not Applicable
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction	Not Applicable
Annual Instructional Minutes - Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

We did not perform testing for Independent Study because average daily attendance reported did not exceed thresholds for testing.

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 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 on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.



Rancho Cucamonga, California
March 14, 2025



Schedule of Findings and Questioned Costs
June 30, 2024

San Bernardino City Unified School District

San Bernardino City Unified School District

Summary of Auditor's Results

Year Ended June 30, 2024

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 for all major programs except for 84.425 - COVID-19 - Education Stabilization Fund which was qualified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)	Yes

Identification of major programs

<u>Name of Federal Program or Cluster</u>	<u>Federal Financial Assistance Listing</u>
COVID-19: Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D
COVID-19: Expanded Learning Opportunities (ELO) Grant: ESSER II State Reserve	84.425D
COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U
COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U
COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund: State Reserve, Emergency Needs	84.425U
COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund: State Reserve, Learning Loss	84.425U
COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund: CCLC Rate Increase	84.425U
COVID-19: ARP Homeless Children and Youth Program I	84.425W
COVID-19: ARP Homeless Children and Youth Program II	84.425W
Child & Adult Care Food Program	10.558
Child & Adult Care Food Program - Cash in Lieu of Commodities	10.558
Dollar threshold used to distinguish between type A and type B programs	\$3,000,000
Auditee qualified as low-risk auditee?	No

State Compliance

Internal control over state compliance programs	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Other matters to be reported	No
Type of auditor's report issued on compliance for programs	Unmodified

The following finding represents a material weakness related to the financial statements that is required to be reported in accordance with *Government Auditing Standards*. The finding has been coded as follows:

Five Digit Code	AB 3627 Finding Type
30000	Internal Control

2024-001 30000 – Internal Control Over Financial Reporting (Material Weakness)

Criteria or Specific Requirements

Management is responsible for the design, implementation, and maintenance of internal controls to ensure that the financial statements are free from material misstatement, whether due to error or fraud. Such internal controls should include a review of all adjusting journal entries reclassifying journal entries, and conversion entries used in the preparation of the District’s financial statements. Additionally, the District should ensure that all applicable accounting principles are adhered to when preparing the financial statements.

Condition

During the course of our engagement, we identified material misstatements of balances presented within the District’s General Fund on the 2023-2024 unaudited financial statements as a result of over-accrual of account payable. The description of the impact of the misstatement is as follows:

▪ Overstatement of receivables	\$1,044,894
▪ Overstatement of accounts payable	\$23,216,103
▪ Understatement of unearned revenue	\$4,324,065
▪ Understatement of restricted ending fund balance	\$15,375,481

The over-accrual of accounts payable noted above resulted in identification of \$16,353,421 in unallowable state program expenditures and \$1,722,821 in unallowable federal program expenditures. This resulted in over-accrual of \$3,646,138 of state revenue and \$1,722,821 of federal revenue.

Context

The condition was identified through inquiry with District personnel and through review of available District records related to balances reported in the District’s 2023-2024 unaudited financial statements.

Cause

The cause of the condition identified appears to be due to insufficient review processes related to the preparation of the District's year-end financial statements, which includes the review of revenues/expenditures and assets/liabilities to determine their proper reporting period.

Effect

The effect of this error resulted in understatement of fund balance in the General Fund of \$17,847,144 in the District's 2023-2024 unaudited financial statements.

Repeat Finding

No.

Recommendation

In light of the condition identified, the District should exercise care during its annual year-end closing process and implement a process to review all balances during its year-end closing process to determine the proper cut-off period. In addition, a thorough review of the District's financial statements, including all adjusting entries, reclassifying entries, and conversion entries should take place before the financial statements are finalized by the District's business department.

Corrective Action Plan and Views of Responsible Officials

The District concurs with the finding. The District will now direct Accounts Payable to work with its Fiscal Services and Purchasing Departments to evaluate its existing internal control procedures and then research and develop steps including a review of all balances during the year-end closing process for implementation.

Two steps to be evaluated during the process include:

- The closing of all open/blanket purchase orders prior to June 30th is expected to eliminate the over-accrual of expenditures for goods and services not rendered.
- The manual establishment of liabilities for open purchase orders, based on actual invoices or vendor confirmations should eliminate the over accrual of expenditures.

The following findings represent material weaknesses and instances of noncompliance including questioned costs that are required to be reported by the Uniform Guidance. The findings have been coded as follows:

Five Digit Code	AB 3627 Finding Type
50000	Federal Compliance

2024-002 50000 – COVID-19 Education Stabilization Fund – Activities Allowed or Unallowed and Allowable Costs/Cost Principles (Material Weakness in Internal Control Over Compliance, Noncompliance)

Federal Agency: U.S. Department of Education
 Pass-Through Entity: California Department of Education
 Program Name: COVID-19 – Education Stabilization Fund
 Federal Financial Assistance Listing: 84.425D, 84.425U, 84.425W
 Compliance Requirements: A/B – Activities Allowed or Unallowed & Allowable Costs/Cost Principles
 Type of Finding: Material Weakness and Noncompliance

Criteria or Specific Requirements

Title 2 *Code of Federal Regulations* 200.403(e) requires costs to be determined in accordance with generally accepted accounting principles (GAAP), which requires expenditures to be accrued in the period in which they are incurred.

Condition

The District accrued balances on open purchase orders at year-end, resulting in over-accrual of expenditures of \$1,172,500 which did not have related services rendered or goods received by June 30, 2024. Additionally, this resulted in \$176 of unallowable indirect costs charged to the program.

Cause

The cause appears to be due to lack of sufficient internal controls over year-end financial statement preparation.

Effect

The District is not in compliance with Activities Allowed or Unallowed and Allowable Costs/Cost Principles related to the Education Stabilization Fund program.

Questioned Costs

The condition identified above resulted in known questioned costs of \$1,172,500 in direct costs and \$176 in related indirect costs charged, resulting in total questioned costs of \$1,172,676.

Context/Sampling:

Unallowable costs were identified through a review of accounts payable for the District as a whole and not through the sample selected for major program testing.

Repeat Finding

No.

Recommendation

The District should implement controls to ensure that all expenditures charged to federal programs are allowable.

Corrective Action Plan and Views of Responsible Officials

When this matter was brought to the District's attention it was too late to adjust for FY 2023-2024 but the District took steps to ensure all ESSER Funds impacted were fully expended and the indirect charges were ultimately balanced out.

2024-003 50000 – COVID-19 Education Stabilization Fund – Reporting (Material Weakness in Internal Control Over Compliance, Noncompliance)

Federal Agency: U.S. Department of Education
Pass-Through Entity: California Department of Education
Program Name: COVID-19 – Education Stabilization Fund
Federal Financial Assistance Listing: 84.425D, 84.425U, 84.425W
Compliance Requirements: L – Reporting
Type of Finding: Material Weakness and Noncompliance

Criteria or Specific Requirements

Title 2 *Code of Federal Regulations* 200.328 requires financial reports to be collected no less than annually. Reports should reflect financial information for the period reported on.

Condition

The District charged unallowable direct and indirect costs to the program totaling \$1,172,676 which resulted in expenditure reports reflecting unallowable expenditures.

Cause

The cause appears to be due to lack of sufficient internal controls over compliance with reporting requirements.

Effect

The District is not in compliance with Reporting related to the Education Stabilization Fund program.

Questioned Costs

There are no questioned costs identified.

Context/Sampling:

Inaccurate reporting was identified through a review accounts payable for the District as a whole which identified unallowable costs charged to the program.

Repeat Finding

No.

Recommendation

The District should implement controls to ensure that all reports are prepared accurately.

Corrective Action Plan and Views of Responsible Officials

When this matter was brought to the District's attention it was too late to adjust for FY 2023-2024 but the District took steps to ensure all ESSER Funds impacted were fully expended and the indirect charges were ultimately balanced out.

2024-004

50000 – Activities Allowed or Unallowed and Allowable Costs/Cost Principles (Material Weakness in Internal Control Over Compliance, Noncompliance)

Federal Agencies: U.S. Department of Education, U.S. Department of Justice

Pass-Through Entity: California Department of Education, except for Indian Education and School Violence Prevention, which are direct awards

Program Name: Various, see Condition below

Federal Financial Assistance Listing: Various, see Condition below

Compliance Requirements: A/B – Activities Allowed or Unallowed & Allowable Costs/Cost Principles

Type of Finding: Material Weakness and Noncompliance

Criteria or Specific Requirements

Title 2 *Code of Federal Regulations* 200.403(e) requires costs to be determined in accordance with generally accepted accounting principles (GAAP), which requires expenditures to be accrued in the period in which they are incurred.

Condition

The District accrued balances on open purchase orders at year-end, resulting in over-accrual of expenditures which did not have related services rendered or goods received by June 30, 2024 for various federal programs which were not identified as major programs. Additionally, this resulted in unallowable indirect costs charged to various federal programs which were not identified as major programs. Detailed information for unallowable direct and indirect costs charged related to this issue is as follows:

Program Name	Assistance Listing Number	Unallowable Direct Costs	Unallowable Indirect Costs
Title I Grant to Local Educational Agencies - Low Income and Neglected	84.010	\$ 243,135	\$ 9,844
Title I Grant to Local Educational Agencies – School Improvement Funding	84.010	27,074	1,148
Special Education Grants to States - Basic Local Assistance	84.027	57,291	-
Special Education Grants to States - Mental Health	84.027A	42,636	1,808
Alternate Dispute Resolution, Part B, Sec 611 Career and Technical Education - Basic Grants to States	84.027A	2,500	106
Supporting Effective Instruction State Grants	84.048	13,442	570
Twenty-First Century Community Learning Centers	84.424	778	33
English Language Acquisition State Grants – English Learner Student Program	84.287	83,919	-
Indian Education	84.365	34,500	-
McKinney-Vento Homeless Assistance Grants	84.060A	24,012	1,018
School Violence Prevention	84.196	5,525	234
	16.710	<u>550</u>	<u>23</u>
Total		<u>\$ 535,362</u>	<u>\$ 14,784</u>

Cause

The cause appears to be due to lack of sufficient internal controls over year-end financial statement preparation.

Effect

The District is not in compliance with Activities Allowed or Unallowed and Allowable Costs/Cost Principles for various federal programs not identified as major programs.

Questioned Costs

The condition identified above resulted in known questioned costs of \$537,362 in direct costs and \$14,784 in related indirect costs charged, resulting in total questioned costs of \$552,146.

Context/Sampling:

Unallowable costs were identified through a review of accounts payable for the District as a whole and not through the sample selected for major program testing.

Repeat Finding

No.

Recommendation

The District should implement controls to ensure that all expenditures charged to federal programs are allowable.

Corrective Action Plan and Views of Responsible Officials

When this matter was brought to the District's attention it was too late to adjust for FY 2023-2024 but the District took steps to ensure all federal funds impacted were fully expended and the indirect charges were ultimately balanced out.

None reported.

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

State Compliance Findings

2023-001 61000 – Classroom Teacher Salaries (Significant Deficiency, Noncompliance)

Criteria or Specific Requirements

California *Education Code* Section 41372 requires that the payment of classroom teacher salaries and benefits meet or exceed 55% (for unified districts) of the District's current expense of education.

Condition

The District spent 53.06% (439,598,901) of the current expense of education (\$828,565,562) on classroom teacher salaries and benefits, failing to meet the 55% requirement.

Cause

The District received one-time state and federal funds to address and respond to the effects of the COVID-19 pandemic. These funding sources were used in part toward classroom teacher salaries and benefits; however, a significant portion of these funds was used toward purchasing materials and supplies needed to address the impacts of the COVID-19 pandemic. As such, the District was unable to meet the 55% requirement for classroom teacher salaries.

Effect

As a result of our testing, the District was not compliant with *Education Code* Section 41372 due to being deficient in the amount of \$16,112,158.

Questioned Costs

There are no questioned costs associated with the finding.

Recommendation

We recommend the District evaluate its expenditures and develop a plan to ensure compliance with the above noted requirement. If the District is unable to meet the 55% requirement, we recommend the obtaining of an approved exemption from this requirement from the County Superintendent of Schools.

Current Status

Implemented.

2023-002 43000 – Apprenticeship: Related and Supplemental Instruction (Significant Deficiency, Noncompliance)

Criteria or Specific Requirements

California *Education Code* Section 8150.5 states that attendance for apprentices enrolled in classes maintained by a local education agency pursuant to Section 3074 of the Labor Code, shall be reimbursed pursuant to Section 8152 only if reported separately to the Chancellor of the California Community College.

Condition

While verifying the total attendance hours reported and claimed by the District, discrepancies were noted between the attendance hours log sheet and the report of hours submitted to the Chancellor of the California Community Colleges.

Cause

The cause appears to have materialized as a result of inadequate review of the compiled attendance information that was submitted to the Chancellor of the California Community College.

Effect

The District was not compliant with California *Education Code* Section 8150.5 and 8152 for the 2022-2023 fiscal year, since the number of hours reported and claimed is overstated when compared to supporting records.

Questioned Costs

The questioned costs associated with this condition resulted in an estimated penalty of \$22,610. The estimated penalty was calculated using the California Community Colleges Apportionment Reports Fiscal Year 2023-2024 Exhibit A LEA Apprenticeship Training and Instruction September Revision 2023 for the Fiscal Year 2022-2023 Recalculation Period for the total fiscal year 2022-2023 apportionment and the California Apprenticeship Initiative RSI Reporting Recalculation Certification for the total hours reported. The hourly reimbursement rate was estimated based on the aforementioned information, resulting in an hourly reimbursement rate calculation of \$16.31.

Recommendation

For accurate attendance reporting, the District should review procedures used to report the number of students served to the Chancellor of the California Community College, so methods are consistent to allow for accurate reporting. Procedures for attendance should include an independent review of the sign in sheets and monthly summaries prior to submitting them to the Chancellor of the California Community College.

Current Status

Implemented.

2023-003 40000 – After/Before School Education and Safety Program (Significant Deficiency, Noncompliance)

Criteria or Specific Requirements

California *Education Code* Section 8483(a)(1) states that every after school component of a program established pursuant to this article shall commence immediately upon the conclusion of the regular school day, and operate a minimum of 15 hours per week, and at least until 6 p.m. on every regular school day. Every after school component of the program shall establish a policy regarding reasonable early daily release of pupils from the program.

Condition

While verifying the total students served at Arrowhead Elementary, Barton Elementary, Hunt Elementary, Martin Luther King Jr. Middle, Parkside Elementary, and Thompson Elementary discrepancies were noted between the total number of students served and reported to the California Department of Education (CDE) and number audited for the first half of the 2022-2023 fiscal year.

Cause

The cause appears to have materialized as a result of inadequate review of the compiled attendance information that was submitted to the California Department of Education.

Effect

The District was not compliant with California *Education Code* Section 8483(a)(1) for the 2022-2023 fiscal year, since the number of students served as reported to the CDE is understated when compared to supporting records.

Questioned Costs

Under the provisions of the program, there are no questioned costs associated with this condition. However, the number of students served appears understated by 2,655 for the first semi-annual reporting period.

Recommendation

For accurate attendance reporting, the District should review procedures used to report the number of students served to the CDE, so methods are consistent to allow for accurate reporting. Procedures for attendance should include an independent review of the sign out sheets, monthly summaries, and semiannual reports prior to submitting them to the CDE.

Current Status

Implemented.

2023-004

40000 – Unduplicated Local Control Funding Formula Pupil Counts (Significant Deficiency, Noncompliance)

Criteria or Specific Requirements

California *Education Code* Section 42238.02(b)(4) states that the school districts should revise their submitted data on English learner, foster youth, and free or reduced-price meal eligible pupil counts to ensure the accuracy of data reflected in the California Longitudinal Pupil Achievement Data System (CALPADS).

Condition

The Unduplicated Local Control Funding Formula Pupil Counts submitted to the California Department of Education (CDE) was inaccurate. It appears that the District inaccurately reported the eligibility status for certain pupils for Free or Reduced-Price Meals (FRPM) on CALPADS Form 1.18 – FRPM/English Learner/Foster Youth – Student List.

Cause

The condition identified, related to FRPM, has materialized due to lack of sufficient internal controls over compliance. Benefits were extended in error to pupils not residing in the same household.

Effect

As a result of our testing, it appears that the District failed to properly complete the "1.18 – FRPM/English Learner/Foster Youth – Student List" CALPADS report. The results of our testing have been documented as follows:

Certified Total Enrollment Count	Certified Total Unduplicated Count	Adjustment to Total Enrollment Count	Adjustment Based on Eligibility for FRPM	Adjusted Total Enrollment	Adjusted Total Unduplicated Pupil Count
45,964	42,013	0	(9)	45,964	42,004

Questioned Costs

The questioned costs associated with this condition resulted in a net change of \$0 in Local Control Funding Formula. The estimated penalty was calculated using the CDE’s Audit Penalty Calculator.

Recommendation

The District should emphasize the importance of completing the Form 1.18 accurately, which would include ensuring that all changes are accurately and timely updated based on new eligibility documentation received and that document retention policies are adhered to.

Current Status

Implemented.



Management
San Bernardino City Unified School District
San Bernardino, California

In planning and performing our audit of the financial statements of San Bernardino City Unified School District (the District) for the year ended June 30, 2024, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted matters that are opportunities for strengthening internal controls and operating efficiency. The following items represent conditions noted by our audit that we consider important enough to bring to your attention. This letter does not affect our report dated March 14, 2025, on the government-wide financial statements of the District.

Associated Student Body (ASB)

Del Rosa Elementary School

Observation

1. Based on the review of the cash receipting procedures, it was noted that the two deposits selected for testing did not contain pre-numbered triplicate receipts or logs for cash collection.

Recommendation

1. Pre-numbered triplicate receipts or logs should be utilized when collecting money for all ASB events and transactions. If utilizing a log, the students name and amount being turned in should be documented. If using a receipt book, the receipts should be issued in sequential order to all individuals turning in monies for ASB events. Teachers and administrators who collect monies should be equipped with a triplicate receipts book or log sheet. The white copy of the receipt should be issued to the person turning in the monies, the yellow receipt or log sheet should be utilized for deposit back-up, and the pink copy should be retained in the receipt book for audit purposes. When teachers are turning in monies for deposit, a cash count sheet should be turned in with the yellow copy of the receipts and monies to clearly identify the total amount being turned in.

Marshall Elementary School

Observation

1. Based on the review of the cash receipting procedures, it was noted that the one receipt tested lacked evidence of a dual cash count. As a result, the auditor was unable to determine the presence of a witness indicating the status of collected money.

Recommendation

1. Those collecting cash should always count the funds in the presence of a witness to confirm that funds collected are accurate and any differences resolved. Cash Count forms should be completed and signed by the individual responsible for the cash and at least one witness.

North Verdemont Elementary School

Observations

1. Based on the review of the cash receipting procedures, it was noted that the five receipts tested lacked evidence of a dual cash count. As a result, the auditor was unable to determine the presence of a witness indicating the status of collected money.
2. Based on the review of cash receipting procedures, it was noted that one of the five receipts fundraiser revenue potential form did not agree to the cash collected.

Recommendations

1. Those collecting cash should always count the funds in the presence of a witness to confirm that funds collected are accurate and any differences resolved. Cash Count forms should be completed and signed by the individual responsible for the cash and at least one witness.
2. The revenue potential form is a vital internal control tool; it should be used to document revenues, expenditures, potential revenue, and actual revenue. This allows an analysis of the fundraiser to be conducted, indicating to the staff the success or failure of the completed project. ASB personnel should ensure that all revenue potential forms contain supporting documentation and that the revenue amount indicated on the form agrees to the amount indicated on supporting documentation.

Warm Springs Elementary School

Observations

1. Based on the review of the cash receipting procedures, it was noted that one of the three receipts lacked evidence of a dual cash count. As a result, the auditor was unable to determine the presence of a witness indicating the status of collected money.
2. Based on review of fundraiser revenue potential forms, it was noted that two of three receipts tested did not indicate the actual revenue.
3. It was noted that the one ticketed events tested did not contain a ticket sales form. Thus, auditor was unable to verify that the number of tickets sold reconciles to the monies received, and that the beginning and ending ticket numbers agree to the ticket control log.
4. Based on the review of the cash disbursement procedures, it was noted that the five disbursements tested did not have the required signatures of approval.
5. Based on the review of the cash disbursement procedures, it was noted that two of five disbursements tested did not have a purchase request form present.

Recommendations

1. Those collecting cash should always count the funds in the presence of a witness to confirm that funds collected are accurate and any differences resolved. Cash Count forms should be completed and signed by the individual responsible for the cash and at least one witness.
2. The revenue potential form is a vital internal control tool; it should be used to document revenues, expenditures, potential revenue, and actual revenue. This allows an analysis of the fundraiser to be conducted, indicating to the staff the success or failure of the completed project. ASB personnel should ensure that all revenue potential forms contain supporting documentation and that the revenue amount indicated on the form agrees to the amount indicated on supporting documentation.
3. Prenumber tickets should be utilized for ticketed events. At the end of the event, the number of tickets sold should be recorded on the ticket sales form and reconciled to cash receipts.
4. In order to ensure proper internal controls over the ASB disbursements, the site should ensure that all disbursement transactions are pre-approved by authorized administrative personnel. This would allow the reviewing administrator and/or the student council to determine if the proposed activities are appropriate and to determine if sufficient funding is available to finance the activities or the purchases. All preapprovals should be indicated on documentation with appropriate signatures and approval dates.
5. Three signatures are required on all ASB disbursements, which should be a student representative, a club advisor, and the principal or site administrator.

Juanita Jones Elementary School

Observations

1. Based on the review of the bank reconciliation procedures, it was noted that bank reconciliations are not performed timely and lack evidence of a review by proper personnel.
2. Based on the review of the cash receipting procedures, it was noted that all deposits tested contained cash receipts that did not contain indicated receipt dates. Therefore, the timeliness of depositing cash collections could not be determined.
3. Based on the review of the cash receipting procedures, it was noted that all monies received lacked evidence of sequentially pre-numbered receipts issued for each amount collected.
4. Based on the review of the cash disbursement procedures, it was noted that one of the three disbursements tested did not contain explicit receiving documentation to indicate that goods had been received. As a result, the vendor invoice was paid without direct confirmation that the goods being ordered had been received by the ASB.
5. Based on the review of the cash disbursement procedures, it was noted that all tested disbursements were not approved prior to the transactions taking place. This could potentially lead to spending in excess of available funds. Additionally, expenditures of a questionable nature could arise if disbursements are not pre-approved.

Recommendations

1. Bank reconciliations should be completed and reviewed timely and should contain evidence of the preparation and review. The review process will help identify any errors that may have otherwise gone unidentified.
2. The ASB, should, at a minimum, make their deposits once a week to minimize the amount of cash held at the site. During weeks of high cash activity, there may be a need to make more than one deposit. The site should follow the District's guidelines for deposit frequency as communicated in Bulletin #25-001.

3. Pre-numbered triplicate receipts or logs should be utilized when collecting money for all ASB events and transactions. If utilizing a log, the students name and amount being turned in should be documented. If using a receipt book, the receipts should be issued in sequential order to all individuals turning in monies for ASB events. Teachers and administrators who collect monies should be equipped with a triplicate receipts book or log sheet. The white copy of the receipt should be issued to the person turning in the monies, the yellow receipt or log sheet should be utilized for deposit back-up, and the pink copy should be retained in the receipt book for audit purposes. When teachers are turning in monies for deposit, a cash count sheet should be turned in with the yellow copy of the receipts and monies to clearly identify the total amount being turned in.
4. All goods being ordered should be documented with explicit receiving documentation. Documentation should indicate the date that the goods have been received and documentation regarding whether the goods have been received intact, undamaged, and in the correct quantities. Payments for vendor invoices should only be made once the receiving documentation is available.
5. To ensure proper internal controls over the ASB disbursements, the site should ensure that all disbursement transactions are pre-approved by authorized administrative personnel and the student council. This would allow the reviewing administrator and/or the student council to determine if the proposed activities are appropriate and to determine if sufficient funding is available to finance the activities or the purchases.

Curtis Middle School

Observations

1. Based on the review of the cash receipting procedures, it was noted that one of the five deposits tested was not made in a timely manner, resulting in 51 days between earliest receipt and date of deposit.
2. Based on the review of the cash receipting procedures, it was noted that three of five receipts lacked evidence of a dual cash count. As a result, the auditor was unable to determine the presence of a witness indicating the status of collected money.
3. Based on the review of cash receipting procedures, it was noted that two of five receipts fundraiser revenue potential forms were not filled out entirely and did not indicate the actual revenue.

Recommendations

1. The ASB, should, at a minimum, make their deposits once a week to minimize the amount of cash held at the site. During weeks of high cash activity, there may be a need to make more than one deposit. The site should follow the District's guidelines for deposit frequency as communicated in Bulletin #25-001.
2. Those collecting cash should always count the funds in the presence of a witness to confirm that funds collected are accurate and any differences resolved. Cash Count forms should be completed and signed by the individual responsible for the cash and at least one witness.
3. The revenue potential form is a vital internal control tool; it should be used to document revenues, expenditures, potential revenue, and actual revenue. This allows an analysis of the fundraiser to be conducted, indicating to the staff the success or failure of the completed project. ASB personnel should ensure that all revenue potential forms contain supporting documentation and that the revenue amount indicated on the form agrees to the amount indicated on supporting documentation.

Arrowview Middle School

Observation

1. Based on the review of the cash receipting procedures, it was noted that three of seven receipts tested were not deposited in a timely manner. The delay in deposits was 13 through 30 days from the date of receipt. This could result in large cash balances being maintained at the sites, which can hinder the safeguarding of ASB assets.

Recommendation

1. The ASB, should, at a minimum, make their deposits once a week to minimize the amount of cash held at the site. During weeks of high cash activity, there may be a need to make more than one deposit. The site should follow the District's guidelines for deposit frequency as communicated in Bulletin #25-001.

San Bernardino High School

Observations

1. Based on the review of the disbursement procedures, it was noted that nine of 15 disbursements tested did not have purchase requisitions granting approval of the purchase. As a result, eight of these disbursements were not approved prior to transactions taking place. This could potentially lead to spending in excess of available funds. Additionally, expenditures of a questionable nature could arise if disbursements are not pre-approved.
2. Based on the review of the disbursement procedures, three of 15 disbursements tested lacked the three required approval signatures on the check request. This could potentially lead to unauthorized disbursements of available funds.
3. Based on the review of the cash receipting procedures, it was noted that one of the 14 receipts tested were not deposited in a timely manner. The delay in deposit was 17 days from the date of receipt. This could result in large cash balances being maintained at the sites, which can hinder the safeguarding of ASB assets.

Recommendations

1. In order to ensure proper internal controls over the ASB disbursements, the site should ensure that all disbursement transactions are pre-approved by authorized administrative personnel and the student council. This would allow the reviewing administrator and/or the student council to determine if the proposed activities are appropriate and to determine if sufficient funding is available to finance the activities or the purchases. All preapprovals should be indicated on documentation with appropriate signatures and approval dates.
2. Three signatures are required on all ASB disbursements, which should be a student representative, a club advisor, and the principal or site administrator.
3. The ASB, should, at a minimum, make their deposits once a week to minimize the amount of cash held at the site. During weeks of high cash activity, there may be a need to make more than one deposit. The site should follow the District's guidelines for deposit frequency as communicated in Bulletin #25-001.

Virtual Learning Academy

Observation

1. Based on the review of the cash receipting procedures, it was noted that three of five receipts lacked evidence of a dual cash count. As a result, the auditor was unable to determine the presence of a witness indicating the status of collected money.

Recommendation

1. Those collecting cash should always count the funds in the presence of a witness to confirm that funds collected are accurate and any differences resolved. Cash Count forms should be completed and signed by the individual responsible for the cash and at least one witness.

We will review the status of the current year comments during our next audit engagement.

Eide Bailly LLP

Rancho Cucamonga, California
March 14, 2025