Financial Statements
June 30, 2021

San Ramon Valley Unified School District

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Independent Auditor's Report

To the Governing Board
San Ramon Valley Unified School District
San Ramon, California

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of San Ramon Valley Unified School District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions
In our opinion, the 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 San Ramon Valley Unified School District, as of June 30, 2021, 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.

Emphasis of Matter – Change in Accounting Principle
As discussed in Notes 1 and 17 to the financial statements, San Ramon Valley Unified School District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position and fund balance as of July 1, 2020. Our opinions are not modified with respect to this matter.

Other Matters

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, and the schedule of District contributions as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise San Ramon Valley Unified School District's financial statements. The supplementary information such as the combining non-major governmental fund financial statements, Schedule of Expenditures of Federal Awards as required by the audit requirements of *Title 2 U.S. Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and other supplementary information is listed in the table of contents is presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 28, 2022 on our consideration of San Ramon Valley Unified School 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 San Ramon Valley Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering San Ramon Valley Unified School District's internal control over financial reporting and compliance.

Eide Bailly LLP

San Ramon, California
February 28, 2022

This section of San Ramon Valley Unified School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021, with comparative information for the year ended June 30, 2020. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein include all of the activities of the District and its component units using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

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

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

- The *Governmental Funds* are prepared using the current financial resources measurement focus and modified accrual basis of accounting.
- The *Proprietary Funds* are prepared using the economic resources measurement focus and the accrual basis of accounting.
- The *Fiduciary Funds* are prepared using the economic resources measurement focus and the accrual basis of accounting.

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

The Primary unit of the government is the San Ramon Valley Unified School District. The District also has three blended component units, the San Ramon Valley Unified School District Financing Corporation, the San Ramon Valley Unified School District Educational Facilities Corporation and the San Ramon Valley Unified School District Joint Powers Financing Authority. Both the Financing Corporation and the Educational Facilities Corporation are inactive and have no assets or liabilities.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

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

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

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

In the *Statement of Net Position* and the *Statement of Activities*, we separate the District activities as follows:

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

Proprietary Funds - When the District charges users for the services it provides, whether to outside customers or to other departments within the District, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Fund Net Position. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the District's other programs and activities, such as the District's Self-Insurance Fund. The internal service funds are reported with governmental activities in the government-wide financial statements.

THE DISTRICT AS A TRUSTEE

Reporting the Districts Fiduciary Responsibilities

The District is the trustee, or fiduciary, for funds held on behalf of others, like our funds for employee retiree benefits and pensions. The District's fiduciary activities are reported in the *Statements of Fiduciary Net Position and Statement of Revenues, Expenses, and Changes in Fund Net Position*. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

FINANCIAL HIGHLIGHTS

THE DISTRICT AS A WHOLE

Net Position

The District's net position was $356.4 million and $375.5 million for the fiscal years ended June 30, 2021 and 2020 respectively. Of this amount, $73.8 million and $55.3 million were restricted for the fiscal years ended June 30, 2021 and 2020, respectively. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use the net position for day-to-day operations. Our analysis below focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

	Governmental Activities	
	2021	2020
Assets		
Current and other assets	$ 216,750,100	$ 200,241,855
Capital assets	1,018,202,465	1,032,734,151
Total assets	1,234,952,565	1,232,976,006
Deferred outflows of resources	78,885,555	94,801,820
Liabilities		
Current liabilities	21,231,202	17,149,685
Long-term liabilities	463,406,275	482,755,655
Aggregate net pension liability	374,557,750	342,173,644
Other post employment benefits plan	47,484,963	47,204,309
Total liabilities	906,680,190	889,283,293
Deferred inflows of resources	50,716,410	62,982,659
Net Position		
Net investment in capital assets	622,665,643	621,222,721
Restricted	73,759,616	55,323,287
Unrestricted	(339,983,739)	(301,034,134)
Total net position	$ 356,441,520	$ 375,511,874

The $340.0 million deficit for unrestricted net position of governmental activities represents the accumulated results of all past years' operations.

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the Statement of Activities on page 16. Table 2 takes the information from the Statement and rearranges them slightly so you can see our total revenues for the year.

Table 2

	Governmental Activities 2021	Governmental Activities 2020*
Revenues		
Program revenues		
Charges for services	$ 3,585,021	$ 6,854,961
Operating grants and contributions	62,433,793	62,422,793
Capital grants and contributions	13,983,046	1,926,125
General revenues		
Federal and State aid not restricted	94,499,725	94,499,725
Property taxes	239,530,547	239,530,547
Other general revenues	48,819,411	16,977,994
Total revenues	462,851,543	422,212,145
Expenses		
Instruction-related	338,167,332	307,141,013
Pupil services	41,437,371	41,126,922
Administration	20,039,260	20,326,214
Maintenance and operations	43,646,069	45,807,310
All other services	40,976,026	24,789,391
Total expenses	484,266,058	439,190,850
Change in net position	$ (21,414,515)	$ (16,978,705)

* The revenues and expenses for fiscal year 2020 were not restated to show the effects of GASB 84 for comparative purposes.

Governmental Activities

As reported in the Statement of Activities on page 16, the cost of all of our governmental activities were $484.3 million and $439.2 million for the fiscal years ended June 30, 2021 and 2020, respectively. The cost paid by those who benefited from the programs was $3.6 million. Grants and contributions subsidized certain programs in the amount of $76.4 million. We paid for the remaining "public benefit" portion of our governmental activities with $239.5 million in taxes, unrestricted Federal and State aid of $94.5 million and other revenues of $48.8 million for the fiscal year ended June 30, 2021.

In Table 3, we have presented the net cost (total cost less revenues generated by the activities) of each of the District's largest functions - instruction related, student support services, administration, maintenance and operations, and other. As discussed above, net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3

	Total Cost of Services	
	2021	2020*
Instruction-related	$ 338,167,332	$ 307,141,013
Pupil services	41,437,371	41,126,922
Administration	20,039,260	20,326,214
Maintenance and operations	43,646,069	45,807,310
All other services	40,976,026	24,789,391
Total	$ 484,266,058	$ 439,190,850

* The total and net cost of services for fiscal year 2020 were not restated to show the effects of GASB 84 for comparative purposes.

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of $199.3 million, which is an increase of $10.4 million from last year (Table 4).

Table 4

	Balances and Activity			
Governmental Fund	June 30, 2020 as restated	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	June 30, 2021
General	$ 59,884,699	$ 377,516,154	$ 369,831,794	$ 67,569,059
Student Activity Fund	2,343,760		76,008	2,267,752
Cafeteria	225,873	5,973,846	5,973,846	225,873
Building	68,633,753	16,368,249	19,931,553	65,070,449
Capital Facilities	7,566,331	2,196,796	2,108,561	7,654,566
County School Facilities	-	13,983,046	13,983,046	-
Special Reserve Fund for Capital Outlay Projects	14,357,377	3,326,003	5,861,040	11,822,340
Bond Interest and Redemption	35,830,289	148,826,151	139,981,325	44,675,115
Total	$ 188,842,082	$ 568,190,245	$ 557,747,173	$ 199,285,154

The primary reasons for these changes are:

The primary changes are:

- The fund balance in the General Fund increased $7.7 million. This was due to consolidations with the Special Reserve Funds.
- The Building Fund decreased $3.6 million. This was primarily due spending down the bond funds on the related projects.
- The Bond Interest and Redemption Fund increased $8.8 million to meet debt service needs.
- Our other funds remained relatively stable.

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was adopted on June 23, 2020.

A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 76.

The District originally projected a decrease in general fund balance of $17.0 million. This was later revised to a decrease of $10.8 million which is the results of increased Special Education revenue and the addition of carry-over from the prior year (primarily local donations). Total revenues were also revised to include revenues not anticipated at the time of the original budget adoption (primarily local donations). In comparing the revised budget to the original adopted budget, revenue was $33.1 million higher, and expenditures were $20.5 million lower than originally budgeted. Additionally, transfers out were $2.0 million higher than originally budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, the District had $1.018 million in a broad range of capital assets (net of depreciation), including land, buildings, furniture, and equipment. This amount represents a net decrease (including additions, deductions, and depreciation) of just under $14.5 million, or 1.41 percent, from last year (Table 5).

Table 5

	Governmental Activities	
	2021	2020
Land and construction in progress	$ 480,787,586	$ 475,867,483
Buildings and improvements	533,662,531	553,966,124
Equipment	3,752,348	2,900,544
Total	$ 1,018,202,465	$ 1,032,734,151

This year's additions included Prop. 39 Energy Efficiency Projects and continued modernization projects at several schools. Stadium lighting upgrades, softball field renovations, solar panels and modernization and electrical upgrade of the Service Center. These capital projects are planned to continue in the 2021-22 year. We present more detailed information about our capital assets in Note 5 to the financial statements.

Long-Term Liabilities

At the end of this year, the District had $885.5 million in long-term liabilities outstanding versus $907.4 million last year, a decrease of 2.4 percent. Those long-term liabilities consisted of:

Table 6

	Governmental Activities	
	2021	2020
Long-Term Liabilities		
General obligation bonds	$ 412,755,000	$ 426,630,000
Ground lease	10,308,092	11,023,273
Certificates of participation	10,085,000	11,715,000
Capital leases	-	25,608
Claims liability	117,591	131,665
Total OPEB liability	47,484,963	61,338,792
Aggregate net pension liability	374,557,750	360,567,932
Other	30,140,592	35,988,256
Total	$ 885,448,988	$ 907,420,526

The District's bond rating from Standard & Poor's is "AA+." The State limits the amount of general obligation debt that Districts can issue to 2.5 percent of the assessed value of all taxable property within the District's boundaries. The District's outstanding general obligation debt of $412.8 million is below this $1.301 million statutorily - imposed limit.

At year-end, the District has a net pension liability of $374,557,750 versus $360,567,932 last year, an increase of $14.0 million, or 3.9 percent.

Other obligations include compensated absences payable, other post employment benefits, and other long-term liabilities. We present more detailed information regarding our long-term liabilities in Note 9 of the financial statements.

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2020-21 ARE NOTED BELOW:

This was the eleventh year the District used revenues from the parcel tax, originally passed in April 2009 and extended in May 2015 through the 2024-25 fiscal year, to fund teacher salaries and benefits. The tax is $144 per parcel and generates approximately $6.8 million in revenue for the 2020-21 school year and directly funds teacher salaries and benefits.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2020-21 school year was affected by the COVID-19 pandemic with most school districts offering remote learning at the beginning of the school year, and in-person instruction as the year progressed. In an effort to help schools reopen from the health department stay-at-home orders, Federal lawmakers infused billions of dollars into the economy. California State legislators and the Governor also eventually earmarked additional dollars to support schools.

In addition to the challenges brought on by COVID-19, remote instruction, and new independent study rules, the District continues to experience declining enrollment. While the distribution of Federal and State one-time dollars helped the District with its pandemic response, the District will need to make decisions about which programs will continue and how they will be funded.

Despite the pandemic, the State is predicting record levels of tax receipts. The predicted additional tax revenue will make for an interesting negotiation between the governor and the legislature this spring as the State budget for 2022-23 is finalized. The governor's proposal pledges a much higher cost of living adjustment (COLA) at 5.33%, which in normal times would be a huge win for districts. Unfortunately, the inflation rate now sits at 7.5%, the highest level since 1982.

The State continues to ask districts to cover increased pension contributions to the State Teachers' Retirement System (STRS) and the Public Employees' Retirement System (PERS). These rates are not set by the District. Several years ago state level politicians made the decision to make local districts responsible for paying these increased rates after the state controlled pension funds predicted a shortfall in their investment strategy. Collectively, higher prices, increased pension costs, and continued declining enrollment will continue to put pressure on the District's budget. The State is sitting on record tax revenues. It remains to be seen how the State will decide to use those additional funds, but it is absolutely clear that the State has the ability to alleviate many of the pressures described above.

The District is cautiously optimistic for the future, but remains skeptical that the State will commit the increased tax revenues towards an ongoing funding increase to the Local Control Funding Formula (LCFF). It remains to be seen whether the State will help districts fund and sustain existing programs, or whether they will require more from districts with less funding.

The District will continue to carefully analyze and take into account all of these considerations when contemplating new ongoing or one-time spending commitments.

In considering the District Budget for the 2021-22 year, the District Board and management used the following criteria:

The key assumptions in our revenue projections were:

- LCFF full funding with no COLA.
- 9.07% unduplicated pupil count.
- $5,099,625 in LCFF Supplemental funding.
- Enrollment is estimated to decline by 177 students compared to 2020-21 levels
- Funded ADA remains at 2019-20 level of 30,964.
- Special Education funding assumes an increase in the base rate to $650 with no COLA or proration factor.
- Mandated Cost Block Grant funding (K-8, $32, 9-12, $62)
- Lottery revenue of $150/ADA (unrestricted), $49/ADA (restricted)
- The parcel tax provides the District with $6.87 million in revenue
- Federal Categorical funding remained primarily flat from 2020-21 amounts.

Certificated staffing expenditures are based on the following ratios which exclude SDC classes, Del Amigo Continuation School and Venture Independent Study

	Staffing Ratio
Grades transition kindergarten through third	24:1 (average)
Grades four and five	30:1
Grades six through eight	28:1
Grades nine through twelve	27:1

The key assumptions in our expenditure forecast are:

- Health & Welfare insurance rates will not increase in the 2021-22 fiscal year.
- STRS employer rate of 16.92 (+0.77%)
- PERS employer rate of 22.91% (+2.21%)
- Maintaining Routine Restricted Maintenance to 3.0% of expenditures.
- The 3% Reserve for Economic Uncertainties is maintained. Local Control and Accountability Plan (LCAP) action plans are funded in accordance with the 2021-22 updated LCAP.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Chief Business Officer at San Ramon Valley Unified School District, 699 Old Orchard Drive, Danville, California, 94526, or email gtreible@srvusd.net.

	Governmental Activities
Assets	
Deposits and investments	$ 176,391,486
Receivables	39,535,442
Prepaid expense	620,874
Stores inventories	202,298
Capital assets, net of accumulated depreciation	1,018,202,465
Total assets	1,234,952,565
Deferred Outflows of Resources	
Deferred outflows of resources related to OPEB	3,242,054
Deferred outflows of resources related to pensions	75,643,501
Total deferred outflows of resources	78,885,555
Liabilities	
Accounts payable	10,430,161
Interest payable	6,212,801
Unearned revenue	4,588,240
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	30,215,895
Long-term liabilities other than OPEB and pensions due in more than one year	433,190,380
Total other postemployment benefit liability	47,484,963
Aggregate net pension liabilities	374,557,750
Total liabilities	906,680,190
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	22,223,504
Deferred inflows of resources related to pensions	28,492,906
Total deferred inflows of resources	50,716,410
Net Position	
Net investment in capital assets	622,665,643
Restricted for	
Debt service	37,395,011
Capital projects	13,540,727
Educational programs	22,732,696
Other restrictions	91,182
Unrestricted	(339,983,739)
Total net position	$ 356,441,520

Functions/Programs	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
Governmental Activities					
Instruction	$ 289,826,889	$ 1,896,417	$ 36,628,855	$ 13,983,046	$ (237,318,571)
Instruction-related activities					
Supervision of instruction	8,820,625	13,868	1,814,660	-	(6,992,097)
Instructional library, media, and technology	10,216,456	19,035	365,761	-	(9,831,660)
School site administration	29,303,362	23,848	1,197,722	-	(28,081,792)
Pupil services					
Home-to-school transportation	6,166,703	15,704	2,554,760	-	(3,596,239)
Food services	7,261,711	-	1,141,337	-	(6,120,374)
All other pupil services	28,008,957	66,754	5,279,293	-	(22,662,910)
Administration					
Data processing	4,132,969	3,483	15,770	-	(4,113,716)
All other administration	15,906,291	1,825	249,278	-	(15,655,188)
Plant services	43,646,069	158,509	2,222,438	-	(41,265,122)
Ancillary services	2,937,128	28,991	546,236	-	(2,361,901)
Community services	667,373	-	85	-	(667,288)
Interest on long-term liabilities	18,997,481	-	-	-	(18,997,481)
Other outgo	18,374,044	1,356,587	10,417,598	-	(6,599,859)
Total governmental activities	$ 484,266,058	$ 3,585,021	$ 62,433,793	$ 13,983,046	(404,264,198)
General Revenues and Subventions					
Property taxes, levied for general purposes					189,334,286
Property taxes, levied for debt service					42,387,155
Taxes levied for other specific purposes					7,809,106
Federal and State aid not restricted to specific purposes					94,499,725
Interest and investment earnings					1,297,011
Interagency revenues					121,133
Miscellaneous					47,401,267
Subtotal, general revenues					382,849,683
Change in Net Position					(21,414,515)
Net Position, Beginning as restated					377,856,035
Net Position, End of Year					$ 356,441,520

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets					
Deposits and investments	$ 38,030,412	$ 66,988,166	$ 44,655,468	$ 22,902,952	$ 172,576,998
Receivables	39,589,398	9,933	19,647	342,976	39,961,954
Due from other funds	647,961	371,353	-	453,394	1,472,708
Prepaid expenditures	620,874	-	-	-	620,874
Stores inventories	68,207	-	-	134,091	202,298
Total assets	$ 78,956,852	$ 67,369,452	$ 44,675,115	$ 23,833,413	$ 214,834,832
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 5,988,932	$ 2,221,238	$ -	$ 1,277,043	$ 9,487,213
Due to other funds	810,621	77,765	-	585,839	1,474,225
Unearned revenue	4,588,240	-	-	-	4,588,240
Total liabilities	11,387,793	2,299,003	-	1,862,882	15,549,678
Fund Balances					
Nonspendable	842,781	-	-	134,691	977,472
Restricted	22,732,696	65,070,449	44,675,115	15,899,662	148,377,922
Committed	-	-	-	5,936,178	5,936,178
Assigned	32,680,170	-	-	-	32,680,170
Unassigned	11,313,412	-	-	-	11,313,412
Total fund balances	67,569,059	65,070,449	44,675,115	21,970,531	199,285,154
Total liabilities and fund balances	$ 78,956,852	$ 67,369,452	$ 44,675,115	$ 23,833,413	$ 214,834,832

Total Fund Balance - Governmental Funds		$ 199,285,154
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	$ 1,548,734,304	
Accumulated depreciation is	(530,531,839)	
Net capital assets		1,018,202,465
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.		(6,212,801)
An internal service fund is used by 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 except for amounts due between the internal services and governmental funds are included with governmental activities.		2,446,545
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the governmental funds. Deferred outflows of resources amounted to and related to		
Other postemployment benefits (OPEB)	3,242,054	
Net pension liability	75,643,501	
		78,885,555
Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported in the governmental funds. Deferred inflows of resources amount to and related to		
Other postemployment benefits (OPEB)	(22,223,504)	
Net pension liability	(28,492,906)	(50,716,410)
Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(374,557,750)
The District's OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		(47,484,963)

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	$ (412,755,000)	
Capital leases	(10,425,683)	
Lease Revenue Bonds	(10,085,000)	
Compensated absences (vacations)	(2,799,004)	
Bond premiums/Discounts, net of amortization	(27,341,588)	
Total long-term liabilities		(463,406,275)
Total net position - governmental activities		$ 356,441,520

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Local Control Funding Formula	$ 274,423,846	$ -	$ -	$ -	$ 274,423,846
Federal sources	15,726,989	-	-	5,236,767	20,963,756
Other state sources	65,415,291	-	159,040	14,411,063	79,985,394
Other local sources	21,425,130	2,366,896	43,502,111	3,187,025	70,481,162
Total revenues	376,991,256	2,366,896	43,661,151	22,834,855	445,854,158
Expenditures					
Current					
Instruction	237,729,466	-	-	-	237,729,466
Instruction-related activities					
Supervision of instruction	8,064,406	-	-	-	8,064,406
Instructional library, media, and technology	6,976,572	-	-	-	6,976,572
School site administration	24,809,091	-	-	-	24,809,091
Pupil services					
Home-to-school transportation	5,126,601	-	-	-	5,126,601
Food services	288,468	-	-	5,973,846	6,262,314
All other pupil services	25,594,270	-	-	-	25,594,270
Administration					
Data processing	3,525,923	-	-	-	3,525,923
All other administration	14,314,151	-	-	-	14,314,151
Plant services	36,132,424	3,794,281	-	1,269,365	41,196,070
Ancillary services	2,614,761	-	-	76,008	2,690,769
Community services	609,908	-	-	-	609,908
Facility acquisition and construction	171,970	16,137,272	-	2,650,756	18,959,998
Debt service					
Principal	-	-	123,804,538	2,359,261	126,163,799
Interest and other	-	-	16,176,787	1,173,006	17,349,793
Total expenditures	365,958,011	19,931,553	139,981,325	13,502,242	539,373,131
Excess (Deficiency) of Revenues Over Expenditures	11,033,245	(17,564,657)	(96,320,174)	9,332,613	(93,518,973)
Other Financing Sources (Uses)					
Transfers in	524,898	14,001,353	-	2,644,836	17,171,087
Other sources	-	-	105,165,000	-	105,165,000
Transfers out	(2,670,829)	-	-	(14,500,259)	(17,171,088)
Other uses	(1,202,954)	-	-	-	(1,202,954)
Total other financing sources (uses)	(3,348,885)	14,001,353	105,165,000	(11,855,423)	103,962,045
Net Change in Fund Balances	7,684,360	(3,563,304)	8,844,826	(2,522,810)	10,443,072
Fund Balance, Beginning of Year as restated	59,884,699	68,633,753	35,830,289	24,493,341	188,842,082
Fund Balance, End of Year	$ 67,569,059	$ 65,070,449	$ 44,675,115	$ 21,970,531	$ 199,285,154

Amounts Reported for Governmental Activities in The Statement of Activities are Different Because		
Total Net Change in Fund Balances - Governmental Funds		$ 10,443,072
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activites, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.		
This is the amount by which depreciation exceeds capital outlays in the period.		
Depreciation expense	$ (35,154,546)	
Capital outlays	20,843,754	
Net expense adjustment		(14,310,792)
Loss(Gain) on disposal of capital assets is reported in the government-wide Statement of Net Position, but is not recorded in the governmental funds.		(220,894)
In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount is the difference between vacation earned and used.		(188,532)
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.		(36,034,122)
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.		(241,371)
Proceeds received from General obligation bonds or certificates of participation 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.		(105,165,000)

Governmental funds report the effect of premiums, discounts, and the deferred charge on refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.	
Premium amortization	3,278,049
Payment of principal on long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the statement of activities.	
General obligation bonds	119,040,000
Lease revenue bonds	1,630,000
Capital leases	715,181
Interest on long-term liabilities is recorded as an expenditure in the funds when it is due; however, in the Statement of Activities, interest expense is recognized as the interest accretes or accrues, regardless of when it is due.	(186,805)
An internal service fund is used by management to charge the costs of the self insurance program to the individual funds. The net revenue of the Internal Service Fund is reported with governmental activities.	(173,301)
Change in net position of governmental activities	$ (21,414,515)

	Governmental Activities - Internal Service Fund
Assets	
Current assets	
Deposits and investments	$ 3,814,488
Due from other funds	3,758
Total current assets	3,818,246
Liabilities	
Current liabilities	
Accounts payable	117,591
Net Position	
Unrestricted	3,700,655
Total net position	$ 3,700,655

	Governmental Activities - Internal Service Fund
Operating Revenues	
Charges for services	$ 4,138,249
Operating Expenses	
Payroll costs	3,854,662
Other operating cost	473,584
Total operating expenses	4,328,246
Operating Loss	(189,997)
Nonoperating Revenues	
Interest income	16,696
Change in Net Position	(173,301)
Total Net Position - Beginning	3,873,956
Total Net Position - Ending	$ 3,700,655

	Governmental Activities - Internal Service Fund
Operating Activities	
Cash receipts from interdistrict amounts	$ 4,360,105
Cash receipts from interfund services provided	758
Cash payments to other suppliers of goods or services	(355,993)
Cash payments to employees for services	(3,854,662)
Net Cash from Operating Activities	150,208
Investing Activities	
Interest on investments	16,696
Net Change in Cash and Cash Equivalents	166,904
Cash and Cash Equivalents, Beginning	3,647,584
Cash and Cash Equivalents, Ending	$ 3,814,488
Reconciliation of Operating Loss to Net Cash From Operating Activities	
Operating loss	$ (189,997)
Changes in assets and liabilities	
Receivables	458,237
Due from other fund	43,063
Accounts payable	(161,095)
Net Cash From Operating Activities	$ 150,208

	Custodial Fund Warrant Clearing
Assets	
Deposits and investments	$ 18,228,848
Due from other funds	178
Total assets	18,229,026
Liabilities	
Due to others	18,227,206
Due to other funds	1,820
Total liabilities	$ 18,229,026
Net Position	
Total net position	$ -

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The San Ramon Valley Unified School District (the District) was organized on July 1, 1965 under the laws of the State of California. The District operates under a locally elected five member Board form of government and provides educational services to grades K-12 as mandated by the State and/or Federal agencies. The District operates twenty one elementary, eight middle, four high schools, a continuation school, and an independent study school.

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 Ramon Valley Unified School District, this includes general operations, food service, and student related activities of the District.

Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. The District has three component units: the San Ramon Valley Unified School District Educational Facilities Corporation, the San Ramon Valley Unified School District Financing Corporation, and the San Ramon Valley Unified District Joint Powers Financing Authority. The first two component units are not presented in the financial statements as there are no activities and they are inactive. The last one is included in the Building Fund financial statements.

Basis of Presentation - Fund Accounting

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

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

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.

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.

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

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.

- **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).

- **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).

- **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), the 2006 State School Facilities Fund (Proposition 1D), or the 2016 State School Facilities Fund (Proposition 51) 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 et seq).

Proprietary Funds Proprietary funds are used to account for activities that are more business-like than government-like in nature. Business-type activities include those for which a fee is charged to external users or to other organizational units of the local education agency, normally on a full cost-recovery basis. 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-insurance program that is accounted for in an internal service fund.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the District and are not available to support the District's own programs. Fiduciary funds are split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The three types of trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics.

Trust funds are used to account for resources held by the District under a trust agreement for individuals, private organizations, or other governments. Custodial funds are used to account for resources, not in a trust, that are held by the District for other parties out the District's report entity. The District's custodial fund is the warrant clearing 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 expenses, both direct and indirect, and of the District and for each governmental function, and exclude fiduciary activity. 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. 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 or business segment 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 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 funds are aggregated and presented in a single column.

- **Governmental Funds** All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund 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 changes in fund net position presents increases (revenues) and decreases (expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

- **Fiduciary Funds** Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the District.

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

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

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

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

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 county and State investment pools are determined by the program sponsor.

Restricted Assets

Restricted assets arise when restrictions on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets in the debt service fund represent investments required by debt covenants to be set aside by the District for the purpose of satisfying certain requirements of the bonded debt issuance.

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 cost, on the weighted average basis. The costs of inventory items are recorded as expenditures in the governmental funds when used.

Capital Assets and Depreciation

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 $20,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized, but are expensed as incurred.

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

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 10 to 50 years; improvements/infrastructure, 11 to 36 years; equipment, 2 to 20 years.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables”. These amounts are eliminated in the governmental activities 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, capital leases, and other long-term liabilities are recognized as liabilities in the governmental fund financial statements when due.

Debt Issuance Costs, Premiums and Discounts

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for pension related items, and for OPEB related items. The deferred amounts related to pension and OPEB relate to differences between expected and actual earnings on investments, changes of assumptions, and other pension and OPEB related changes.

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

Fund Balances - Governmental Funds

As of June 30, 2021, 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.

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 governing board or chief business 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 2 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 $73,759,616 of restricted net position, all of 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 are In-District Premiums. Operating expenses are necessary costs incurred to provide the good 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 and business-type 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.

Estimates

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

Property Tax

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

Change in Accounting Principles

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all State and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

The provisions of this Statement have been implemented as of June 30, 2021.

In August 2018, the GASB issued Statement 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 60*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The provisions of this Statement have been implemented as of June 30, 2021.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR (Interbank Offered Rate). This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended
- Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

The provisions of this Statement have been implemented as of June 30, 2021, except for the following, which are not applicable until a later date as noted: the removal of LIBOR as an appropriate benchmark interest rate (paragraph 11b) is effective for reporting periods ending after December 31, 2021. Paragraph 13 and 14 related to lease modifications is effective for reporting periods beginning after June 15, 2021. The effects of these change on the District's financial statements have not yet been determined.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, have been implemented as of June 30, 2021.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement. The effects of this change on the District's financial statements have not yet been determined.

New Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for the reporting periods beginning after June 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The effects of this change on the District's financial statements have not yet been determined.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement are effective for the reporting periods beginning after December 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reporting
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.

- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

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

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

Note 2 - Deposits and Investments

Summary of Deposits and Investments

Deposits and investments as of June 30, 2021, are classified in the accompanying financial statements as follows:

Governmental funds	$ 172,576,998
Proprietary funds	3,814,488
Fiduciary funds	18,228,848
Total deposits and investments	$ 194,620,334

Deposits and investments as of June 30, 2021, consist of the following:

Cash on hand and in banks	$ 4,876,523
Cash in revolving	154,300
Investments	189,589,511
Total deposits and investments	$ 194,620,334

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.

Investment in the State Investment Pool - The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California government code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in the Pool is reported in the accompanying financial statement at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, 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 change in market interest rate. The District manages its exposure to interest rate risk by investing in the County Pool, LAIF and having the Pool purchase a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Weighted Average Maturity

The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. Information about the weighted average maturity of the District's portfolio is presented in the following schedule:

Investment Type	Reported Amount	Weighted Average Maturity Days
County Treasury Investment Pool	$ 189,331,523	300
Local Agency Investment Pool	257,988	291
Total	$ 189,589,511	

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the County Investment Pool and LAIF are not required to be rated, nor have they been rated as of June 30, 2021.

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 percent 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 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2021, approximately $2,500,000 of the District’s bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the name of the District.

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, 2021:

Investment Type	Reported Amount	Uncategorized
County Treasury Investment Pool	$ 189,331,523	$ 189,331,523
State Investment Pool	257,988	257,988
Total	$ 189,589,511	$ 189,589,511

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

Note 4 - Receivables

Receivables at June 30, 2021, consisted of intergovernmental grants, entitlements, interest and other local sources. All receivables are considered collectible in full.

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total
Federal Government					
Categorical aid	$ 5,228,926	$ -	$ -	$ 226,639	$ 5,455,565
State Government					
LCFF apportionment	2,997,522	-	-	-	2,997,522
Categorical aid	3,431,113	-	-	20,044	3,451,157
Lottery	1,044,098	-	-	-	1,044,098
Other State	26,218,201	-	-	-	26,218,201
Local Government					
Interest	91,009	-	19,647		110,656
Other local sources	578,529	9,933	-	96,293	684,755
Total	$ 39,589,398	$ 9,933	$ 19,647	$ 342,976	$ 39,961,954

Note 5 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
Governmental Activities				
Capital assets not being depreciated				
Land	$ 336,607,628	$ -	$ -	$ 336,607,628
Construction in progress	139,259,855	18,751,899	(13,831,796)	144,179,958
Total capital assets not being depreciated	475,867,483	18,751,899	(13,831,796)	480,787,586
Capital assets being depreciated				
Land improvements	69,757,101	5,311,494	-	75,068,595
Buildings and improvements	963,667,082	8,520,303	-	972,187,385
Furniture and equipment	18,938,157	2,091,854	(339,273)	20,690,738
Total capital assets being depreciated	1,052,362,340	15,923,651	(339,273)	1,067,946,718
Total capital assets	1,528,229,823	34,675,550	(14,171,069)	1,548,734,304
Accumulated depreciation				
Land improvements	(51,344,250)	(2,091,035)	-	(53,435,285)
Buildings and improvements	(428,113,809)	(32,044,355)	-	(460,158,164)
Furniture and equipment	(16,037,613)	(1,019,156)	118,379	(16,938,390)
Total accumulated depreciation	(495,495,672)	(35,154,546)	118,379	(530,531,839)
Governmental activities capital assets, net	$ 1,032,734,151	$ (478,996)	$ (14,052,690)	$ 1,018,202,465

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

Governmental Activities	
Instruction	$ 22,080,149
Supervision of instruction	756,041
Instructional library, media, and technology	630,747
School site administration	2,337,477
Home-to-school transportation	483,021
Food services	590,026
All other pupil services	2,411,451
Data processing	331,718
All other administration	1,348,659
Plant services	3,881,434
Community Services	57,465
Ancillary Services	246,358
Total depreciation expenses governmental activities	$ 35,154,546

Note 6 - 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, 2021, between major and non-major governmental funds, internal service funds, and fiduciary funds are as follows:

	Due From					
Due To	General Fund	Building Fund	Non-Major Governmental Funds	Proprietary Funds	Fiduciary Funds	Total
General Fund	$ -	$ 371,353	$ 435,332	$ 3,758	$ 178	$ 810,621
Building Fund	77,765	-	-	-	-	77,765
Non-Major Governmental Funds	567,776	-	18,062	-	-	585,838
Proprietary Funds	-	-	-	-	-	-
Fiduciary Funds	2,420	-	-	-	-	2,420
Total	$ 647,961	$ 371,353	$ 453,394	$ 3,758	$ 178	$ 1,476,644

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

Operating Transfers

Interfund transfers for the year ended June 30, 2021, consisted of the following:

	Transfer From		
Transfer To	General Fund	Non-Major Governmental Funds	Total
General Fund	$ 7,685	$ 517,213	$ 524,898
Building Fund	18,307	13,983,046	14,001,353
Non-Major Governmental Funds	2,644,836	-	2,644,836
Total	$ 2,670,828	$ 14,500,259	$ 17,171,087

The General Fund transferred to the Cafeteria Non-Major Governmental Fund to to make a contribution.	$ 305,222
The County School Facilities Non-Major Governmental Fund transferred to the Building fund Building Fund to make an OPSC reimbursement.	13,983,046
The General Fund transferred to the Building Fund for covered costs.	18,307
The General Fund transferred to the Special Reserve Non-Major Governmental Fund for Fund for Capital Outlay Projects for the debt services QSCB+ CREBS.	2,347,299
The Special Reserve Non-Major Governmental Fund for Capital Outlay Projects transferred to the General Fund to pay back excess contribution.	517,213
Total	$ 17,171,087

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 7 - Accounts Payable

Accounts payable at June 30, 2021, consisted of the following:

	General Fund	Building Fund	Non-Major Governmental Funds	Total	Proprietary Funds
Vendor payables	$ 5,156,932	$ 2,221,238	$ 1,237,134	$ 8,615,304	$ 117,591
Salaries and benefits	759,179	-	39,909	799,088	-
Other	72,821	-	-	72,821	-
Total	$ 5,988,932	$ 2,221,238	$ 1,277,043	$ 9,487,213	$ 117,591

Note 8 - Unearned Revenue

Unearned revenue at June 30, 2021, consisted of the following:

	General Fund
Federal financial assistance	$ 524,984
State categorical aid	4,063,256
Total	$ 4,588,240

Note 9 - 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, 2020	Additions	Deductions	Balance June 30, 2021	Due in One Year
Long-Term Liabilities					
General obligation bonds	$ 426,630,000	$ 105,165,000	$ (119,040,000)	$ 412,755,000	$ 24,730,000
Lease revenue bonds	11,715,000	-	(1,630,000)	10,085,000	1,635,000
Premiums, net of amortization	30,619,637	-	(3,278,049)	27,341,588	3,088,752
Capital leases	25,608	-	(25,608)	-	-
Ground lease	11,023,273	-	(715,181)	10,308,092	762,143
Compensated absences	2,610,472	188,532	-	2,799,004	-
Claims liability	131,665	3,840,589	(3,854,663)	117,591	-
Total	$ 482,755,655	$ 109,194,121	$ (128,543,501)	$ 463,406,275	$ 30,215,895

Payments for general obligation bonds are made by the Bond Interest and Redemption fund. Capital leases payments are made by the General and Building funds. Compensated absences will be paid for by the funds for which the employee worked. Payments for lease revenue bond are made by the Building Fund. Payment for the Ground Lease will be captured by electricity cost savings. Claims liability payments will be made from the self insurance fund.

General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2020	Issued	Redeemed	Bonds Outstanding June 30, 2021
1/17/2013	2031	3.00-4.00%	$ 52,200,000	$ 48,920,000	$ -	$ (145,000)	$ 48,775,000
2/14/2013	2037	2.00-4.00%	74,995,000	71,005,000	-	-	71,005,000
7/17/2012	2029	1.00-5.00%	167,945,000	136,940,000	-	(110,350,000)	26,590,000
4/20/2015	2040	4.00-5.00%	125,000,000	125,000,000	-	-	125,000,000
12/8/2018	2027	4.00-5.00%	60,005,000	44,765,000	-	(4,820,000)	39,945,000
10/1/2020	2027	.259-1.18%	105,165,000	-	105,165,000	(3,725,000)	101,440,000
				$426,630,000	$105,165,000	$ (119,040,000)	$ 412,755,000

Debt Service Requirements to Maturity

The General Obligation bonds mature through 2041 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2022	$ 24,730,000	$ 15,737,226	$ 40,467,226
2023	41,015,000	16,594,307	57,609,307
2024	29,830,000	11,336,743	41,166,743
2025	31,480,000	10,645,358	42,125,358
2026	33,545,000	9,896,369	43,441,369
2027-2031	91,660,000	38,125,834	129,785,834
2032-2036	72,150,000	24,798,350	96,948,350
2037-2041	88,345,000	8,815,300	97,160,300
Total	$ 412,755,000	$ 135,949,487	$ 548,704,487

Ground Lease

On December 1, 2015, the District and the San Ramon Valley Unified School District Joint Powers Financing Authority (the Authority) entered into a lease-lease back Ground Lease agreement with HAS OBS Op A LLC (the Purchaser) for the purpose of financing solar projects at 15 school sites. The District agrees to lease the Vista Grande Elementary School (the Property) to the Authority and the Authority shall lease back the property to the District. The Purchaser agrees to purchase from the Authority the Authority's right, title and interest in the Ground Lease and the Lease Agreement, including its right to receive the Base Rental Payment due under the Lease Agreement at a purchase price of $12,518,667. Based on the Agreement, the District is obligated for the base rental payment of $12,518,667 at an interest rate of 3.86% over a 25-year term. The District expects to receive IRS subsidy payments to offset most of the interest costs. Based on current sequestration conditions, the net effective interest rate after IRS subsidy payments is estimated at 0.85%.

The lease matures through 2037 as follows:

Year Ending June 30,	Lease Payment
2022	$ 1,149,871
2023	1,153,671
2024	1,157,175
2025	1,160,363
2026	1,163,225
2027-2031	5,846,719
2032-2037	1,172,811
Total	12,803,835
Less amount representing interest	(2,495,743)
Present value of minimum lease payments	$ 10,308,092

Lease Revenue Bonds

On July 20, 2010, the District issued $25,000,000 Federally Taxable Lease Revenue Bonds with interest ranging from 2.397 percent to 6.254 percent. The bonds were issued to finance construction of solar panels at several school sites. Interest with respect to the Bonds will be payable semi-annually on each November 1 and May 1, commencing November 1, 2010 and maturing on May 1, 2027. At June 30, 2021, the principal balance outstanding was $10,085,000.

Debt Service Requirements to Maturity

The lease revenue bonds mature through 2027 as follows:

Year Ending June 30,	Principal	Interest	Total
2022	$ 1,635,000	$ 655,463	$ 2,290,463
2023	1,650,000	555,663	2,205,663
2024	1,665,000	452,472	2,117,472
2025	1,690,000	341,683	2,031,683
2026	1,710,000	229,230	1,939,230
2026-2027	1,735,000	115,447	1,850,447
Total	$ 10,085,000	$ 2,349,959	$ 12,434,959

Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2021, amounted to $2,799,004.

Capital Leases

The District has entered into agreements to lease various facilities and equipment. Such agreements are, in substance, purchases (capital leases) and are reported as capital lease obligations. The District's liability on lease agreements with options to purchase is summarized below:

	Data Back Up System	Total
Balance, July 1, 2020	$ 25,608	$ 25,608
Additions	-	-
Payments	(25,608)	(25,608)
Balance, June 30, 2021	$ -	$ -

Leased land, buildings, and equipment under capital leases in capital assets at June 30, 2021, include the following:

Land (non-depreciable)	$ 299,446
Equipment	1,390,391
Buildings	56,852
Less accumulated depreciation	(1,385,475)
Total	$ 361,214

Amortization of leased buildings and equipment under capital assets is included with depreciation expense.

Note 10 - Net Other Postemployment Benefit (OPEB) Liability

For the fiscal year ended June 30, 2021, the District reported net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plans	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Retiree Health Plan	$ 45,454,806	$ 3,242,054	$ 22,223,504	$ 7,512,181
Medicare Premium Payment (MPP) Program	2,030,157	-	-	280,654
Total	$ 47,484,963	$ 3,242,054	$ 22,223,504	$ 7,792,835

The details of each plan are as follows:

District Plan

Plan Administration

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a agent multi-employer plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Plan Membership

At June 30, 2019, the valuation date, the Plan membership consisted of 2,629 active employees and 1,095 retirees.

Benefits Provided

The Plan provides medical and dental 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 Teacher Education Association (TEA), the local California Service Employees Association (CSEA), and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually through the agreements with the District, TEA, CSEA, and the unrepresented groups. For the measurement period of June 30, 2019, the District contributed $3,183,103 to the Plan, all of which was used for current premiums.

The benefit payment requirements of the Plan members and the District are established and may be amended by the District, the Teacher Education Association (TEA), the local California Service Employees Association (CSEA), and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, TEA, CSEA, and the unrepresented groups. For measurement period of June 30, 2019, the District paid $3,183,103 in benefits.

Investment

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the governing board by a majority vote of its members. It is the policy of the District to pursue an investment strategy that reduces risks through the prudent diversification for the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, expect for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans. The following was the governing board's adopted asset allocation policy as of June 30, 2019:

Asset Class	Target Allocation
Global Equity	57%
Global Debt Securities	27%
Inflation Assts	5%
Commodities	3%
REITs	8%

Concentration

The investment policy of the Plan contains no limitations on the amount that can be invested in any one issuer. As of June 30, 2019, measurement date, investments in CalPERS CERBT Strategy 2 Plan represents 100 percent of the total investment.

Net OPEB Liability of the District

The District's net OPEB liability of $45,454,806 was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. The components of the net OPEB liability of the District at June 30, 2021, were as follows:

Total OPEB liability	$ 71,229,756
Plan fiduciary net position	(25,774,950)
Net OPEB liability	$ 45,454,806
Plan fiduciary net position as a percentage of the total OPEB liability	36.19%

Actuarial Assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00 percent
Salary increases	3.00 percent, average, including inflation
Discount rate	5.25 percent
Investment rate of return	7.00 percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	6.5 percent decreasing to 5.0 percent
Retirees' share of benefit-related costs	Based on healthcare trend rates

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

Mortality rates were based on the 2009 CalSTRS Mortality Table for certificated employees and the 2014 CalPERS Active Mortality for Miscellaneous Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reeducation. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actual assumptions used in the June 30, 2019 valuation were based on the results of an actual experience study for the period July 1, 2018 to June 30, 2019.

The long-term expected rate of return on OPEB 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2019, (see the discussion of the Plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Global Equity	5.5%
Global Debt Securities	2.4%
Inflation Assets	1.5%
Commodities	1.8%
REITs	3.7%

Discount Rate

The discount rate used to measure the total OPEB liability was 5.25 percent. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB lability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance, June 30, 2020	$ 85,825,094	$ 24,486,303	$ 61,338,791
Service cost	3,467,506	-	3,467,506
Interest	3,859,600	-	3,859,600
Employer contributions	-	3,183,103	(3,183,103)
Net investment income	-	1,308,787	(1,308,787)
Changes of benefit terms	-		-
Difference between expected and actual experience	(7,681,948)	-	(7,681,948)
Changes of assumptions and other inputs	(11,057,393)	-	(11,057,393)
Benefit payments	(3,183,103)	(3,183,103)	-
Administrative expense	-	(20,140)	20,140
Net change in total OPEB liability	(14,595,338)	1,288,647	(15,883,985)
Balance, June 30, 2021	$ 71,229,756	$ 25,774,950	$ 45,454,806

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 (4.25%)	$ 55,106,265
Current discount rate (5.25%)	45,454,806
1% increase (6.25%)	37,442,672

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:

Healthcare Cost Trend Rates	Net OPEB Liability
1% decrease (5.5%)	$ 36,298,639
Current healthcare cost trend rate (6.5%)	45,454,806
1% increase (7.5%)	56,900,480

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

For the year ended June 30, 2021, the District recognized OPEB expense of $7,512,181. At June 30, 2021, the District reported deferred outflows of resources for OPEB contributions subsequent to measurement date of $3,242,054.

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 3,242,054	$ -
Differences between expected and actual experience	-	6,828,398
Changes of assumptions	-	15,067,754
Net difference between projected and actual earnings on OPEB plan investments	-	327,352
Total	$ 3,242,054	$ 22,223,504

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	$ 3,617,729
2022	3,617,729
2023	3,348,611
2024	3,310,839
2025	2,082,149
Thereafter	6,246,447
Total	$ 22,223,504

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, 2019 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.

Note 11 - Fund Balances

Fund balances are composed of the following elements:

	General Fund	Building Funds	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total
Nonspendable					
Revolving cash	$ 153,700	$ -	$ -	$ 600	$ 154,300
Stores inventories	68,207	-	-	134,091	202,298
Prepaid expenditures	620,874	-	-	-	620,874
Total nonspendable	842,781	-	-	134,691	977,472
Restricted					
Legally restricted programs	22,732,696	-	-	-	22,732,696
Food service	-	-	-	91,182	91,182
Capital projects	-	65,070,449	-	13,540,728	78,611,177
Debt services	-	-	44,675,115	-	44,675,115
Student body	-	-	-	2,267,752	2,267,752
Total restricted	22,732,696	65,070,449	44,675,115	15,899,662	148,377,922
Committed					
Capital Investments	-	-	-	5,936,178	5,936,178
Total committed	-	-	-	5,936,178	5,936,178
Assigned					
Other	32,680,170	-	-	-	32,680,170
Total assigned	32,680,170	-	-	-	32,680,170
Unassigned					
Remaining unassigned	11,313,412	-	-	-	11,313,412
Total	$ 67,569,059	$ 65,070,449	$ 44,675,115	$ 21,970,531	$ 199,285,154

Note 12 - Risk Management

Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2021, the District contracted with Northern California Regional Liability Excess Fund for property and liability insurance coverage. Settled claims have not exceeded this 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 2021, the District participated in the Contra Costa County Schools Insurance Group, an insurance purchasing pool. The intent of the Contra Costa County Schools Insurance Group is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the Contra Costa County Schools Insurance Group. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in the Contra Costa County Schools Insurance Group. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of each participating school district. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the Contra Costa County Schools Insurance Group. Participation in the Contra Costa County Schools Insurance Group is limited to districts that can meet the Contra Costa County Schools Insurance Group selection criteria.

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. The fund establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claims adjustment expenses. The following represents the changes in approximate aggregate liabilities for the District from July 1, 2019 to June 30, 2021.

	Dental and Vision	Property and Liability	Total
Liability Balance, July 1, 2019	$ 201,034	$ 26,957	$ 227,991
Claims and changes in estimates	3,142,558	129,224	3,271,782
Claims payments	(3,233,271)	(134,837)	(3,368,108)
Liability Balance, June 30, 2020	110,321	21,344	131,665
Claims and changes in estimates	3,774,933	65,656	3,840,589
Claims payments	(3,767,663)	(87,000)	(3,854,663)
Liability Balance, June 30, 2021	$ 117,591	$ -	$ 117,591
Assets available to pay claims at June 30, 2021	$ 2,721,012	$ 1,097,234	$ 3,818,246

Note 13 - 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, 2021, 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	$ 266,431,851	$ 64,048,108	$ 24,899,968	$ 34,767,989
CalPERS	108,125,899	11,595,393	3,592,938	20,647,613
Total	$ 374,557,750	$ 75,643,501	$ 28,492,906	$ 55,415,602

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, 2019, 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 percent 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, 2021, are summarized as follows:

	STRP Defined Benefit Program	
Hire date	On or before December 31, 2012	On or after 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	16.15%	16.15%
Required state contribution rate	10.328%	10.328%

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 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2021, are presented above and the District's total contributions were $15,845,426.

The net pension liability was measured as of June 30, 2020. 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, 2020 and June 30, 2019 respectively was 0.2749 percent and 0.2656 percent, resulting in a net increase in the proportionate share of 0.0093 percent.

For the year ended June 30, 2021, the District recognized pension expense of $34,767,989. In addition, the District recognized pension expense and revenue of $19,240,778 for support provided by the State. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 15,845,426	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	15,422,785	17,386,133
Differences between projected and actual earnings on pension plan investments	6,328,888	-
Differences between expected and actual experience in the measurement of the total pension liability	470,130	7,513,835
Changes of assumptions	25,980,879	-
Total	$ 64,048,108	$ 24,899,968

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	$ (3,861,849)
2023	2,156,367
2024	4,302,196
2025	3,732,174
Total	$ 6,328,888

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	$ 5,800,511
2023	6,322,880
2024	5,972,590
2025	(162,825)
2026	(2,018,922)
Thereafter	1,059,592
Total	$ 16,973,826

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, 2019, and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
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 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2020, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Public equity	42%	4.8%
Real estate	15%	3.6%
Private equity	13%	6.3%
Fixed income	12%	1.3%
Risk mitigating strategies	10%	1.8%
Inflation sensitive	6%	3.3%
Cash/liquidity	2%	-0.4%

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments and administrative expense occurred midyear. Based on these assumptions, the STRP’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 402,541,415
Current discount rate (7.10%)	266,431,851
1% increase (8.10%)	154,054,240

California Public Employees Retirement System (CalPERS)

Plan Description

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

A full description of the pension plans regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2019 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

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

The CalPERS provisions and benefits in effect at June 30, 2021, are summarized as follows:

	School Employer Pool (CalPERS)	
Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	20.70%	20.70%

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 the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2021, are presented above and the total District contributions were $3,536,053.

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

As of June 30, 2021, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $108,125,899. The net pension liability was measured as of June 30, 2020. 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, 2020 and June 30, 2019, respectively was 0.3524 percent and 0.3511 percent, resulting in a net increase in the proportionate share of 0.0013 percent.

For the year ended June 30, 2021, the District recognized pension expense of $20,647,613. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 3,536,053	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	49,287	3,592,938
Differences between projected and actual earnings on pension plan investments	2,250,837	-
Differences between expected and actual experience in the measurement of the total pension liability	5,362,713	-
Changes of assumptions	396,503	-
Total	$ 11,595,393	$ 3,592,938

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

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	$ (842,311)
2023	751,310
2024	1,305,902
2025	1,035,936
Total	$ 2,250,837

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 4.1 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	$ 2,283,712
2023	205,536
2024	(244,261)
2025	(29,422)
Total	$ 2,215,565

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, 2019, and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2019, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

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

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	50%	5.98%
Fixed income	28%	2.62%
Inflation assets	0%	1.81%
Private equity	8%	7.23%
Real assets	13%	4.93%
Liquidity	1%	-0.92%

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (6.15%)	$ 155,450,697
Current discount rate (7.15%)	108,125,899
1% increase (8.15%)	68,848,692

Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use the TDA as its alternative plan. Contributions made by the District and an employee vest immediately. The District contributes 6.2 percent of an employee's gross earnings. An employee is required to contribute 6.2 percent of his or her gross earnings to the pension plan.

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 $15,534,250 (10.328 percent 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. On behalf payments have been included in the calculation of available reserves but have not been included in the budgeted amounts reported in the General Fund - Budgetary Comparison Schedule.

Note 14 - 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, 2021.

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, 2021.

Construction Commitments

As of June 30, 2021, the District had the following commitments with respect to the unfinished capital projects:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
Non General Obligation Bond funded projects		
Alamo Elementary School Breezeway & Roof Replacement	$ 99,030	September, 2021
Montevideo Elementary School Modernization	284,506	December, 2021
Montevideo High School Pool Renovation	3,514,900	May, 2022
Venture School Remodel	588,000	December, 2021
California High School Turf Field	459,910	September, 2021
Montevideo High School Turf Field	490,547	September, 2021
San Ramon Valley High School Turf Field	459,910	September, 2021
Service Center - Seismic	187,481	September, 2021
Montevideo Elememtary School Child Care Building	228,143	December, 2021
Montevideo Elementary School - Relocate & Renovate Portables	194,395	December, 2021
	6,506,822	
General Obligation Bond funded projects		
Alamo Elementary School - 2 Classroom Modernization	521,118	January, 2022
San Ramon Valley High School Land and Building Improvements	126,077	October, 2021
Stone Valley Middle School Upgrades	7,112,140	August, 2021
Stone Valley Middle School Landscape Improvements	2,685	August, 2021
Charlotte Wood Middle School Modernization	5,211,958	Unknown
Golden View Elementary School Modernization	15,924	June, 2022
Sycamore Valley Elementary School Modernization	93,130	July, 2021
Montevideo Elementary School Modernization	163,025	June, 2022
Twin Creeks Elementary School Modernization	4,331,886	September, 2022
California High School Commons/Kitchen Modernization	157,003	June, 2022
	17,734,946	
Total	$ 24,241,768	

Note 15 - Participation in Public Entity Risk Pools

The District is a member of the Contra Costa County School Insurance Group, Northern California Regional Excess Liability Fund, and the School Excess Liability Fund public entity risk pools. The District pays an annual premium to the applicable entity for its workers' compensation and property liability coverage. The relationship 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 generally available from the respective entities.

The District has appointed a board member to the governing board of Contra Costa County Schools Insurance Group and to the Northern California Regional Excess Liability Fund.

Note 16 - Subsequent Events

The District has been negatively impacted by the effects of the world -wide coronavirus pandemic. The District is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the issuance date of these financial statements, the full impact of the District's financial position is not known beyond increased cash flow monitoring due to state apportionment deferrals.

Note 17 - Restatement of Prior Year Net Position and Fund Balance

As of June 30, 2021, the San Ramon Valley Unified School District adopted GASB Statement No. 84, *Fiduciary Activities* (GASB 84). As a result of the implementation of GASB 84, The District has reclassified its associated student body activity previously reported as fiduciary funds to a governmental fund – Student Activity Fund. The following table describes the effects of the implementation on beginning fund balance/net position.

Government-Wide Financial Statements	
Net Position - Beginning	$ 375,511,874
Reclassified student body funds from fiduciary to special revenue fund	2,344,161
Net Position - Beginning as Restated	$ 377,856,035
Student Activity Fund financial statements	
Fund Balance - Beginning	$ -
Reclassified student body funds from fiduciary to special revenue fund	2,344,161
Fund Balance - Beginning as Restated	$ 2,344,161
Fiduciary financial statements	
Fund Balance - Beginning	$ 2,344,161
Reclassified student body funds from fiduciary to special revenue fund	(2,344,161)
Fund Balance - Beginning as Restated	$ -

Required Supplementary Information

San Ramon Valley Unified School District

	Budgeted Amounts			Variance
	Original	Final	Actual	Final to Actual
Revenues				
Local Control Funding Formula	$252,507,184	$274,449,404	$274,423,846	$ (25,558)
Federal sources	6,375,307	16,975,226	15,726,989	(1,248,237)
Other State sources	47,725,201	49,971,090	65,415,291	15,444,201
Other local sources	31,005,638	29,276,526	21,425,130	(7,851,396)
Total revenues [1]	337,613,330	370,672,246	376,991,256	6,319,010
Expenditures				
Current				
Certificated salaries	152,781,549	154,980,617	157,950,616	(2,969,999)
Classified salaries	56,215,767	54,628,618	53,872,009	756,609
Employee benefits	104,198,183	103,710,738	100,638,253	3,072,485
Books and supplies	11,266,344	26,119,821	18,028,234	8,091,587
Services and operating expenditures	32,230,730	37,231,659	31,330,651	5,901,008
Other outgo	1,308,867	1,308,867	3,706,528	(2,397,661)
Capital outlay	176,000	669,782	431,720	238,062
Total expenditures [1]	358,177,440	378,650,102	365,958,011	12,692,091
Excess (Deficiency) of Revenues Over Expenditures	(20,564,110)	(7,977,856)	11,033,245	19,011,101
Other Financing Sources (Uses)				
Transfers in	4,500,000	7,685	524,898	517,213
Transfers out	(910,450)	(2,837,057)	(2,670,829)	166,228
Other uses	-	-	(1,202,954)	(1,202,954)
Net financing sources (uses)	3,589,550	(2,829,372)	(3,348,885)	(519,513)
Net Change in Fund Balances	(16,974,560)	(10,807,228)	7,684,360	18,491,588
Fund Balance - Beginning	59,884,699	59,884,699	59,884,699	-
Fund Balance - Ending	$ 42,910,139	$ 49,077,471	$ 67,569,059	$ 18,491,588

[1] Due to the consolidation of Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects for reporting purposes into the General Fund, additional revenues and expenditures pertaining to these other funds are included.

	2021	2020	2019	2018
Measurement Date	June 30, 2020	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability				
Service cost	$ 3,183,103	$ 3,467,506	$ 4,072,668	$ 3,783,579
Interest	3,859,600	3,859,600	3,439,513	3,274,173
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(3,859,600)	(7,681,948)	-	-
Changes of assumptions	-	(11,057,393)	(7,858,440)	-
Benefit payments	(3,183,103)	(3,183,103)	(2,952,650)	(2,922,892)
Net change in total OPEB liability	-	(14,595,338)	(3,298,909)	4,134,860
Total OPEB Liability - Beginning	71,229,756	85,825,094	89,124,003	84,989,143
Total OPEB Liability - Ending (a)	$ 71,229,756	$ 71,229,756	$ 85,825,094	$ 89,124,003
Plan Fiduciary Net Position				
Contributions - employer	$ 3,183,103	$ 3,183,103	$ 2,751,146	$ 2,586,962
Net investment income	20,140	1,308,787	1,786,399	2,128,850
Benefit payments	(3,183,103)	(3,183,103)	(2,952,650)	(2,922,892)
Administrative expense	(20,140)	(20,140)	(11,955)	-
Other expense	-	115,763	(30,342)	(20,140)
Net change in plan fiduciary net position	-	1,404,410	1,542,598	1,772,780
Plan Fiduciary Net Position - Beginning	25,774,950	24,370,540	22,827,942	21,055,162
Plan Fiduciary Net Position - Ending (b)	$ 25,774,950	$ 25,774,950	$ 24,370,540	$ 22,827,942
Net OPEB Liability - Ending (a) - (b)	$ 45,454,806	$ 45,454,806	$ 61,454,554	$ 66,296,061
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	36.19%	36.19%	28.40%	25.61%
Covered Payroll	$ -	$180,394,937	$165,646,000	$165,646,000
Net OPEB Liability as a Percentage of Covered Payroll	N/A[1]	N/A[1]	N/A[1]	N/A[1]

[1] The District's OPEB Plan is administered through a trust, however, contributions 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.

	2021	2020	2019	2018
Actuarially determined contribution	$ 3,183,103	$ 3,183,103	$ 4,477,420	$ 5,110,746
Contribution in relation to the actuarially determined contribution	3,183,103	3,183,103	2,751,146	2,586,962
Contribution deficiency (excess)	$ -	$ -	$ 1,726,274	$ 2,523,784
Covered payroll	$ 180,394,937	$180,394,937	$165,646,000	$165,646,000
Contributions as a percentage of covered payroll	1.76%	1.76%	1.66%	1.56%

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

Year ended June 30,	2021	2020	2019	2018
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Proportion of the net OPEB liability	0.48%	0.4698%	Not available	Not available
Proportionate share of the net OPEB liability	$ 2,030,157	$ 1,749,503	Not available	Not available
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	-0.71%	-0.81%	-0.40%	0.01%

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

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

	2021	2020	2019	2018	2017	2016
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
CalSTRS						
Proportion of the net pension liability	0.2749%	0.2656%	0.2866%	0.2698%	0.2869%	0.2850%
Proportionate share of the net pension liability	$ 266,431,851	$ 266,431,851	$ 263,362,593	$ 249,500,993	$ 232,086,252	$ 192,063,676
State's proportionate share of the net pension liability	137,345,651	130,854,979	150,787,402	147,602,680	132,122,563	150,787,402
Total	$ 403,777,502	$ 397,286,830	$ 414,149,995	$ 397,103,673	$ 364,208,815	$ 342,851,078
Covered payroll	$ 98,114,095	$ 92,663,310	$ 143,753,881	$ 141,737,621	$ 141,457,364	$ 130,188,756
Proportionate share of the net pension liability as a percentage of its covered payroll	271.55%	287.53%	183.20%	176.03%	164.07%	147.53%
Plan fiduciary net position as a percentage of the total pension liability	72%	73%	71%	70%	74%	77%
CalPERS						
Proportion of the net pension liability	0.3524%	0.3511%	0.3646%	0.3635%	0.3641%	0.3659%
Proportionate share of the net pension liability	$ 108,125,899	$ 108,125,899	$ 97,205,339	$ 86,784,137	$ 71,903,017	$ 53,926,804
Covered payroll	$ 17,082,384	$ 49,126,786	$ 45,247,672	$ 45,089,730	$ 44,409,679	$ 39,866,072
Proportionate share of the net pension liability as a percentage of its covered payroll	632.97%	220.10%	214.83%	192.47%	161.91%	135.27%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	71%	72%	74%	79%

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

	2021	2020	2019	2018	2017	2016
CalSTRS						
Contractually required contribution	$ 15,845,426	$ 15,845,426	$ 24,018,944	$ 20,743,685	$ 18,411,717	$ 14,867,169
Less contributions in relation to the contractually required contribution	15,845,426	15,845,426	24,018,944	20,743,685	18,411,717	14,867,169
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 98,114,093	$ 92,663,310	$ 147,536,511	$ 143,753,881	$ 141,737,621	$ 141,457,364
Contributions as a percentage of covered payroll	16.15%	17.10%	16.28%	14.43%	12.99%	10.51%
CalPERS						
Contractually required contribution	$ 3,536,053	$ 3,536,053	$ 8,873,280	$ 7,027,416	$ 6,357,652	$ 5,115,995
Less contributions in relation to the contractually required contribution	3,536,053	3,536,053	8,873,280	7,027,416	6,357,652	5,115,995
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 17,082,382	$ 17,930,394	$ 49,126,786	$ 45,247,672	$ 45,089,730	$ 44,409,679
Contributions as a percentage of covered payroll	20.700%	19.721%	18.0620%	15.5310%	14.1000%	11.5200%

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

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

Schedule of 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* – There were no changes in the benefit terms since the previous valuation
- *Changes of Assumptions* – The discount rate was changed from 3.75% to 5.25%.

Schedule of District Contributions for OPEB

This schedule presents information on the District's actuarially determined contribution, contributions in relation to the actuarially determined contribution, and any excess or deficiency related to the actuarially determined contribution. In the future, as data becomes available, ten years of information will be presented.

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 – 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 benefit terms since the previous valuations for both
- *Changes of Assumptions* – The discount rate changed from 3.50 percent to 3.21 percent in the current 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 either the CalSTRS or CalPERS plans from the previous valuations.

Schedule of District Contributions

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

Supplementary Information
June 30, 2021

San Ramon Valley Unified School District

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed Through California Department of Education (CDE)			
Special Education Cluster (IDEA)			
Preschool Grants	84.173	13430	$ 165,998
Preschool Staff Development, Part B	84.173	13431	1,000
Alternate Dispute Resolution, Part B, Sec 611	84.173A	13007	88,158
Special Education Grants to States - Basic Local Assistance	84.027	13379	3,968,780
Special Education Grants to States - Local Assistance, Part B	84.027	10115	41,040
Special Education Grants to States - Mental Health	84.027	14468	360,060
Total Special Education Cluster			4,625,036
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	15536	404,396
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	15547	9,526
COVID-19 CARES Act Supplemental Meal Reimbursement	84.425	15535	135,723
COVID-19 Governor's Emergency Education Relief Fund	84.425C	15517	1,415,454
Program Total			1,965,099
Title I Grants to Local Educational Agencies	84.010	14981	285,891
Title I Grants to Local Educational Agencies - School Improvement	84.010	15438	57,097
Career and Technical Education - Basic Grants to States	84.048	14897	72,322
Workforce Initiatives	84.126	[1]	27,033
Special Education-Grants for Infants and Families	84.181	23761	352,353
English Language Acquisition State Grants - LEP	84.365	14346	146,219
Teacher Quality	84.367	14341	321,621
Titli IV, Part A, Student Support & Academic Enrichment	84.424	15396	2,022
Total U.S. Department of Education			7,854,693
U.S. Department of Agriculture			
Passed Through California Department of Education			
Child Nutrition Cluster			
National School Lunch Program	10.555	13524	3,177,264
School Breakfast Program - Especially Needy Breakfast	10.553	13524	1,588,700
National School Lunch Program - Commodity	10.555	13396	335,080
Total Child Nutrition Cluster			5,101,044
Total U.S. Department of Agriculture			5,101,044
U.S. Department of Treasury			
Passed Through California Department of Education (CDE)			
COVID-19 Coronavirus Relief Fund: Learning Loss Mitigation	21.019	25516	8,008,019
Total U.S. Department of Treasury			8,008,019
Total Federal Financial Assistance			$ 20,963,756

[1] Pass Through number not available

ORGANIZATION

The San Ramon Valley Unified School District was established on July 1, 1965 and consists of an area comprising approximately 104 square miles. The District operates twenty one elementary schools, eight middle schools, four high schools, a continuation, and an independent study school. There were no boundary changes during the year.

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Susanna Ordway	President	2022
Ken Mintz	Vice President	2022
Rachel Hurd	Clerk	2022
Laura Bratt	Member	2024
Shelley Clark	Member	2024

ADMINISTRATION

NAME	TITLE
Dr. John Malloy	Superintendent
Greg Medici	Chief Business Officer
Daniel Hillman	Assistant Superintendent, Facilities and Business Operations
Keith Rogenski	Assistant Superintendent, Human Resources
Christine Huajardo	Deputy Superintendent, Educational Services

Grade Level	Number of Actual Days Traditional Calendar	Number of Actual Days Multitrack Calendar	Number of Days Credited Form J-13A*	Total Days Offered	Status
Kindergarten	180	-	-	180	Complied
Grades 1 - 3					
Grade 1	180	-	-	180	Complied
Grade 2	180	-	-	180	Complied
Grade 3	180	-	-	180	Complied
Grades 4 - 8					
Grade 4	180	-	-	180	Complied
Grade 5	180	-	-	180	Complied
Grade 6	180	-	-	180	Complied
Grade 7	180	-	-	180	Complied
Grade 8	180	-	-	180	Complied
Grades 9 - 12					
Grade 9	180	-	-	180	Complied
Grade 10	180	-	-	180	Complied
Grade 11	180	-	-	180	Complied
Grade 12	180	-	-	180	Complied

There were no adjustments to the Unaudited Actual Financial Report, with required reconciliation to the audited financial statements at June 30, 2021.

	(Budget) 2022 [1]	2021	2020	2019
General Fund [1]				
Revenues	$ 365,204,742	$ 373,206,061	$ 381,636,800	$ 360,515,524
Other sources	533,980	524,898	767,763	-
Total Revenues and Other Sources	365,738,722	373,730,959	382,404,563	360,515,524
Expenditures	367,061,264	362,251,481	356,975,118	351,888,591
Other uses and transfers out	2,916,282	3,795,116	5,596,975	31,297,194
Total Expenditures and Other Uses	369,977,546	366,046,597	362,572,093	383,185,785
Increase/(Decrease) in Fund Balance	(4,238,824)	7,684,362	19,832,470	(22,670,261)
Ending Fund Balance	$ 63,330,235	$ 67,569,059	$ 59,884,697	$ 40,052,227
Available Reserves	$ 11,393,413	$ 11,313,412	$ 11,939,319	$ 11,929,319
Available Reserves as a Percentage of Total Outgo [2]	3.08%	3.09%	3.09%	3.12%
Long-Term Liabilities	$ 855,233,093	$ 885,448,988	$ 872,133,608	$ 931,888,769
K-12 Average Daily Attendance at P-2	30,964	30,964	30,929	31,126

The General Fund balance has increased by $27,516,832 over the past two years. The fiscal year 2021-2022 budget projects a decrease of $4,238,824 (6 percent). For a district this size, the State recommends available reserves of at least 2 percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in two of the past three years and anticipates incurring an operating deficit during the 2021-2022 fiscal year. Total long-term liabilities have decreased by $46,439,781 over the past two years.

Average daily attendance has decreased by 162 over the past two years. No change is anticipated during fiscal year 2021-2022.

[1] Budget 2022 is included for analytical purposes only and has not been subjected to audit.
[2] Available reserves consist of all unassigned fund balances including all amounts reserved for economic uncertainties contained with the General Fund and the Special Reserve Fund for Other Than Capital Outlay Projects.

	Student Activity Fund	Cafeteria Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
Assets					
Deposits and investments	$ 2,267,752	$ 332,269	$ 7,678,318	$ 12,624,613	$ 22,902,952
Receivables	-	246,683	96,293	-	342,976
Due from other funds	-	305,685	8,403	139,306	453,394
Stores inventories	-	134,091	-	-	134,091
Total assets	$ 2,267,752	$ 1,018,728	$ 7,783,014	$ 12,763,919	$ 23,833,413
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ -	$ 789,078	$ 63,603	$ 424,362	$ 1,277,043
Due to other funds	-	3,777	64,845	517,217	585,839
Total liabilities	-	792,855	128,448	941,579	1,862,882
Fund Balances					
Nonspendable	-	134,691	-	-	134,691
Restricted	2,267,752	91,182	7,654,566	5,886,162	15,899,662
Committed	-	-	-	5,936,178	5,936,178
Total fund balances	2,267,752	225,873	7,654,566	11,822,340	21,970,531
Total liabilities and fund balances	$ 2,267,752	$ 1,018,728	$ 7,783,014	$ 12,763,919	$ 23,833,413

	Student Activity Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
Revenues						
Federal sources	$ -	$ 5,236,767	$ -	$ -	$ -	$ 5,236,767
Other state sources	-	428,017	-	13,983,046	-	14,411,063
Other local sources	-	3,840	2,196,796	-	986,389	3,187,025
Total revenues	$ -	5,668,624	2,196,796	13,983,046	986,389	22,834,855
Expenditures						
Current						
Pupil services						
Food services	-	5,973,846	-	-	-	5,973,846
Plant services	-	-	588,740	-	680,625	1,269,365
Ancillary services	76,008	-	-	-	-	76,008
Facility acquisition and contruction	-	-	1,519,821	-	1,130,935	2,650,756
Debt service						
Principal	-	-	-	-	2,359,261	2,359,261
Interest and other	-	-	-	-	1,173,006	1,173,006
Total expenditures	76,008	5,973,846	2,108,561	-	5,343,827	13,502,242
Excess (Deficiency) of Revenues Over Expenditures	(76,008)	(305,222)	88,235	13,983,046	(4,357,438)	9,332,613
Other Financing Sources (Uses)						
Transfers in	-	305,222	-	-	2,339,614	2,644,836
Transfers out	-	-	-	(13,983,046)	(517,213)	(14,500,259)
Total other financing sources (uses)	-	305,222	-	(13,983,046)	1,822,401	(11,855,423)
Net Change in Fund Balances	(76,008)	-	88,235	-	(2,535,037)	(2,522,810)
Fund Balance - Beginning, as restated	2,343,760	225,873	7,566,331	-	14,357,377	24,493,341
Fund Balance - Ending	$ 2,267,752	$ 225,873	$ 7,654,566	$ -	$ 11,822,340	$ 21,970,531

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 District under programs of the federal government for the year ended June 30, 2021. 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 San Ramon Valley Unified School District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the San Ramon Valley Unified School 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 principals contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No Federal financial assistance has been provided to a subrecipient.

Indirect Cost Rate

The District has not elected to use the ten percent de minimis cost rate as covered in Section 200.414 Indirect (F&A) costs of the Uniform Guidance.

Food Donation

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. At June 30, 2021, the District had no food commodities in inventory.

Local Education Agency Organization Structure

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration.

Schedule of Instructional Time

This schedule presents information on the number of instructional days offered by the District and whether the District complied with the provisions of *Education Code* Section 43504.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Financial Trends and Analysis

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

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

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

Independent Auditor's Reports
June 30, 2021

San Ramon Valley Unified School District

CPAs & BUSINESS ADVISORS

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

To the Board of Directors
San Ramon Valley Unified School District
San Ramon, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of San Ramon Valley Unified School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise San Ramon Valley Unified School District's basic financial statements and have issued our report thereon dated February 28, 2022.

Emphasis of Matter – Change in Accounting Principle

As discussed in Notes 1 and 17 to the financial statements, San Ramon Valley Unified School District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position and fund balance as of July 1, 2020. Our opinions are not modified with respect to this matter.

Internal Control over Financial Reporting

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

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

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

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

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

Eide Bailly LLP

San Ramon, California
February 28, 2022

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

To the Board of Directors
San Ramon Valley Unified School District
San Ramon, California

Report on Compliance for Each Major Federal Program
We have audited San Ramon Valley Unified School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of San Ramon Valley Unified School District's major federal programs for the year ended June 30, 2021. San Ramon Valley Unified School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of San Ramon Valley Unified School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about San Ramon Valley Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of San Ramon Valley Unified School District's compliance.

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Opinion on Each Major Federal Program
In our opinion, San Ramon Valley Unified School District's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance
Management of San Ramon Valley Unified School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered San Ramon Valley Unified School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the San Ramon Valley Unified School District's internal control over compliance.

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

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

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

Eide Bailly LLP

San Ramon, California
February 28, 2022

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on State Compliance

To the Board of Directors
San Ramon Valley Unified School District
San Ramon, California

Report on State Compliance
We have audited San Ramon Valley Unified School District's (the District) compliance with the types of compliance requirements described in the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, applicable to the state laws and regulations listed in the table below for the year ended June 30, 2021.

Management's Responsibility
Management is responsible for compliance with the state laws and regulations as identified in the table below.

Auditor's Responsibility
Our responsibility is to express an opinion on the District's compliance with state laws and regulations based on our audit of the types of compliance requirements referred to below. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements listed below has occurred. An audit includes examining, on a test basis, evidence about the District's 'compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on state compliance. However, our audit does not provide a legal determination of the District's 'compliance.

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Compliance Requirements Tested

In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with laws and regulations applicable to the following items:

	Procedures Performed
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS	
Attendance and Distance Learning	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No, see below
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	Yes
District of Choice	No, see below
SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS	
California Clean Energy Jobs Act	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Independent Study - Course Based	No, see below
CHARTER SCHOOLS	
Attendance	No, see below
Mode of Instruction	No, see below
Nonclassroom-Based Instruction/Independent Study	No, see below
Determination of Funding for Nonclassroom-Based Instruction	No, see below
Charter School Facility Grant Program	No, see below

Early Retirement Incentive

The District did not offer an Early Retirement Incentive Program during the current year; therefore, we did not perform procedures related to the Early Retirement Incentive Program.

Apprenticeship: Related and Supplemental Instruction

The District does not offer an Apprenticeship Program; therefore, we did not perform any procedures for the Apprenticeship Program.

District of Choice

The District does not offer a District of Choice Program; therefore, we did not perform any procedures for the District of Choice Program.

Independent Study – Course Based
For the 2020-2021 school year, Independent Study – Course Based does not apply to School Districts as a result of distance learning, therefore, we did not perform any procedures related to the Independent Study – Course Based Program.

The District does not offer an Independent Study – Course Based Program; therefore, we did not perform any procedures for the Independent Study – Course Based Program.

Charter Schools
The District does not have any dependent Charter Schools; therefore, we did not perform any procedures for Charter School Programs.

Unmodified Opinion
In our opinion, San Ramon Valley Unified School District complied, in all material respects, with the laws and regulations of the state programs referred to above for the year ended June 30, 2021.

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the *2020-2021 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

San Ramon, California
February 28, 2022

Schedule of Findings and Questioned Costs
June 30, 2021

San Ramon Valley Unified School District

Section I – Summary of Auditor's Results

Financial Statements

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

Identification of major programs

Name of Federal Program or Cluster	Federal Financial Assistance Listing/ Federal CFDA Number
COVID-19 Elementary and Secondary School Emergency Relief Fun	84.425
COVID-19 Coronavirus Relief Fund: Learning Loss Mitigation	21.019

Dollar threshold used to distinguish between type A and type B programs	$750,000
Auditee qualified as low-risk auditee?	No

State Compliance

Type of auditor's report issued on compliance for programs:	Unmodified

Section II – Financial Statement Findings and Questioned Costs

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

Section IV – State Compliance Findings and Questioned Costs

None reported.

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.