

RIVER DELTA UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENTS
June 30, 2023

RIVER DELTA UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Education
River Delta Unified School District
Rio Vista, California

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the River Delta Unified School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the River Delta Unified School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the River Delta Unified School District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 to 9 and the General Fund Budgetary Comparison Schedule, the Schedule of Changes in the District's Net Other Postemployment Benefits (OPEB) Liability, Schedule of the District's Contributions – OPEB, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions – Pensions on pages 43 to 49 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2024 on our consideration of the River Delta Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the River Delta Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the River Delta Unified School District's internal control over financial reporting and compliance.


Crowe LLP

Sacramento, California
March 13, 2024

**Management's Discussion and Analysis
(MD&A)
River Delta Unified School District
2022-2023**

Management's Discussion and Analysis Section of the audit report is management's view of the District's financial performance and condition during the fiscal year ending June 30, 2023. The MD&A should be read in conjunction with the basic financial statements and the accompanying notes to those financial statements.

This annual report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information.

Management's Discussion and Analysis consists of five sections:

1. **Overview of the Financial Statements:** serves as a guide to reading the financial statements provided in the sections following the Management's Discussion and Analysis.
2. **Financial Analysis of the District as a Whole:** a summary view of the District's Net Position.
3. **Financial Analysis of the District's Funds:** including a subsection on the District's General Fund.
4. **Capital Asset and Debt Administration:** a look at the District's investment in capital assets and its level of debt.
5. **Factors Bearing on the District's Financial Future:** a discussion of issues management sees as relevant to the future financial health of the District.

The District has monitored guidelines and regulations from state and local agencies regarding COVID-19 and will continue to do so.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are District-wide financial statements that provide both short-term and long-term information about the District's overall financial status. Because these statements include all district funds, it should be noted that certain inter-fund and other types of transactions that net to zero have been eliminated so that District-wide revenues and expenditures are presented without artificial inflation.
- The remaining statements are fund financial statements that focus on the major funds of the District. These statements report the District's operations in more detail than the District-wide statements.

These two kinds of statements report the District's net position and changes during the year. Net position is the difference between assets and liabilities, which is one way to measure the District's financial health, or financial position. Increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating over time.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. These notes are considered to be an integral part of the financial statements and should be considered in conjunction with them when looking at the District's financial picture.

The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

In the District-wide financial statements, the District's activities are shown as Governmental activities. We have no funds that are classified as Business-type activities.

The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole. The District has one type of fund:

Governmental: All of the District's basic services are included in governmental funds, the General Fund being the largest fund in this category. Other governmental funds the district operates are Adult Ed Fund, Child Development Fund, Cafeteria Fund, Building Fund, Capital Facilities Fund, County School Facilities Fund, Capital Project Fund for Blended Component Units and the Bond Interest and Redemption Fund.

Revenues for the governmental funds totaled \$40.2 million, with \$33.5 million from the General Fund. Property taxes and state formula aid accounted for 66.3% of the District's General Fund revenue, another 29.1% came from state and federal aid for specific programs, with the remainder from fees charged for services and miscellaneous sources.

Expenditures totaled \$37.9 million, with \$29.7 million from the General Fund. The District's expenses are predominantly related to educating and caring for students, with 77.9% for salaries and benefits from the General Fund.

When utilizing these financial statements to assess the overall health of the District, additional non-financial factors will need to be considered, such as the condition of school buildings and other facilities, and enrollment trends.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1

Net Position	2021-22	2022-23
Current and Other Assets	\$ 38,654,699	\$ 42,223,019
Capital Assets	22,045,662	21,018,949
Total Assets	60,700,361	63,241,968
Deferred outflows related to pensions and OPEB	7,396,406	9,406,211
Deferred outflows from advance refunding of debt	101,708	74,038
Total Deferred Outflows	7,498,114	9,480,249
Long-Term Liabilities Outstanding	57,543,103	61,433,577
Other Liabilities	2,741,769	3,935,121
Total Liabilities	60,284,872	65,368,698
Deferred inflows related to pensions and OPEB	12,209,387	7,203,850
Total Deferred Inflows	12,209,387	7,203,850
Net Position:		
Net Investment in Capital Assets	11,739,562	10,617,108
Restricted	6,989,766	12,497,568
Unrestricted	(23,025,112)	(22,965,007)
Total Net Position	\$ (4,295,784)	\$ 149,669

Net Position: The District's Total Net Position for the year ending June 30, 2023 is \$149,669.

It is important to note that land is accounted for at historical cost (purchase value), not market value, and is not depreciated. Many of our school sites have low values for today's market because the District acquired the land decades ago. This valuation of land is consistent with accounting rules set forth by the Governmental Accounting Standards Board.

While land and buildings owned by the District contribute to its net assets, and because of the nature of school operations, the District will be fully utilizing these assets for the foreseeable future, so they are not available as assets that could be liquidated.

Changes in Net Position

Table 2

	2021-22	2022-23
Program Revenues:		
Charges for services	196,221	68,530
Operating and Capital Grants	7,408,311	11,780,050
General Revenues:		
Property Taxes	16,271,371	18,111,259
Federal and State Aid	8,696,190	8,817,144
Other	356,898	1,159,293
Total Revenues	32,928,991	39,944,276
Program Expenses		
Instruction	14,789,650	16,822,512
Instruction-Related Services	2,972,901	3,615,153
Pupil Services	3,690,769	4,441,560
General Administration	1,555,936	3,066,123
Plant and Ancillary Services	3,570,258	6,123,468
Interest	1,511,982	1,350,572
Other	108,783	79,435
Total Expenses	28,200,279	35,498,823
Change in Net Position	4,728,722	4,445,453
Net Position – Beginning	(9,024,506)	(4,295,784)
Net Position – Ending	(4,295,784)	149,669

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The strong financial performance of the District as a whole is reflected in its fund balances. The District maintains a three percent (3%) reserve in the General Fund, which meets the state-required reserve for fiscal uncertainties, and an additional two percent 2% reserve as a matter of adopted Board policy. As the District completed the 2022-23 year, its funds reported a *combined* fund balance of \$38.5 million. This amount includes the legally restricted ending balances and unrestricted site carryover amounts.

General Fund Budgetary Highlights. Over the course of the year, the District revised its annual operating budget numerous times. The adopted budget as of July 1, 2022 was prepared prior to the State of California adopting a final State budget.

Following the adoption of the State budget and after the 2022-23 books were closed, the required First Interim Report was prepared where carryover funds and deferred revenues were incorporated, and the budget revised accordingly.

The District's General Fund ending fund balance is approximately \$15.1 million. Of this amount, \$9,291,607 is unassigned and \$5,833,399 has been assigned by the Board; the remainder is restricted and for State, Federal, and local categorical programs, under provisions of these grants or is nonspendable.

CAPITAL ASSET AND DEBT ADMINISTRATION

- **Capital Assets.** At the end of fiscal year 2022-23, the District had a total value of \$73,494,674 in capital assets, including land, buildings, building improvements and equipment. Total accumulated depreciation amounted to \$52,475,725.
- **Long-term Debt.** The District ended the year with a total of \$61,433,577 in outstanding financing obligations. The major portions of this amount are for G.O. Bond issuance, as well as net pension liability and net other postemployment benefits (OPEB) liabilities which are required by GASB 68 and GASB 75, respectively. The obligation for G.O. Bonds is \$26,536,061 and the combined net pension and net OPEB liabilities are \$26,591,789, with the remaining obligations relating to capital leases and compensated absences.

FACTORS BEARING ON THE DISTRICT'S FINANCIAL FUTURE

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

- Student enrollment and attendance are primary factors in the computation of most funding formulas for public schools in the State of California. The District is currently experiencing decline in enrollment in comparison with the 2022-23 figures, with anticipation of a continued decline in enrollment for the next several years.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, vendors, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions about this report or additional information requests should be directed to the Assistant Superintendent of Business Services, at 445 Montezuma Street, Rio Vista, CA 94571 or at (707) 374-1700.

BASIC FINANCIAL STATEMENTS

RIVER DELTA UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash and investments (Note 2)	\$ 40,414,089
Receivables	1,788,313
Stores inventory	20,617
Non-depreciable capital assets (Note 4)	553,739
Depreciable capital assets, net of accumulated depreciation (Note 4)	<u>20,465,210</u>
Total assets	<u>63,241,968</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflow of resources - pensions (Notes 7 and 8)	6,174,011
Deferred outflow of resources - OPEB (Note 9)	3,232,200
Deferred outflow from advance refunding of debt	<u>74,038</u>
Total deferred outflows of resources	<u>9,480,249</u>
LIABILITIES	
Accounts payable	3,007,320
Unearned revenue	927,801
Long-term liabilities (Note 5):	
Due within one year	3,415,927
Due after one year	<u>58,017,650</u>
Total liabilities	<u>65,368,698</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pensions (Notes 7 and 8)	3,504,000
Deferred inflows of resources - OPEB (Note 9)	<u>3,699,850</u>
Total deferred inflows of resources	<u>7,203,850</u>
NET POSITION	
Net investment in capital assets	10,617,108
Restricted:	
Legally restricted programs	6,417,202
Capital projects	2,107,236
Debt service	3,973,130
Unrestricted	<u>(22,965,007)</u>
Total net position	<u>\$ 149,669</u>

See accompanying notes to financial statements.

RIVER DELTA UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Position
					Governmental Activities
Governmental activities:					
Instruction	\$ 16,822,512	\$ 5,024	\$ 8,010,493	\$ 125	\$ (8,806,870)
Instruction-related services:					
Supervision of instruction	899,399	573	469,323	-	(429,503)
Instructional library, media and technology	149,360	-	-	-	(149,360)
School site administration	2,566,394	246	211,557	-	(2,354,591)
Pupil services:					
Home-to-school transportation	867,558	62	34,925	-	(832,571)
Food services	1,312,162	438	1,537,647	-	225,923
All other pupil services	2,261,840	1,985	984,227	-	(1,275,628)
Data processing	14,391	-	-	-	(14,391)
General administration	3,066,123	373	79,557	-	(2,986,193)
Plant services	5,939,101	4,136	145,829	-	(5,789,136)
Ancillary services	184,367	-	3,358	-	(181,009)
Interest on long-term debt	1,350,572	-	-	-	(1,350,572)
Other outgo	65,044	55,693	311,009	-	301,658
Total governmental activities	<u>\$ 35,498,823</u>	<u>\$ 68,530</u>	<u>\$ 11,787,925</u>	<u>\$ 125</u>	<u>(23,642,243)</u>
General revenues:					
Taxes and subventions:					
Taxes levied for general purposes					13,904,347
Taxes levied for debt service					4,140,203
Taxes levied for other specific purposes					66,709
Federal and state aid not restricted to specific purposes					8,817,144
Interest and investment earnings					816,139
Interagency revenues					68,831
Miscellaneous					274,323
Total general revenues					<u>28,087,696</u>
Change in net position					<u>4,445,453</u>
Net position, July 1, 2022					<u>(4,295,784)</u>
Net position, June 30, 2023					<u>\$ 149,669</u>

See accompanying notes to financial statements.

RIVER DELTA UNIFIED SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	<u>General Fund</u>	<u>Building Fund</u>	<u>Bond Interest and Redemption Fund</u>	<u>All Non-Major Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments:					
Cash in County Treasury	\$16,284,468	\$ -	\$ 3,973,130	\$ 2,455,157	\$22,712,755
Cash in banks	256,430	-	-	725	257,155
Cash in revolving fund	14,983	-	-	-	14,983
Cash with Fiscal Agent	-	17,429,196	-	-	17,429,196
Receivables	1,411,916	3,055	-	373,342	1,788,313
Due from other funds	9,519	-	-	-	9,519
Stores inventory	-	-	-	20,617	20,617
Total assets	<u>\$ 17,977,316</u>	<u>\$ 17,432,251</u>	<u>\$ 3,973,130</u>	<u>\$ 2,849,841</u>	<u>\$ 42,232,538</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,959,203	\$ 742,187	\$ -	\$ 57,590	\$ 2,758,980
Due to other funds	-	-	-	9,519	9,519
Unearned revenue	878,124	-	-	49,677	927,801
Total liabilities	<u>2,837,327</u>	<u>742,187</u>	<u>-</u>	<u>116,786</u>	<u>3,696,300</u>
Fund balances:					
Nonspendable	14,983	-	-	20,617	35,600
Restricted	5,791,383	16,690,064	3,973,130	2,712,658	29,167,235
Assigned	42,016	-	-	-	42,016
Unassigned	9,291,607	-	-	(220)	9,291,387
Total fund balances	<u>15,139,989</u>	<u>16,690,064</u>	<u>3,973,130</u>	<u>2,733,055</u>	<u>38,536,238</u>
Total liabilities and fund balances	<u>\$ 17,977,316</u>	<u>\$ 17,432,251</u>	<u>\$ 3,973,130</u>	<u>\$ 2,849,841</u>	<u>\$ 42,232,538</u>

See accompanying notes to financial statements.

RIVER DELTA UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2023

Total fund balances - Governmental Funds	\$	38,536,238
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used for governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$73,494,674 and the accumulated depreciation is \$52,475,725 (Note 4).		
		21,018,949
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in governmental funds. Long-term liabilities at June 30, 2023 consisted of (Note 5):		
General Obligation Bonds	\$ (26,536,061)	
Accreted interest	(7,409,745)	
Unamortized premiums	(629,882)	
Other postemployment benefits (Note 9)	(7,667,789)	
Net pension liability (Notes 7 and 8)	(18,924,000)	
Compensated absences	(266,100)	
		(61,433,577)
Deferred outflows of resources resulting from defeasance of debt are not recorded in governmental funds. In governmental activities, the difference between the reacquisition price and the net carrying amount of the retired debt are reported as deferred outflows of resources.		
		74,038
In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported (Notes 7 and 8).		
Deferred outflows of resources relating to pensions	6,174,011	
Deferred inflows of resources relating to pensions	(3,504,000)	
		2,670,011
In governmental funds, deferred outflows and inflows relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows relating to OPEB are reported.		
Deferred outflows of resources relating to OPEB	3,232,200	
Deferred inflows of resources relating to OPEB	(3,699,850)	
		(467,650)
Unmatured interest on long-term debt is not recognized until the period in which it matures and is paid in governmental funds, however, in the statement of net position it is recognized in the period that it is incurred.		
		(248,340)
Total net position - governmental activities	\$	149,669

See accompanying notes to financial statements.

RIVER DELTA UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	General Fund	Building Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
Revenues:					
Local Control Funding Formula (LCFF):					
State apportionment	\$ 10,266,110	\$ -	\$ -	\$ -	\$ 10,266,110
Local sources	<u>11,965,758</u>	-	-	-	<u>11,965,758</u>
Total LCFF	<u>22,231,868</u>	-	-	-	<u>22,231,868</u>
Federal sources	3,034,199	-	-	1,009,512	4,043,711
Other state sources	6,723,864	-	18,321	884,738	7,626,923
Other local sources	<u>1,549,614</u>	<u>37,497</u>	<u>4,186,389</u>	<u>543,477</u>	<u>6,316,977</u>
Total revenues	<u>33,539,545</u>	<u>37,497</u>	<u>4,204,710</u>	<u>2,437,727</u>	<u>40,219,479</u>
Expenditures:					
Current:					
Certificated salaries	11,666,491	-	-	32,030	11,698,521
Classified salaries	4,765,405	-	-	609,345	5,374,750
Employee benefits	6,706,230	-	-	280,381	6,986,611
Books and supplies	1,519,373	-	-	54,932	1,574,305
Contract services and operating expenditures	4,430,324	268,070	-	787,805	5,486,199
Other outgo	65,044	-	-	-	65,044
Capital outlay	556,835	2,665,170	-	-	3,222,005
Debt service:					
Principal retirement	-	-	2,254,566	542,217	2,796,783
Interest	-	-	645,279	32,209	677,488
Total expenditures	<u>29,709,702</u>	<u>2,933,240</u>	<u>2,899,845</u>	<u>2,338,919</u>	<u>37,881,706</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,829,843</u>	<u>(2,895,743)</u>	<u>1,304,865</u>	<u>98,808</u>	<u>2,337,773</u>
Other financing (uses) sources:					
Transfers in	9,519	-	-	687,435	696,954
Transfers out	<u>(687,435)</u>	-	-	<u>(9,519)</u>	<u>(696,954)</u>
Total other financing (uses) sources	<u>(677,916)</u>	-	-	<u>677,916</u>	<u>-</u>
Net change in fund balances	3,151,927	(2,895,743)	1,304,865	776,724	2,337,773
Fund balances, July 1, 2022	<u>11,988,062</u>	<u>19,585,807</u>	<u>2,668,265</u>	<u>1,956,331</u>	<u>36,198,465</u>
Fund balances, June 30, 2023	<u>\$ 15,139,989</u>	<u>\$ 16,690,064</u>	<u>\$ 3,973,130</u>	<u>\$ 2,733,055</u>	<u>\$ 38,536,238</u>

See accompanying notes to financial statements.

RIVER DELTA UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS – TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Net change in fund balances - Total Governmental Funds	\$ 2,337,773
Amounts reported for governmental activities in the statement of activities are different because:	
Acquisition of capital assets is an expenditure in the governmental funds, but increases capital assets in the statement of net position (Note 4).	1,375,057
Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4).	(2,401,770)
Repayment of principal on long-term debt is an expenditure in the governmental funds, but decreases the long-term liabilities in the liabilities in the statement of net position (Note 5).	2,796,783
Accreted interest on capital appreciation bonds is an expense that is not recorded in governmental funds (Note 5).	(715,739)
In governmental funds, losses on refunding of debt are not recognized. In government wide statements, losses on refunding of debt are deferred and amortized over the life of the debt (Note 5).	(27,670)
In governmental funds if debt is issued at a premium, the premium is recognized as other financing sources in the period it is incurred. In the government-wide statements, premiums are amortized as interest over the life of the related debt (Note 5).	30,889
Other postemployment benefits (OPEB) costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. The difference between OPEB costs and actual employer contributions was (Notes 5 and 9).	(872,041)
In the statement of activities, expenses related to compensated absences is measured by the amounts earned during the year. In the governmental funds, expenditures are measured by the amount paid during the year (Note 5).	(14,913)
In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was (Note 7 and 8).	1,899,889
Unmatured interest on long-term debt is recognized in the period that it becomes due in the statement of net position, but is expensed when paid in the governmental funds.	37,195
Change in net position of governmental activities	<u>\$ 4,445,453</u>

See accompanying notes to financial statements.

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity: The District has reviewed criteria to determine whether other entities with activities that benefit the District should be included within its financial reporting entity. The criteria include, but are not limited to, whether the entity exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), the scope of public service, and a special financing relationship.

The District has determined that no other outside entity meets the above criteria, and therefore, no agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity that would exercise such oversight responsibility that would result in the District being considered a component unit of that entity.

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

Basis of Presentation - Government-Wide Financial Statements: The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. Custodial funds are not included in the government-wide financial statements. The District does not have any custodial funds.

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

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

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

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

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A - Major Funds

General Fund - The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund. For financial reporting purposes, the current year activity and year end balances of the Special Reserve for Other than Capital Outlay Projects is combined with the General Fund.

Building Fund - The Building Fund is a capital projects fund used to account for resources used for the acquisition or construction of major capital facilities and equipment, and primarily includes proceeds from the sale of bonds.

Bond Interest and Redemption Fund - The Bond Interest and Redemption Fund is a debt service fund used to account for resources used for the repayment of general obligations bonds issued by the District.

B - Other Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. This classification includes the Adult Education, Child Development, and Cafeteria Funds.

The Capital Projects Funds are used to account for resources used for the acquisition or construction of major capital facilities and equipment. This classification includes the Capital Facilities Fund, County School Facilities Fund, and Capital Projects Funds.

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

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

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

Capital Assets: Capital assets purchased or acquired, with an original cost of \$5,000 or more, are recorded at historical cost or estimated historical cost. Contributed assets are reported at acquisition value for the contributed asset. Additions, improvements and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over 5 - 50 years depending on asset types.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 future periods and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized a deferred inflow of resources related to the recognition of the net pension liability and net OPEB liability reported in the Statement of Net Position.

Other Postemployment Benefits (OPEB): For purpose of measuring the net OPEB liability, information about the fiduciary net position of River Delta Unified School District's Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and interest-earning investment contracts that are reported at cost.

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

	<u>STRP</u>	<u>PERF B</u>	<u>Total</u>
Deferred outflows of resources	\$ 2,829,072	\$ 3,344,939	\$ 6,174,011
Deferred inflows of resources	<u>\$ 2,754,000</u>	<u>\$ 750,000</u>	<u>\$ 3,504,000</u>
Net pension liability	<u>\$ 9,117,000</u>	<u>\$ 9,807,000</u>	<u>\$ 18,924,000</u>
Pension expense	<u>\$ 1,041,505</u>	<u>\$ 1,020,374</u>	<u>\$ 2,061,879</u>

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

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables: Receivables are made up principally of amounts due from the State of California and categorical programs. The District has determined that no allowance for doubtful accounts was needed as of June 30, 2023.

Stores Inventory: Stores inventory consists mainly of consumable supplies held for future use and are valued at average cost. Inventories are recorded as expenditures at the time individual inventory items are transferred from the warehouse to schools. Maintenance and other supplies held for physical plant repair, transportation supplies, and operating supplies are not included in inventories; rather, these amounts are recorded as expenditures when purchased.

Compensated Absences: Compensated absences in the amount of \$266,100 are recorded as a long-term liability of the District. The liability is for the earned but unused benefits. The amount to be provided by future operations represents the total amount that would be required to be provided from the general operating revenues of the District if all the benefits were to be paid.

Accumulated Sick Leave: Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expenditure in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

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

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

Encumbrances: Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated at June 30.

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

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

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position: Net position is displayed in three components:

1. Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted Net Position - Restrictions of the ending net position indicate the portions of net position not appropriate for expenditure or amounts legally segregated for a specific future use. The restriction for legally restricted programs represents the portion of net position restricted to specific program expenditures. The restriction for capital projects represents the portion of net position restricted for capital projects. The restriction for debt service represents the portion of net position available for the retirement of debt. It is the District's policy to use restricted net position first when allowable expenditures are incurred.
3. Unrestricted Net Position – All other net position that do not meet the definitions of "restricted" or "net investment in capital assets."

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

A - Nonspendable Fund Balance - The nonspendable fund balance classification reflects amounts that are not in spendable form, such as revolving cash and stores inventory.

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

C - Committed Fund Balance - The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Board of Education. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. Formal action by the Board of Education is required to remove any commitment from any fund balance. At June 30, 2023, the District had no committed fund balances.

D - Assigned Fund Balance - The assigned fund balance classification reflects amounts that the District's Board of Education has approved to be used for specific purposes, based on the District's intent related to those specific purposes. While the Board of Education has empowered members of management to suggest individual amounts to be assigned, as of June 30, 2023 no formal designation of assignment authority has occurred and the Board of Education retains ultimate authority for assigning fund balance.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E - Unassigned Fund Balance - In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes. In any fund other than the General Fund, a positive unassigned fund balance is never reported because amounts in any other fund are assumed to have been assigned, at least, to the purpose of that fund. However, deficits in any fund, including the General Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

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

While GASB Cod. Sec. 1300 and 1800 do not require Districts to establish a minimum fund balance policy or a stabilization arrangement, GASB Cod. Sec. 1300 and 1800 do require the disclosure of a minimum fund balance policy and stabilization arrangements, if they have been adopted by the Board of Education. At June 30, 2023, the District has not established a minimum fund balance policy nor has it established a stabilization arrangement.

New Accounting Pronouncements: In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB Statement No. 96 defines a subscription-based information technology arrangement and requires the recognition of a right to use subscription asset and corresponding subscription liability. This statement was effective for fiscal years beginning after June 15, 2022. There was no impact to the District's July 1, 2022 net position as a result of the implementation of GASB Statement No. 96.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2023

NOTE 2 - CASH AND INVESTMENTS

Cash and investments at June 30, 2023 consisted of the following:

	<u>Governmental Activities</u>
Pooled Funds:	
Cash in County Treasury	\$ 22,712,755
Deposits:	
Cash on hand and in banks	257,155
Revolving cash fund	14,983
Cash with Fiscal Agent	17,429,196
Totals	\$ 40,414,089

Pooled Funds: In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Sacramento County Treasury. The District is considered an involuntary participant in an external investment pool. The fair value of the District's investment pool is reported in the financial statements at amounts based upon the District's pro-rata share of 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.

Cash with Fiscal Agent: Cash with Fiscal Agent represents funds held by Fiscal Agents restricted for bond project expenditures. The District holds their funds with the Sacramento County Treasury. The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Deposits - Custodial Credit Risk: The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2023, the carrying amount of the District's accounts was \$272,138 and the bank balance was \$265,818, all of which was insured.

Interest Rate Risk: The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2023, the District had no significant interest rate risk related to cash and investments held.

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

Concentration of Credit Risk: The District does not place limits on the amount it may invest in any one issuer. At June 30, 2023, the District had no concentration of credit risk.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2023

NOTE 3 - INTERFUND TRANSACTIONS

Interfund Activity: Transactions between funds of the District are recorded as interfund transfers. The unpaid balances at year end, as a result of such transactions, are shown as due to and due from other funds.

Interfund Receivables/Payables: Individual fund interfund receivable and payable balances at June 30, 2023 were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Fund:		
General	\$ 9,519	\$ -
Non-Major Funds:		
Adult Education	-	5,482
Child Development	-	4,037
	<hr/>	<hr/>
Totals	<u>\$ 9,519</u>	<u>\$ 9,519</u>

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

Transfers for the 2022-2023 fiscal year were as follows:

Transfer from the General Fund to the Capital Facilities Fund to pay off remainder of Shea Homes Loan.	\$ 544,460
Transfer from the General Fund to the Capital Projects for Blended Component Units Fund to correct a transfer of Mello-Roos tax apportionment.	142,975
Transfer from the Adult Education Fund to the General Fund for indirect costs.	5,482
Transfer from the Child Development Fund to the General Fund for indirect costs.	<hr/> 4,037
	<hr/> <u>\$ 696,954</u>

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 4 - CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2023 is shown below:

	Balance July 1, <u>2022</u>	Additions and <u>Transfers</u>	Deductions and <u>Transfers</u>	Balance June 30, <u>2023</u>
Non-depreciable:				
Land	\$ 447,832	\$ -	\$ -	\$ 447,832
Work-in-process	-	1,046,159	(940,252)	105,907
Depreciable:				
Buildings	59,240,284	923,796	-	60,164,080
Improvement of sites	7,782,317	122,678	-	7,904,995
Equipment	4,649,184	222,676	-	4,871,860
Totals, at cost	<u>72,119,617</u>	<u>2,315,309</u>	<u>(940,252)</u>	<u>73,494,674</u>
Less accumulated depreciation:				
Buildings	(40,955,941)	(1,832,781)	-	(42,788,722)
Improvement of sites	(5,752,080)	(350,355)	-	(6,102,435)
Equipment	(3,365,934)	(218,634)	-	(3,584,568)
Total accumulated depreciation	<u>(50,073,955)</u>	<u>(2,401,770)</u>	<u>-</u>	<u>(52,475,725)</u>
Capital assets, net	<u>\$ 22,045,662</u>	<u>\$ (86,461)</u>	<u>\$ (940,252)</u>	<u>\$ 21,018,949</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 1,687,882
School site administration	560,187
Home-to-school transportation	84,846
Food services	7,023
General administration	44,493
Centralized data processing	418
Plant services	16,921
Total depreciation expense	<u>\$ 2,401,770</u>

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 5 - LONG-TERM LIABILITIES

General Obligation Bonds: On March 17, 2005, the District issued Series 2005 General Obligation Bonds in the amounts of \$8,249,979 and \$3,999,987 to improve or construct school facilities. The Current Interest Serial Bonds accrue interest up to a maximum of 4.5% and 4.375%, respectively, per annum from the date of issuance and are both payable on February 1 and August 1 of each year through August 1, 2029. The Capital Appreciation Serial Bonds accrue interest from the date of issuance and compound semiannually on February 1 and August 1 of each year through August 1, 2029.

On December 5, 2006 the District issued Series 2006 Current Interest and Capital Appreciation General Obligation Bonds in the amount of \$5,749,994 and \$1,699,994, respectively, to improve or construct school facilities. The Bonds accrue interest up to a maximum of 5.0% and 4.0%, respectively, per annum from the date of issuance and are both payable on February 1 and August 1 of each year through August 2031.

On May 15, 2008, the District issued Series 2008 General Obligation Bonds in the amount of \$3,300,015 to upgrade, renovate, furnish, and equip the school facilities. The Capital Appreciation Serial Bonds have interest rates ranging from 4.93% to 5.42% with principal payments beginning on August 1, 2032 and continuing through April 1, 2048.

On November 4, 2014, the District issued Series 2014 General Obligation Refunding Bonds in the amount of \$5,550,800 to refund the Election of the 2004, Series 2005 bonds. The Series 2014 Bonds have an interest rate of 5.806% with payments beginning on November 4, 2014 and continuing through August 1, 2025.

On February 25, 2015, the District issued Series 2015 General Obligation Refunding Bonds in the amount of \$3,510,000 to refund the Election of the 2004, Series 2006 bonds. The Series 2015 Bonds have an interest rate of 5.806% and mature through August 1, 2024.

On April 13, 2021, the District issued Series 2021 General Obligation Bonds in the amount of \$15,300,000 related to School Facilities Improvement District (SFID) No. 1 and \$4,900,000 related to SFID No.2. The bonds were issued to finance capital improvement projects within the District. The bonds for SFID No.1 have an interest rate ranging from 2.0% to 5.0% and mature through August 1, 2049. The bonds related to SFID No.2 have an interest rate ranging from 2.125% to 5.0% and mature through August 1, 2050.

The Outstanding general obligation Debt of the district as of June 30, 2023 is as follows:

Series	Interest Rate	Maturity Fiscal Year	Amount of Original Issue	Outstanding July 1, 2022	Issued Current Year	Redeemed Current Year	Outstanding June 30, 2023
Series 2005 Bonds	4.50%-4.375%	2029	\$12,249,966	\$ 949,965	\$ -	\$ -	\$ 949,965
Series 2006 Bonds	4.0% - 5.0%	2032	7,449,988	624,994	-	-	624,994
Series 2008 Bonds	5.806%	2048	3,300,015	3,300,015	-	-	3,300,015
Series 2014 Bonds	5.806%	2026	5,550,800	2,263,013	-	597,454	1,665,559
Series 2015 Bonds	5.806%	2025	3,510,000	1,452,640	-	447,112	1,005,528
Series 2021 Bonds	2.0 - 5.0%	2050	15,300,000	15,300,000	-	910,000	14,390,000
Series 2021 Bonds	2.125 - 5.0%	2051	4,900,000	4,900,000	-	300,000	4,600,000
Total			<u>\$52,260,769</u>	<u>\$28,790,627</u>	<u>\$ -</u>	<u>\$ 2,254,566</u>	<u>\$26,536,061</u>

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 5 - LONG-TERM LIABILITIES (Continued)

The following is a schedule of future payments on the General Obligation Bonds.

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 3,118,938	\$ 534,724	\$ 3,653,662
2025	1,200,109	672,338	1,872,447
2026	502,457	1,208,751	1,711,208
2027	271,089	1,580,865	1,851,954
2028	263,480	1,647,399	1,910,879
2029-2033	1,096,776	6,190,451	7,287,227
2034-2038	977,350	5,828,453	6,805,803
2039-2043	6,628,674	6,459,542	13,088,216
2044-2048	8,487,188	7,668,295	16,155,483
2049-2051	3,990,000	112,457	4,102,457
	<u>\$ 26,536,061</u>	<u>\$ 31,903,275</u>	<u>\$ 58,439,336</u>

Schedule of Changes in Long-Term Liabilities: A schedule of changes in long-term liabilities for the fiscal year ended June 30, 2023 is shown below:

	Balance July 1, <u>2022</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2023</u>	Amounts Due Within <u>One Year</u>
<u>Debt:</u>					
General Obligation Bonds	\$ 28,790,627	\$ -	\$ 2,254,566	\$ 26,536,061	\$ 3,118,938
Accreted interest	6,694,006	715,739	-	7,409,745	-
Unamortized premiums	660,771	-	30,889	629,882	30,889
Lease obligations	542,217	-	542,217	-	-
<u>Other long-term liabilities:</u>					
Net OPEB liability (Note 9)	8,849,295	-	1,181,506	7,667,789	-
Net pension liability (Notes 7 and 8)	11,755,000	7,169,000	-	18,924,000	-
Compensated absences	251,187	14,913	-	266,100	266,100
Totals	<u>\$ 57,543,103</u>	<u>\$ 7,899,652</u>	<u>\$ 4,009,178</u>	<u>\$ 61,433,577</u>	<u>\$ 3,415,927</u>

Payments on the General Obligation Bonds are made from the Bond Interest and Redemption Fund. Payments on lease obligations are made from the Capital Facilities Fund. Payments for other postemployment benefits, net pension liability and compensated absences are made from the funds for which the related employee worked.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 6 - FUND BALANCES

Fund balances, by category, at June 30, 2023 consisted of the following:

	<u>General Fund</u>	<u>Building Fund</u>	<u>Bond Interest and Redemption Fund</u>	<u>All Non-Major Funds</u>	<u>Total</u>
<u>Nonspendable:</u>					
Revolving cash	\$ 14,983	\$ -	\$ -	\$ -	\$ 14,983
Stores inventory	-	-	-	20,617	20,617
Subtotal nonspendable	<u>14,983</u>	<u>-</u>	<u>-</u>	<u>20,617</u>	<u>35,600</u>
<u>Restricted:</u>					
Legally restricted:					
Grants	5,791,383	-	-	-	5,791,383
Adult education program	-	-	-	66,110	66,110
Other restricted balances	-	-	-	539,312	539,312
Capital projects	-	16,690,064	-	2,107,236	18,797,300
Debt service	-	-	3,973,130	-	3,973,130
Subtotal restricted	<u>5,791,383</u>	<u>16,690,064</u>	<u>3,973,130</u>	<u>2,712,658</u>	<u>29,167,235</u>
<u>Assigned:</u>					
Other assignments	<u>42,016</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,016</u>
<u>Unassigned:</u>					
Designated for economic uncertainty	1,485,009	-	-	-	1,485,009
Undesignated	<u>7,806,598</u>	<u>-</u>	<u>-</u>	<u>(220)</u>	<u>7,806,378</u>
Subtotal unassigned	<u>9,291,607</u>	<u>-</u>	<u>-</u>	<u>(220)</u>	<u>9,291,387</u>
Total fund balances	<u>\$ 15,139,989</u>	<u>\$ 16,690,064</u>	<u>\$ 3,973,130</u>	<u>\$ 2,733,055</u>	<u>\$ 38,536,238</u>

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN

General Information about the State Teachers' Retirement Plan

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

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

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

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

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

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

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

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

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2023

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

Contributions: Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Current contribution rates were established by California Assembly Bill 1469 (CalSTRS Funding Plan), which was passed into law in June 2014, and various subsequent legislation.

The CalSTRS Funding Plan established a schedule of contribution rate increases shared among members, employers, and the State of California to bring CalSTRS toward full funding by fiscal year 2046. California Senate Bill 90 and California Assembly Bill 84 (collectively the "Special Legislation") were signed into law in June 2019 and June 2020, respectively, and provided supplemental contributions to the DB Program along with supplemental contribution rate relief to employers through fiscal year 2021–22.

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

Members - Under CalSTRS 2% at 60, the member contribution rate was 10.250 percent of applicable member earnings for fiscal year 2021-22. Under CalSTRS 2% at 62, members contribute 50 percent of the normal cost of their retirement plan, which resulted in a contribution rate of 10.205 percent of applicable member earnings for fiscal year 2021-22.

Under CalSTRS 2% at 62, members pay 9% toward the normal cost and an additional 1.205 percent as per the CalSTRS Funding Plan for a total member contribution rate of 10.205 percent. The contribution rate for CalSTRS 2% at 62 members is adjusted if the normal cost increases or decreases by more than 1% since the last time the member contribution rate was set. Based on the June 30, 2021, valuation adopted by the CalSTRS board in May 2022, the increase in normal cost was less than 1 percent. Therefore, the contribution rate for CalSTRS 2% at 62 members did not change effective July 1, 2022.

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

Beginning in fiscal year 2021–22, the CalSTRS Funding Plan authorized the CalSTRS board to adjust the employer supplemental contribution rate up or down by a maximum of 1% for a total rate of no higher than 20.25% and no lower than 8.25%. In May 2022, the CalSTRS board voted to keep the employer supplemental contribution rate at 10.85% for fiscal year 2022–23 for a total employer contribution rate of 19.10%.

The CalSTRS employer contribution rates effective for fiscal year 2022-23 through fiscal year 2046-47 are summarized in the table below:

<u>Effective Date</u>	<u>Base Rate</u>	<u>Supplemental Rate Per CalSTRS Funding Plan</u>	<u>Total</u>
July 1, 2022	8.250%	10.850%	19.100%
July 1, 2023 to June 30, 2046	8.250%	(1)	(1)
July 1, 2046	8.250%	Increase from AB 1469 rate ends in 2046-47	

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

The District contributed \$2,044,072 to the plan for the fiscal year ended June 30, 2023.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2023

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

State – 10.828 percent of the members' calculated based on creditable compensation from two fiscal years prior.

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

Special legislation appropriated supplemental state contributions to reduce the state's portion of the unfunded actuarial obligation of the DB Program in fiscal years 2019-20 through 2021-22. These contributions are funded from future excess General Fund revenues, pursuant to the requirements of California Proposition 2, the "Rainy-Day Budget Stabilization Fund Act," which passed in 2014. Accordingly, the contribution amounts are subject to change each year based on the availability of funding. For fiscal year 2021–22, CalSTRS received \$410.0 million in supplemental state contributions from Proposition 2 funds. Additionally, CalSTRS received a one-time supplemental payment of \$173.7 million from the General Fund in fiscal year 2021–22 to offset forgone contributions due to the suspension of the 0.5% increase to the state supplemental contribution rate in fiscal year 2020–21.

The CalSTRS state contribution rates effective for fiscal year 2022-2023 and beyond are summarized in the table below.

<u>Effective Date</u>	<u>Base Rate</u>	<u>Supplemental Rate Per CalSTRS Funding Plan</u>	<u>SBMA Funding⁽¹⁾</u>	<u>Total</u>
July 01, 2022	2.017%	6.311%	2.50%	10.828%
July 01, 2023 to June 30, 2046	2.017%	(2)	2.50%	(2)
July 01, 2046	2.017%	(3)	2.50%	(3)

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

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2023

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

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

At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	9,117,000
State's proportionate share of the net pension liability associated with the District		<u>5,153,000</u>
Total		<u>\$ 14,270,000</u>

The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school districts and the State. At June 30, 2022 the District's proportion was 0.013 percent, which was unchanged from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$1,041,505 and revenue of \$826,757 for support provided by the State. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 7,000	\$ 684,000
Changes of assumptions	452,000	-
Net differences between projected and actual earnings on investments	-	446,000
Changes in proportion and differences between District contributions and proportionate share of contributions	326,000	1,624,000
Contributions made subsequent to measurement date	<u>2,044,072</u>	<u>-</u>
Total	<u>\$ 2,829,072</u>	<u>\$ 2,754,000</u>

\$2,044,072 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024 .

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2023

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,		
2024	\$	(396,000)
2025	\$	(652,000)
2026	\$	(891,000)
2027	\$	408,000
2028	\$	(385,000)
2029	\$	(53,000)

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 7 years as of the June 30, 2022 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

Actuarial Methods and Assumptions: The total pension liability for the STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2021
Experience Study	July 1, 2015 through June 30, 2018
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2.00% simple for DB, maintain 85% Purchasing power level for DB, not applicable for DBS/CBB

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

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

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2023

NOTE 7 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

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

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

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term* Expected Real Rate of Return</u>
Public Equity	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)

* 20-year geometric average

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

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	<u>\$ 15,484,000</u>	<u>\$ 9,117,000</u>	<u>\$ 3,830,000</u>

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

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B

General Information about the Public Employer’s Retirement Fund B

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

The Plan was established to provide retirement, death and disability benefits to non-teaching and non-certified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at: <https://www.calpers.ca.gov/docs/forms-publications/acfr-2022.pdf>.

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

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

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

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2023 were as follows:

Members - The member contribution rate was 7.0 percent of applicable member earnings for fiscal year 2022-2023.

Employers - The employer contribution rate was 25.37 percent of applicable member earnings.

The District contributed \$1,318,939 to the plan for the fiscal year ended June 30, 2023.

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

At June 30, 2023, the District reported a liability of \$9,807,000 or its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The District’s proportion of the net pension liability was based on the District’s share of contributions to the pension plan relative to the contributions of all participating school districts. At June 30, 2022 the District’s proportion was 0.029 percent, which was an increase of .001 percent from its proportion measured as of June 30, 2021.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2023

NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)

For the year ended June 30, 2023 the District recognized pension expense of \$1,020,374. At June 30, 2023 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 44,000	\$ 244,000
Changes of assumptions	725,000	-
Net differences between projected and actual earnings on investments	1,158,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	99,000	506,000
Contributions made subsequent to measurement date	<u>1,318,939</u>	<u>-</u>
Total	<u>\$ 3,344,939</u>	<u>\$ 750,000</u>

\$1,318,939 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	
2024	\$ 139,833
2025	\$ 145,833
2026	\$ 283,834
2027	\$ 706,500

Differences between expected and actual experience, changes in assumptions and changes in proportion and differences between District contributions and proportionate share of contributions are amortized over a closed period equal to the average remaining service life of plan members, which is 3.9 years as of the June 30, 2022 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2023

NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)

Actuarial Methods and Assumptions: The total pension liability for the Plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2021, and rolling forward the total pension liability to June 30, 2022. The financial reporting actuarial valuation as of June 30, 2021, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2021
Experience Study	June 30, 2000 through June 30, 2019
Actuarial Cost Method	Entry age normal
Investment Rate of Return	6.90%
Consumer Price Inflation	2.30%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies, 2.30% thereafter

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

All other actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from 2000 to 2019, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS’ website.

During the 2021-22 measurement period, the financial reporting discount rate for PERF B was lowered from 7.15 percent to 6.90 percent. In addition, the inflation assumption was reduced from 2.50 percent to 2.30 percent. Lastly, demographic assumptions for mortality rates were updated.

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

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Rates of Return Years 1-10 (1, 2)</u>
Global Equity – cap-weighted	30.00%	4.45%
Global Equity non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	.27%
Mortgage-backed Securities	5.00%	.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

- (1) An expected inflation rate of 2.30% used for this period
 (2) Figures are based on the 2021-22 CalPERS Asset Liability Management Study

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2023

NOTE 8 – NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)

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

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

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

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

	1% Decrease <u>(5.90%)</u>	Current Discount Rate <u>(6.90%)</u>	1% Increase <u>(7.90%)</u>
District’s proportionate share of the net pension liability	<u>\$ 14,167,000</u>	<u>\$ 9,807,000</u>	<u>\$ 6,204,000</u>

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

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General Information about the Other Postemployment Benefits Plan

Plan Description: In addition to the pension benefits described in Notes 8 and 9, the District provides healthcare benefits to eligible employees who retire from the District, as part of a single-employer defined benefit postemployment health care plan (Plan). The Plan is administered by the District and allows employees who retire after having achieved retirement eligibility requirements to continue receiving medical insurance coverage. The District's Board of Education has the authority to establish or amend the benefit terms offered by the Plan, and also retains the authority to establish the requirements for paying for the Plan's benefits as they come due.

The District participates in the California School Boards Association (CSBA) GASB 45 Solutions Program to pre-fund OPEB liabilities. The CSBA GASB 45 Solutions Program is an agent multiple-employer plan consisting of an aggregation of single-employer plans. Public Agency Retirement Services (PARS) was appointed as administrator for the CSBA GASB 45 Solutions Program, and U.S. Bank was appointed as trustee. The CSBA GASB 45 Solutions Program serves as a qualified irrevocable trust for the accumulation of assets of member districts, to ensure that funds are dedicated to service the needs of employees and retirees. The District's contributions to the irrevocable trust established by the CSBA GASB 45 Solutions Program is included in the Public Agencies Post-Employment Benefits Trust financial statements. Copies of the Public Agencies Post-Employment Benefits Trust independent financial statements may be obtained from the Public Agency Retirement Services – 4350 Von Karman Ave – Newport Beach, CA 92660.

Benefits Provided: Retirees who retire from the District having worked a minimum of ten years and reached age 55, receive healthcare benefits up to the age 65. The District will pay up to \$300 per month for the purchase of health insurance, dental insurance and life insurance by the eligible retiree. Retiree benefits are prorated based on the average number of hours the employee worked over the total number of employed years.

Contributions: California Government Code specifies that the District's contribution requirements for covered employees are established and may be amended by the District's Board of Education. Contributions to the Plan are calculated at 1% of monthly payroll, and are contributed on a quarterly basis. An ad-hoc payment may be contributed annually, at the discretion of the Board of Education.

Employees Covered by Benefit Terms: The following is a table of plan participants at June 30, 2023:

	<u>Number of Participants</u>
Inactive Plan members, covered spouses, or beneficiaries currently receiving benefits	79
Active employees	<u>231</u>
	<u>310</u>

Contributions to the Plan from the District were \$296,288 for the year ended June 30, 2023. Employees are not required to contribute to the OPEB plan.

OPEB Plan Investments: The discount rate of 5.60% was determined using PARS Balanced Investment Policy asset allocation.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Net OPEB Liability

The District's total OPEB liability was measured as of June 30, 2022, which was determined by an actuarial valuation as of June 30, 2021.

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

<u>Actuarial Method</u>	Entry Age actuarial cost method.
<u>Discount Rate</u>	5.60%. Based on PARS Balanced Investment Policy.
<u>Long-Term Investment Rate of Return</u>	The long-term rate of return on investments was determined to be 6.85%. This was computed as Balanced Investment Policy.
<u>Mortality Rates</u>	Mortality rates were taken from the most recent experience studies for CalPERS (2017) and CalSTRS (2016).
<u>Turnover/Retirement Rates</u>	Termination and retirement rates were taken from the most recent experience studies for CalPERS (2017) and CalSTRS (2016).
<u>Inflation Rate</u>	2.26% per year
<u>Health Care Increases</u>	Medical insurance premiums are assumed to increase by 6.84% for Pre-65, decreasing to 4.00% by 2069. Trend rates for Post-65 were assumed at 5.15% decreasing to 4.0% by 2069.
<u>Salary Increases</u>	2.75% per year
<u>Coverage Elections</u>	100% of eligible employees are assumed to elect coverage upon retirement, and to remain covered under the District plans until age 65.
<u>Medicare Coverage</u>	All current and future participating retirees and spouses will qualify for Medicare coverage and enroll in Parts A and B upon age 65.
<u>Percent Married</u>	30% of plan participants are assumed to be married.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2023

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2022	\$ 10,034,819	\$ 1,185,524	\$ 8,849,295
Changes for the year:			
Service cost	631,212	-	631,212
Interest	419,287	-	419,287
Employer contributions	-	211,427	(211,427)
Changes in assumptions	(2,435,734)	-	(2,435,734)
Changes in benefit terms	220,092	-	220,092
Differences between expected and actual experience	(16,732)	-	(16,732)
Net investment income	-	(205,319)	205,319
Administrative expense	-	(6,477)	6,477
Benefit payments	(157,465)	(157,465)	-
Net change	(1,339,340)	(157,834)	(1,181,506)
Balance at June 30, 2023	\$ 8,695,479	\$ 1,027,690	\$ 7,667,789

Fiduciary Net Position as a percent of the Total OPEB Liability, at June 30, 2023: 11.82%

Changes in assumptions: Changes in assumptions include the mortality rates to use the 2017 CalPERS OPEB Assumptions Model (for classified employees) and from the 2016 valuation of CalSTRS (for certificated employees). The discount rate was updated from 3.96% to 5.60% in the June 30, 2022 valuation.

There were no changes between the measurement date and the year ended June 30, 2023, which had a significant effect on the District's total OPEB liability.

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 percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
Net OPEB liability	\$ 8,998,091	\$ 7,667,789	\$ 6,488,005

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2023

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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 percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (3.0%)	Healthcare Cost Trend Rates (4.0%)	1% Increase (5.0%)
Net OPEB liability	\$ 6,352,266	\$ 7,667,789	\$ 9,239,481

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2023, the District recognized OPEB expense of \$1,147,131. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 26,029	\$ 1,494,337
Changes in assumptions	2,765,945	2,205,513
Net differences between projected and actual earnings on investments	143,938	-
Contributions after measurement date	296,288	-
Total	<u>\$ 3,232,200</u>	<u>\$ 3,699,850</u>

\$296,288 reported as deferred outflows of resources related to benefits paid subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	
2024	\$ (49,078)
2025	\$ (52,701)
2026	\$ (59,763)
2027	\$ (24,992)
2028	\$ (82,618)
Thereafter	\$ (494,786)

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 10 - JOINT POWERS AGREEMENT

River Delta Unified School District participates in a joint venture under a joint powers agreement with Government Financial Services Joint Powers Authority (GFSJPA). GFSJPA is a newly formed entity and does not yet have any audited financial statements. In addition, River Delta Unified School District participates in a joint venture under a joint powers agreement with Schools Insurance Authority (SIA). The relationship between River Delta Unified School District and the Joint Powers Authority is such that the Joint Powers Authority is not a component unit of the District for financial reporting purposes.

SIA arranges for and provides property, liability, workers' compensation, dental and vision insurance coverage for its members. The JPA's governing board consist of a representative from each member district. The board controls the operations of the JPA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member district is obligated to pay an amount commensurate with the level of coverage requested and may be subject to assessments. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from the prior year.

The following is a summary of condensed financial information of Schools Insurance Authority for the year ended June 30, 2022:

Total assets	\$ 211,771,868
Deferred outflows of resources	\$ 1,751,462
Total liabilities	\$ 86,615,462
Total deferred inflows of resources	\$ 3,674,124
Total net position	\$ 123,233,744
Total revenues	\$ 59,357,945
Total expenses	\$ 66,482,201
Change in net position	\$ (7,124,256)

NOTE 11 - CONTINGENCIES

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

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

NOTE 12 – SUBSEQUENT EVENT

On August 23, 2023, the District issued Election of 2020, Series 2023 General Obligation Bonds of School Facilities Improvement District No. 2 in the amount of \$6,800,000. The proceeds were used to finance specific school facilities projects approved by voters. The Bonds bear interest at a 4.125% - 5.0% rate and are scheduled to mature through August 2052.

REQUIRED SUPPLEMENTARY INFORMATION

RIVER DELTA UNIFIED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2023

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues:				
LCFF:				
State apportionment	\$ 10,489,008	\$ 10,266,110	\$ 10,266,110	\$ -
Local sources	11,122,976	11,965,758	11,965,758	-
Total LCFF	21,611,984	22,231,868	22,231,868	-
Federal sources	4,209,290	3,034,199	3,034,199	-
Other state sources	2,517,494	6,676,659	6,723,864	47,205
Other local sources	1,471,024	1,548,349	1,549,614	1,265
Total revenues	29,809,792	33,491,075	33,539,545	48,470
Expenditures:				
Current:				
Certificated salaries	9,845,120	11,666,491	11,666,491	-
Classified salaries	4,227,658	4,765,405	4,765,405	-
Employee benefits	4,656,622	6,706,230	6,706,230	-
Books and supplies	5,523,941	1,519,373	1,519,373	-
Contract services and operating expenditures	4,350,926	4,430,324	4,430,324	-
Other outgo	1,900	65,044	65,044	-
Capital outlay	78,054	556,835	556,835	-
Total expenditures	28,684,221	29,709,702	29,709,702	-
Excess of revenues over expenditures	1,125,571	3,781,373	3,829,843	48,470
Other financing (uses) sources:				
Transfers in	17,122	-	9,519	9,519
Transfers out	(223,720)	(687,435)	(687,435)	-
Total other financing (uses) sources	(206,598)	(687,435)	(677,916)	9,519
Net change in fund balance	918,973	3,093,938	3,151,927	57,989
Fund balance, July 1, 2022	11,988,062	11,988,062	11,988,062	-
Fund balance, June 30, 2023	\$ 12,907,035	\$ 15,082,000	\$ 15,139,989	\$ 57,989

See accompanying note to required supplementary information.

RIVER DELTA UNIFIED SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN THE DISTRICT'S NET OTHER
 POST-EMPLOYMENT BENEFITS (OPEB) LIABILITY
 For the Year Ended June 30, 2023

	Last 10 Fiscal Years*					
	2018	2019	2020	2021	2022	2023
Total OPEB liability						
Service cost	\$ 246,741	\$ 246,742	\$ 272,033	\$ 285,214	\$ 299,474	\$ 631,212
Interest	405,465	434,186	474,146	460,311	500,732	419,287
Changes in assumptions	-	-	265,140	-	3,191,975	(2,435,734)
Changes in benefit terms	-	-	-	-	-	220,092
Differences between expected and actual experience	(27,572)	46,244	(1,101,429)	(12,684)	(887,507)	(16,732)
Benefit payments	(171,079)	(240,742)	(95,068)	(156,022)	(158,044)	(157,465)
Net change in total OPEB liability	453,555	486,430	(185,178)	576,819	2,946,630	(1,339,340)
Total OPEB liability, beginning of year	5,756,563	6,210,118	6,696,548	6,511,370	7,088,189	10,034,819
Total OPEB liability, end of year (a)	\$ 6,210,118	\$ 6,696,548	\$ 6,511,370	\$ 7,088,189	\$ 10,034,819	\$ 8,695,479
Plan fiduciary net position						
Employer contributions	\$ 224,914	\$ 548,767	\$ 162,644	\$ 230,273	\$ 237,823	\$ 211,427
Net investment income	17,326	24,651	30,871	20,511	236,188	(205,319)
Administrative expense	(1,384)	(1,275)	(1,758)	(2,015)	(2,558)	(6,477)
Benefits payment	(171,079)	(240,742)	(95,068)	(156,022)	(158,044)	(157,465)
Change in plan fiduciary net position	69,777	331,401	96,689	92,747	313,409	(157,834)
Fiduciary trust net position, beginning of year	281,501	351,278	682,679	779,368	872,115	1,185,524
Fiduciary trust net position, end of year (b)	\$ 351,278	\$ 682,679	\$ 779,368	\$ 872,115	\$ 1,185,524	\$ 1,027,690
Net OPEB liability, ending (a) - (b)	\$ 5,858,840	\$ 6,013,869	\$ 5,732,002	\$ 6,216,074	\$ 8,849,295	\$ 7,667,789
Covered employee payroll	\$ 11,107,008	\$ 11,333,682	\$ 13,991,170	\$ 11,970,542	\$ 12,290,696	\$ 12,782,324
Plan fiduciary net position as a percentage of the total OPEB liability	6%	10%	12%	12%	12%	12%
Net OPEB liability as a percentage of covered payroll	53%	53%	48%	51%	72%	60%

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

See accompanying note to required supplementary information.

RIVER DELTA UNIFIED SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - OPEB
 For the Year Ended June 30, 2023

	Last 10 Fiscal Years*					
	<u>2018⁽¹⁾</u>	<u>2019⁽¹⁾</u>	<u>2020⁽²⁾</u>	<u>2021⁽²⁾</u>	<u>2022⁽³⁾</u>	<u>2023⁽⁴⁾</u>
Actuarially determined contribution	\$ 652,050	\$ 687,880	\$ 746,438	\$ 752,809	\$ 821,257	\$ 898,464
Contributions in relation to the actuarially determined contribution	<u>(224,914)</u>	<u>(548,767)</u>	<u>(162,644)</u>	<u>(230,273)</u>	<u>(237,823)</u>	<u>(211,427)</u>
Contribution deficiency (excess)	<u>\$ 427,136</u>	<u>\$ 139,113</u>	<u>\$ 583,794</u>	<u>\$ 522,536</u>	<u>\$ 583,434</u>	<u>\$ 687,037</u>
Covered employee payroll	\$ 11,333,682	\$ 13,991,170	\$ 11,970,542	\$ 12,290,696	\$ 12,782,324	\$ 16,313,260
Contributions as a percentage of covered employee payroll	1.98%	3.92%	1.36%	1.87%	1.86%	1.30%

1. The ADC for the District's fiscal years ended June 30, 2019 and 2018 was determined within the February 1, 2017 valuation using a 6.85% discount rate.
2. The ADC for the District's fiscal years ended June 30, 2021 and 2020 was determined within the June 30, 2019 valuation using a 6.85% discount rate.
3. The ADC for the District's fiscal year ended June 30, 2022 was determined within the June 30, 2021 valuation using a 3.96% discount rate.
4. The ADC for the District's fiscal year ended June 30, 2023 was determined within the June 30, 2022 valuation using a 5.60% discount rate.

* This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.

See accompanying note to required supplementary information.

RIVER DELTA UNIFIED SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE
 SHARE OF THE NET PENSION LIABILITY
 For the Year Ended June 30, 2023

State Teachers' Retirement Plan
 Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
District's proportion of the net pension liability	0.017%	0.017%	0.022%	0.014%	0.015%	0.015%	0.015%	0.013%	0.013%
District's proportionate share of the net pension liability	\$ 9,808,000	\$ 11,485,000	\$ 18,182,000	\$ 13,317,000	\$ 13,739,000	\$ 13,789,000	\$ 14,971,000	\$ 6,056,000	\$ 9,117,000
State's proportionate share of the net pension liability associated with the District	<u>5,923,000</u>	<u>6,074,000</u>	<u>10,351,000</u>	<u>7,878,000</u>	<u>7,866,000</u>	<u>7,523,000</u>	<u>8,182,000</u>	<u>3,603,000</u>	<u>5,153,000</u>
Total net pension liability	<u>\$ 15,731,000</u>	<u>\$ 17,559,000</u>	<u>\$ 28,533,000</u>	<u>\$ 21,195,000</u>	<u>\$ 21,605,000</u>	<u>\$ 21,312,000</u>	<u>\$ 23,153,000</u>	<u>\$ 9,659,000</u>	<u>\$ 14,270,000</u>
District's covered payroll	\$ 7,476,000	\$ 7,918,000	\$ 11,203,000	\$ 7,632,000	\$ 8,101,000	\$ 8,367,000	\$ 8,303,000	\$ 7,424,000	\$ 7,794,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	131.19%	145.05%	162.30%	174.49%	169.60%	164.80%	180.31%	81.57%	116.97%
Plan fiduciary net position as a percentage of the total pension liability	76.52%	74.02%	70.00%	69.46%	70.99%	72.56%	71.82%	87.21%	81.20%

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

All years prior to 2015 are not available.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE
 SHARE OF THE NET PENSION LIABILITY
 For the Year Ended June 30, 2023

	Public Employer's Retirement Fund B Last 10 Fiscal Years									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	
District's proportion of the net pension liability	0.034%	0.033%	0.034%	0.033%	0.033%	0.032%	0.031%	0.028%	0.029%	
District's proportionate share of the net pension liability	\$ 3,806,000	\$ 4,863,000	\$ 6,637,000	\$ 7,773,000	\$ 8,844,000	\$ 9,378,000	\$ 9,538,000	\$ 5,699,000	\$ 9,807,000	
District's covered payroll	\$ 3,519,000	\$ 3,652,000	\$ 4,032,000	\$ 4,151,000	\$ 4,372,000	\$ 4,467,000	\$ 4,482,000	\$ 4,044,000	\$ 4,650,000	
District's proportionate share of the net pension liability as a percentage of its covered payroll	108.16%	133.16%	164.61%	187.26%	202.29%	209.94%	212.81%	140.92%	210.90%	
Plan fiduciary net position as a percentage of the total pension liability	83.38%	79.43%	73.89%	71.87%	70.85%	70.05%	70.00%	80.97%	69.76%	

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

All years prior to 2015 are not available.

See accompanying note to required supplementary information.

RIVER DELTA UNIFIED SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - PENSIONS
 For the Year Ended June 30, 2023

State Teachers' Retirement Plan
 Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Contractually required contribution	\$ 703,134	\$ 1,202,094	\$ 960,073	\$ 1,169,005	\$ 1,362,119	\$ 1,505,264	\$ 1,417,992	\$ 1,488,748	\$ 2,044,072
Contributions in relation to the contractually required contribution	<u>(703,134)</u>	<u>(1,202,094)</u>	<u>(960,073)</u>	<u>(1,169,005)</u>	<u>(1,362,119)</u>	<u>(1,505,264)</u>	<u>(1,417,992)</u>	<u>(1,488,748)</u>	<u>(2,044,072)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 7,918,000	\$ 11,203,000	\$ 7,632,000	\$ 8,101,000	\$ 8,367,000	\$ 8,303,000	\$ 7,424,000	\$ 7,794,000	\$ 10,702,000
Contributions as a percentage of covered payroll	8.88%	10.73%	12.58%	14.43%	16.28%	17.10% *	19.10% **	19.62% ***	19.10%

* This rate reflects the original employer contribution rate of 18.13 percent under AB1469, reduced for the 1.03 percentage points to be paid on behalf of employers pursuant to SB 90.

** This rate reflects the original employer contribution rate of 19.10 percent under AB1469, reduced for the 2.95 percentage points to be paid on behalf of employers pursuant to SB 90.

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

All years prior to 2015 are not available.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - PENSIONS
 For the Year Ended June 30, 2023

		<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Public Employer's Retirement Fund B Last 10 Fiscal Years										
Contractually required contribution	\$	429,930	\$ 477,630	\$ 576,600	\$ 679,010	\$ 806,909	\$ 883,814	\$ 837,107	\$ 1,065,374	\$ 1,318,939
		(429,930)	(477,630)	(576,600)	(679,010)	(806,909)	(883,814)	(837,107)	(1,065,374)	(1,318,939)
Contributions in relation to the contractually required contribution	\$	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$	3,652,000	\$ 4,032,000	\$ 4,151,000	\$ 4,372,000	\$ 4,467,000	\$ 4,482,000	\$ 4,044,000	\$ 4,650,000	\$ 5,199,000
Districts covered payroll		11.77%	11.85%	13.89%	15.53%	18.06%	19.72%	20.70%	22.91%	25.37%
Contributions as a percentage of covered payroll										

All years prior to 2015 are not available.

See accompanying note to required supplementary information.

RIVER DELTA UNIFIED SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2023

NOTE 1 - PURPOSE OF SCHEDULES

Budgetary Comparison Schedule - The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Education to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

Schedule of Changes in The District's Net Other Postemployment Benefits (OPEB) Liability: The Schedule of Changes in Net OPEB Liability presents multi-year information which illustrates the changes in the net OPEB liability for each year presented.

Schedule of the District's Contributions – OPEB: The Schedule of District Contributions - OPEB is presented to illustrate the District's required contributions relating to the District's OPEB plan. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of the District's Proportionate Share of the Net Pension Liability: The Schedule of the District's Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District's Net Pension Liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

Schedule of the District's Contributions – Pensions: The Schedule of District Contributions - Pensions is presented to illustrate the District's required contributions relating to the pensions. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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

Changes of Assumptions: Changes in assumptions include the mortality rates to use the 2017 CalPERS OPEB Assumptions Model (for classified employees) and from the 2016 valuation of CalSTRS (for certificated employees). The discount rate used for the OPEB liability were 6.85%, 3.96%, and 5.60% at the June 30, 2020, 2021 and 2022 measurement dates.

The discount rates used for the Public Employer's Retirement Fund B (PERF B) plan were 7.50, 7.65, 7.65, 7.15, 7.15, 7.15, 7.15, 7.15 and 6.90 percent in the June 30, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 actuarial reports, respectively.

The inflation rates used for the PERF B plan were 2.50, 2.50, 2.50, 2.50, 2.50, 2.50, 2.50, 2.50, and 2.30 percent in the June 30, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 actuarial reports, respectively.

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

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

SUPPLEMENTARY INFORMATION

RIVER DELTA UNIFIED SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 ALL NON-MAJOR FUNDS
 June 30, 2023

	Adult Education Fund	Child Develop- ment Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Capital Projects Fund	Total
ASSETS							
Cash in investments:							
Cash in County Treasury	\$ 82,795	\$ 56,133	\$ 244,724	\$ 1,150,089	\$ 3,446	\$ 917,970	\$ 2,455,157
Cash in banks	-	-	725	-	-	-	725
Receivables	2,215	1,329	331,011	23,294	77	15,416	373,342
Stores inventory	-	-	20,617	-	-	-	20,617
Total assets	<u>\$ 85,010</u>	<u>\$ 57,462</u>	<u>\$ 597,077</u>	<u>\$ 1,173,383</u>	<u>\$ 3,523</u>	<u>\$ 933,386</u>	<u>\$ 2,849,841</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 13,418	\$ 3,968	\$ 37,148	\$ -	\$ -	\$ 3,056	\$ 57,590
Due to other funds	5,482	4,037	-	-	-	-	9,519
Unearned revenue	-	49,677	-	-	-	-	49,677
Total liabilities	<u>18,900</u>	<u>57,682</u>	<u>37,148</u>	<u>-</u>	<u>-</u>	<u>3,056</u>	<u>116,786</u>
Fund balances:							
Nonspendable	-	-	20,617	-	-	-	20,617
Restricted	66,110	-	539,312	1,173,383	3,523	930,330	2,712,658
Unrestricted	-	(220)	-	-	-	-	(220)
Total fund balances	<u>66,110</u>	<u>(220)</u>	<u>559,929</u>	<u>1,173,383</u>	<u>3,523</u>	<u>930,330</u>	<u>2,733,055</u>
Total liabilities and fund balances	<u>\$ 85,010</u>	<u>\$ 57,462</u>	<u>\$ 597,077</u>	<u>\$ 1,173,383</u>	<u>\$ 3,523</u>	<u>\$ 933,386</u>	<u>\$ 2,849,841</u>

See accompanying notes to supplementary information.

RIVER DELTA UNIFIED SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
 ALL NON-MAJOR FUNDS
 For the Year Ended June 30, 2023

	Adult Education Fund	Child Develop- ment Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Capital Projects Fund	Total
Revenues:							
Federal sources	\$ -	\$ -	\$ 1,009,512	\$ -	\$ -	\$ -	\$ 1,009,512
Other state sources	105,801	301,714	477,223	-	-	-	884,738
Other local sources	3,127	2,343	5,534	154,743	125	377,605	543,477
Total revenues	<u>108,928</u>	<u>304,057</u>	<u>1,492,269</u>	<u>154,743</u>	<u>125</u>	<u>377,605</u>	<u>2,437,727</u>
Expenditures:							
Current:							
Certificated salaries	25,048	6,982	-	-	-	-	32,030
Classified salaries	21,722	193,728	393,895	-	-	-	609,345
Employee benefits	16,514	94,340	169,527	-	-	-	280,381
Books and supplies	27,162	5,857	21,913	-	-	-	54,932
Contract services and operating expenditures	34,812	96	678,190	65,846	-	8,861	787,805
Debt service:							
Principal retirement	-	-	-	542,217	-	-	542,217
Interest	-	-	-	32,209	-	-	32,209
Total expenditures	<u>125,258</u>	<u>301,003</u>	<u>1,263,525</u>	<u>640,272</u>	<u>-</u>	<u>8,861</u>	<u>2,338,919</u>
(Deficiency) excess of revenues (under) over expenditures	<u>(16,330)</u>	<u>3,054</u>	<u>228,744</u>	<u>(485,529)</u>	<u>125</u>	<u>368,744</u>	<u>98,808</u>
Other financing (uses) sources:							
Transfers in	-	-	-	544,460	-	142,975	687,435
Transfers out	(5,482)	(4,037)	-	-	-	-	(9,519)
Total other financing (uses) sources	<u>(5,482)</u>	<u>(4,037)</u>	<u>-</u>	<u>544,460</u>	<u>-</u>	<u>142,975</u>	<u>677,916</u>
Net change in fund balances	<u>(21,812)</u>	<u>(983)</u>	<u>228,744</u>	<u>58,931</u>	<u>125</u>	<u>511,719</u>	<u>776,724</u>
Fund balances, July 1, 2022	<u>87,922</u>	<u>763</u>	<u>331,185</u>	<u>1,114,452</u>	<u>3,398</u>	<u>418,611</u>	<u>1,956,331</u>
Fund balances, June 30, 2023	<u>\$ 66,110</u>	<u>\$ (220)</u>	<u>\$ 559,929</u>	<u>\$ 1,173,383</u>	<u>\$ 3,523</u>	<u>\$ 930,330</u>	<u>\$ 2,733,055</u>

See accompanying notes to supplementary information.

RIVER DELTA UNIFIED SCHOOL DISTRICT
ORGANIZATION
June 30, 2023

River Delta Unified School District was established on July 1, 1967 and is comprised of an area of approximately 500 square miles in Yolo, Sacramento and Solano Counties. There were no changes in the boundaries of the District during the year. The District currently operates five elementary schools (D.H. White Elementary, Isleton Elementary, Walnut Grove Elementary, Bates Elementary, and Delta Elementary Charter Schools), two middle schools (Riverview Middle and Clarksburg Middle Schools), two high schools (Rio Vista High and Delta High Schools), one continuation high school (Mokelumne High School), one adult school (Wind River School), one independent study school (River Delta High/Elementary School) and one community day school (River Delta-Community Day School).

GOVERNING BOARD

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Marcial Lamera	President	December 2026
Jennifer Stone	Vice President	December 2026
Randal Jelly	Clerk	December 2024
Dan Mahoney	Member	December 2026
Rafaela Casillas	Member	December 2026
Marilyn Riley	Member	December 2024
Wanda Apel	Member	December 2024

ADMINISTRATION

Katherine Wright
Superintendent

Jennifer Gaston
Executive Assistant to the Superintendent
and Board of trustees

Tammy Busch
Assistant Superintendent of Business Services

Ken Gaston
Director of Maintenance Operations and Transportation

Nancy Vielhauer
Assistant Superintendent of Educational Services

Codi Agan
Director of Personnel

See accompanying notes to supplementary information.

RIVER DELTA UNIFIED SCHOOL DISTRICT
 SCHEDULE OF AVERAGE DAILY ATTENDANCE
 June 30, 2023

	<u>Second Period Report</u>	<u>Annual Report</u>
Certificate #:	<u>C14201</u>	<u>771B5BD3</u>
Elementary:		
Transitional Kindergarten through Third	431	437
Fourth through Six	309	312
Seventh through Eighth	278	276
Special Education	1	2
Total Elementary	1,019	1,027
Secondary:		
Ninth through Twelfth	585	581
Special Education	3	2
Total Secondary	588	583
Total ADA	1,607	1,610

See accompanying notes to supplementary information.

RIVER DELTA UNIFIED SCHOOL DISTRICT
 SCHEDULE OF INSTRUCTIONAL TIME
 For the Year Ended June 30, 2023

<u>Grade Level</u>	<u>Statutory Minutes Requirement</u>	<u>2022-2023 Actual Minutes Offered*</u>	<u>Credited Minutes Per Approved Forms J-13A*</u>	<u>2022-2023 Total Reported Minutes</u>	<u>2022-2023 Actual Days Offered*</u>	<u>Credited Days Per Approved Forms J-13A*</u>	<u>Number of Days Traditional Calendar</u>	<u>Status</u>
Kindergarten	36,000	53,515	650	54,165	178	2	180	In compliance
Grade 1	50,400	53,515	650	54,165	178	2	180	In compliance
Grade 2	50,400	53,515	650	54,165	178	2	180	In compliance
Grade 3	50,400	53,515	650	54,165	178	2	180	In compliance
Grade 4	54,000	53,515	650	54,165	178	2	180	In compliance
Grade 5	54,000	53,515	650	54,165	178	2	180	In compliance
Grade 6	54,000	53,515	650	54,165	178	2	180	In compliance
Grade 7	54,000	58,291	828	59,119	177	3	180	In compliance
Grade 8	54,000	58,291	828	59,119	177	3	180	In compliance
Grade 9	64,800	64,350	640	64,990	177	3	180	In compliance
Grade 10	64,800	64,350	640	64,990	177	3	180	In compliance
Grade 11	64,800	64,350	640	64,990	177	3	180	In compliance
Grade 12	64,800	64,350	640	64,990	177	3	180	In compliance

* The District closed all school sites for two days during the 2022-2023 school year (January 9-10, 2023) in response to weather-related issues. The District received credit for both days of school closures, and related minutes, through an approved Form J-13A waiver. The District received approval for its Form J-13A waiver on December 1, 2023. In addition, the District closed two school sites on March 22, 2023 due to a power grid issue which caused an outage effecting both locations. The District received credit for both day of school closure, and related minutes, through an approved Form J-13A waiver. The District received approval for the second Form J-13A waiver on February 19, 2024.

See accompanying notes to supplementary information.

RIVER DELTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Assistance Listing (AL) Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass- Through Entity Identifying Number	Federal Expend- itures
<u>U.S. Department of Education - Passed through California</u>			
<u>Department of Education</u>			
Special Education Cluster:			
84.027	Special Ed: IDEA Basic Local Assistance, Pt. B, Sec. 611	13379	\$ 326,920
84.173	Special Ed: IDEA Preschool Grants, Pt. B, Sec 619	13430	5,050
84.027A	Special Ed: IDEA Mental Health Allocation Plan, Pt. B, Sec. 611	15197	26,383
84.027	COVID-19: Special Ed: ARP IDEA Pt. B, Sec. 611, Local Assistance	15638	59,587
84.173	COVID-19: Special Ed: ARP IDEA Pt. B, Sec. 619, Preschool Grants	15639	<u>2,369</u>
Subtotal Special Education Cluster			<u>420,309</u>
COVID-19: Education Stabilization Fund (ESF) Programs:			
84.425	COVID-19: Elementary and Secondary School Emergency Relief II (ESSER II) Fund	15547	1,169,252
84.425	COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund	15559	38,162
84.425U	COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	10155	195,546
84.425D	COVID-19: Expanded Learning Opportunities (ELO) Grant: ESSER II State Reserve	15618	207,529
84.425C	COVID-19: Expanded Learning Opportunities Grant: Governor's Emergency Education Relief II (GEER II)	15619	47,630
84.425U	COVID-19: Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve Learning Loss	15621	4,600
84.425	COVID-19: ASES Rate Increase: ESSER III State Reserve Summer Learning Programs	15652	120,119
84.425	COVID-19: American Rescue Plan - Homeless Children and Youth II (ARP HCY II)	15566	<u>3,147</u>
Subtotal COVID-19: ESF Programs			<u>1,785,985</u>
84.010	ESEA: Title I Part A, Basic Grants Low-Income and Neglected	14329	651,037
84.365	ESEA: Title III, English Learner Student Program	14346	51,153
84.367	ESEA: Title II, Part A, Supporting Effective Instruction	14341	74,619
84.369	ESSA, Title V, Flexibility and Accountability	14501	<u>3,063</u>
Total U.S. Department of Education			<u>2,986,166</u>

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2023

<u>Assistance Listing (AL) Number</u>	<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture - Passed through California</u>			
<u>Department of Education</u>			
Child Nutrition Cluster:			
10.553	Child Nutrition: School Programs (e.g., School Lunch, School Breakfast, Milk, Pregnant & Lactating Students)	13390	\$ 811,201
10.555	Child Nutrition: Supply Chain Assistance (SCA) Funds	15655	<u>48,032</u>
	Subtotal Child Nutrition Cluster		<u>859,233</u>
10.558	Child Nutrition - Child Care Food Program (CCFP)	13393	<u>198,312</u>
	Total U.S. Department of Agriculture		<u>1,057,545</u>
	Total Federal Programs		<u>\$ 4,043,711</u>

See accompanying notes to supplementary information.

RIVER DELTA UNIFIED SCHOOL DISTRICT
RECONCILIATION OF UNAUDITED ACTUAL FINANCIAL REPORT
WITH AUDITED FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

	Building Fund
Unaudited actual financial statements ending fund balances June 30, 2023	\$ 19,062,471
Audit adjustment to reverse amounts recorded as debt issuance instead of a transfer from Cash with Fiscal Agent to Cash in County Treasury.	(1,650,000)
Audit adjustment to recognize accounts payable for payments made after year end for services performed through June 30, 2023.	<u>(722,407)</u>
Audited ending fund balances, June 30, 2023	<u>\$ 16,690,064</u>

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

See accompanying notes to supplementary information.

RIVER DELTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
For the Year Ended June 30, 2023
(UNAUDITED)

	(Budget) <u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>General Fund</u>				
Revenues and other financing sources	\$ 32,965,560	\$ 33,549,064	\$ 28,224,227	\$ 25,671,837
Expenditures	36,992,102	29,709,702	24,424,714	23,878,068
Other uses and transfers out	-	687,435	211,675	203,157
Total outgo	<u>36,992,102</u>	<u>30,397,137</u>	<u>24,636,389</u>	<u>24,081,225</u>
Change in fund balance	<u>\$ (4,026,542)</u>	<u>\$ 3,151,927</u>	<u>\$ 3,587,838</u>	<u>\$ 1,590,612</u>
Ending fund balance	<u>\$ 11,113,447</u>	<u>\$ 15,139,989</u>	<u>\$ 11,988,062</u>	<u>\$ 8,400,224</u>
Available reserves	<u>\$ 10,033,689</u>	<u>\$ 9,291,607</u>	<u>\$ 9,567,157</u>	<u>\$ 6,668,270</u>
Designated for economic uncertainties	<u>\$ 1,848,749</u>	<u>\$ 1,485,009</u>	<u>\$ 1,220,599</u>	<u>\$ -</u>
Undesignated fund balance	<u>\$ 8,184,940</u>	<u>\$ 7,806,598</u>	<u>\$ 8,346,558</u>	<u>\$ 6,668,270</u>
Available reserves as percentages of total outgo	<u>27.1%</u>	<u>30.6%</u>	<u>38.8%</u>	<u>27.7%</u>
<u>All Funds</u>				
Total long-term liabilities	<u>\$ 58,017,650</u>	<u>\$ 61,433,577</u>	<u>\$ 57,543,103</u>	<u>\$ 68,139,619</u>
Average daily attendance at P-2	<u>1,603</u>	<u>1,607</u>	<u>1,649</u>	<u>1,856</u>

The fund balance of the General Fund has increased by \$8,330,377 over the past three years. The fiscal year 2023-2024 budget projects a decrease of \$4,026,542. For a district this size, the State of California recommends available reserves of at least 3 percent of total general fund expenditures, transfers out and other uses (total outgo). The District met this requirement.

The District has incurred operating surpluses in each of the past three years, and anticipates an operating deficit during the fiscal year 2023-2024.

Total long-term liabilities have decreased by \$6,706,042 over the past two years.

Average daily attendance has decreased by 249 over the past two years. A decrease of 104 ADA is anticipated during fiscal year 2023-2024.

See accompanying notes to supplementary information.

RIVER DELTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
For the Year Ended June 30, 2023

Charter Schools Chartered by District

0853 – Delta Elementary Charter School

Included in District
Financial Statements, or
Separate Report

Separate Report

See accompanying notes to supplementary information.

RIVER DELTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF FIRST 5 REVENUES AND EXPENDITURES
For the Year Ended June 30, 2023

	Academic and Support <u>Services</u>
Revenues:	
Other Local sources	\$ <u>143,708</u>
Expenditures:	
Certificated salaries	12,405
Classified salaries	75,863
Employee benefits	44,371
Books and supplies	343
Contract services and operating expenditure	4,353
Indirect costs	<u>6,373</u>
Total expenditures	<u>143,708</u>
Deficiency of revenues under expenditures	<u>\$ -</u>

See accompanying notes to supplementary information.

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2023

NOTE 1 - PURPOSE OF SCHEDULES

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

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

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

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

Schedule of Financial Trends and Analysis – Unaudited: This schedule provides trend information on the District's financial condition over the past three years and its anticipated condition for the 2023-2024 fiscal year, as required by the State Controller's Office.

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

Schedule of First 5 Revenues and Expenditures: This schedule provides information about the First 5 Sacramento County Program.

NOTE 2 - EARLY RETIREMENT INCENTIVE PROGRAM

Education Code Section 14502 requires certain disclosure in the financial statements of districts which adopt Early Retirement Incentive Programs pursuant to Education Code Sections 22714 and 44929. For the fiscal year ended June 30, 2023, the District did not adopt such a program.

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Education
River Delta Unified School District
Rio Vista, California

Report on Compliance***Opinion on State Compliance***

We have audited River Delta Unified School District's (the District) compliance with the requirements specified in the State of California *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the District's state program requirements identified below for the year ended June 30, 2023.

In our opinion, the District complied, in all material respects, with the compliance requirements that are applicable to the laws and regulations of the state programs noted in the table below for the year ended June 30, 2023.

Basis for Opinion on State Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards and the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

(Continued)

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District’s compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District’s compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the District’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District’s compliance with the state laws and regulations applicable to the following items:

<u>2022-23 K-12 Audit Guide Procedures</u>	<u>Procedures Performed</u>
<i>Local Education Agencies Other than Charter Schools:</i>	
A. Attendance	Yes
B. Teacher Certification and Misassignments	Yes
C. Kindergarten Continuance	Yes
D. Independent Study	Yes
E. Continuation Education	N/A, see below
F. Instructional Time	Yes
G. Instructional Materials	Yes
H. Ratio of Administrative Employees to Teachers	Yes
I. Classroom Teacher Salaries	Yes
J. Early Retirement Incentive	N/A, see below
K. Gann Limit Calculation	Yes
L. School Accountability Report Card	Yes
M. Juvenile Court Schools	N/A, see below
N. Middle or Early College High Schools	N/A, see below
O. K-3 Grade Span Adjustment	Yes
P. Transportation Maintenance of Effort	Yes
Q. Apprenticeship: Related and Supplemental Instruction	N/A, see below
R. Comprehensive School Safety Plan	Yes
S. District of Choice	N/A, see below
TT. Home to School Transportation Reimbursement	Yes
UU. Independent Study Certification for ADA Loss Mitigation	N/A, see below

(Continued)

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

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

Charter Schools:

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

We did not perform any procedures related to Continuation Education programs, because the District's reported ADA for Continuation Education was below the level that requires testing in the current audit year.

We did not perform any procedures related to Early Retirement Incentive Programs in the current year because the District did not offer this program in the current audit year.

We did not perform any procedures related to Juvenile Court Schools because the District does not offer this program.

We did not perform any procedures related to Middle or Early College High Schools because the District does not have any Middle or Early College High Schools in the current audit year.

We did not perform any procedures related to Apprenticeship - Related and Supplemental Instruction because the District did not report attendance hours for applicable Apprenticeship courses in the current audit year.

We did not perform any procedures related to District of Choice because the District did not operate as a District of Choice in the current audit year.

The District did not file a certification for ADA Loss Mitigation with the State; therefore, they did not receive an ADA Adjustment and are not subject to the audit requirement.

We did not perform any procedures related to California Clean Energy Jobs Act because there were no clean energy jobs act expenditures incurred or projects completed in the current audit year.

We did not perform any procedures related to Independent Study-Course based because the District did not report ADA generated from Independent Study - Course Based in the current audit year.

The District's schools submitted timely immunization assessment reports to the California Department of Public Health in the current audit year; therefore, we did not perform any procedures related to Immunizations program.

We did not perform any procedures related to Charter schools because the District did not include any charter schools in this report, specifically we did not perform procedures for section AA, BB, CC, DD, EE and FF.

(Continued)

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance regarding After/Before School Education and Safety and School Accountability Report Card, which are described in the accompanying Schedule of Findings and Questioned Costs as Findings 2023-002 and 2023-003.

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

Report on Internal Control over Compliance

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

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

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

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 *2022-2023 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.


Crowe LLP

Sacramento, California
March 13, 2024

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

Board of Education
River Delta Unified School District
Rio Vista, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of River Delta Unified School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise River Delta Unified School District's basic financial statements, and have issued our report thereon dated March 13, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered River Delta 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 River Delta Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of River Delta Unified School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify one deficiency in internal control, as described in the accompanying Schedule of Findings and Questioned Costs as Finding 2023-001 that we consider to be a material weakness.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether River Delta 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*.

River Delta Unified School District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on River Delta Unified School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. River Delta School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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


Crowe LLP

Sacramento, California
March 13, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH THE FIRST 5 SACRAMENTO COUNTY PROGRAM

Board of Education
River Delta Unified School District
Rio Vista, California

Report on Compliance on First 5 Sacramento County Program***Opinion on Compliance on First 5 Sacramento County Program***

We have audited River Delta Unified School District's compliance with the types of compliance requirements described in the Program Guidelines for the First 5 Sacramento County Program that could have a direct and material effect on the First 5 Sacramento County Program for the year ended June 30, 2023.

In our opinion, River Delta Unified School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its First 5 Sacramento County Program for the year ended June 30, 2023.

Basis for Opinion on Compliance with First 5 Sacramento County Program

Our responsibility is to express an opinion on compliance on River Delta Unified School District's First 5 Sacramento County Program based on our audit 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the Program Guidelines for the First 5 Sacramento County Program. Those standards 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 First 5 Sacramento County Program occurred. An audit includes examining, on a test basis, evidence about River Delta Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Responsibilities of Management for Compliance

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

(Continued)

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

(Continued)

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

Purpose of this Report

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

Crowe LLP
Crowe LLP

Sacramento, California
March 13, 2024

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

Board of Education
River Delta Unified School District
Rio Vista, California

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited River Delta Unified School District's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on River Delta Unified School District's major federal program for the year ended June 30, 2023. River Delta Unified School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, River Delta Unified School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations *Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

(Continued)

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

(Continued)

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

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

Crowe LLP
Crowe LLP

Sacramento, California
March 13, 2024

FINDINGS AND RECOMMENDATIONS

RIVER DELTA UNIFIED SCHOOL DISTRICT
 SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2023

SECTION I – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

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

Internal control over major programs:

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

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

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

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

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425, 84.425C, 84.425D, 84.425U	COVID-19: ESF Programs

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

STATE AWARDS

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

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

SECTION II - FINANCIAL STATEMENT FINDINGS

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

Criteria: Management is responsible for the preparation and fair presentation of the District's financial statements, as well as the design, implementation and maintenance of relevant internal controls to ensure the financial statements are free from material misstatement, whether due to fraud or error.

Condition: The following items were noted as deficiencies in internal control over financial reporting which were collectively determined to be a material weakness:

- In the District's Building Fund, amounts transferred from Cash With Fiscal Agent to Cash in County Treasury totaling \$1,650,000 were recorded as proceeds from issuance of debt and increase in Cash in County Treasury. The incorrect entry resulted in an overstatement of revenue and Cash in County Treasury within the Building Fund. A material adjustment was necessary to accurately reflect the cash balance for Cash in County Treasury, Cash With Fiscal Agent and Other financing sources of the Building Fund.
- Testing of accounts payable in the District's Building Fund identified that some invoices received after fiscal year-end, for services performed during fiscal year 2023, were not accrued as accounts payable as of June 30, 2023. The extrapolated effect of invoices which should have been accrued totaled \$722,407. A material adjustment was necessary to accrue these items in accounts payable as of June 30, 2023.

Effect: Adjusting journal entries were necessary to report the financial position of the District in accordance with Generally Accepted Accounting Principles, and in accordance with the California School Accounting Manual.

Cause: The District's internal controls over financial reporting did not function at a sufficient level of precision to identify the misstatement during the review process.

Recommendation: Management should implement or update internal control procedures related to draw-downs from Cash with Fiscal Agent for the utilization of its previously issued bond proceeds. In addition, management should implement or update internal control procedures related to its financial close process for accrual of accounts payable.

Views of Responsible Officials and Planned Corrective Actions: The Assistant Superintendent of Business Services will make the appropriate cash transfer entries as part of financial close process for the annual unaudited actuals reporting. The appropriate cash transfers will be accurately accounted moving forward, with the District's fiscal agent.

In addition, the District's Accounts Payable staff have subsequently been trained that all liabilities need to be accrued as of the date that services are provided or upon transfer of ownership of purchased items.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

SECTION IV – STATE AWARD FINDINGS AND QUESTIONED COSTS

2023-002 - DEFICIENCY – AFTER/BEFORE SCHOOL EDUCATION AND SAFETY PROGRAM (40000)

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

Condition: At one school site selected for attendance testing of the after school program, supporting documentation did not agree to the attendance report for dates tested. A total overstatement of 46 students were noted for the after school program on 3 dates tested at the selected school site.

Context: We performed the audit procedures enumerated in the State of California *2022-23 Guide Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect: The District did not comply with the After/Before School Education and Safety Program requirements for the year ended June 30, 2023.

Cause: The error was the result of a clerical error in accounting for student attendance.

Recommendation: The District should enforce controls to ensure accurate accounting for attendance of students participating in After/Before School Education and Safety Program.

Views of Responsible Officials and Planned Corrective Action: Management concurs with the finding, and will continue to provide training to staff who are responsible for attendance reporting at the school sites.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

SECTION IV – STATE AWARD FINDINGS AND QUESTIONED COSTS

2023-003 - DEFICIENCY - SCHOOL ACCOUNTABILITY REPORT CARD (72000)

Criteria: Education Code Section 33126(b)(8) requires that the school accountability report card shall include, but is not limited to, assessment of the following school conditions: (8) Safety, cleanliness, and adequacy of school facilities, including any needed maintenance to ensure good repair as specified in Section 17014, Section 17032.5, subdivision (a) of Section 17070.75, and subdivision (b) of Section 17089.

Condition: At one school site selected for testing, teacher assignments and/or vacancy attributes as identified on the site's school accountability report card were not consistent with the supporting documentation provided by management.

Context: We performed the audit procedures enumerated in the State of California *2022-23 Guide Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect: The District is not in compliance with Education Code 33126(b)(8).

Cause: The inconsistencies were the result of clerical errors in the preparation of the school accountability report card.

Recommendation: Management should update or implement internal control procedures to ensure that all sites' school accountability report cards are completed appropriately and agree to the supporting information for each relevant reporting area as required by Education Code 33126(b)(8).

Views of Responsible Officials and Planned Corrective Actions: Management concurs with the finding, and will work to ensure that the school accountability report cards are completed appropriately for future fiscal periods.

**STATUS OF PRIOR YEAR
FINDINGS AND RECOMMENDATIONS**

RIVER DELTA UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

2022-001 STATE COMPLIANCE - ATTENDANCE REPORTING (10000)

Condition: At Clarksburg Middle School one student was improperly claimed for apportionment for a total overstatement of one date of attendance or 0.01 ADA.

Recommendation: The District should enforce established internal controls over attendance accounting and reporting, to ensure accurate accounting for attendance.

Current Status: Implemented.

District Explanation if Not Implemented: Not applicable.

2022-002 STATE COMPLIANCE – CAREER TECHNICAL EDUCATION INCENTIVE GRANT (40000)

Condition: The District was unable to provide evidence that the required two dollars for every one dollar match requirement was correctly established in the District's budget. The District's required match amount was \$335,838, however the District's budget identified the budgeted match of \$110,338, therefore the District's budgeted match was deficient by \$225,500.

Recommendation: We recommend the District's budget reflect the required District match amount for the CTEIG program of two dollars for every one dollar provide by the CTEIG grant.

Current Status: Implemented.

District Explanation if Not Implemented: Not applicable.

2022-003 – STATE COMPLIANCE – INDEPENDENT STUDY (40000)

Condition: The District was unable to provide completed signed independent study agreements and/or other relevant required information for a total of six students claimed for independent study attendance.

Recommendation: The District should enforce controls to ensure signed independent study agreements and required work samples are maintained for all students claimed for ADA in the independent study program.

Current Status: Implemented.

District Explanation if Not Implemented: Not applicable.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

2022-004 STATE COMPLIANCE – EXPANDED LEARNING OPPORTUNITIES GRANT (ELOG) (40000)

Condition: The District adopted the ELOG plan at the May 26, 2021 board meeting however did not submit to the County Office of Education.

Recommendation: The District should ensure the plan is submitted to the County Office of Education within 5 days of adoption.

Current Status: Implemented.

District Explanation if Not Implemented: Not applicable.