

RIVER DELTA UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENTS
June 30, 2022

RIVER DELTA UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION	10
STATEMENT OF ACTIVITIES	11
FUND FINANCIAL STATEMENTS:	
BALANCE SHEET - GOVERNMENTAL FUNDS	12
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION.....	13
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS.....	14
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS - TO THE STATEMENT OF ACTIVITIES	15
NOTES TO FINANCIAL STATEMENTS	16
REQUIRED SUPPLEMENTARY INFORMATION:	
GENERAL FUND BUDGETARY COMPARISON SCHEDULE	45
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY	46
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - OPEB.....	47
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY.....	48
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - PENSIONS	50
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION	52

RIVER DELTA UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022
(Continued)

CONTENTS

SUPPLEMENTARY INFORMATION:

COMBINING BALANCE SHEET - ALL NON-MAJOR FUNDS	53
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - ALL NON-MAJOR FUNDS.	54
ORGANIZATION	55
SCHEDULE OF AVERAGE DAILY ATTENDANCE.....	56
SCHEDULE OF INSTRUCTIONAL TIME	57
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS.....	58
RECONCILIATION OF UNAUDITED ACTUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS.....	59
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS - UNAUDITED.....	60
SCHEDULE OF CHARTER SCHOOLS.....	61
SCHEDULE OF FIRST 5 REVENUES AND EXPENSES.....	62
NOTES TO SUPPLEMENTARY INFORMATION.....	63
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS.....	64
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 <i>GOVERNMENT AUDITING STANDARDS</i>	68
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE FIRST 5 SACRAMENTO COUNTY PROGRAM	70
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY UNIFORM GUIDANCE	72

FINDINGS AND RECOMMENDATIONS:

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS.....	75
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS.....	82

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, 2022, 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, 2022, 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, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 45 to 51 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 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 financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2023 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
February 28, 2023

**Management's Discussion and Analysis
(MD&A)
River Delta Unified School District
2021-2022**

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, 2022. 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 plus deferred outflows of resources less liabilities and deferred inflows of resources, 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 \$33.3 million, with \$28.2 million from the General Fund. Property taxes and state formula aid accounted for 75.6% of the District's General Fund revenue, another 18.5% came from state and federal aid for specific programs, with the remainder from fees charged for services and miscellaneous sources.

Expenditures totaled \$28.2 million, with \$24.4 million from the General Fund. The District's expenses are predominantly related to educating and caring for students, with 81.6% 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	2020-21	2021-22
Current and Other Assets	\$ 33,173,850	\$ 38,654,699
Capital Assets	24,316,824	22,045,662
Total Assets	57,490,674	60,700,361
Deferred outflows related to pensions and OPEB	5,937,710	7,396,406
Deferred outflows from advance refunding of debt	129,378	101,708
Total Deferred Outflows	6,067,088	7,498,114
Long-Term Liabilities Outstanding	68,139,619	57,543,103
Other Liabilities	2,153,968	2,741,769
Total Liabilities	70,293,587	60,284,872
Deferred inflows related to pensions and OPEB	2,288,681	12,209,387
Total Deferred Inflows	2,288,681	12,209,387
Net Position:		
Net Investment in Capital Assets	13,391,858	11,739,562
Restricted	4,260,692	6,989,766
Unrestricted	(26,677,056)	(23,025,112)
Total Net Position	\$ (9,024,506)	\$ (4,295,784)

Net Position: The District's Total Net Position for the year ending June 30, 2022 is \$ (4,295,784).

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

	2020-21	2021-22
Program Revenues:		
Charges for services	141,048	196,221
Operating and Capital Grants	7,248,188	7,408,321
General Revenues:		
Property Taxes	13,840,656	16,271,371
Federal and State Aid	6,727,535	8,696,190
Other	624,836	356,898
Total Revenues	25,582,241	32,929,001
Program Expenses		
Instruction	16,847,106	14,789,650
Instruction-Related Services	3,219,735	2,972,901
Pupil Services	4,075,817	3,690,769
General Administration	1,490,231	1,555,936
Plant and Ancillary Services	3,319,879	3,570,258
Interest	805,590	1,511,982
Other	736,063	108,783
Total Expenses	30,498,421	28,200,279
Change in Net Position	(1,916,158)	4,728,722
Net Position – Beginning	(7,272,821)	(9,024,506)
Cumulative effect of GASB 84	164,473	-
Net Position – Beginning (restated)	(7,108,348)	(9,024,506)
Net Position – Ending	(9,024,506)	(4,295,784)

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 2021-22 year, its funds reported a *combined* fund balance of \$36.2 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, 2021 was prepared prior to the State of California adopting a final State budget.

Following the adoption of the State budget and after the 2020-21 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 \$11.9 million. Of this amount, \$8.3 million is unassigned and \$1.3 million 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 2021-22, the District had a total value of \$72,119,617 in capital assets, including land, buildings, building improvements and equipment. Total accumulated depreciation amounted to \$50,073,955.
- **Long-term Debt.** The District ended the year with a total of \$57,543,103 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 \$28,790,627 and the combined net pension and net OPEB liabilities are \$8,849,295, 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 2020-21 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, 2022

	<u>Governmental Activities</u>
ASSETS	
Cash and investments (Note 2)	\$ 35,976,752
Receivables	2,652,330
Stores inventory	25,617
Non-depreciable capital assets (Note 4)	447,832
Depreciable capital assets, net of accumulated depreciation (Note 4)	<u>21,597,830</u>
Total assets	<u>60,700,361</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflow of resources - pensions (Notes 7 and 8)	4,044,122
Deferred outflow of resources - OPEB (Note 9)	3,352,284
Deferred outflow from advance refunding of debt	<u>101,708</u>
Total deferred outflows of resources	<u>7,498,114</u>
LIABILITIES	
Accounts payable	1,301,656
Unearned revenue	1,440,113
Long-term liabilities (Note 5):	
Due within one year	2,707,750
Due after one year	<u>54,835,353</u>
Total liabilities	<u>60,284,872</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pensions (Notes 7 and 8)	10,443,000
Deferred inflows of resources - OPEB (Note 9)	<u>1,766,387</u>
Total deferred inflows of resources	<u>12,209,387</u>
NET POSITION	
Net investment in capital assets	11,739,562
Restricted:	
Legally restricted programs	2,785,040
Capital projects	1,536,461
Debt service	2,668,265
Unrestricted	<u>(23,025,112)</u>
Total net position	<u>\$ (4,295,784)</u>

See accompanying notes to financial statements.

RIVER DELTA UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

		Program Revenues			Net (Expense) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 14,789,650	\$ 47,275	\$ 4,206,596	\$ 10	\$ (10,535,769)
Instruction-related services:					
Supervision of instruction	550,654	8,322	237,713	-	(304,619)
Instructional library, media and technology	197,421	7,777	30,157	-	(159,487)
School site administration	2,224,826	-	157,403	-	(2,067,423)
Pupil services:					
Home-to-school transportation	792,512	-	48,896	-	(743,616)
Food services	1,032,067	(9,130)	1,387,606	-	346,409
All other pupil services	1,866,190	25,807	775,300	-	(1,065,083)
General administration	1,555,936	5,192	108,165	-	(1,442,579)
Data processing	32,104	-	-	-	(32,104)
Plant services	3,445,072	77,786	341,375	-	(3,025,911)
Ancillary services	125,186	403	5,508	-	(119,275)
Interest on long-term debt	1,511,982	-	-	-	(1,511,982)
Other outgo	76,679	32,789	109,592	-	65,702
	<u>\$ 28,200,279</u>	<u>\$ 196,221</u>	<u>\$ 7,408,311</u>	<u>\$ 10</u>	<u>(20,595,737)</u>
Total governmental activities					
General revenues:					
Taxes and subventions:					
Taxes levied for general purposes					13,113,444
Taxes levied for debt service					2,809,293
Taxes levied for other specific purposes					348,634
Federal and state aid not restricted to specific purposes					8,696,190
Interest and investment earnings					31,986
Interagency revenues					43,239
Miscellaneous					281,673
Total general revenues					<u>25,324,459</u>
Change in net position					<u>4,728,722</u>
Net position, July 1, 2021					<u>(9,024,506)</u>
Net position, June 30, 2022					<u>\$ (4,295,784)</u>

See accompanying notes to financial statements.

RIVER DELTA UNIFIED SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	<u>General Fund</u>	<u>Building Fund</u>	<u>All Non-Major Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments:				
Cash in County Treasury	\$ 11,857,169	\$ -	\$ 4,288,866	\$ 16,146,035
Cash in banks	209,226	-	725	209,951
Cash in revolving fund	14,983	-	-	14,983
Cash with Fiscal Agent	-	19,605,783	-	19,605,783
Receivables	2,464,433	224	187,673	2,652,330
Due from other funds	15,053	-	211,675	226,728
Stores inventory	-	-	25,617	25,617
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 14,560,864</u>	<u>\$ 19,606,007</u>	<u>\$ 4,714,556</u>	<u>\$ 38,881,427</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 962,774	\$ 20,200	\$ 33,147	\$ 1,016,121
Due to other funds	211,675	-	15,053	226,728
Unearned revenue	1,398,353	-	41,760	1,440,113
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>2,572,802</u>	<u>20,200</u>	<u>89,960</u>	<u>2,682,962</u>
Fund balances:				
Nonspendable	14,983	-	25,617	40,600
Restricted	2,365,170	19,585,807	4,598,979	26,549,956
Assigned	40,752	-	-	40,752
Unassigned	9,567,157	-	-	9,567,157
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>11,988,062</u>	<u>19,585,807</u>	<u>4,624,596</u>	<u>36,198,465</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 14,560,864</u>	<u>\$ 19,606,007</u>	<u>\$ 4,714,556</u>	<u>\$ 38,881,427</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, 2022

Total fund balances - Governmental Funds		\$ 36,198,465
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 \$72,119,617 and the accumulated depreciation is \$50,073,955 (Note 4).		22,045,662
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, 2022 consisted of (Note 5):		
General Obligation Bonds	\$ (28,790,627)	
Accreted interest	(6,694,006)	
Unamortized premiums	(660,771)	
Lease obligations	(542,217)	
Other postemployment benefits (Note 9)	(8,849,295)	
Net pension liability (Notes 7 and 8)	(11,755,000)	
Compensated absences	<u>(251,187)</u>	
		(57,543,103)
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.		101,708
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	4,044,122	
Deferred inflows of resources relating to pensions	<u>(10,443,000)</u>	
		(6,398,878)
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	3,352,284	
Deferred inflows of resources relating to OPEB	<u>(1,766,387)</u>	
		1,585,897
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.		<u>(285,535)</u>
Total net position - governmental activities		<u>\$ (4,295,784)</u>

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, 2022

	General Fund	Building Fund	All Non-Major Funds	Total Governmental Funds
Revenues:				
Local Control Funding Formula (LCFF):				
State apportionment	\$ 10,190,341	\$ -	\$ -	\$ 10,190,341
Local sources	<u>11,144,810</u>	<u>-</u>	<u>-</u>	<u>11,144,810</u>
Total LCFF	<u>21,335,151</u>	<u>-</u>	<u>-</u>	<u>21,335,151</u>
Federal sources	1,460,317	-	1,258,215	2,718,532
Other state sources	3,744,862	-	433,436	4,178,298
Other local sources	<u>1,671,171</u>	<u>29,476</u>	<u>3,363,463</u>	<u>5,064,110</u>
Total revenues	<u>28,211,501</u>	<u>29,476</u>	<u>5,055,114</u>	<u>33,296,091</u>
Expenditures:				
Current:				
Certificated salaries	9,864,790	-	37,404	9,902,194
Classified salaries	4,493,566	-	549,040	5,042,606
Employee benefits	5,562,319	-	241,790	5,804,109
Books and supplies	973,098	-	(24,260)	948,838
Contract services and operating expenditures	3,298,496	464,203	674,687	4,437,386
Other outgo	70,919	-	-	70,919
Capital outlay	161,526	71,145	-	232,671
Debt service:				
Principal retirement	-	-	1,135,170	1,135,170
Interest	<u>-</u>	<u>-</u>	<u>599,938</u>	<u>599,938</u>
Total expenditures	<u>24,424,714</u>	<u>535,348</u>	<u>3,213,769</u>	<u>28,173,831</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,786,787</u>	<u>(505,872)</u>	<u>1,841,345</u>	<u>5,122,260</u>
Other financing (uses) sources:				
Transfers in	12,726	-	211,675	224,401
Transfers out	<u>(211,675)</u>	<u>-</u>	<u>(12,726)</u>	<u>(224,401)</u>
Total other financing (uses) sources	<u>(198,949)</u>	<u>-</u>	<u>198,949</u>	<u>-</u>
Net change in fund balances	3,587,838	(505,872)	2,040,294	5,122,260
Fund balances, July 1, 2021	<u>8,400,224</u>	<u>20,091,679</u>	<u>2,584,302</u>	<u>31,076,205</u>
Fund balances, June 30, 2022	<u>\$ 11,988,062</u>	<u>\$ 19,585,807</u>	<u>\$ 4,624,596</u>	<u>\$ 36,198,465</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, 2022

Net change in fund balances - Total Governmental Funds	\$ 5,122,260
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).	183,049
Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4).	(2,454,211)
Repayment of principal on long-term debt is an expenditure in the governmental funds, but decreases the long-term liabilities in the statement of net position (Note 5).	1,135,170
Accreted interest on capital appreciation bonds is an expense that is not recorded in governmental funds (Note 5).	(672,399)
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, the premium is amortized as interest over the life of the related debt (Note 5).	17,238
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 were (Notes 5 and 9).	(635,254)
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).	(4,272)
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).	2,294,023
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.	(229,212)
Change in net position of governmental activities	<u>\$ 4,728,722</u>

See accompanying notes to financial statements.

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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, 2022

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.

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.

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

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, 2022

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	\$ 2,808,748	\$ 1,235,374	\$ 4,044,122
Deferred inflows of resources	<u>\$ 7,396,000</u>	<u>\$ 3,047,000</u>	<u>\$ 10,443,000</u>
Net pension liability	<u>\$ 6,056,000</u>	<u>\$ 5,699,000</u>	<u>\$ 11,755,000</u>
Pension expense	<u>\$ 591,122</u>	<u>\$ 290,107</u>	<u>\$ 881,229</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, 2022

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, 2022.

Stores Inventory: Stores inventory in the Cafeteria Fund 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 \$251,187 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, 2022

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, 2022, 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, 2022 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, 2022

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, 2022, the District has not established a minimum fund balance policy nor has it established a stabilization arrangement.

New Accounting Pronouncements: In June 2017, the GASB issued GASB Statement No. 87, *Leases*. GASB 87 requires the recognition of certain assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this statement a lease is required to be recognized as a lease liability and an intangible right to use lease asset and the lessor is required to recognize a lease receivable and deferred inflow of resources. This statement was originally effective for fiscal years beginning after December 15, 2019, but due to the adoption of GASB 95, the implementation date was extended to reporting periods beginning after June 15, 2021. District management performed an analysis and determined that the implementation of GASB 87 did not have a material impact on the District's financial statements and there was no restatement to beginning net position.

NOTE 2 - CASH AND INVESTMENTS

Cash and investments at June 30, 2022 consisted of the following:

	Governmental <u>Activities</u>
Pooled Funds:	
Cash in County Treasury	\$16,146,035
Deposits:	
Cash on hand and in banks	209,951
Revolving cash fund	14,983
Cash with Fiscal Agent	<u>19,605,783</u>
	<u>\$ 35,976,752</u>

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 2 - CASH AND INVESTMENTS (Continued)

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, 2022, the carrying amount of the District's accounts was \$224,934 and the bank balance was \$247,706, 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, 2022, 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, 2022, the District had no concentration of credit risk.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2022

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, 2022 were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
General	\$ 15,053	\$ 211,675
Non-Major Funds:		
Adult Education	-	5,254
Child Development		9,799
Capital Facilities	<u>211,675</u>	<u>-</u>
	<u>\$ 226,728</u>	<u>\$ 226,728</u>

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

Transfers for the 2021-2022 fiscal year were as follows:

Transfer from the General Fund to the Capital Facilities Fund for Shea Homes Loan.	\$ 211,675
Transfer from the Adult Education Fund to the General Fund for indirect costs.	2,927
Transfer from the Child Development Fund to the General Fund for indirect costs.	<u>9,799</u>
	<u>\$ 224,401</u>

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 4 - CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2022 is shown below:

	Balance July 1, <u>2021</u>	Additions and <u>Transfers</u>	Deductions and <u>Transfers</u>	Balance June 30, <u>2022</u>
Non-depreciable:				
Land	\$ 447,832	\$ -	\$ -	\$ 447,832
Depreciable:				
Buildings	59,169,581	70,703	-	59,240,284
Improvement of sites	7,767,865	14,452	-	7,782,317
Equipment	<u>4,551,290</u>	<u>97,894</u>	-	<u>4,649,184</u>
Totals, at cost	<u>71,936,568</u>	<u>183,049</u>	-	<u>72,119,617</u>
Less accumulated depreciation:				
Buildings	(39,098,463)	(1,857,478)	-	(40,955,941)
Improvement of sites	(5,390,141)	(361,939)	-	(5,752,080)
Equipment	<u>(3,131,140)</u>	<u>(234,794)</u>	-	<u>(3,365,934)</u>
Total accumulated depreciation	<u>(47,619,744)</u>	<u>(2,454,211)</u>	-	<u>(50,073,955)</u>
Capital assets, net	<u>\$ 24,316,824</u>	<u>\$ (2,271,162)</u>	<u>\$ -</u>	<u>\$ 22,045,662</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 1,724,736
School site administration	572,418
Home-to-school transportation	86,699
Food services	7,176
General administration	45,464
Centralized data processing	427
Plant services	<u>17,291</u>
Total depreciation expense	<u>\$ 2,454,211</u>

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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 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 an interest rate of 5.806% 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, 2022 is as follows:

<u>Series</u>	<u>Interest Rate</u>	<u>Maturity Fiscal Year</u>	<u>Amount of Original Issue</u>	<u>Outstanding July 1, 2021</u>	<u>Issued Current Year</u>	<u>Redeemed Current Year</u>	<u>Outstanding June 30, 2022</u>
Series 2005 Bonds	4.50%-4.375%	2029	\$ 8,249,979	\$ 949,965	\$ -	\$ -	\$ 949,965
Series 2005 Bonds	4.50%-4.375%	2030	3,999,987	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	2,824,567	-	561,554	2,263,013
Series 2015 Bonds	5.806%	2025	3,510,000	1,864,109	-	411,469	1,452,640
Series 2021 Bonds	2.0 - 5.0%	2050	15,300,000	15,300,000	-	-	15,300,000
Series 2021 Bonds	2.125 - 5.0%	2051	4,900,000	4,900,000	-	-	4,900,000
Total			<u>\$ 44,810,781</u>	<u>\$ 29,763,650</u>	<u>\$ -</u>	<u>\$ 973,023</u>	<u>\$ 28,790,627</u>

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 5 - LONG-TERM LIABILITIES (Continued)

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

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,254,566	\$ 645,281	\$ 2,899,847
2024	3,118,938	534,724	3,653,662
2025	1,200,109	672,338	1,872,447
2026	502,457	1,208,751	1,711,209
2027	271,089	1,580,865	1,851,954
2028-2032	1,153,453	6,788,542	7,941,995
2033-2037	995,863	5,630,456	6,626,319
2038-2042	5,303,836	6,381,486	11,685,322
2043-2047	8,004,566	6,868,530	14,873,096
2048-2051	<u>5,985,749</u>	<u>2,237,585</u>	<u>8,223,334</u>
	<u>\$ 28,790,627</u>	<u>\$ 32,548,556</u>	<u>\$ 61,339,182</u>

Lease Obligations: The District leases buildings, vehicles and equipment under various lease agreements. The annual requirement to amortize the lease obligations at June 30, 2022 were as follows:

Year Ending <u>June 30,</u>	<u>Payments</u>
2023	\$ 201,074
2024	<u>402,150</u>
	603,224
Less amount representing interest	<u>(61,007)</u>
	<u>\$ 542,217</u>

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 5 - LONG-TERM LIABILITIES (Continued)

Schedule of Changes in Long-Term Liabilities: A schedule of changes in long-term liabilities for the fiscal year ended June 30, 2022 is shown below:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30,</u> <u>2022</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<u>Debt:</u>					
General Obligation Bonds	\$29,763,650	\$ -	\$ 973,023	\$28,790,627	\$ 2,254,566
Accreted interest	6,021,607	672,399	-	6,694,006	-
Unamortized premiums	678,009	-	17,238	660,771	30,889
Lease obligations	704,364	-	162,147	542,217	171,108
<u>Other long-term liabilities:</u>					
Net OPEB liability (Note 9)	6,216,074	2,633,221	-	8,849,295	-
Net pension liability (Notes 7 and 8)	24,509,000	-	12,754,000	11,755,000	-
Compensated absences	246,915	4,272	-	251,187	251,187
Totals	<u>\$68,139,619</u>	<u>\$ 3,309,892</u>	<u>\$13,906,408</u>	<u>\$57,543,103</u>	<u>\$ 2,707,750</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, 2022

NOTE 6 - FUND BALANCES

Fund balances, by category, at June 30, 2022 consisted of the following:

	<u>General Fund</u>	<u>Building Fund</u>	<u>All Non-Major Funds</u>	<u>Total</u>
<u>Nonspendable:</u>				
Revolving cash	\$ 14,983	\$ -	\$ -	\$ 14,983
Stores inventory	-	-	25,617	25,617
	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal nonspendable	14,983	-	25,617	40,600
<u>Restricted:</u>				
<u>Legally restricted:</u>				
Grants	2,365,170	-	-	2,365,170
Adult education program	-	-	87,922	87,922
Child development	-	-	763	763
Other restricted balances	-	-	305,568	305,568
Capital projects	-	19,585,807	1,536,461	21,122,268
Debt service	-	-	2,668,265	2,668,265
	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal restricted	2,365,170	19,585,807	4,598,979	26,549,956
<u>Assigned:</u>				
Other assignments	40,752	-	-	40,752
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Unassigned:</u>				
Designated for economic uncertainty	1,220,599	-	-	1,220,599
Undesignated	8,346,558	-	-	8,346,558
	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal unassigned	9,567,157	-	-	9,567,157
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	\$ 11,988,062	\$ 19,585,807	\$ 4,624,596	\$ 36,198,465

(Continued)

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)

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 2020-2021. 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 2020-2021.

According to current law, the contribution rate for CalSTRS 2% at 62 members is adjusted if the normal cost increases or decreases by more than 1percent since the last timethe member contribution rate was set. Based on the June 30, 2019, valuation adopted by the board in May 2020, the increase in normal cost was less than 1percent. Therefore, the contribution rate for CalSTRS 2% at 62 members did not change effective July 1, 2020.

Employers – 16.920 percent of applicable member earnings. This rate reflects the original employer contribution rate of 19.10 percent resulting from the CalSTRS Funding Plan, and subsequently reduced for the 2.18 percent, to be paid on behalf of employers pursuant to the Special Legislation.

Beginning in fiscal year 2021–22, the CalSTRS Funding Plan authorizes the 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 June 2021, the CalSTRS board voted to keep the employer supplemental contribution rate the same for fiscal year 2021–22; it remained at 10.85% effective July 1, 2021.

Through the Special Legislation approved in June 2019 and June 2020, the State made supplemental contributions of approximately \$2.2 billion to CalSTRS on behalf of employers to supplant the amounts submitted by employers for fiscal years 2019–20 through 2021–22. Specifically, employers will remit 1.03%, 2.95% and 2.18% less than is required by the CalSTRS Funding Plan for fiscal years 2019–20, 2020–21 and 2021–22, respectively.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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

The CalSTRS employer contribution rates effective for fiscal year 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>Rate Adjustment Per Special Legislation</u>	<u>Total</u>
July 1, 2021	8.250%	10.850%	(2.180%)	16.920%
July 1, 2022 to June 30, 2046	8.250%	(1)	N/A	(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 \$1,488,748 to the plan for the fiscal year ended June 30, 2022.

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 June 2021, the board approved an increase of 0.5% for fiscal year 2021–22, which will increase the state supplemental contribution rate to 6.311% effective July 1, 2021.

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 2022-23. These contributions are funded from future excess General Fund revenues, pursuant to the requirements of California Proposition 2, 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 2020–21, CalSTRS received \$297.0 million in supplemental state contributions from Proposition 2 funds. Of this total, approximately \$170.0 million is designated to cover forgone contributions due to the suspension of the 0.5% increase to the state supplemental contribution rate in fiscal year 2020–21. The remaining \$127.0 million is designated to reduce the state's share of CalSTRS' unfunded actuarial obligation.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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

The CalSTRS state contribution rates effective for fiscal year 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, 2021	2.017%	6.311%	2.50%	10.828%
July 01, 2022 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 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.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - At June 30, 2022, 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	\$ 6,056,000
State's proportionate share of the net pension liability associated with the District	<u>3,603,000</u>
Total	<u><u>\$ 9,659,000</u></u>

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, 2020. 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, 2021, the District's proportion was 0.013 percent, which was a decrease of 0.002 percent from its proportion measured as of June 30, 2020.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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

For the year ended June 30, 2022, the District recognized pension expense of \$591,122 and revenue of \$974,130 for support provided by the State. At June 30, 2022, 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	\$ 15,000	\$ 644,000
Changes of assumptions	858,000	-
Net differences between projected and actual earnings on investments	-	4,790,000
Changes in proportion and differences between District contributions and proportionate share of contributions	447,000	1,962,000
Contributions made subsequent to measurement date	<u>1,488,748</u>	<u>-</u>
Total	<u>\$ 2,808,748</u>	<u>\$ 7,396,000</u>

\$1,488,748 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, 2023 . 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>	
2023	\$ (1,295,917)
2024	\$ (1,123,917)
2025	\$ (1,386,417)
2026	\$ (1,628,083)
2027	\$ (309,333)
2028	\$ (332,333)

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, 2021 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, 2022

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

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, 2020, and rolling forward the total pension liability to June 30, 2021. The financial reporting actuarial valuation as of June 30, 2020, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2020
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-2016) table, issued by the Society of Actuaries.

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

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2022

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

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 Assets	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 <u>(6.10%)</u>	Current Discount Rate <u>(7.10%)</u>	1% Increase <u>(8.10%)</u>
District's proportionate share of the net pension liability	\$ <u>12,327,000</u>	\$ <u>6,056,000</u>	\$ <u>850,000</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.

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.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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

The Plan was established to provide retirement, death and disability benefits to non-teaching and noncertified 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-2021.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, 2022 were as follows:

Members - The member contribution rate was 7.0 percent of applicable member earnings for fiscal year 2021-22.

Employers - The employer contribution rate was 22.91 percent of applicable member earnings.

The District contributed \$1,065,374 to the plan for the fiscal year ended June 30, 2022.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At June 30, 2022, the District reported a liability of \$5,699,000 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, 2020. 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, 2021 the District’s proportion was 0.028 percent, which was a decrease of 0.003 percent from its proportion measured as of June 30, 2020.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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

For the year ended June 30, 2022 the District recognized pension expense of \$290,107. At June 30, 2022 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	\$ 170,000	\$ 13,000
Changes of assumptions	-	-
Net differences between projected and actual earnings on investments	-	2,187,000
Changes in proportion and differences between District contributions and proportionate share of contributions	-	847,000
Contributions made subsequent to measurement date	<u>1,065,374</u>	<u>-</u>
Total	<u>\$ 1,235,374</u>	<u>\$ 3,047,000</u>

\$1,065,374 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, 2023. 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>	
2023	\$ (757,167)
2024	\$ (764,167)
2025	\$ (747,666)
2026	\$ (608,000)

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 4 years as of the June 30, 2021 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 Plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2020, and rolling forward the total pension liability to June 30, 2021. The financial reporting actuarial valuation as of June 30, 2020, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2020
Experience Study	June 30, 1997 through June 30, 2015
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.15%
Consumer Price Inflation	2.50%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.50% thereafter

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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

The mortality table used was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90% of Scale MP2016. For more details on this table, please refer to the 2017 experience study report.

All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS’ website.

The table below reflects long-term expected real 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>Long-term* Assumed Asset Allocation</u>	<u>Expected Real Rate of Return Years of 1 - 10 (1)</u>	<u>Expected Real Rate of Return Years of 11+ (2)</u>
Global Equity	50%	4.80%	5.98%
Fixed Income	28	1.00	2.62
Inflation of Assets	-	0.77	1.81
Private Equity	8	6.30	7.23
Real Estate Assets	13	3.75	4.93
Liquidity	1	-	(0.92)

* 10-year geometric average

(1) An expected inflation rate of 2.00% used for this period

(2) An expected inflation rate of 2.92% used for this period.

Discount Rate: The discount rate used to measure the total pension liability was 7.15 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 both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for all the funds’ asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11+ years) using a building-block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long- term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2022

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

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 7.15 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 (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	1% Decrease <u>(6.15%)</u>	Current Discount Rate <u>(7.15%)</u>	1% Increase <u>(8.15%)</u>
District’s proportionate share of the net pension liability	<u>\$ 9,609,000</u>	<u>\$ 5,699,000</u>	<u>\$ 2,452,000</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.

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.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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, 2022:

	<u>Number of Participants</u>
Inactive Plan members, covered spouses, or beneficiaries currently receiving benefits	61
Active employees	<u>231</u>
	<u><u>292</u></u>

Contributions to the Plan from the District were \$232,625 for the year ended June 30, 2022. Employees are not required to contribute to the OPEB plan.

OPEB Plan Investments: The discount rate of 3.96% was determined using PARS Balanced Investment Policy asset allocation.

Net OPEB Liability

The District's total OPEB liability was measured as of June 30, 2021, 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>	3.96%. 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 3.96%. 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

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

<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.

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, 2021	\$ 7,088,189	\$ 872,115	\$ 6,216,074
Changes for the year:			
Service cost	299,474	-	299,474
Interest	500,732	-	500,732
Employer contributions	-	237,823	(237,823)
Changes in assumptions	3,191,975	-	3,191,975
Differences between expected and actual experience	(887,507)	-	(887,507)
Net investment income	-	236,188	(236,188)
Administrative expense	-	(2,558)	2,558
Benefit payments	(158,044)	(158,044)	-
Net change	<u>2,946,630</u>	<u>313,409</u>	<u>2,633,221</u>
Balance at June 30, 2022	<u>\$ 10,034,819</u>	<u>\$ 1,185,524</u>	<u>\$ 8,849,295</u>

Fiduciary Net Position as a percent of the Total OPEB Liability, at June 30, 2022: 11.81%

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 6.85% to 3.96% in the June 30, 2021 valuation.

There were no changes between the measurement date and the year ended June 30, 2022, which had a significant effect on the District's total OPEB liability.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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 <u>(2.96%)</u>	Current Discount Rate <u>(3.96%)</u>	1% Increase <u>(4.96%)</u>
Net OPEB liability	\$ 10,697,704	\$ 8,849,295	\$ 7,383,462

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 <u>(3.0%)</u>	Healthcare Cost Trend Rates <u>(4.0%)</u>	1% Increase <u>(5.0%)</u>
Net OPEB liability	\$ 7,157,872	\$ 8,849,295	\$ 11,098,181

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$868,214. At June 30, 2022, 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	\$ 30,072	\$ 1,657,687
Changes in assumptions	3,089,587	-
Net differences between projected and actual earnings on investments	-	108,700
Contributions after measurement date	<u>232,625</u>	<u>-</u>
Total	<u>\$ 3,352,284</u>	<u>\$ 1,766,387</u>

\$232,625 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, 2022.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

\$232,625 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, 2023. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,		
2023	\$	127,047
2024	\$	125,099
2025	\$	121,476
2026	\$	114,414
2027	\$	149,184
Thereafter	\$	716,052

NOTE 10 - JOINT POWERS AGREEMENT

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	\$ 75,280,339
Total expenses	\$ 82,404,595
Change in net position	\$ (7,124,256)

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

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.

REQUIRED SUPPLEMENTARY INFORMATION

RIVER DELTA UNIFIED SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2022

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues:				
LCFF:				
State apportionment	\$ 9,485,680	\$ 10,190,341	\$ 10,190,341	\$ -
Local sources	<u>10,848,564</u>	<u>11,144,810</u>	<u>11,144,810</u>	<u>-</u>
Total LCFF	<u>20,334,244</u>	<u>21,335,151</u>	<u>21,335,151</u>	<u>-</u>
Federal sources	2,441,720	1,460,317	1,460,317	-
Other state sources	3,108,034	3,744,862	3,744,862	-
Other local sources	<u>2,888,666</u>	<u>1,671,171</u>	<u>1,671,171</u>	<u>-</u>
Total revenues	<u>28,772,664</u>	<u>28,211,501</u>	<u>28,211,501</u>	<u>-</u>
Expenditures:				
Current:				
Certificated salaries	9,742,601	9,864,790	9,864,790	-
Classified salaries	3,884,358	4,493,566	4,493,566	-
Employee benefits	6,007,755	5,562,319	5,562,319	-
Books and supplies	2,028,555	973,098	973,098	-
Contract services and operating expenditures	4,451,319	3,298,496	3,298,496	-
Other outgo	70,000	70,919	70,919	-
Capital outlay	<u>1,378,882</u>	<u>161,526</u>	<u>161,526</u>	<u>-</u>
Total expenditures	<u>27,563,470</u>	<u>24,424,714</u>	<u>24,424,714</u>	<u>-</u>
Excess of revenues over expenditures	<u>1,209,194</u>	<u>3,786,787</u>	<u>3,786,787</u>	<u>-</u>
Other financing (uses) sources:				
Transfers in	12,940	12,726	12,726	-
Transfers out	<u>(300,576)</u>	<u>(211,675)</u>	<u>(211,675)</u>	<u>-</u>
Total other financing (uses) sources	<u>(287,636)</u>	<u>(198,949)</u>	<u>(198,949)</u>	<u>-</u>
Net change in fund balance	921,558	3,587,838	3,587,838	-
Fund balance, July 1, 2021	<u>8,400,224</u>	<u>8,400,224</u>	<u>8,400,224</u>	<u>-</u>
Fund balance, June 30, 2022	<u>\$ 9,321,782</u>	<u>\$ 11,988,062</u>	<u>\$ 11,988,062</u>	<u>\$ -</u>

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, 2022

Last 10 Fiscal Years*

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

* 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, 2022

Other Post-employment Benefits
 Last 10 Fiscal Years

	<u>2018*</u>	<u>2019*</u>	<u>2020**</u>	<u>2021**</u>	<u>2022***</u>
Actuarially determined contribution	\$ 652,050	\$ 687,880	\$ 746,438	\$ 752,809	\$ 821,257
Contributions in relation to the actuarially determined contribution	<u>(548,767)</u>	<u>(162,644)</u>	<u>(230,273)</u>	<u>(237,823)</u>	<u>(232,265)</u>
Contribution deficiency (excess)	<u>\$ 103,283</u>	<u>\$ 525,236</u>	<u>\$ 583,794</u>	<u>\$ 522,536</u>	<u>\$ 588,992</u>
Covered employee payroll	\$11,333,682	\$13,991,170	\$11,970,542	\$12,290,696	\$12,782,324
Contributions as a percentage of covered employee payroll	1.98%	1.16%	1.36%	1.87%	1.82%

*The ADC for the District's fiscal years ended June 30, 2019 and 2018 was determined as part of the February 1, 2017 valuation using a 6.85% discount rate.

**The ADC for the District's fiscal years ended June 30, 2021 and 2020 was determined by the June 30, 2019 valuation using a 6.85% discount rate.

***The ADC for the District's fiscal years ended June 30, 2022 was determined by the June 30, 2021 valuation using a 3.96% 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, 2022

	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>
District's proportion of the net pension liability	0.017%	0.017%	0.022%	0.014%	0.015%	0.015%	0.015%	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
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>
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>
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
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%
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%

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, 2022

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>
District's proportion of the net pension liability	0.034%	0.033%	0.034%	0.033%	0.033%	0.032%	0.031%	0.028%
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
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
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%
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%

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, 2022

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>
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
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>
Contribution deficiency (excess)	<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
Contributions as a percentage of covered payroll	8.88%	10.73%	12.58%	14.43%	16.28%	17.10% *	19.10% **	19.62% ***

* 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, 2022

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>
Contractually required contribution	\$ 429,930	\$ 477,630	\$ 576,600	\$ 679,010	\$ 806,909	\$ 883,814	\$ 837,107	\$1,065,374
Contributions in relation to the contractually required contribution	<u>(429,930)</u>	<u>(477,630)</u>	<u>(576,600)</u>	<u>(679,010)</u>	<u>(806,909)</u>	<u>(883,814)</u>	<u>(837,107)</u>	<u>(1,065,374)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 3,652,000	\$ 4,032,000	\$ 4,151,000	\$ 4,372,000	\$ 4,467,000	\$ 4,482,000	\$ 4,044,000	\$4,650,000
Contributions as a percentage of covered payroll	11.77%	11.85%	13.89%	15.53%	18.06%	19.72%	20.70%	22.91%

All years prior to 2015 are not available.

See accompanying note to required supplementary information.

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2022

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 was updated from 6.85% to 3.96% in the June 30, 2021 valuation.

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

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

Assumptions	Measurement Period						
	As of June 30, <u>2021</u>	As of June 30, <u>2020</u>	As of June 30 <u>2019</u>	As of June 30, <u>2018</u>	As of June 30, <u>2017</u>	As of June 30, <u>2016</u>	As of June 30, <u>2015</u>
Consumer price inflation	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%	7.60%	7.60%
Wage growth	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, 2022

	Adult Education Fund	Child Develop- ment Fund	Cafeteria Fund	Capital Facilities Fund	County School Facilities Fund	Capital Projects Fund	Bond Interest and Redemption Fund	Total
ASSETS								
Cash in investments:								
Cash in County Treasury	\$ 100,447	\$ 53,982	\$ 139,309	\$ 904,854	\$ 3,398	\$ 418,611	\$ 2,668,265	\$ 4,288,866
Cash in banks	-	-	725	-	-	-	-	725
Receivables	163	-	187,510	-	-	-	-	187,673
Due from other funds	-	-	-	211,675	-	-	-	211,675
Stores inventory	-	-	25,617	-	-	-	-	25,617
	<u>-</u>	<u>-</u>	<u>25,617</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,617</u>
Total assets	<u>\$ 100,610</u>	<u>\$ 53,982</u>	<u>\$ 353,161</u>	<u>\$ 1,116,529</u>	<u>\$ 3,398</u>	<u>\$ 418,611</u>	<u>\$ 2,668,265</u>	<u>\$ 4,714,556</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 7,434	\$ 1,660	\$ 21,976	\$ 2,077	\$ -	\$ -	\$ -	\$ 33,147
Due to other funds	5,254	9,799	-	-	-	-	-	15,053
Unearned revenue	-	41,760	-	-	-	-	-	41,760
	<u>-</u>	<u>41,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,760</u>
Total liabilities	<u>12,688</u>	<u>53,219</u>	<u>21,976</u>	<u>2,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,960</u>
Fund balances:								
Nonspendable	-	-	25,617	-	-	-	-	25,617
Restricted	87,922	763	305,568	1,114,452	3,398	418,611	2,668,265	4,598,979
	<u>87,922</u>	<u>763</u>	<u>305,568</u>	<u>1,114,452</u>	<u>3,398</u>	<u>418,611</u>	<u>2,668,265</u>	<u>4,598,979</u>
Total fund balances	<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>2,668,265</u>	<u>4,624,596</u>
Total liabilities and fund balances	<u>\$ 100,610</u>	<u>\$ 53,982</u>	<u>\$ 353,161</u>	<u>\$ 1,116,529</u>	<u>\$ 3,398</u>	<u>\$ 418,611</u>	<u>\$ 2,668,265</u>	<u>\$ 4,714,556</u>

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, 2022

	Adult Education <u>Fund</u>	Child Develop- ment <u>Fund</u>	Cafeteria <u>Fund</u>	Capital Facilities <u>Fund</u>	County School Facilities <u>Fund</u>	Capital Projects <u>Fund</u>	Bond Interest and Redemption <u>Fund</u>	<u>Total</u>
Revenues:								
Federal sources	\$ -	\$ 9,600	\$ 1,248,615	\$ -	\$ -	\$ -	\$ -	\$ 1,258,215
Other state sources	84,081	252,828	78,749	-	-	-	17,778	433,436
Other local sources	<u>654</u>	<u>371</u>	<u>(8,515)</u>	<u>238,418</u>	<u>10</u>	<u>314,114</u>	<u>2,818,411</u>	<u>3,363,463</u>
Total revenues	<u>84,735</u>	<u>262,799</u>	<u>1,318,849</u>	<u>238,418</u>	<u>10</u>	<u>314,114</u>	<u>2,836,189</u>	<u>5,055,114</u>
Expenditures:								
Current:								
Certificated salaries	16,617	20,787	-	-	-	-	-	37,404
Classified salaries	17,263	195,332	336,445	-	-	-	-	549,040
Employee benefits	11,910	87,099	142,781	-	-	-	-	241,790
Books and supplies	7,962	(45,074)	12,852	-	-	-	-	(24,260)
Contract services and operating expenditur	18,964	1,811	566,660	81,708	-	5,544	-	674,687
Debt service:								
Principal retirement	-	-	-	162,147	-	-	973,023	1,135,170
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,928</u>	<u>-</u>	<u>-</u>	<u>561,010</u>	<u>599,938</u>
Total expenditures	<u>72,716</u>	<u>259,955</u>	<u>1,058,738</u>	<u>282,783</u>	<u>-</u>	<u>5,544</u>	<u>1,534,033</u>	<u>3,213,769</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,019</u>	<u>2,844</u>	<u>260,111</u>	<u>(44,365)</u>	<u>10</u>	<u>308,570</u>	<u>1,302,156</u>	<u>1,841,345</u>
Other financing (uses) sources:								
Transfers in	-	-	-	211,675	-	-	-	211,675
Transfers out	<u>(2,927)</u>	<u>(9,799)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,726)</u>
Total other financing (uses) sources	<u>(2,927)</u>	<u>(9,799)</u>	<u>-</u>	<u>211,675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>198,949</u>
Net change in fund balances	9,092	(6,955)	260,111	167,310	10	308,570	1,302,156	2,040,294
Fund balances, July 1, 2021	<u>78,830</u>	<u>7,718</u>	<u>71,074</u>	<u>947,142</u>	<u>3,388</u>	<u>110,041</u>	<u>1,366,109</u>	<u>2,584,302</u>
Fund balances, June 30, 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>\$ 2,668,265</u>	<u>\$ 4,624,596</u>

RIVER DELTA UNIFIED SCHOOL DISTRICT
ORGANIZATION
June 30, 2022

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>
Jennifer Stone	President	December 2022
Dan Mahoney	Vice President	December 2022
Marilyn Riley	Clerk	December 2024
Rafaela Casillas	Member	December 2022
Marcial Lamera	Member	December 2022
Wanda Apel	Member	December 2024
Randall Jelly	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

RIVER DELTA UNIFIED SCHOOL DISTRICT
 SCHEDULE OF AVERAGE DAILY ATTENDANCE
 June 30, 2022

	Second Period <u>Report</u>	Annual <u>Report</u>
Certificate #:	<u>ED2FF469</u>	<u>5624763E</u>
Elementary:		
Transitional Kindergarten through Third	416	421
Fourth through Six	308	321
Seventh through Eighth	306	305
Special Education	<u>1</u>	<u>1</u>
Total Elementary	<u>1,031</u>	<u>1,048</u>
Secondary:		
Ninth through Twelfth	617	615
Special Education	<u>1</u>	<u>1</u>
Total Secondary	<u>618</u>	<u>616</u>
Total ADA	<u><u>1,649</u></u>	<u><u>1,664</u></u>

RIVER DELTA UNIFIED SCHOOL DISTRICT
 SCHEDULE OF INSTRUCTIONAL TIME
 For the Year Ended June 30, 2022

<u>Grade Level</u>	<u>Statutory Minutes Require- ment</u>	<u>2021-2022 Actual Minutes</u>	<u>Number of Days Traditional Calendar</u>	<u>Status</u>
Kindergarten	36,000	55,720	180	In Compliance
Grade 1	50,400	55,720	180	In Compliance
Grade 2	50,400	55,720	180	In Compliance
Grade 3	50,400	55,720	180	In Compliance
Grade 4	54,000	55,720	180	In Compliance
Grade 5	54,000	55,720	180	In Compliance
Grade 6	54,000	55,720	180	In Compliance
Grade 7	54,000	65,603	180	In Compliance
Grade 8	54,000	65,603	180	In Compliance
Grade 9	65,150 *	65,603	180	In Compliance
Grade 10	65,150 *	65,603	180	In Compliance
Grade 11	65,150 *	65,603	180	In Compliance
Grade 12	65,150 *	65,603	180	In Compliance

* Per a November 17, 1998 letter from the California Department of Education, the District must permanently maintained an increased instructional time for grades 9 through 12 for a total of 65,150 minutes annually, beginning with the 1998-99 school year.

RIVER DELTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Assistance Listing 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 Entitlement, Part B, Sec 611	13379	\$ 314,156
84.027A	Special Ed: IDEA Mental Health Allocation Plan, Part B, Sec 611	15197	<u>16,627</u>
	Subtotal Special Education Cluster		<u>330,783</u>
84.010	ESEA: Title I Part A, Basic Grants Low-Income and Neglected	14329	542,694
84.365	ESEA: Title III, English Learner Student Program	14346	43,173
84.367	ESEA: Title II, Part A, Supporting Effective Instruction Local Grants	14341	71,519
	ESF Programs:		
84.425	COVID 19: Elementary and Secondary School Emergency Relief (ESSER I) Fund	15536	317,952
84.425	COVID 19: Elementary and Secondary School Relief II (ESSER II) Fund	15547	27,853
84.425	COVID 19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund	15559	21,343
84.425C	COVID 19: Governor's Emergency Education Relief (GEER) Fund: Learning Loss Mitigation	15517	<u>105,001</u>
	Subtotal ESF Programs		<u>472,149</u>
	Total U.S. Department of Education		<u>1,460,318</u>
<u>U.S. Department of Agriculture - Passed through California</u>			
<u>Department of Education</u>			
	Child Nutrition Cluster:		
10.555	Child Nutrition: National School Lunch Program	13524	1,087,356
10.558	Child Nutrition - Child Care Food Program (CCFP)	13393	<u>174,960</u>
	Total U.S. Department of Agriculture		<u>1,262,316</u>
<u>U.S. Department of Health and Human Services Programs</u>			
93.575	Child Development: ARP California State Preschool Program One-time Stipend	15640	<u>8,838</u>
	Total U.S. Department of Health and Human Services		<u>8,838</u>
	Total Federal Programs		<u>\$ 2,731,472</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, 2022

There were no adjustments to any 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, 2022
(UNAUDITED)

	(Budget) 2023	2022	2021	2020
<u>General Fund</u>				
Revenues and other financing sources	\$ 29,810,192	\$ 28,224,227	\$ 25,671,837	\$ 24,684,626
Expenditures	28,747,099	24,424,714	23,878,068	24,447,426
Other uses and transfers out	223,720	211,675	203,157	302,750
Total outgo	28,970,819	24,636,389	24,081,225	24,750,176
Change in fund balance	\$ 839,373	\$ 3,587,838	\$ 1,590,612	\$ (65,550)
Ending fund balance	\$ 12,827,435	\$ 11,988,062	\$ 8,400,224	\$ 6,645,139
Available reserves	\$ 10,141,964	\$ 9,567,157	\$ 6,668,270	\$ 3,450,331
Designated for economic uncertainties	\$ 1,437,355	\$ 1,220,599	\$ -	\$ 1,222,073
Undesignated fund balance	\$ 8,704,609	\$ 8,346,558	\$ 6,668,270	\$ 2,228,258
Available reserves as percentages of total outgo	35.0%	38.8%	27.7%	13.9%
<u>All Funds</u>				
Total long-term liabilities	\$ 54,835,353	\$ 57,543,103	\$ 68,139,619	\$ 46,250,543
Average daily attendance at P-2	1,664	1,649	1,856	1,856

The fund balance of the General Fund has increased by \$5,112,900 over the past three years. The fiscal year 2022-2023 budget projects an increase of \$839,373. 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 two of the past three years, and anticipates an operating surplus during the fiscal year 2022-2023.

Total long-term liabilities have decreased by \$2,707,750 over the past two years.

Average daily attendance has decreased by 207 over the past two years. An increase of 15 ADA is anticipated during fiscal year 2022-2023.

See accompanying notes to supplementary information.

RIVER DELTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
For the Year Ended June 30, 2022

<u>Charter Schools Chartered by District</u>	<u>Included in District Financial Statements, or Separate Report</u>
0853 – Delta Elementary Charter School	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, 2022

	Academic and Support <u>Services</u>
Revenues:	
Other Local sources	\$ <u>177,808</u>
Expenditures:	
Certificated salaries	15,102
Classified salaries	95,374
Employee benefits	44,914
Books and supplies	10,128
Contract services and operating expenditure	5,271
Indirect costs	<u>7,019</u>
	<u>177,808</u>
Deficiency of revenues under expenditures	\$ <u><u> -</u></u>

See accompanying notes to supplementary information.

RIVER DELTA UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2022

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 2022-2023 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, 2022, the District did not adopt such a program.

INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

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

Report on Compliance with State Laws and Regulations

Opinion on Compliance with State Laws and Regulations

We have audited River Delta Unified School District's (District) compliance with the types of compliance requirements described in the 2021-22 *Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (Audit Guide) applicable to the state laws and regulations listed below for the year ended June 30, 2022.

<u>Description</u>	<u>Procedures Performed</u>
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	N/A, see reasoning
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	N/A, see reasoning
Middle or Early College High Schools	N/A, see reasoning
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	N/A, see reasoning
Comprehensive School Safety Plan	Yes
District of Choice	N/A, see reasoning
California Clean Energy Jobs Act	N/A, see reasoning
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study – Course-Based	N/A, see reasoning
Immunizations	N/A, see reasoning
Educator Effectiveness	Yes

(Continued)

Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Yes
In Person Instruction Grant	Yes
Attendance, for charter schools	N/A, see reasoning
Mode of Instruction, for charter schools	N/A, see reasoning
Nonclassroom-Based Instruction/Independent Study, for charter schools	N/A, see reasoning
Determination of Funding for Nonclassroom-Based Instruction, for charter schools	N/A, see reasoning
Annual Instructional Minutes-Classroom Based	N/A, see reasoning
Charter School Facility Grant Program	N/A, see reasoning

The District does not offer an Early Retirement Incentive Program; therefore, we did not perform any testing of the Early Retirement Incentive Program.

The District does not have any Juvenile Court Schools; therefore, we did not perform any testing of Juvenile Court Schools.

The District does not have any Middle or Early College High Schools; therefore, we did not perform any testing of Middle or Early College High Schools.

The District did not operate an Apprenticeship Program; therefore, we did not perform any testing of Apprenticeship: Related and Supplemental Instruction.

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

The District did not receive or expend California Clean Energy Jobs Act funds; therefore, we did not perform any testing of California Clean Energy Jobs Act fund.

The District did not report any ADA related to Independent Study - Course Based; therefore, we did not perform any testing of Independent Study - Course Based ADA.

The District submitted all immunizations required; therefore, we did not perform procedures related to the Immunization Program.

The District does not have any Charter Schools; therefore, we did not perform any of the testing related to charter schools.

In our opinion, except for the noncompliance described in the Basis of Qualified Opinion paragraph, River Delta Unified School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the state laws and regulations referred to above for the year ended June 30, 2022.

Basis for Qualified Opinion on Compliance with State Laws and Regulations

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 the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (Audit Guide). Our responsibilities under those standards and the Audit Guide are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

Matters Giving Rise to Qualified Opinion on State Laws and Regulations

As described in Findings 2022-001, 2022-002, 2022-003 and 2022-004 in the accompanying Schedule of Audit Findings and Questioned Costs, River Delta Unified School District did not comply with the requirements regarding Attendance, Career Technical Education Grant, Independent Study and Expanded Learning Opportunities Grant. Compliance with such requirements is necessary, in our opinion, for River Delta Unified School District to comply with the requirements applicable to the state laws and regulations 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 government programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Audit Guide 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 Audit Guide, 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.

Other Matter

Government Auditing Standards requires the auditor to perform limited procedures on the River Delta Unified School District's responses to the noncompliance findings identified in our audit and described in the accompanying Schedule of Audit Findings and Questioned Costs. River Delta Unified School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

(Continued)

Purpose of this Report

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing based on the requirements of the *2021-2022 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
February 28, 2023

(Continued)

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, 2022, 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 February 28, 2023.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

(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*.

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
February 28, 2023

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, 2022.

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, 2022.

Basis for Opinion on Compliance with State Laws and Regulations

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. 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 the compliance with the requirements of laws, regulations, contracts and grants applicable to its First 5 Sacramento County Program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Audit Guide 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 Audit Guide, 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.

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

Sacramento, California
February 28, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE 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, 2022. 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, 2022.

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 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

Sacramento, California
February 28, 2023

FINDINGS AND RECOMMENDATIONS

RIVER DELTA UNIFIED SCHOOL DISTRICT
 SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2022

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

	_____ Yes	_____ <u>X</u> No	
--	-----------	-------------------	--

FEDERAL AWARDS

Internal control over major programs:

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

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

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

	_____ Yes	_____ <u>X</u> No	
--	-----------	-------------------	--

Identification of major programs tested:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.555	Child Nutrition: School Programs - Child Nutrition Cluster

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: Qualified

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022

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, 2022

SECTION IV – STATE AWARD FINDINGS AND QUESTIONED COSTS

2022-001 STATE COMPLIANCE - ATTENDANCE REPORTING (10000)

Criteria

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

Condition

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

Context

We performed the audit procedures enumerated in the State of California 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting and identified the finding described above.

Effect

The effect of this finding is an overstatement of 0.01 ADA.

Cause

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

Fiscal Impact

The error is below 0.50 ADA, therefore there is no fiscal impact.

Recommendation

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

Views of Responsible Officials and Planned Corrective Actions

The District will provide ongoing training on attendance reporting to all clerical staff and administrators.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022

SECTION IV – STATE AWARD FINDINGS AND QUESTIONED COSTS

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

Criteria

LEA's receiving a Career Technical Education Incentive Grant (CTEIG) are required by California Education Code Section 53071(a) to budget the full matching requirement of two dollars for every one dollar received related to the CTEIG program.

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.

Context

We performed the audit procedures enumerated in the State of California *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect

The District is not in compliance with State requirements regarding CTEIG.

Cause

The District's budget did not include the correct required match for CTEIG.

Fiscal Impact

Not applicable.

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.

Views of Responsible Officials and Planned Corrective Action

Management agrees with the deficiency and has made modifications to the current budget that identify the \$2 for \$1 budgeting matching requirement was met.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022

SECTION IV – STATE AWARD FINDINGS AND QUESTIONED COSTS

2022-003 – STATE COMPLIANCE – INDEPENDENT STUDY (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

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.

Context

We performed the audit procedures enumerated in the *2021-22 Guide Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect

The District is out of compliance with State requirements for Independent Study.

Cause

The error was caused by the District's inability to provide completed supporting documentation for independent study students files selected for testing.

Fiscal Impact

The fiscal impact of the finding is 0.45 ADA which is the cumulative ADA generated by the selected student sample during the time period while they were on independent study.

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.

Views of Responsible Officials and Planned Corrective Action

The District concurs with the auditor's recommendation and will continue to provide training to staff who are responsible for documenting independent study agreements and maintaining student work at the school sites.

(Continued)

RIVER DELTA UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022

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

Criteria

The District is required to submit the ELOG plan, to the County Office of Education, describing how the apportioned funds would be used within 5 days of adoption pursuant to subdivision (e) of Education Code section 43522.

Condition

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

Context

We performed the audit procedures enumerated in the State of California *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* and identified the finding described above.

Effect

No effect.

Cause

The District did not submit the plan within the required time.

Fiscal Impact

Not applicable.

Recommendation

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

Views of Responsible Officials and Planned Corrective Actions

Management confirms that they did not properly submit the plan to the County and will ensure future plans are submitted within the appropriate time frame.

**STATUS OF PRIOR YEAR
FINDINGS AND RECOMMENDATIONS**

RIVER DELTA UNIFIED SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022

2021-001 STATE COMPLIANCE – CLASSROOM TEACHER SALARIES (61000)

Condition: The total current expense of education in the General Fund for the audit year was calculated to be \$21,421,074, and the classroom teacher salaries and related benefits totaled \$11,140,851. The ratio of classroom teacher salaries to the current expense of education was calculated to be 52.01%, which is deficient by 3.0% from the requirement of 55% or \$640,740.

Recommendation: The District's management team should implement necessary internal controls to ensure that classroom teacher salaries meet or exceed the minimum required percentage of current expense of education, in the District's General Fund.

Current Status: Implemented.

District Explanation if Not Implemented: Not applicable.