ROSEVILLE CITY SCHOOL DISTRICT

COUNTY OF PLACER
ROSEVILLE, CALIFORNIA

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

ROSEVILLE CITY SCHOOL DISTRICT

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ROSEVILLE CITY SCHOOL DISTRICT

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James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Roseville City School District
Roseville, 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 Roseville City School District (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget (Non-GAAP) and Actual - General Fund, the Schedule of Changes in the District's Total Other Postemployment Benefits (OPEB) Liability, Schedule of Proportionate Share of Net Pension Liability and Schedule of Pension Contributions, respectively, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The *supplementary information as listed in the table of contents* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated September 22, 2023 on our consideration of 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 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 District's internal control over financial reporting and compliance.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
September 22, 2023

MANAGEMENT’S DISCUSSION AND ANALYSIS

Introduction

This section of the Roseville City School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the Independent Auditor's Report presented on the pages of the District's financial statements, which immediately follow this section.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements. The Statement of Net Position and Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. The fund financial statements for governmental activities provide information about how the District services were financed in the short-term and how much remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside the District.

FINANCIAL HIGHLIGHTS

- Total District's overall financial status remains strong, with total net position increasing $17,760,125 or 8% during FY 2022-2023.
- Capital assets, net of depreciation, increased $18,752,825.
- The District continues to record a liability in the financial statements to reflect the District's proportionate share of the net pension liabilities related to its participation in the CalSTRS and CalPERS pension plans as required by the Governmental Accounting Standards Board.
- Long-term liabilities have increased by $48,550,033 from FY 2021-2022.
- The District maintains sufficient reserves for a district its size. It meets the state required minimum reserve for economic uncertainty of 3% of total General Fund expenditures, transfers out, and other uses (total outgo). During fiscal year 2022-2023, General Fund expenditures and other financing uses totaled $154,118,973. At June 30, 2023, the District has available reserves of $10,337,156 in the General Fund.
- In addition, the District maintains board-committed fund balances constrained to specific purposes by a majority vote of the Board. At June 30, 2023, the District had $30,347,663 in committed funds for the following purposes: (1) maintenance $2,166,039; (2) curriculum adoption $7,990,880; (3) new school start-up $11,187,516; (4) technology infrastructure $701,549; (5) technology replacement $7,146,881; (6) safety measures $1,154,798;

THE FINANCIAL REPORT

The full annual financial report consists of three parts: basic financial statements, supplementary information, and management's discussion and analysis. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of the two kinds of statements that present financial information from different perspectives, government-wide and funds.

- Government-wide financial statements, which comprise the first two statements, provide both short-term and long-term information about the District's overall financial position.
- Individual parts of the District, which are reported as fund financial statements comprise the remaining statements.

Basic services funding is described in the governmental funds statements. These statements include short-term financing and identify the balance remaining for future spending.

Financial relationships, for which the District acts as an agent or trustee for the benefit of others to whom the resources belong, are presented in the fiduciary funds statements.

Notes to the financials, which are included in the financial statements, provide more detailed data and explain some of the information in the statements. The required supplementary information provides further explanations and provides additional support for the financial statements. A comparison of the District's budget for the year is included.

Reporting the District as a Whole

The District as a whole is reported in the Government-wide statements and uses accounting methods similar to those used by companies in the private sector. All the District's assets and liabilities are included in the Statement of Net Position. The Statement of Activities reports all of the current year's revenues and expenses regardless of when cash is received or paid.

The District financial health or net position can be measured by taking the difference between the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources.

- Increases or decreases in the District's net position over time indicate whether its financial position is improving or deteriorating, respectively.
- Additional non-financial factors such as the condition of school buildings and other facilities, and changes in the property tax base of the District need to be considered in assessing the overall health of the District.

In the Statement of Net Position and the Statement of Activities all amounts represent governmental activities, since the District does not provide any services that should be categorized as business-type activities.

The basic services provided by the District, such as regular and special education, administration, and transportation are included, and are primarily financed by property taxes and state formula aid. Non-basic services, such as child nutrition are also included, but are financed by a combination of state and federal contract and grants, and local revenues.

Reporting the District Most Significant Funds:

The District's fund-based financial statements provide detailed information about the District's most significant funds. Some funds are required to be established by State law and bond covenants. However, the District establishes many other funds as needed to control and manage money for specific purposes.

Governmental Funds:

The governmental funds of the Roseville City School District are the General Fund, Student Activity Special Revenue Fund, Cafeteria Fund, Capital Facilities Fund, County School Facilities Fund and Bond Interest and Redemption Fund. Governmental fund reporting focuses on how money flows into and out of the funds and the balances remaining at the year's end. A modified accrual basis of accounting measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and services. Governmental fund information helps determine the level of financial resources available in the near future to finance the District's programs.

Proprietary Funds:

Services for which the District charges a fee are generally reported in proprietary funds on a full accrual basis. These include both Enterprise funds and Internal Service funds. Enterprise funds are considered business-type activities and are also reported under a full accrual method. This is the same basis as business-type activities; therefore, no reconciling entries are required. Internal service funds are reported with Governmental Funds. The District has no funds of this type.

Fiduciary Funds:

The District is the trustee, or fiduciary, for its scholarship fund. All of the District's fiduciary activities are reported in separate fiduciary statements. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance their operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The District's Net assets increased from $220,540,006 at June 30, 2022 to $238,300,131 at June 30, 2023, or 8.05%.

Condensed Statement of Net Position

	June 30, 2023	June 30, 2022	Change	Percentage Change
Assets				
Current assets	$126,537,046	$136,342,197	$ (9,805,151)	-7.19%
Capital assets	274,582,036	255,829,211	18,752,825	7.33%
Total assets	401,119,082	392,171,408	8,947,674	2.28%
Deferred Outflows of Resources	65,789,352	30,922,368	34,866,984	112.76%
Current liabilities	28,257,199	38,378,891	(10,121,692)	-26.37%
Long-term liabilities	151,492,793	108,248,316	43,244,477	39.95%
Total liabilities	179,749,992	146,627,207	33,122,785	22.59%
Deferred Inflows of Resources	48,858,311	55,926,563	(7,068,252)	-12.64%
Net Position				
Invested in capital assets	253,983,382	231,464,403	22,518,979	9.73%
Restricted	53,494,150	56,636,509	(3,142,359)	-5.55%
Unrestricted	(69,177,401)	(67,560,906)	(1,616,495)	2.39%
Total net position	$238,300,131	$220,540,006	$ 17,760,125	8.05%

The deficit Unrestricted balance presented above is primarily due to the fact that the District is required to record a liability in the financial statements to reflect the District's proportionate share of the net pension liabilities related to its participation in the CalSTRS and CalPERS pension plans.

Condensed Statement of Activities for the Fiscal Years Ended June 30

	2023	2022	Change	Percentage Change
Revenues				
Charges for services	$ 17,136,052	$ 23,005,234	$ (5,869,182)	-25.5%
Operating grants and contributions	62,877,208	57,084,295	5,792,913	10.1%
Taxes levied for general purposes	67,499,611	61,097,302	6,402,309	10.5%
Federal and state aid not restricted for specific purposes	58,518,956	47,687,904	10,831,052	22.7%
Interest and investment earnings	814,815	(1,318,253)	2,133,068	-161.8%
Miscellaneous	1,829,699	238,617	1,591,082	666.8%
Total revenues	208,676,341	187,795,099	20,881,242	11.1%
Expenses				
Instruction	116,950,576	90,712,675	26,237,901	28.9%
Instruction related services	12,149,578	9,593,465	2,556,113	26.6%
Pupil services	23,816,977	17,208,626	6,608,351	38.4%
General administration	8,771,103	7,265,238	1,505,865	20.7%
Plant services	25,300,435	33,567,527	(8,267,092)	-24.6%
Ancillary services	769,001	573,469	195,532	34.1%
Interest on long-term debt	934,309	1,725,525	(791,216)	-45.9%
Other outgo	2,224,237	1,957,155	267,082	13.6%
Total expenses	190,916,216	162,603,680	28,312,536	17.4%
Change in net position	$ 17,760,125	$ 25,191,419	$ (7,431,294)	-29.5%

Overall, 2022-23 revenues increased $20,881,242 (11.1%) compared to 2021-22.

Total program expenses increased by $28,312,536 during fiscal year 2022-23.

Summary of Revenues for Governmental Functions

	2023	Percent of Total	2022	Percent of Total
Program Revenues:				
Charges for services	$ 17,136,052	8.21%	$ 23,005,234	12.25%
Operating grants and contributions	62,877,208	30.13%	57,084,295	30.40%
General Revenues:				
Taxes levied	67,499,611	32.35%	61,097,302	32.53%
Federal and state aid	58,518,956	28.04%	47,687,904	25.39%
Interest and investment earnings	814,815	0.39%	(1,318,253)	-0.70%
Miscellaneous	1,829,699	0.88%	238,617	0.13%
Total Revenues	$ 208,676,341	100.00%	$ 187,795,099	100.00%

Summary of Expenses for Governmental Functions

	2023	Percent of Total	2022	Percent of Total
Program Expenses:				
Instruction	$ 116,950,576	61.26%	$ 90,712,675	55.79%
Instruction related services	12,149,578	6.36%	9,593,465	5.90%
Pupil services	23,816,977	12.48%	17,208,626	10.58%
General administration	8,771,103	4.59%	7,265,238	4.47%
Plant services	25,300,435	13.25%	33,567,527	20.64%
Ancillary services	769,001	0.40%	573,469	0.35%
Interest on long-term debt	934,309	0.49%	1,725,525	1.06%
Other outgo	2,224,237	1.17%	1,957,155	1.20%
Total Expenses	$ 190,916,216	100.00%	$ 162,603,680	100.00%

Comparative Schedule of Capital Assets

	Governmental Activities	
	2023	2022
Land	$ 52,974,458	$ 52,974,458
Site and Improvements	23,242,725	22,560,577
Building and Improvements	264,231,838	263,660,393
Furniture and Equipment	4,145,349	3,845,943
Work in Progress	35,759,162	11,749,199
Subtotals	380,353,532	354,790,570
Less Accumulated Depreciation:	(105,771,496)	(98,961,359)
Capital assets, net	$ 274,582,036	$ 255,829,211

Capital assets, net of depreciation, increased by $18,752,825 primarily due to the completed new school, Westbrook Elementary School.

Comparative Schedule of Long-Term Liabilities

	Governmental Activities	
	2023	2022
Compensated Absences	$ 253,921	$ 228,718
General Obligation Bonds	14,263,654	16,165,290
Certificates of Participation	6,335,000	7,520,000
Leases	-	253,587
Early Retirement Incentives	2,813,175	2,488,962
Net Pension Liability	117,509,048	64,359,000
Net OPEB Liability	14,774,911	16,384,119
Total Long-Term Obligation	$ 155,949,709	$ 107,399,676

OUTSTANDING DEBT AT YEAR END (CONCLUDED)

The general obligation bonds are financed by the local taxpayers through voter-approved elections and represent 9% of the District's long-term debt. The liability for the certificates of participation represents 4% of the District's long-term debt. The remaining portion of long-term debt, which will be paid from the General Fund, consists of lease obligations, the District's share of early retirement incentive payments, the value of the vacation earned, but not taken as of June 30, 2023, the GASB 75 total OBEP liability and the GASB 68 net pension liabilities. The District has continued to meet the debt service requirements of all its long-term debt.

The District continues to record a liability in the financial statements to reflect the District's proportionate share of the net pension liabilities related to its participation in the CalSTRS and CalPERS pension plans as required by the Governmental Accounting Standards Board.

The notes to the financial statements are an integral part of the financial presentation and contain more detailed information as to interest, principal, retirement amounts, and future debt retirement dates.

FINANCIAL ANALYSIS OF DISTRICTS FUNDS

Comparative Schedule of Fund Balances

	Fund Balance June 30, 2023	Fund Balance June 30, 2022	Increase (Decrease)
General Fund	$ 71,243,152	$ 51,355,478	$ 19,887,674
Student Activity Fund	305,004	280,744	24,260
Cafeteria Fund	12,031,520	8,288,668	3,742,852
Bond Interest and Redemption Fund	3,226,828	3,582,964	(356,136)
Capital Facilities Fund	16,080,732	35,090,069	(19,009,337)
County School Facilities Fund	-	(431,333)	431,333
Total Fund Balances	$ 102,887,236	$ 98,166,590	$ 4,720,646

The combined fund balances of all governmental funds increased by $4,720,646 primarily due to: one-time funding carryover and cafeteria balances being carried over for future expenditures.

GENERAL BUDGETARY HIGHLIGHTS

The District's budget is prepared in accordance with California law and is based on the modified accrual basis of accounting. Over the course of the year, the District revises its budget based on updated financial information. The original budget, approved in June for July 1, is based on May Revise figures and updated, if necessary, with 45 days after the State approves its final budget. In addition, the District revises its budget at First and Second Interim.

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

- Future revenue increases will come through enrollment growth and cost of living adjustments, both volatile factors and more difficult to predict long-term through the Local Control Funding Formula.

- The West Roseville Specific Plan Area continues to grow. The District currently has five schools in the area, Junction Elementary School, Barbara Chilton Middle School, Fiddyment Farm Elementary School, Orchard Ranch Elementary School, and Riego Creek Elementary School. The sixth school in the area, Westbrook Elementary opened in August of 2023. Additionally, a school in the Winding Creek Development is currently being reviewed by the Department of State Architecture.

- Special Education costs continue to increase especially costs related to high-needs students.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions regarding this report or need additional financial information, contact Amy Banks, Associate Superintendent of Business Services, Roseville City School District, 1050 Main Street, Roseville, CA 95678.

BASIC FINANCIAL STATEMENTS

ROSEVILLE CITY SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents (Note 2)	$ 106,516,662
Receivables	18,838,761
Prepaid expenses	1,111,943
Stores inventory	69,680
Capital assets, net of accumulated depreciation (Note 4)	274,582,036
Total Assets	401,119,082
DEFERRED OUTFLOWS OF RESOURCES	
Unamortized portion of loss on refunding	353,222
Deferred outflows on pensions (Note 6)	62,825,895
Deferred outflows on OPEB (Note 7)	2,610,235
Total Deferred Outflows	65,789,352
LIABILITIES	
Accounts payable and other current liabilities	21,023,845
Unearned revenue	2,776,438
Long-term liabilities:	
Due within one year	4,456,916
Due in more than one year	151,492,793
Total Liabilities	179,749,992
DEFERRED INFLOWS OF RESOURCES	
Deferred bond premium revenue	753,632
Deferred inflows on pensions (Note 6)	43,307,007
Deferred inflows on OPEB (Note 7)	4,797,672
Total Deferred Inflows	48,858,311
NET POSITION	
Net investment in capital assets	253,983,382
Restricted	53,494,150
Unrestricted	(69,177,401)
Total Net Position	$ 238,300,131

ROSEVILLE CITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

		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	$ 116,950,576	$ 204,958	$ 29,643,595	$ -	$ (87,102,023)
Instruction-related services:					
Instructional supervision and administration	2,230,084	3,212	291,981	-	(1,934,891)
Instructional library, media and technology	929,977	23,922	21,170	-	(884,885)
School site administration	8,989,517	565	834,139	-	(8,154,813)
Pupil Services:					
Home-to-school transportation	2,485,061	-	54,769	-	(2,430,292)
Food services	8,836,758	23,673	12,364,865	-	3,551,780
All other pupil services	12,495,158	330,385	11,848,023	-	(316,750)
General administration:					
Centralized data processing	2,365,075	-	101,421	-	(2,263,654)
All other general administration	6,406,028	13,550	581,697	-	(5,810,781)
Plant services	25,300,435	15,941,349	5,635,463	-	(3,723,623)
Ancillary services	769,001	3,225	622,473		(143,303)
Interest on long-term debt	934,309	-	-	-	(934,309)
Other outgo	2,224,237	591,213	877,612	-	(755,412)
Total governmental activities	$ 190,916,216	$ 17,136,052	$ 62,877,208	$ -	(110,902,956)

General Revenues	
Taxes and subventions:	
Taxes levied for general purposes	64,204,191
Taxes levied for debt service	2,664,454
Taxes levied for other specific purposes	630,966
Federal and state aid not restricted to specific purposes	58,518,956
Interest and investment earnings	814,815
Miscellaneous	1,829,699
Total General Revenues	128,663,081
Change in Net Position	17,760,125
Net Position, July 1, 2022	220,540,006
Net Position, June 30, 2023	$ 238,300,131

ROSEVILLE CITY SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2023

	General Fund	Capital Facilities Fund	All Non-Major Funds	Totals
ASSETS				
Cash and cash equivalents	$ 73,311,257	$ 19,953,280	$ 13,252,125	$ 106,516,662
Accounts receivable	15,037,521	1,099,602	2,701,638	18,838,761
Due from other funds	225,416	130,266	1,095	356,777
Prepaid expenses	1,090,881	5,532	15,530	1,111,943
Stores inventory	18,651	-	51,029	69,680
Total Assets	$ 89,683,726	$ 21,188,680	$ 16,021,417	$ 126,893,823
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 15,533,397	$ 5,107,329	$ 232,646	$ 20,873,372
Due to other funds	130,739	619	225,419	356,777
Unearned revenue	2,776,438	-	-	2,776,438
Total Liabilities	18,440,574	5,107,948	458,065	24,006,587
Fund balances				
Nonspendable	1,119,531	5,532	66,560	1,191,623
Restricted	21,922,158	16,075,200	15,496,792	53,494,150
Committed	30,347,663	-	-	30,347,663
Assigned	7,516,644	-	-	7,516,644
Unassigned	10,337,156	-	-	10,337,156
Total Fund Balances	71,243,152	16,080,732	15,563,352	102,887,236
Total liabilities and fund balances	$ 89,683,726	$ 21,188,680	$ 16,021,417	$ 126,893,823

ROSEVILLE CITY SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

GOVERNMENTAL FUNDS

JUNE 30, 2023

Total fund balances - governmental funds		$102,887,236
Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:		
Capital assets: In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.		
Capital assets at historical cost	$380,353,532	
Accumulated depreciation	(105,771,496)	
Net		274,582,036
Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred.		(150,473)
Unamortized premiums and discounts: In governmental funds, bond premiums are recognized as revenues in the period they are received while bond discounts are recognized as expenditures in the period they are incurred. In the government-wide statements, premiums and discounts are amortized over the life of the debt. Unamortized premiums and discounts at year-end consist of:		
Unamortized portion of bond premiums		(753,632)
Unamortized portion of loss on refunding		353,222
Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:		
Net pension liabilities	$117,509,048	
General obligation bonds payable:		
Current Interest	6,660,000	
Accreted Interest	7,603,654	
Certificates of Participation	6,335,000	
Early Retirement Incentives	2,813,175	
Net OPEB liability	14,774,911	
Compensated absences payable	253,921	
		(155,949,709)
Deferred outflows and inflows of resources relating to other postemployment benefits (OPEB): In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported.		
Deferred outflows of resources relating to OPEB		2,610,235
Deferred inflows of resources relating to OPEB		(4,797,672)
Deferred outflows and inflows of resources relating to pensions: 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 pension are reported.		
Deferred outflows of resources relating to pensions		62,825,895
Deferred inflows of resources relating to pensions		(43,307,007)
Total net position - governmental activities		$238,300,131

ROSEVILLE CITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Capital Facilities Fund	All Non-Major Funds	Totals
REVENUES				
LCFF sources	$ 118,945,124	$ -	$ -	$ 118,945,124
Federal revenue	9,903,168	-	5,960,749	15,863,917
Other state revenues	32,369,250	-	6,838,215	39,207,465
Other local revenues	12,789,105	18,091,510	3,462,559	34,343,174
Total revenues	174,006,647	18,091,510	16,261,523	208,359,680
EXPENDITURES				
Certificated salaries	73,578,719	-	-	73,578,719
Classified salaries	18,310,734	-	2,610,271	20,921,005
Employee benefits	35,523,450	-	935,942	36,459,392
Books and supplies	6,675,710	145,982	5,457,212	12,278,904
Services and other operating expenditures	15,597,520	11,117,933	316,100	27,031,553
Capital outlay	1,337,374	24,511,499	207,899	26,056,772
Other outgo	1,998,945	-	225,292	2,224,237
Debt service expenditures				
Principal	862,473	1,185,000	2,345,000	4,392,473
Interest	234,048	141,368	320,563	695,979
Total expenditures	154,118,973	37,101,782	12,418,279	203,639,034
Excess (deficiency) of revenues over expenditures	19,887,674	(19,010,272)	3,843,244	4,720,646
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	935	-	935
Operating transfers out	-	-	(935)	(935)
Total other financing sources (uses)	-	935	(935)	-
Net change in fund balances	19,887,674	(19,009,337)	3,842,309	4,720,646
Fund balances, July 1, 2022	51,355,478	35,090,069	11,721,043	98,166,590
Fund balances, June 30, 2023	$ 71,243,152	$ 16,080,732	$ 15,563,352	$ 102,887,236

ROSEVILLE CITY SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Total net change in fund balances - governmental funds		$ 4,720,646
Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:		
Capital outlay: In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:		
Expenditures for capital outlay	$ 25,562,962	
Depreciation expense	(6,810,137)	18,752,825
Debt service: In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:		3,783,587
Accreted interest on capital appreciation bonds is not recognized as an expenditure in the governmental fund financial statements until paid. In the statement of activities, accreted interest is recognized as an expense as the capital appreciation bonds accrete in value. The net amount of accreted interest recognized in the current year was:		(443,364)
In governmental funds, early retirement incentive costs are recognized when payments are made. In the statement of activities, early retirement incentive costs are recognized on the accrual basis.		(324,213)
Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period was:		52,811
Other postemployment benefits (OPEB): In governmental funds, OPEB expenses are recognized when employer contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB expenses and actual employer OPEB contributions was:		(2,697,960)
Pensions: In government 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:		(6,084,525)
Compensated absences in governmental funds are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and compensated absences earned was:		(25,203)
Amortization of debt issue premium or discount: In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount is amortized as interest over the life of the debt.		25,521
Total change in net position - governmental activities		$ 17,760,125

ROSEVILLE CITY SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

TRUST FUND

JUNE 30, 2023

	Private-Purpose Trust Fund
	Scholarship
ASSETS	
Cash and cash equivalents	$ 38,049
Accounts Receivables	17
Total assets	$ 38,066
LIABILITIES	
Liabilities	
Accounts payable	-
Total Liabilities	-
NET POSITION	
Fund balances	
Restricted for Scholarships	$ 38,066

The accompanying notes are an integral part of these financial statements.

ROSEVILLE CITY SCHOOL DISTRICT

STATEMENT OF CHANGE IN FIDUCIARY NET POSITION

TRUST FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Private-Purpose Trust Fund
	Scholarship
REVENUES	
Interest Income	$ 622
Total revenues	622
EXPENSES	
Scholarships Awarded	5,001
Total expenditures	5,001
Change in Net Position	(4,379)
Net Position, July 1, 2022	42,445
Net Position, June 30, 2023	$ 38,066

The accompanying notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING POLICIES

The Roseville City 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 generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

B. REPORTING ENTITY

The Board of Trustees is the level of government which has governance responsibilities over all activities related to public elementary school education in the District. The District and Roseville City School's Public Financing Corporation (the "Corporation") have a financial and operational relationship which meets the reporting entity definition criteria of GASB Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, for inclusion of the Corporation as a component unit of the District. Accordingly, financial activities of the Corporation reported in the Capital Facilities Fund of the District.

The following are those aspects of the relationship between the District and the Corporation which satisfy GASB Codification Section 2100 criteria.

A - Manifestations of Oversight

1. The Corporation's Board of Directors was appointed by the District's Board of Trustees.

2. The Corporation has no employees. The District's Superintendent functions as the agent of the Corporation and did not receive additional compensation for work performed in this capacity. The District exercises significant influence over operations of the Corporation as it is anticipated that the District will be the sole lessee of all facilities owned by the Corporation.

B - Accounting for Fiscal Matters

1. All major financing arrangements, contracts, and other transactions of the Corporation must have the consent of the District.

2. Any deficits incurred by the Corporation will be reflected in the lease payments of the District. A surpluses of the Corporation revert to the District at the end of the lease period.

3. It is anticipated that the District's lease payments will be the sole revenue source of the Corporation.

4. The District has assumed a "moral obligation," and potentially a legal obligation, for any debt incurred by the Corporation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. REPORTING ENTITY (CONTINUED)

C - Scope of Public Service and Financial Presentation

1. The Corporation was created for the sole purpose of financially assisting the District.

2. The Corporation's financial activity is presented in the financial statements as the Capital Facilities Fund. Certificates of Participation issued by the Corporation are included in the District's long-term liabilities.

C. 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.

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. Custodial funds are reported only in the Statement of Fiduciary Net Position at the fund financial statement level.

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 each function. Interest on general long-term liabilities is considered an indirect expense and is reported separately on the Statement of Activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. BASIS OF PRESENTATION (CONTINUED)

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. 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.

4. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. To achieve comparability of reporting among California districts, and so as not to distort normal revenue patterns with specific respect to reimbursement grants and correction to state-aid apportionments, the California Department of Education has defined available for District as collectible within one year.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BASIS OF ACCOUNTING (CONTINUED)

Unearned Revenue

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as unearned revenue. On governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have also been recorded as unearned revenue.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

E. 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 or retained earnings, revenues, and expenditures or expenses, 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. FUND ACCOUNTING (CONTINUED)

The **Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. This classification includes the Student Activity Fund and the Cafeteria Fund.

The **Student Activity Fund** is used to account for assets held by the District on behalf of student groups. The District maintains three student body funds.

The **Cafeteria Fund** is used to account separately for federal, state, and local resources to operate the District's food service program.

The **Capital Projects Funds** are used to account for resources used for the acquisition of capital facilities by the District. This classification includes the Capital Facilities Fund and County School Facilities.

The **Capital Facilities Fund** is a capital projects fund that is used to account for resources used for the acquisition of capital facilities by the District.

The **County School Facilities Fund** is used primarily to account for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998.

The **Debt Service Funds** are established to account for the accumulation of resources for and the payment of principal and interest on general long-term debt.

The **Bond Interest and Redemption Fund** is used for the repayment of bonds issued for an LEA (Education Code sections 15125–15262).

Fiduciary funds are used to account for assets held in a trustee or custodial capacity for others that cannot be used to support the LEA's own programs. The key distinction between trust and custodial funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

The **Scholarship Trust Fund** is a fiduciary fund that is used to account for assets held by the District as Trustee.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's governing board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

These budgets are revised by the District's governing board and District superintendent during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets are presented for the General Fund in the financial statements.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

G. 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.

H. DEPOSITS AND INVESTMENTS

Cash balances held in banks and in revolving funds are insured to $250,000 by the Federal Deposit Insurance Corporation.

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The county is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the county are either secured by federal depository insurance or are collateralized.

I. RECEIVABLES

Receivables are made up principally of amounts due from the State of California for Local Control Funding Formula and Categorical programs. The District has determined that no allowance for doubtful accounts was required as of June 30, 2023.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. PREPAID EXPENDITURES

The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure when incurred. On the government-wide statements, the District reports unamortized debt issuance cost as prepaid expense, if material.

K. INTERFUND BALANCES

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs at cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

L. 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 4 - 30 years depending on asset types.

M. UNEARNED REVENUE

Cash received for federal and state special projects and programs is recognized as revenue to the extent that qualified expenditures have been incurred. Unearned revenue is recorded to the extent that cash received on specific projects and programs exceeds qualified expenditures.

N. COMPENSATED ABSENCES

All vacation pay plus related payroll taxes is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured for example, as a result of employee resignations and retirements.

Sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. FINANCING LEASES

A lease is defined as a contract that coveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. The long-term liability and corresponding asset for financial leases are recorded in the financial statements to the extent that the District's lease capitalization threshold is met, $3,000,000. Amortization of related assets using the straight-line method over the life of the contract. As of June 30, 2023, the District did not have any financing leases that met the threshold.

P. SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENTS (SBITA)

A SBITA is defined as a contract that coveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets) as specified in the contract for a period of time in an exchange or exchange-like transaction. The long-term liability and corresponding asset for SBITAs are recorded in the financial statements to the extent that the District's capitalization threshold is met, $3,000,000. Amortization of related assets using the straight-line method over the life of the contract. As of June 30, 2023, the District did not have any subscription based information technology agreements that met the threshold.

Q. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts as well as issuance costs are recognized in the current period.

In the fund financial statements, governmental funds recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the debt issued, premiums, or discounts is reported as other financing sources/uses.

Q. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred outflow of resources related to the recognition of the net pension liability reported which is in the Statement of Net Position.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) 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 reported which is in the Statement of Net Position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. PENSIONS

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Roseville City School District's California Public Employees' Retirement System (CalPERS) and California State Teachers' Retirement System (CalSTRS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and CalSTRS, respectively. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

S. NET POSITION

Net position is displayed in three components:

Net Investment in Capital Assets. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by outstanding related debt and adjusted for deferred outflows/inflows resulting from refunding debt instruments.

Restricted Net Position. Restrictions of the ending net position indicate the portions of net position not appropriable 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 which the District plans to expend on debt repayment in the ensuing years. It's the District's policy to use restricted net position first when allowable expenses are incurred.

Unrestricted Net Position. All other net position that do not meet the definitions of "restricted" or "net investment in capital assets".

T. ELIMINATIONS AND RECLASSIFICATIONS

In the process of aggregating data for the government-wide statements, some amounts reported as interfund activity and balances in the fund financial statements 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.

U. USE OF 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 that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. FUND BALANCE

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that are not expected to be converted to cash, such as resources that are not in a spendable form (e.g. inventories and prepaids) or that are legally or contractually required to be maintained intact. The District has classified it revolving cash account as being Nonspendable as it is required to be maintained intact.

- Restricted: This classification includes amounts constrained to specific purposes by their providers or by law. The District has classified federal and state categorical programs as being restricted because their use is restricted by Statute. Debt service resources are to be used for future servicing of the general obligation bonds and are restricted through debt covenants.

- Committed: This classification includes amounts constrained to specific sources by the Board. For this purpose, all commitments of funds shall be approved by a majority vote of the Board. The constraints shall be imposed no later than the end of the reporting period of June 30, although the actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements.

- Assigned: This classification includes amounts which the Board or its designee intends to use for a specific purpose but are neither restricted nor committed. The Board delegates authority to assign funds to the assigned fund balance to the Superintendent or designee and authorizes the assignment of such funds to be made any time prior to the issuance of the financial statements. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Agency has assigned funds for Other Capital Projects that are to be used for the repair and replacement of equipment.

- Unassigned: This classification includes the residual fund balance for the General Fund and includes the amount designated for economic uncertainties. To protect the District against unforeseen circumstances such as revenue shortfalls and unanticipated expenditures, the Board maintains a minimum unassigned fund balance which includes a reserve for economic uncertainties equal to at least one month of average general fund expenditures or 7% of general fund expenditures and other financing uses. If the unassigned fund balance falls below this level due to an emergency situation, unexpected expenditures, or revenue shortfalls, the Board shall develop a plan to recover the fund balance which may include dedicating new unrestricted revenues, reducing expenditures, and/or increasing revenues or pursuing other funding sources.

When multiple types of funds are available for an expenditure, the District shall first utilize funds from the restricted fund balance as appropriate, then from committed fund balance, then from the assigned fund balance, and lastly from the unassigned fund balance.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

W. LOCAL CONTROL FUNDING FORMULA/PROPERTY TAX

The District's local control funding formula is received from a combination of local property taxes, state apportionments, and other local sources.

Placer County is responsible for assessing, collecting, and apportioning property taxes which are levied for each fiscal year on taxable real and personal property in the county. The levy is based on the assessed values as of the preceding January 1, which is also the lien date. Property taxes on the secured roll are due on November 1 and February 1, and taxes become delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the lien date (January 1), and become delinquent if unpaid by August 31.

Secured property taxes are recorded as revenue when apportioned, in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by Section 4705 of the California Revenue and Taxation Code. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll approximately October 1 of each year.

The County Auditor reports the amount of the District's allocated property tax revenue to the California Department of Education. Property taxes are recorded as local revenue limit sources by the District.

The California Department of Education reduces the District's entitlement by the District's local property tax revenue. The balance is paid from the state General Fund, and is known as the State Apportionment.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2023 consist of the following:

	Governmental Funds	Fiduciary Activities
Cash in County Treasury	$ 106,201,458	$ 5,199
Cash on hand and in banks	305,204	32,850
Cash in revolving fund	10,000	-
Totals	$ 106,516,662	38,049

Pooled Funds: In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the interest-bearing Placer County Treasurer's Pooled Investment Fund. The District is considered to be an involuntary participant in an external investment pool. The fair value of the District's investment in the pool is reported in the financial statements at amounts based upon the District's prorata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Deposits: Custodial Credit Risk: The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2023, the carrying amount of the District's accounts was $348,054 and the bank balance was $348,054, all of which was insured.

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

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

3. INTERFUND TRANSACTIONS

Interfund transactions are reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

The interfund receivables and payables as of June 30, 2023 are as follows:

	Interfund Receivables	Interfund Payables
Major Fund		
General Fund	$ 225,416	$ 130,739
Nonmajor Fund		
Cafeteria Fund	1,095	225,417
Capital Facilities Fund	130,266	619
County School Facilities Fund	-	2
Totals	$ 356,777	$ 356,777

<u>Interfund Transfers</u>

As of June 30, 2023, the interfund transfers were as follows:

Transfer from County School Facilities Fund to Capital Facilities Fund to cover expenses	$ 935
Total Transfers	$ 935

4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions and Transfers	Deletions and Transfers	Balance June 30, 2023
Non-depreciable assets:				
Land	$ 52,974,458	$ -	$ -	$ 52,974,458
Work in Progress	11,749,199	26,014,831	2,004,868	35,759,162
Subtotal	64,723,657	26,014,831	2,004,868	88,733,620
Depreciable assets:				
Buildings	263,660,393	745,200	173,755	264,231,838
Equipment	3,845,943	470,343	170,937	4,145,349
Site improvements	22,560,577	682,148	-	23,242,725
Subtotal	290,066,913	1,897,691	344,692	291,619,912
Totals, at cost	354,790,570	27,912,522	2,349,560	380,353,532
Less accumulated depreciation:				
Buildings	(76,160,288)	(5,452,260)	9,156	(81,603,392)
Equipment	(2,379,351)	(336,959)	115,124	(2,601,186)
Site improvements	(20,421,720)	(1,145,198)	-	(21,566,918)
Total accumulated depreciation	(98,961,359)	(6,934,417)	124,280	(105,771,496)
Depreciable assets, net	191,105,554	(5,036,726)	468,972	185,848,416
Capital assets, net	$ 255,829,211	$ 20,978,105	$ 2,473,840	$ 274,582,036

Depreciation expense was charged to governmental activities as follows:

Instruction	$ 6,218,499
Instructional Supervision and Administration	2,276
Home-to-School Transportation	139,256
Food Services	62,821
All Other Pupil Services	84,747
All Other General Administration	192,429
Centralized Data Processing	41,069
Plant Services	69,040
Total Depreciation	$ 6,810,137

5. LONG TERM LIABILITIES

GENERAL OBLIGATION BONDS

On March 1, 2003, the District issued Election of 2002 Series A General Obligation Bonds in the aggregate principal amount of $13,998,924: $8,740,000 of current interest bonds and $5,258,924 of capital appreciation bonds. The proceeds from the bonds were used to finance construction, renovation and repair of certain District facilities. On December 20, 2011, the District issued $17,075,000 of 2011 General Obligation Refunding Bonds for the purpose of refunding certain outstanding Election of 2002, Series A and Series B general obligation bonds. The bonds mature through August 2028 and bear an interest rate ranging from 3.00 percent to 5.58 percent. The capital appreciation bonds mature through August 1, 2027.

The District's outstanding General Obligation bonded debt is as follows:

Description	Year of Issue	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2022	New Issuance or Accretion	Redeemed	Balance June 30, 2023
Current Interest	2012	08/01/28	3% - 5.58%	$ 17,075,000	$ 7,520,000	$ -	$ 860,000	$ 6,660,000
Capital Appreciation	2003	08/01/27	5.11% - 5.58%	5,258,924	8,645,290	443,364	1,485,000	7,603,654
				$ 22,333,924	$ 16,165,290	$ 443,364	$ 2,345,000	$ 14,263,654
							Premium on GO Bonds	$ 753,632
								$ 15,017,286

The annual requirements to amortize the current interest bonds payable, outstanding as of June 30, 2023, are as follows:

Year Ending June 30	Principal	Interest	Total
2024	$ 925,000	$ 275,937	$ 1,200,937
2025	1,000,000	232,812	1,232,812
2026	1,060,000	186,313	1,246,313
2027	1,150,000	135,376	1,285,376
2028	1,225,000	87,969	1,312,969
2029	1,300,000	32,500	1,332,500
Total	$ 6,660,000	$ 950,907	$ 7,610,907

5. LONG TERM LIABILITIES (CONTINUED)

CERTIFICATES OF PARTICIPATION

On January 25, 2012, the Roseville City School's Public Financing Corporation issued refunding certificates of participation in the amount of $12,505,000, with an interest rate of 3.30% per annum. The District used the proceeds from the sale to redeem $12,070,000 of the outstanding 1998 certificates of participation which were originally issued to finance a portion of the cost of construction of three new elementary schools and one new middle school. The refunding certificates of participation are secured by Junction Elementary School. The District's agreement with the Corporation contains a provision that in the event of default, it is lawful for the Corporation to exercise any and all remedies granted pursuant to the agreement, including termination of the lease. There is no acceleration clause in the agreement.

On February 11, 2022, the Roseville City School's Public Financing Corporation issued certificates of participation in the amount of $5,115,000, with an interest rate of 1.64% per annum. The certificates of participation mature on February 1, 2032.

At June 30, 2023, the outstanding principal balance for the certificates of participation was $6,335,000. The certificates of participation mature through fiscal year 2031-32 as follows:

Year Ending June 30	Principal	Interest	Total
2024	$ 1,220,000	$ 104,016	$ 1,324,016
2025	55,000	83,640	138,640
2026	345,000	81,590	426,590
2027	685,000	74,538	759,538
2028	705,000	63,222	768,222
2029-2032	3,325,000	125,829	3,450,829
Total	$ 6,335,000	$ 532,835	$ 6,867,835

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, 2023, is shown below:

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Amounts Due Within One Year
General Obligation Bonds:					
Current interest	$ 7,520,000	$ -	$ 860,000	$ 6,660,000	$ 925,000
Capital appreciation	8,645,290	443,364	1,485,000	7,603,654	1,565,000
Certificates of Participation	7,520,000	-	1,185,000	6,335,000	1,220,000
Compensated Absences	228,718	25,203	-	253,921	-
Early Retirement Incentives (Note 11)	2,488,962	1,145,551	821,338	2,813,175	746,916
Leases	253,587	-	253,587	-	-
Net OPEB Liability	16,384,119	-	1,609,208	14,774,911	-
Net Pension Liability	64,359,000	53,150,048	-	117,509,048	-
Total long term obligation	$ 107,399,676	$ 54,764,166	$ 6,214,133	$ 155,949,709	$ 4,456,916

Payment on the General Obligation Bonds are made from the Bond Interest and Redemption Fund, which is primarily funded by property tax collections. The Certificates of Participation is paid from the Capital Facilities Fund. The early retirement incentives, compensated absences, and total OPEB liability, are obligations primarily of the General Fund. The net pension liabilities will be funded by contributions made to the pension plans from the General Fund and Cafeteria Fund.

6. EMPLOYEE RETIREMENT SYSTEMS

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

Plan Description

California Public Employees' Retirement System (CalPERS)

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Headquarters, 400 Q Street, Sacramento, California 95811.

State Teachers' Retirement System (STRS)

The District contributes to the State Teachers' Retirement System (STRS), a cost-sharing, multiple-employer, public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from the STRS Headquarters, 100 Waterfront Place, West Sacramento, California 95605.

The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

	CalPERS		CalSTRS	
Hire date	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 62	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	55	62	60	62
Monthly benefits, as a % of eligible compensation	2.0%	2.0%	2.0%	2.0%
Required employee contribution rates	7%	8%	10.25%	10.205%
Required employer contribution rates	25.370%	25.370%	19.10%	19.10%

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Contributions

CalPERS

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

STRS

Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method.

For the year ended June 30, 2023, the contributions reported as deferred outflows of resources related to pensions recognized as part of pension expense for each Plan were as follows:

	CalPERS	STRS	Total
Contributions - employer	$ 3,185,485	$ 13,702,893	$ 16,888,379
On behalf contributions - state	-	6,287,288	6,287,288
Total	$ 3,185,485	$ 19,990,181	$ 23,175,667

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

As of June 30, 2023, the District's reported net pension liabilities for its proportionate share of the net pension liability of the Plans' of:

	Proportionate Share of Net Pension Liability
CalPERS	$ 39,248,600
STRS	78,260,448
Total Net Pension Liability	$ 117,509,048

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2022, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2021 and 2022 was as follows:

Measurement Dates	Fiscal Year	CalPERS	STRS
June 30, 2021	2021-22	0.11043%	0.10890%
June 30, 2022	2022-23	0.11406%	0.11263%
Change - Increase (Decrease)		0.00364%	0.00373%

For the year ended June 30, 2023, the District recognized pension expense of $6,084,525. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	CalPERS		STRS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 3,185,485	$ -	$ 19,990,181	$ -	$ 23,175,667	$ -
Difference between proportionate share of aggregate employer contributions and actual contributions for 2021-22	828,149	378,053	777,077	2,113,402	1,605,226	2,491,455
Changes of Assumptions	2,227,819	-	25,614,455	-	27,842,274	-
Differences between Expected and Actual Experience	970,693	764,839	477,546	12,219,738	1,448,239	12,984,577
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	416,347	159,680	8,338,142	-	8,754,489	159,680
Net differences between projected and actual investment earnings on pension plan investments	-	1,359,169	-	26,312,126	-	27,671,295
Total	$ 7,628,493	$ 2,661,741	$ 55,197,401	$ 40,645,266	$ 62,825,895	$ 43,307,007

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

Year Ended June 30	CalPERS	STRS	Total Deferred Outflows/ (Inflows) of Resources
2024	$ 967,962	$ (420,976)	$ 546,986
2025	147,023	(1,814,081)	(1,667,058)
2026	(231,020)	(4,700,681)	(4,931,701)
2027	897,302	1,256,959	2,154,261
2028	-	293,708	293,708
Thereafter	-	(52,975)	(52,975)
Total	$ 1,781,267	$ (5,438,046)	$ (3,656,779)

<u>Actuarial Assumptions</u>

The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

	CalPERS	STRS
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial Assumptions		
Discount Rate	6.90%	7.10%
Inflation	2.30%	2.75%
Payroll Growth Rate	2.80%	3.50%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return (1)	6.90%	7.10%
Mortality	Derived using CalPERS' Membership Data for all Funds	Derived using STRS' Membership Data for all Funds

(1) Net of pension plan investment expenses, including inflation.

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing morality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

STRS changed the mortality assumptions based on the July 1, 2015 through June 30, 2018, experience study adopted by the board in January 2020. STRS 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 our members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP–2019) table issued by the Society of Actuaries.

Discount Rate

CalPERS

The discount rate used to measure the total pension liability for the Plan was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. These discount rates are equal to the long-term expected rate of return of the respective plan assets and are net of investment expense but not reduced for administrative expenses.

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

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

The expected real rates of return by asset class are on the following table:

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

	CalPERS	
Asset Class	Assumed Asset Allocation	Real Return [(a)(b)]
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
	100.0%	

(a) An expected inflation of 2.30% used for this period.
(b) Figures are based on the 2021-22 Asset Liability Management study.

Discount Rate

STRS

The discount rate used to measure the total pension liability was 7.10%, which was unchanged from prior fiscal year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers are made at statutory contribution rates in accordance with the rate increases actuarially determined. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.10% and assume that contributions, benefit payments and administrative expenses occur midyear. Based on those assumptions, the Plan’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.

The long-term investment rate of return assumption 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 STRS investment staff and investment consultants as inputs to the process.

The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, STRS’ independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of the June 30, 2022 measurement date, are summarized in the following table:

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

	STRS	
Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return [(a)]
Public Equity	42.0%	4.80%
Real Estate	15.0%	3.60%
Private Equity	13.0%	6.30%
Fixed Income	12.0%	1.30%
Risk Mitigating Strategies	10.0%	1.80%
Inflation Sensitive	6.0%	3.30%
Cash/Liquidity	2.0%	-0.40%
Total	100%	

[(a)] 20-year average.

Sensitivity of the 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 for each Plan, calculated using the discount rate for each Plan, 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 or 1-percentage point higher than the current rate:

	CalPERS		
	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Plan's Net Pension Liability/(Asset)	$ 56,696,590	$ 39,248,600	$ 24,828,477

	STRS		
	Discount Rate - 1% (6.10%)	Current Discount Rate (7.10%)	Discount Rate + 1% (8.10%)
Plan's Net Pension Liability/(Asset)	$ 132,915,268	$ 78,260,448	$ 32,880,516

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS and STRS comprehensive annual financial reports available on the CalPERS' and STRS' websites.

Payable to the Pension Plan

As of June 30, 2023, the District had no outstanding required contributions to the pension plans.

7. OTHER POST EMPLOYMENT BENEFITS (OPEB)

The District's defined benefit plan, Roseville City School District's Other Post Employment Benefits Plan (Plan), is a single-employer defined benefit health care plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue a stand-alone financial report.

Plan Descriptions/Benefits Provided: Following is a description of the current retiree benefit plan:

	Certificated	Classified
Benefit types provided	Medical	Medical
Duration of Benefits	To age 65	Five years, buy not beyond age 65
Required Service	15 years	15 years
Minimum Age	55	55
Dependent Coverage	Yes	Yes
District Contribution Percentage:	50% at 15 years plus 10% per year to 100% at 20 years	50% at 15 years plus 10% per year to 100% at 20 years
District Cap:	$8,876 per year*	$7,863 per year*

* The District cap for Management groups is $10,204.

Plan benefits and contribution requirements for both the employee and the District are established by labor agreements. All contracts with District employees may be renegotiated at various times in the future and, thus, benefits and costs are subject to change. The District has maintained the same cap level from fiscal year 2004 to 2023.

Employees Covered by Benefit Terms: The number of employees covered by the benefit terms of the Plan as of June 30, 2022 Valuation are as follows:

Inactive employees or beneficiaries currently receiving benefit payments	37
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	1,095
Total	1,132

Total OPEB Liability: The District's total OPEB liability of $14,774,911 was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2022.

7. OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Actuarial Assumptions: The total OPEB liability was determined using a financial reporting actuarial valuation as of June 30, 2022, which used the following actuarial methods and assumptions:

Salary Increases	2.75% per year
Investment rate of return	3.54% per year net of expenses based on the Bond Buyer 20 Bond Index
Inflation	2.50% per year
Healthcare cost trend rates	4.00% per year
Mortality	
Certificated	2020 CalSTRS Mortality
Classified	2017 CalPERS Mortality for Miscellaneous and Schools Employees

Because the Plan is unfunded, the yield for the 20-year, tax-exempt general obligation municipal bond was used to determine the liability as of June 30, 2022. The discount rate is based on the Bond Buyer 20 Bond Index. Prior valuations used a discount rate of 2.16%.

Mortality rates for certificated employees were based on the 2020 CalSTRS Mortality table created by CalSTRS. Mortality rates for classified employees were based on the 2017 CalPERS Active Mortality for Miscellaneous Employees table created by CalPERS.

Retirement rates for certificated employees were based on the 2020 CalSTRS Retirement Rates table created by CalSTRS. CalSTRS periodically studies the experience for participating agencies and establishes tables that are appropriate of each pool. Retirement rates for classified employees were based on the 2020 CalPERS Retirement Rates for School Employees table and the 2017 CalPERS 2% at 60 Rates for Miscellaneous Employees table created by CalPERS.

Turnover assumptions for certificated employees were based on the 2020 CalSTRS Termination Rates table created by CalSTRS. Turnover assumptions for classified employees were based on the 2017 CalPERS Termination Rates for School Employees table created by CalPERS.

Changes in Total OPEB Liability:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2021 Measurement Date	$ 16,384,119	$ -	$ 16,384,119
Changes for the year:			
Service cost	1,248,631	-	1,248,631
Interest	361,238	-	361,238
Changes of benefit terms	1,838,150	-	1,838,150
Differences between expected and actual experience	(3,030,105)	-	(3,030,105)
Contributions - employer	-	553,532	(553,532)
Changes of assumptions	(1,473,590)	-	(1,473,590)
Benefit payments	(553,532)	(553,532)	-
Net changes	(1,609,208)	-	(1,609,208)
Balances at June 30, 2022 Measurement Date	$ 14,774,911	$ -	$ 14,774,911

7. OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

There were no changes in benefit terms since the June 30, 2021 valuation.

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate:
The following table presents the District's total OPEB liability as of the measurement date, calculated using the current discount rate of 3.54%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.54%) or one percentage point higher (4.54%) than the current rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Net OPEB liability (asset)	$ 15,835,204	$ 14,774,911	$ 13,760,726

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:
The following table presents the District's total OPEB liability as of the measurement date, calculated using the current healthcare cost trend rate of 4.00%, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (3.00%) or one percentage point higher (5.00%) than the current rate:

	1% Decrease	Trend Rate	1% Increase
Net OPEB liability (asset)	$ 13,102,632	$ 14,774,911	$ 16,726,033

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:
For the year ended June 30, 2023, the District recognized OPEB expense of $2,697,960. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,034,981	$ 2,810,532
Changes of assumptions	1,269,476	1,987,140
Deferred contributions	305,778	-
Total	$ 2,610,235	$ 4,797,672

7. OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

$305,778 reported as deferred outflows of resources related to benefits paid subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2024. The amount reported as deferred outflows and deferred inflows of resources related to changes of assumptions and actuarial gains and losses is amortized over the average of expected remaining service lives, which was 13.8 years as of the June 30, 2022 measurement date. The deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended June 30	Total Deferred Outflows of Resources	Total Deferred Inflows of Resources
2024	$ 216,170	$ 383,586
2025	216,170	383,586
2026	216,170	383,586
2027	216,170	383,586
2028	216,170	383,586
Thereafter	1,223,607	2,879,742
Total	$ 2,304,457	$ 4,797,672

8. FUND BALANCES

The District reports fund balances in accordance with Governmental Accounting Standards Board Statement No. 54. All fund balance categories are reported in the aggregate on the face of the balance sheet. All components of those fund balances and specific purposes are identified on the following page.

	General Fund	Capital Facilities Fund	All Non-Major Funds	Totals
Nonspendable:				
Revolving cash	$ 10,000	$ -	$ -	$ 10,000
Stores	18,651	-	51,030	69,681
Prepaid items	1,090,880	5,532	15,530	1,111,942
Total Nonspendable	1,119,531	5,532	66,560	1,191,623
Restricted for:				
Expanded Learning Opportunities Program	5,064,034	-	-	5,064,034
Educator Effectiveness	1,121,975	-	-	1,121,975
Lottery: Instructional Materials	1,779,114	-	-	1,779,114
Special Ed: Mental Health Services	1,026,893	-	-	1,026,893
Mental Health-Related Services	1,531,012	-	-	1,531,012
Special Education Early Intervention Preschool Grant	924,045	-	-	924,045
Arts, Music, and Instructional Materials Discretionary Block Grant	2,612,426	-	-	2,612,426
Classified School Employee Professional Development Block Grant	34,012	-	-	34,012
Expanded Learning Opportunities (ELO) Grant	52,518	-	-	52,518
Expanded Learning Opportunities (ELO) Grant: Paraprofessional Staff	83,860	-	-	83,860
Learning Recovery Emergency Block Grant	6,059,667	-	-	6,059,667
Ongoing & Major Maintenance Account (RMA: Education Code Section 17070.75)	784,804	-	-	784,804
Student Activity Funds	-	-	305,004	305,004
Child Nutrition: School Programs	-	-	11,964,960	11,964,960
Other Restricted Local	847,798	16,075,200	3,226,828	20,149,826
Total Restricted	21,922,158	16,075,200	15,496,792	53,494,150
Committed:				
Maintenance	2,166,039	-	-	2,166,039
Curriculum Adoption	7,990,880	-	-	7,990,880
New School Start-Up	11,187,516	-	-	11,187,516
Technology, Furniture, & Equipment Replacement	7,146,881	-	-	7,146,881
Safety Measures	1,154,798	-	-	1,154,798
Technology Infrastructure	701,549	-	-	701,549
Total Committed	30,347,663	-	-	30,347,663
Assigned to:				
Site/Department Carryover	1,233,097	-	-	1,233,097
Medi-Cal Administrative Activities	110,176	-	-	110,176
LCFF Supplemental	2,481,033	-	-	2,481,033
2% Board Reserve	3,082,380	-	-	3,082,380
LCFF Supplemental	609,958	-	-	609,958
Total Assigned	7,516,644	-	-	7,516,644
Unassigned:				
Reserve for Economic Uncertainties	4,623,569	-	-	4,623,569
Unassigned/Unappropriated	5,713,587	-	-	5,713,587
Total Unassigned	10,337,156	-	-	10,337,156
Total Fund Balances	$ 71,243,152	$ 16,080,732	$ 15,563,352	$ 102,887,236

9. JOINT VENTURES

Schools Insurance Group: The District is a member of a Joint Powers Authority, Schools Insurance Group (SIG), for the operation of a common risk management and insurance program. The program covers workers' compensation, property/liability, and health and welfare insurance. The membership includes the school districts in Placer and Nevada counties and their respective County Offices of Education. SIG is governed by an Executive Board consisting of representatives from member districts. The Executive Board controls the operations of SIG, including selections of management and approval of operating budgets. The JPA agreement for SIG provides that the SIG will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of $1,000,000, $100,000 and $500,000 for each insured event for workers' compensation, property and liability, respectively. The District continues to carry commercial insurance for all other risks of loss, including employee health and accident insurance. 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 coverage in the prior year.

School Project for Utility Rate Reduction: The District is also a member of a Joint Powers Authority, School Project for Utility Rate Reduction (SPURR), for the direct purchase of gas, electricity, and other utility services. SPURR also provides advisory services relative to utilities. There have been no significant reductions in insurance coverage from coverage in the prior year.

The following is a summary of the most recent financial information for the JPAs:

	SIG June 30, 2022	SPURR June 30, 2022
Total assets	$ 119,571,445	$ 20,724,164
Total deferred outflows of resources	262,522	-
Total liabilities	37,497,746	15,094,369
Total deferred inflows of resources	1,055,118	-
Net position	$ 81,281,103	$ 5,629,795
Total revenues	$ 100,073,906	$ 64,403,690
Total expenses	96,972,405	65,507,416
Change in net position	$ 3,101,501	$ (1,103,726)

Audited financial statements for the JPAs are prepared annually and can be obtained from management of the individual JPAs.

The relationship between the District and the two joint powers authorities is such that the Joint Powers Authorities are not component units of the District for financial reporting purposes.

10. COMMITMENTS AND 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 state and federal 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 requirements will not be material.

As of June 30, 2023, the District has approximately $2,000,000 in outstanding construction commitments for the Westbrook Elementary School construction contract.

11. EARLY RETIREMENT INCENTIVES

In addition to the pension benefits described above, the District adopted an early retirement incentive program, pursuant to Education Code Sections 22714 and 44929, whereby the service credit to eligible certificated employees was increased by two years.

The future payments under these early retirement incentive agreements will be made through fiscal year 2029-31 as follows:

Year Ending June 30,	STRS' Golden Handshakes
2024	$ 746,916
2025	699,011
2026	541,601
2027	512,145
2028	482,689
2029-2031	522,265
Total Payments	3,504,627
Less amount representing interest	(691,452)
Total Principal Payments	2,813,175

12. SUBSEQUENT EVENTS

The District's management evaluated its June 30, 2023 financial statements for subsequent events through September 22, 2023, the date the financial statements were available to be issued. Management is not aware of any subsequent events, other than the one discussed above, that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

ROSEVILLE CITY SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP) AND ACTUAL

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
LCFF sources	$ 114,307,204	$ 119,249,552	$ 118,945,124	$ (304,428)
Federal revenue	8,837,986	12,208,100	9,903,168	(2,304,932)
Other state revenues	30,322,399	35,590,317	32,369,250	(3,221,067)
Other local revenues	9,535,690	11,490,024	12,789,105	1,299,081
Total revenues	163,003,279	178,537,993	174,006,647	(4,531,346)
EXPENDITURES				
Certificated salaries	69,153,482	73,578,719	73,578,719	-
Classified salaries	17,889,236	18,310,734	18,310,734	-
Employee benefits	37,780,415	38,861,263	35,523,450	3,337,813
Books and supplies	11,530,826	9,864,752	6,675,710	3,189,042
Services and other operating expenditures	12,531,220	19,033,632	15,597,520	3,436,112
Capital outlay	396,207	1,485,545	1,337,374	148,171
Other outgo	2,402,223	3,095,466	3,095,466	-
Total expenditures	151,683,609	164,230,111	154,118,973	10,111,138
Net change in fund balances	11,319,670	14,307,882	19,887,674	5,579,792
Fund balances, July 1, 2022	51,355,478	51,355,478	51,355,478	-
Fund balances, June 30, 2023	$ 62,675,148	$ 65,663,360	$ 71,243,152	$ 5,579,792

ROSEVILLE CITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	2023*	2022*	2021*	2020*	2019*	2018*
Total OPEB liability						
Service cost	$ 1,248,631	$ 1,405,480	$ 1,119,075	$ 845,886	$ 823,247	$ 801,214
Interest	361,238	343,559	452,615	405,179	385,091	330,139
Changes of benefit terms	1,838,150	-	-	-	-	-
Differences between expected and actual experience	(3,030,105)	399,486	32,874	1,051,550	-	-
Changes of assumptions	(1,473,590)	(540,565)	1,381,991	257,083	(244,899)	-
Benefit payments	(553,532)	(338,662)	(455,224)	(431,715)	(460,557)	(394,968)
Net change in total OPEB liability	(1,609,208)	1,269,298	2,531,331	2,127,983	502,882	736,385
Total OPEB liability - beginning	16,384,119	15,114,821	12,583,490	10,455,507	9,952,625	9,216,240
Total OPEB liability - ending (a)	$ 14,774,911	$ 16,384,119	$ 15,114,821	$ 12,583,490	$ 10,455,507	$ 9,952,625
Plan fiduciary net position						
Contributions - employer	$ 553,532	$ 338,662	$ 455,224	$ 431,715	$ 460,557	$ 394,968
Net investment income	-	-	-	-	-	-
Benefit payments	(553,532)	(338,662)	(455,224)	(431,715)	(460,557)	(394,968)
Administrative expense	-	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	$ -	$ -	$ -	$ -	$ -	$ -
District's net OPEB liability - ending (a) - (b)	$ 14,774,911	$ 16,384,119	$ 15,114,821	$ 12,583,490	$ 10,455,507	$ 9,952,625
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	$ 29,567,487	$ 75,831,169	$ 59,634,679	$ 60,223,847	$ 59,213,388	$ 58,219,882
District's net OPEB liability as a percentage of covered-employee payroll	50.0%	21.6%	25.3%	20.9%	17.7%	17.1%

* Only six years are presented as GASB 75 was implemented in 2017-18.

ROSEVILLE CITY SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

CalPERS	June 30, 2014 [(1)]	June 30, 2015 [(1)]	June 30, 2016 [(1)]	June 30, 2017 [(1)]	June 30, 2018 [(1)]	June 30, 2019 [(1)]	June 30, 2020 [(1)]	June 30, 2021 [(1)]	June 30, 2022 [(1)]
Proportion of the net pension liability (asset)	0.09205%	0.09315%	0.09820%	0.10090%	0.10372%	0.10599%	0.10940%	0.11043%	0.11406%
Proportionate share of the net pension liability (asset)	$ 10,450,273	$ 13,729,732	$ 19,395,236	$ 24,087,536	$ 27,653,734	$ 30,888,802	$ 33,568,307	$ 22,455,227	$ 39,248,600
Covered payroll [(2)]	$ 9,393,195	$ 10,245,936	$ 10,050,072	$ 11,505,608	$ 11,763,027	$ 13,445,180	$ 19,791,575	$ 14,314,871	$ 15,787,130
Proportionate Share of the net pension liability (asset) as a percentage of covered payroll	111.25%	134.00%	192.99%	209.35%	235.09%	229.74%	169.61%	156.87%	248.61%
Plan fiduciary net position as a percentage of the total pension liability (asset)	83.38%	79.43%	73.90%	71.87%	70.85%	70.05%	70.00%	80.97%	69.76%
Proportionate share of aggregate employer contributions [(3)]	$ 1,105,673	$ 1,213,836	$ 1,395,754	$ 1,786,936	$ 2,124,638	$ 2,651,524	$ 4,096,856	$ 3,279,537	$ 4,005,195

STRS	June 30, 2014 [(1)]	June 30, 2015 [(1)]	June 30, 2016 [(1)]	June 30, 2017 [(1)]	June 30, 2018 [(1)]	June 30, 2019 [(1)]	June 30, 2020 [(1)]	June 30, 2021 [(1)]	June 30, 2022 [(1)]
Proportion of the net pension liability (asset)	0.08713%	0.09058%	0.09070%	0.09268%	0.09898%	0.10445%	0.10837%	0.10890%	0.11263%
Proportionate share of the net pension liability (asset)	$ 50,916,788	$ 60,983,670	$ 73,359,609	$ 85,711,632	$ 90,972,366	$ 94,334,669	$ 105,024,875	$ 49,559,304	$ 78,260,448
Covered payroll [(2)]	$ 36,055,124	$ 34,794,632	$ 38,555,207	$ 42,822,973	$ 46,702,574	$ 53,450,117	$ 65,690,947	$ 66,027,281	$ 65,318,974
Proportionate Share of the net pension liability (asset) as a percentage of covered payroll	141.22%	175.27%	190.27%	200.15%	194.79%	176.49%	159.88%	75.06%	119.81%
Plan fiduciary net position as a percentage of the total pension liability (asset)	76.52%	74.02%	70.04%	69.46%	70.99%	72.56%	71.82%	87.21%	81.20%
Proportionate share of aggregate employer contributions [(3)]	$ 3,201,695	$ 3,733,464	$ 4,850,245	$ 6,179,355	$ 7,603,179	$ 9,139,970	$ 10,609,088	$ 11,171,816	$ 12,475,924

(1) Historical information is required only for measurement periods for which GASB 68 is applicable. This is the measurement date of the actuary report.

(2) Covered payroll is the payroll on which contributions to a pension plan are based.

(3) The Plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The Plan's proportionate share of aggregate contributions is based on the Plan's proportion of fiduciary net position as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

ROSEVILLE CITY SCHOOL DISTRICT

SCHEDULE OF PENSION CONTRIBUTIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

CalPERS	Fiscal Year 2014-15 (1)	Fiscal Year 2015-16 (1)	Fiscal Year 2016-17 (1)	Fiscal Year 2017-18 (1)	Fiscal Year 2018-19 (1)	Fiscal Year 2019-20 (1)	Fiscal Year 2020-21 (1)	Fiscal Year 2021-22 (1)	Fiscal Year 2022-23 (1)
Contractually required contribution (2)	$ 1,105,673	$ 1,213,836	$ 1,395,754	$ 1,786,936	$ 2,124,638	$ 2,651,524	$ 4,096,856	$ 3,279,537	$ 4,005,195
Contributions in relation to the contractually required contribution (2)	(1,213,646)	(1,395,858)	(1,787,350)	(2,124,195)	(2,651,614)	(3,109,790)	(3,281,997)	(4,013,289)	(3,185,485)
Contribution deficiency (excess)	$ (107,973)	$ (182,022)	$ (391,596)	$ (337,259)	$ (526,976)	$ (458,266)	$ 814,859	$ (733,752)	$ 819,710
Covered payroll (3)	$ 9,393,195	$ 10,245,936	$ 10,050,072	$ 11,505,608	$ 11,763,027	$ 13,445,180	$ 19,791,575	$ 14,314,871	$ 15,787,130
Contributions as a percentage of covered payroll (3)	11.771%	11.847%	13.888%	15.531%	18.062%	19.721%	20.700%	22.910%	25.370%

STRS	Fiscal Year 2014-15 (1)	Fiscal Year 2015-16 (1)	Fiscal Year 2016-17 (1)	Fiscal Year 2017-18 (1)	Fiscal Year 2018-19 (1)	Fiscal Year 2019-20 (1)	Fiscal Year 2020-21 (1)	Fiscal Year 2021-22 (1)	Fiscal Year 2022-23 (1)
Contractually required contribution (2)	$ 3,201,695	$ 3,733,464	$ 4,850,245	$ 6,179,355	$ 7,603,179	$ 9,139,970	$ 10,609,088	$ 11,171,816	$ 12,475,924
Contributions in relation to the contractually required contribution (2)	(3,730,036)	(4,893,909)	(6,169,899)	(7,607,673)	(9,164,379)	(10,100,396)	(9,416,378)	(11,038,076)	(13,702,893)
Contribution deficiency (excess)	$ (528,341)	$ (1,160,445)	$ (1,319,654)	$ (1,428,318)	$ (1,561,200)	$ (960,426)	$ 1,192,710	$ 133,740	$ (1,226,969)
Covered payroll (3)	$ 36,055,124	$ 34,794,632	$ 38,555,207	$ 42,822,973	$ 46,702,574	$ 53,450,117	$ 65,690,947	$ 66,027,281	$ 65,318,974
Contributions as a percentage of covered payroll (3)	8.880%	10.730%	12.580%	14.430%	16.280%	17.100%	16.150%	16.920%	19.100%

(1) Historical information is required only for measurement periods for which GASB 68 is applicable.

(2) Employers are assumed to make contributions equal to the contractually required contributions. However, some employers may choose to make additional contributions towards their side fund or their unfunded liability. Employer contributions for such plans exceed the contractually required contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.

(3) Covered payroll is the payroll on which contributions to a pension plan are based.

1. PURPOSE OF SCHEDULES

A - Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP) and Actual

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 Trustees 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.

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

Benefit changes. There were no changes in benefit terms since the prior measurement date.

Changes of assumptions. The interest assumption changed from 2.16% to 3.54%.

Fiscal year 2018 was the first year of implementation, therefore only six years are shown.

C - Schedule of OPEB Contributions

Actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year ended June 30, 2023 were from the June 30, 2022 valuation.

Actuarial cost method	Entry Age Normal Cost
Amortization method	Level percent of pay
Amortization period	13.8 years
Asset valuation method	Market value of assets ($0; plan is not yet funded)
Inflation	2.50% per year
Healthcare cost trend rates	4.00% per year
Salary increases	2.75% per year
Discount Rates	3.54% as of June 30, 2022 (Measurement Date) 2.16% as of June 30, 2021 (Measurement Date)
Mortality	
Certificated	2020 CalSTRS Mortality
Classified	2017 CalPERS Mortality for Miscellaneous and Schools Employees

1. PURPOSE OF SCHEDULES (CONTINUED)

D - Schedule of Proportionate Share of the Net Pension Liability

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

Changes in Assumptions
The discount rate changed for CalPERS from 7.15% to 6.90%. The inflation rate for CalPERS changed from 2.50% to 2.30%. The payroll growth rate for CalPERS changed from 2.75% to 2.80%. There were no changes in assumptions for CalSTRS.

Changes in Benefit Terms
There were no changes in benefit terms since the previous valuations for both CalPERS and CalSTRS.

Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.

E - Schedule of Pension Contributions

If an employer's contributions to the plans are actuarially determined or based on statutory or contractual requirements, the employer's actuarially determined contribution to the pension plans (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll. In the future, as data becomes available, ten years of information will be presented.

Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.

	CalPERS	**STRS**
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial Assumptions		
Discount Rate	6.90%	7.10%
Inflation	2.30%	2.75%
Payroll Growth Rate	2.80%	3.50%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return (1)	6.90%	7.10%
Mortality	Derived using CalPERS' Membership Data for all Funds	Derived using STRS' Membership Data for all Funds

(1) Net of pension plan investment expenses, including inflation.

SUPPLEMENTARY INFORMATION

ROSEVILLE CITY SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL NON-MAJOR FUNDS

JUNE 30, 2023

	Student Activity Fund	Cafeteria Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Totals
ASSETS					
Cash and cash equivalents	$ 305,004	$ 9,727,415	$ 2	$ 3,219,704	$ 13,252,125
Accounts receivable	-	2,694,514	-	7,124	2,701,638
Due from other funds	-	1,095	-	-	1,095
Prepaid expenses	-	15,530	-	-	15,530
Stores inventory	-	51,029	-	-	51,029
Total Assets	$ 305,004	$ 12,489,583	$ 2	$ 3,226,828	$ 16,021,417
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ -	$ 232,646	$ -	$ -	$ 232,646
Due to other funds	-	225,417	2	-	225,419
Total Liabilities	-	458,063	2	-	458,065
Fund balances					
Nonspendable	-	66,560	-	-	66,560
Restricted	305,004	11,964,960	-	3,226,828	15,496,792
Total Fund Balances	305,004	12,031,520	-	3,226,828	15,563,352
Total liabilities and fund balances	$ 305,004	$ 12,489,583	$ 2	$ 3,226,828	$ 16,021,417

ROSEVILLE CITY SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

ALL NON-MAJOR FUNDS

JUNE 30, 2023

	Student Activity Fund	Cafeteria Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Totals
REVENUES					
Federal revenue	$ -	$ 5,960,749	$ -	$ -	$ 5,960,749
Other state revenues	-	6,838,215	-	-	6,838,215
Other local revenues	615,904	104,960	432,268	2,309,427	3,462,559
Total revenues	615,904	12,903,924	432,268	2,309,427	16,261,523
EXPENDITURES					
Classified salaries	-	2,610,271	-	-	2,610,271
Employee benefits	-	935,942	-	-	935,942
Books and supplies	591,644	4,865,568	-	-	5,457,212
Services and other operating expenditures	-	316,100	-	-	316,100
Capital outlay	-	207,899	-	-	207,899
Other outgo	-	225,292	-	-	225,292
Debt service expenditures					
Principal	-	-	-	2,345,000	2,345,000
Interest	-	-	-	320,563	320,563
Total expenditures	591,644	9,161,072	-	2,665,563	12,418,279
Excess (deficiency) of revenues over expenditures	24,260	3,742,852	432,268	(356,136)	3,843,244
OTHER FINANCING SOURCES (USES)					
Operating transfers out	-	-	(935)	-	(935)
Total other financing sources (uses)	-	-	(935)	-	(935)
Net change in fund balances	24,260	3,742,852	431,333	(356,136)	3,842,309
Fund balances, July 1, 2022	280,744	8,288,668	(431,333)	3,582,964	11,721,043
Fund balances, June 30, 2023	$ 305,004	$ 12,031,520	$ -	$ 3,226,828	$ 15,563,352

ROSEVILLE CITY SCHOOL DISTRICT

ORGANIZATION

JUNE 30, 2023

The Roseville City School District was established on May 14, 1869, and is comprised of an area of approximately 42.56 square miles located in Placer County. There were no changes in the boundaries of the District during the current year. The District is comprised of 17 elementary and 4 middle schools.

GOVERNING BOARD

Name	Office	Term Expires November
Alisa Frong	President	2026
Rob Baquera	Clerk	2026
Julie Constant	Member	2024
Jonathan Zachreson	Member	2026
Meghan Krafka	Member	2024

ADMINISTRATION

Derk Garcia
Superintendent

Jamey Schrey
Deputy Superintendent - Educational Services

Amy Banks
Associate Superintendent - Business Services

Meghan Baichtal
Assistant Superintendent - Personnel Services

ROSEVILLE CITY SCHOOL DISTRICT

SCHEDULE OF AVERAGE DAILY ATTENDANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Second Period Report	Annual Report
TK through Third	4,770.18	4,818.45
Fourth through Sixth	3,636.39	3,652.96
Seventh through Eighth	2,335.13	2,345.36
Total	10,741.70	10,816.77

ROSEVILLE CITY SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Grade Level	Standard Minutes Requirement	2022-23 Actual Minutes	Instructional Days	Status
Kindergarten	36,000	46,790	180	In compliance
Grade 1	50,400	54,472	180	In compliance
Grade 2	50,400	54,472	180	In compliance
Grade 3	50,400	54,472	180	In compliance
Grade 4	54,000	54,472	180	In compliance
Grade 5	54,000	54,472	180	In compliance
Grade 6	54,000	57,300	180	In compliance
Grade 7	54,000	57,300	180	In compliance
Grade 8	54,000	57,300	180	In compliance

ROSEVILLE CITY SCHOOL DISTRICT

SCHEDULE OF CHARTER SCHOOLS

FOR FISCAL YEAR ENDED JUNE 30, 2023

Charter School ID Number	Charter Schools Chartered by the District	Included in the District Financial Statements, or Separate Report

There are currently no charter schools chartered by the District.

ROSEVILLE CITY SCHOOL DISTRICT

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Bond Interest and Redemption Fund
FUND BALANCE	
Balance, June 30, 2023, Unaudited Actuals	$ 3,305,914
Decrease in:	
Cash in County Treasury	(79,086)
Balance, June 30, 2023, Audited Financial Statements	$ 3,226,828

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

ROSEVILLE CITY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Assistance Listing Number	Grantor and Program Title	Pass-Through Entity Identifying Number		Federal Expenditures
	U.S. Department of Education			
	Passed through California Department of Education			
	Special Education Cluster (IDEA)			
84.027	Special Ed: ARP IDEA Part B, Sec. 619, Preschool Grants	15639	$	68,696
84.027	Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Sec 611	13379		2,655,737
84.027	Special Ed: IDEA Local Assistance, Part B, Sec 611, Private School ISPs	10115		20,970
84.173	Special Ed: IDEA Preschool Grants, Part B, Sec 619 (Age3-4-5)	13430		80,612
84.027A	Special Ed: IDEA Mental Health Average Daily Attendance Allocation, Part B, Sec 611	15197		226,607
84.027	Special Ed: ARP IDEA Part B, Sec. 611, Local Assistance Entitlement	15638		542,542
84.027	Special Ed: ARP IDEA Part B, Sec. 611, Local Assistance Private School ISPs	10169		3,747
	Subtotal Special Education Cluster (IDEA)			3,598,911
	Education Stabilization Fund (ESF) Cluster			
84.425	Elementary and Secondary School Emergency Relief II (ESSER II) Fund	15547	*	716,379
84.425	Elementary and Secondary School Emergency Relief III (ESSER III) Fund	15559	*	4,174,919
84.425	American Rescue Plan - Homeless Children and Youth II	15566	*	27,202
	Subtotal Education Stabilization Fund (ESF) Cluster			4,918,500
84.010	ESSA: Title I, Part A, Basic Grants Low-Income and Neglected	14329		1,017,315
84.367	ESSA: Title II, Part A, Supporting Effective Instruction Local Grants	14341		237,212
84.365	ESSA: Title III, English Learner Student Program	14346		96,675
84.365	ESSA: Title III, Immigrant Student Program	15146		34,555
	Total U.S. Department of Education			9,903,168
	U.S. Department of Agriculture			
	Passed through California Department of Education			
	Child Nutrition Cluster			
10.555	Child Nutrition: School Programs (NSL Sec 11)	13755	*	4,477,168
10.553	School Lunch Program - Nonmonetary Assistance	13524	*	593,756
10.555	Supply Chain Assistance (SCA) Funds	15655	*	889,825
	Subtotal Child Nutrition Cluster		*	5,960,749
10.649	Pandemic EBT Local Administrative Grant	15644		3,063
	Total U.S. Department of Agriculture			5,963,812
	Total Federal Programs		$	15,866,980

* Tested as major program.

ROSEVILLE CITY SCHOOL DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Adopted Budget 2023/2024	Actuals 2022/2023	Actuals 2021/2022	Actuals 2020/2021
General Fund				
Revenues and Other Financial Sources	$ 163,350,357	$ 174,006,647	$ 138,447,913	$ 135,469,115
Expenditures	171,125,998	154,118,973	135,000,882	119,368,374
Other Uses and Transfers Out	-	-	-	-
Total Outgo	171,125,998	154,118,973	135,000,882	119,368,374
Change in Fund Balance	(7,775,641)	19,887,674	3,447,031	16,100,741
Ending Fund Balance	$ 63,467,511	$ 71,243,152	$ 51,355,478	$ 47,908,447
Available Reserves **	$ 15,357,792	$ 10,337,156	$ 17,174,828	$ 16,809,042
Designated for Economic Uncertainties	$ 5,133,803	$ 4,623,569	$ 4,045,119	$ 3,578,695
Undesignated Fund Balance	$ 10,223,989	$ 5,713,587	$ 13,129,709	$ 13,230,347
Available Reserves as a Percentage of Total Outgo	9.0%	6.7%	12.7%	14.1%
All Funds				
Total Long-Term Liabilities	$ 151,492,793	$ 155,949,709	$ 108,248,316	$ 173,331,693
Actual Daily Attendance at P-2	11,018	10,742	10,957	10,949

The general fund balance has increased by $39,435,446 over the past three years. The fiscal year 2023-2024 budget projects a decrease of $7,775,641. 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 had an operating surplus in each of the past three fiscal years and anticipates incurring an operating deficit during the 2023-24 fiscal year.

Total long-term liabilities have decreased by $17,381,984 over the past two years due to the decreases in the net pension liability and payments of General Obligation Bonds.

Average Daily Attendance (ADA) has decreased by 207 over the past two years. The District anticipates increases in the fiscal year 2023-2024.

1. 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.

2. Schedule of Instructional Time

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. Districts must maintain their instructional minutes at the State's standard requirements as required by Education Code Section 46201(b).

3. Schedule of Charter Schools

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

4. Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides information necessary to reconcile the Annual Financial and Budget Report to the audited financial statements.

5. Schedule of Expenditures of Federal Awards

The accompanying schedule of expenditures of federal awards includes federal grant activity of the District and is presented under the modified accrual basis of accounting. The May 2023 Edition of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance) require a disclosure of the financial activities of all federally funded programs. This schedule was prepared to comply with the Uniform Guidance and state requirements. Therefore, some amounts presented in this schedule may differ from amounts used in the preparation of the general purpose financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

The schedule on the following page provides a reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amount consists of the fair value of federal food commodities received from the California Department of Education as a pass-through grant from the U.S. Department of Agriculture that are not reflected in the financial statements.

5. Schedule of Expenditures of Federal Awards (Continued)

	Assistance Listing Number	Amount
Total Federal Revenues From the Statement of Revenues, Expenditures and Changes in Fund Balance		$ 15,863,917
Reconciling items		
Pandemic EBT Local Administrative Grant	15644	3,063
Total Schedule of Expenditures of Federal Awards		$ 15,866,980

6. Schedule of Financial Trends and Analysis

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

7. 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 Section 22714 and 44929. Eligible employees must have five or more years of service under the State Teachers' Retirement System and retire during the exclusive periods of participation, April 1, 2023 through July 1, 2023.

Retiree Information: A total of 9 employees have retired in exchange for the additional two years of service credit.

Position Vacated	Age	Service Credit	Salary Retiree*	Salary Replacement	Salary Savings	Benefits Retiree*	Benefits Replacement	Benefits Savings	Total Savings	Savings Period (in Years)
Teacher	58	32.16	$ 348,711	$ 223,376	$ 125,335	$ 106,203	$ 75,914	$ 30,289	$ 155,624	1.7
Teacher	56	13.29	$ 452,976	$ 296,888	$ 156,088	$ 138,873	$ 103,254	$ 35,619	$ 191,707	1.6
Teacher	55	20.49	$ 464,948	$ 305,784	$ 159,164	$ 141,604	$ 105,284	$ 36,320	$ 195,484	2.1
Teacher	56	17.00	$ 533,636	$ 470,807	$ 62,829	$ 162,592	$ 148,254	$ 14,338	$ 77,167	5.6
Teacher	56	28.69	$ 464,948	$ 296,888	$ 168,060	$ 141,604	$ 103,524	$ 38,080	$ 206,140	2.3
Teacher	55	17.30	$ 464,948	$ 305,784	$ 159,164	$ 141,604	$ 105,284	$ 36,320	$ 195,484	1.9
Teacher	61	31.65	$ 107,366	$ 72,032	$ 35,334	$ 33,377	$ 25,314	$ 8,063	$ 43,397	0.0
Teacher	60	24.12	$ 102,743	$ 72,032	$ 30,711	$ 32,322	$ 25,314	$ 7,008	$ 37,719	0.0
Principal	61	35.98	$ 166,307	$ 133,561	$ 32,746	$ 48,155	$ 40,683	$ 7,472	$ 40,218	0.0
Total			$3,106,583	$ 2,177,152	$ 929,431	$ 946,334	$ 732,825	$ 213,509	$1,142,940	

* Retiree and replacement salary and benefit costs represent the domino-effect of replacing the retiring employee, plus the cost of replacing the retiree.

Additional Costs: As a result of this early retirement incentive program, the District expects to incur additional costs of $743,234 in administrative fees, present value and any interest over eight years.

OTHER INDEPENDENT AUDITOR'S REPORTS

James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Trustees
Roseville City School District
Roseville, California

Report on Compliance

Opinion

We have audited the Roseville City School District (the "District") compliance with the requirements specified in the 2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting applicable to the District's state program requirements identified below for the year ended June 30, 2023.

In our opinion, Roseville City School District complied, in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the 2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the 2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting will always detect a material noncompliance when it exists.

The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

Local Education Agencies Other Than Charter Schools

Description	Procedures Performed
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No, see below
Continuation Education	No, see below
Instructional Time	Yes
Instructional Materials	
General Requirements	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive Program	Yes
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	No, see below
Middle or Early College High Schools	No, see below
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	Yes
District of Choice	No, see below
Home to School Transportation Reimbursement	Yes
Independent Study Certification for ADA Loss Mitigation	Yes

School Districts, County Offices of Education and Charter Schools

Description	Procedures Performed
California Clean Energy Jobs Act	No, see below
After/Before Schools Education and Safety Program	
General requirements	Yes
After School	Yes
Before School	No, see below
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	No, see below
Immunizations	No, see below
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	No, see below
Transitional Kindergarten	Yes

Charter Schools

Description	Procedures Performed
Attendance	No, see below
Mode of Instruction	No, see below
Nonclassroom-Based Instruction/Independent Study	No, see below
Determination of Funding for Nonclassroom-Based Instruction	No, see below
Annual Instructional Minutes - Classroom Based	No, see below
Charter School Facility Grant Program	No, see below

We did not perform audit procedures on Independent Study as the ADA did not exceed the materiality threshold in the current year.

The District did not operate Juvenile Court Schools in the current year; therefore, we did not perform any procedures related to Juvenile Court Schools.

The District did not offer Continuation Education, Middle or Early College High Schools, Independent Study - Course Based, Before school portion of the After/Before School Education and Safety Program, Apprenticeship: Related and Supplemental Instruction programs in the current year; therefore, we did not perform any procedures related to these programs.

The District does not participate in District of Choice; therefore, we did not perform any procedures related to District of Choice.

The District did not have any expenditures related to California Clean Energy Jobs Act funds; therefore, did not perform any procedures related to California Clean Energy Jobs Act.

We did not perform any procedures related to Immunizations because the District did not have any schools that did not submit immunization assessments or report combined conditional admission and overdue rates greater than 10% in kindergarten.

We did not perform audit procedures on Career Technical Education Incentive Grant as the District did not receive funding in the current year.

The District does not sponsor any Charter Schools, therefore, we did not perform any procedures related to Charter Schools.

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the 2022-23 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Accordingly, this report is not suitable for any other purpose.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
September 22, 2023

James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

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*

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Roseville City School District
Roseville, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Roseville City School District (the "District"), as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 22, 2023.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

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

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.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
September 22, 2023

James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Roseville City School District
Roseville, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Roseville City School District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the May 2023 Edition of the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of the May 2023 Edition of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Roseville City School District as of and for the year ended June 30, 2023, and have issued our report thereon dated September 22, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
September 22, 2023

FINDINGS AND RECOMMENDATION

ROSEVILLE CITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Section I – Summary of Audit Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	_______ Yes	___X___ No
Significant deficiency(ies) identified?	_______ Yes	___X___ None reported
Noncompliance material to financial statements noted?	_______ Yes	___X___ No

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	_______ Yes	___X___ No
Significant deficiency(ies) identified?	_______ Yes	___X___ None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance Section 200.516(a)	_______ Yes	___X___ No

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.425	Education Stabilization Fund (ESF) Cluster
10.553, 10.555	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

Internal control over state programs:		
Material weakness(es) identified?	_______ Yes	___X___ No
Significant deficiency(ies) identified?	_______ Yes	___X___ None reported
Type of auditor's report issued on compliance for state programs:	Unmodified	

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

Section IV – State Award Findings and Questioned Costs

No matters were reported.

2022-001 DEFICIENCY – SEGREGATION OF DUTIES IN JOURNAL ENTRY PROCESSING (30000)

Criteria: Sound accounting policies and proper segregation of duties require an internal control system be in place to ensure each transaction is complete, accurate and reviewed by a knowledgeable person prior to processing.

Condition: Journal entries are prepared and entered by the Director of Fiscal Services, however there is no indication of review.

Cause: The design of controls within the journal entry process does not mitigate the potential for fraud or error in financial reporting.

Recommendation: The District should generate a log of journal entries prepared and posted by the same individual and require an independent individual to review and verify on a periodic basis.

Status: Implemented.

2022–002 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 6, 2021 board meeting however did not submit to the County Office of Education until May 22, 2021, which is in excess of the allowed 5 days.

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

Status: Implemented.