

ROCKLIN UNIFIED SCHOOL DISTRICT

AUDIT REPORT
JUNE 30, 2025



ROCKLIN UNIFIED SCHOOL DISTRICT
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FINANCIAL SECTION

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTSIndependent Auditors' Report

Governing Board
Rocklin Unified School District
Rocklin, California

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Rocklin Unified School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Rocklin Unified School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Rocklin Unified School District, as of June 30, 2025, and the respective changes in financial 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 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Rocklin Unified School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter*Change in Accounting Principle*

As described in Note 1 to the financial statements, the Rocklin Unified School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements (continued)

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 Rocklin Unified School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 generally accepted auditing standards 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 of the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis, budgetary comparison information, schedule of changes in net OPEB liability and related ratios, schedule of money-weighted rate of return on OPEB plan investments, schedules of proportionate share of net pension liability, and schedules of district contributions for pensions 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 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 Rocklin Unified School District's basic financial statements. The supplementary information listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the Local Education Agency Organization Structure but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2026 on our consideration of the Rocklin Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Rocklin Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rocklin Unified School District's internal control over financial reporting and compliance.

Christy White, Inc.

San Diego, California
January 22, 2026

ROCKLIN UNIFIED SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL REPORTS

This section of the District's annual financial report presents our discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2025. Please read it in conjunction with the District's financial statements which immediately follow this section.

FINANCIAL HIGHLIGHTS

California K-12 education finance is in the twelfth year of the funding model "Local Control Funding Formula" (LCFF). The State adopted the 2024/25 budget on time. The budget included an LCFF cost of living adjustment of 1.07%.

The net pension liability as of June 30, 2025, was \$118.9 million. The net pension liability decreased by \$15.2 million during the measurement period (June 30, 2024). This measurement period is always a year in arrears. Refer to Note 8 for further disclosures related to the net pension liability.

The District's enrollment increased by 226 students (2%) at CBEDS (the California Basic Educational Data System) over the last two years and had an increase of 231 students (2.0%) from 2012/13 – 2024/25. However, between 2019-20 and 2020-21, the District lost 732 students due to the COVID-19 pandemic. It is also projected that the District will lose an additional 276 students during the next two fiscal years.

The District completed major projects of \$5.7 million in 2024-25, the largest of which were the purchase of multiple electric busses for a total cost of \$1.3 million and the completion of the Quarry Trail project for \$2.5 million. The electric bus expense was offset by various bus grants totaling \$1.3 million. Progress on the District-wide HVAC replacement project totaled \$2.2 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – management discussion and analysis (this section), the basic financial statements, required supplementary information and an optional section that presents combining statements for all governmental funds. The basic financial statements include two kinds of statements that present different views of the District.

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

The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.

The governmental funds statements tell how basic services, such as regular and special education, and capital projects were financed in the short term as well as what remains for future spending.

Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide details about our governmental funds.

**ROCKLIN UNIFIED SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

District-Wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District’s assets, liabilities and deferred outflows and inflows. All the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District’s net position and how it has changed. Net position, the difference between the District’s assets, liabilities, deferred outflows and inflows, is one way to measure the District’s financial health or position. Over time, increases or decreases in the District’s net position are an indicator of whether its financial position is improving or deteriorating, respectively.

Major Features of the District-Wide and Fund Financial Statements:

| <i>Type of Statements</i> | District-wide | Fund Statements | |
|--|---|---|--|
| | | Governmental Funds | Fiduciary Trust Funds |
| <i>Scope</i> | Entire District, excluding certain fiduciary activities that the District does not have administrative control over | The activities of the District that are not proprietary, such as special education and building maintenance | Instances in which the District administers resources on behalf of someone else through a trust, such the Retiree Benefit Trust Fund |
| <i>Required financial statements</i> | • statement of net position | • balance sheet | • statement of fiduciary trust net position |
| | • statement of activities | • statement of revenues, expenditures and changes in fund balances | • statement of changes in fiduciary trust net position |
| <i>Accounting basis and measurement focus</i> | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | Accrual accounting and economic resources focus |
| <i>Type of asset/deferred outflow/ liability/deferred inflow information</i> | All assets/deferred outflow and liabilities/deferred inflow, both financial and capital, short-term and long-term | Only assets/deferred outflow expected to be used up and liabilities/deferred inflow that come due during the year or soon thereafter; no capital assets included | All assets/deferred outflow and liabilities/deferred inflow, both short-term and long-term |
| <i>Type of inflow/outflow information</i> | All revenues and expenses during year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received, and payment is due during the year or soon thereafter | All revenues and expenses during year, regardless of when cash is received or paid |

**ROCKLIN UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds--not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by State law and by bond covenants. (See Note 1 to the financial statements for more information on the District's funds).

NET POSITION

The District's initial net position increased by \$18.5 million in 2024-25 but was offset by \$13.8 million due to the implementation of GASB 101 resulting in a total net position increase of \$4.7 million, reaching \$183.8 million as of June 30, 2025. This growth reflects several financial trends and activities over the year. Current and other assets increased by \$.4 million, driven by a \$2.4 million increase in receivables, a \$.1 million increase in prepaid expenses and \$.1 million increase in other current assets, offset by a \$2.2 million decrease in cash and equivalents. The District's cash balance was influenced by the application of Government Accounting Standards Board (GASB) 31, which requires adjustments to reflect changes in the fair market value of pooled investments held by Placer County. The reversal of the 2023-24 GASB 31 entry, combined with the 2024-25 adjustment, resulted in an increase of \$.5 million in cash across all funds.

The increase in receivables was primarily due to an additional \$3.2 million in LCFF funding due to the District at the end of the year, \$.7 million due for the ELOP grant. This was partially offset by collected receivables, \$.7 million for the Children and Youth Behavioral Health Initiative (CYBHI) grant, \$.7 million decrease in special education state funding receivable and other changes in receivable balances.

Capital assets experienced a net decrease of \$1.4 million. Notable increases included \$1.3 million for the purchase of electric buses, \$2.2 million for the District-wide HVAC replacement project and \$1.2 million for progress on the Rocklin Elementary School TK portable project, along with other smaller construction projects. These were offset by a \$9.3 million increase in accumulated depreciation. Additionally, the District entered into a lease for Apple iPads valued at \$0.1 million, net of accumulated amortization.

The District completed \$5.7 million in major projects during 2024-25. Key expenditures included \$1.2 million for electric buses, \$2.5 million (which includes \$2.3 million of costs recognized in the 2022/23 fiscal year) for the Quarry Trail Portable project, \$.4 million in various electric charging infrastructure and \$1.6 million in other projects completed throughout the school year.

The increase in net position was further influenced by several other factors. Deferred outflows of resources decreased by \$10 million, related to pensions. Long-term debt decreased by \$16.3 million due to a \$15.1 million decrease in the net pension liability, a net \$7.3 million decrease in accreted interest, \$4.3 million decrease in General obligation bonds outstanding and a decrease of \$2.8 million in Mello-Roos bonds. The decrease was offset by an increase in long-term liabilities of \$13.8 million due to GASB requiring debt recognition of sick leave. The remaining fluctuation is due to changes in the Certificates of Participation, compensated absences and other outstanding liabilities. Deferred inflows of resources were consistent from year to year and are related to pensions. Other liabilities increased by \$0.6 million, primarily reflecting adjustment to accounts payable at year end.

**ROCKLIN UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

NET POSITION (continued)

These financial changes collectively underscore the District's ongoing commitment to managing its resources and addressing its fiscal priorities.

| Rocklin Unified School District | | |
|--|-----------------|-----------------|
| Net Position | | |
| <i>(in millions of dollars)</i> | | |
| | <u>2023-24</u> | <u>2024-25</u> |
| Current and other assets | \$ 162.0 | \$ 162.4 |
| Capital assets | 247.7 | 246.3 |
| Advanced receivable | - | - |
| Total Assets | <u>409.7</u> | <u>408.7</u> |
| Total deferred outflows | <u>58.6</u> | <u>48.6</u> |
| Long-term debt | 264.3 | 248.0 |
| Other liabilities | 11.2 | 11.8 |
| Total Liabilities | <u>275.5</u> | <u>259.8</u> |
| Total deferred inflows | <u>13.7</u> | <u>13.7</u> |
| Net investment in capital assets | 188.4 | 192.1 |
| Restricted | 97.1 | 105.2 |
| Unrestricted | (106.4) | (113.5) |
| Total Net Position | <u>\$ 179.1</u> | <u>\$ 183.8</u> |

**ROCKLIN UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

CHANGES IN NET POSITION

The District's revenues, expenses, and changes in net position for the year are presented in Table 2 below.

| Table 2 | | | |
|--|----------------|----------------|-------------------|
| Changes in Rocklin Unified School District's Net Position | | | |
| <i>(in millions of dollars)</i> | | | |
| | <u>2023-24</u> | <u>2024-25</u> | <u>Difference</u> |
| Revenues | | | |
| <i>Programs revenues</i> | | | |
| Charges for services | \$ 1.8 | \$ 2.5 | 0.7 |
| Operating Grants and Contributions | 39.9 | 36.7 | (3.2) |
| Capital Grants and Contributions | 4.1 | | (4.1) |
| | | | - |
| <i>General revenues</i> | | | - |
| Property Taxes | 91.1 | 90.7 | (0.4) |
| Federal and State aid, not restricted | 72.9 | 70.7 | (2.2) |
| Other | 8.7 | 6.6 | (2.1) |
| Total revenues | <u>218.5</u> | <u>207.2</u> | <u>(11.3)</u> |
| Expenses | | | |
| Instruction | 110.5 | 108.3 | (2.2) |
| Instruction-related | 17.0 | 16.5 | (0.5) |
| Pupil services | 18.4 | 20.6 | 2.2 |
| General administration | 10.5 | 11.7 | 1.2 |
| Maintenance and operations | 16.9 | 16.3 | (0.6) |
| Interest on long-term debt | 6.2 | 5.2 | (1.0) |
| Other | 7.9 | 10.1 | 2.2 |
| Total Expenses | <u>187.4</u> | <u>188.7</u> | <u>1.3</u> |
| Increase (Decrease) in net position | <u>31.1</u> | <u>18.5</u> | <u>(12.6)</u> |
| Net Position - Beginning, as Previously Reported | 148.0 | 179.1 | 31.1 |
| Cumulative Effect of Change in Accounting Principles | | <u>(13.8)</u> | <u>(13.8)</u> |
| Net Position - Beginning | <u>148.0</u> | <u>165.3</u> | <u>17.3</u> |
| Net Position - Ending | <u>179.1</u> | <u>183.8</u> | <u>4.7</u> |

The District's initial net position increased by \$18.5 million in 2024-25, but was offset by \$13.8 million due to the implementation of GASB 101 resulting in a total net position increase of \$4.7 million. This was a decrease compared to a \$31.1 million increase in 2023-24. This change reflects variations in revenue sources, grant funding, and expenditures between the two years.

**ROCKLIN UNIFIED SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

CHANGES IN NET POSITION (continued)

Capital grants and contributions decreased by \$4.1 million. This decline was primarily due to the District receiving \$4.1 million in 2023-24 in State School Facilities Apportionments for Ruhkala Elementary School. No such funding was received by the district in 2024-25. Operating grants and contributions also decreased by \$3.2 million, largely due to the timing of other one-time state and federal funding. Specifically, the District received \$1.4 million less in electric bus grants, and \$0.5 million less from Medi-Cal and \$1.3 million in other various one-time state and local grants.

Expenditures increased by a net \$1.3 million, with \$2.3 million of the increase attributed to other expenses, offset by a decrease of \$1 million in long-term debt.

These changes highlight the District’s ongoing financial activity, including shifts in revenue sources and strategic expenditures to support its operations and educational priorities.

FINANCIAL INFORMATION OF THE SCHOOL DISTRICT

Financial Statements

The District’s General Fund is its primary operating fund. It finances the ordinary operations of the school district. General Fund revenues are derived from such sources as state school fund apportionments, taxes, use of money and property, and aid from other governmental agencies.

The District is required by provisions of the State Education Code to maintain a balanced budget each year, in which the sum of expenditures and the ending fund balance cannot exceed the sum of revenues and the carry-over fund balance from the previous year. School Districts must adopt a budget on or before July 1 of each year. The budget is then revised on a regular basis to reflect changes in projected income and expenses subsequent to July 1.

State Funding of Education

California school districts receive a significant portion of their funding from State appropriations. As a result, changes in State revenues will significantly affect appropriations made by the Legislature to school districts. Annual State apportionments are primarily computed based on the Local Control Funding Formula (LCFF). The LCFF creates base, supplemental, and concentration grants in place of most previously existing K–12 funding streams. Now fully implemented, every district in California will receive the same base grant amount per ADA by grade span through the LCFF. The LCFF also provides a supplemental grant equal to 20 percent of the adjusted base grant for targeted disadvantaged students, which are English learners, socio-economically disadvantaged or foster youth. In addition, those districts with targeted disadvantaged students exceeding 55 percent of their total enrollment will also receive a concentration grant equal to 50 percent of the adjusted base grant. The District does not qualify to receive any concentration grant funds.

As part of the LCFF, the District is required to develop, adopt, and annually update a three-year Local Control and Accountability Plan (LCAP) using a template adopted by the California State Board of Education.

Other State apportionments are for categorical programs such as special education and child nutrition.

**ROCKLIN UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

FINANCIAL INFORMATION OF THE SCHOOL DISTRICT (continued)

Ad Valorem Property Taxation

Taxes are levied by the County for each fiscal year on taxable real and personal property which is situated in the school district as of the preceding January 1. Property taxes are due in two installments, on November 1 and February 1 of each fiscal year. These monies come to the District through the Placer County Office of Education primarily in December, April, and August. The District is under the Teeter Plan and receives the last 5% of property tax receipts in August of each year. Property within the school district had a net adjusted assessed valuation for fiscal year 2024-25 of \$13,812,692,062.

Employee Relations

Most employees of the District are represented by the following bargaining units: the Rocklin Teachers Professional Association (RTPA) and California School Employees Association (CSEA). An agreement was reached with RTPA on employee compensation and benefits for 2024-25 and formally ratified by the Board on February 12, 2025, for a one-time compensation payment of \$3,085 per employee. Agreements were also reached with CSEA, RAPA, Non-Represented, Confidential and Deputy & Superintendents on employee compensation and benefits for 2024-25 and formally ratified by the Board on February 12, 2025, for a one-time compensation payment equal to 3% of the employee's annual salary.

Retirement Employee Benefits

The Retiree Benefit Fund is used to fund employee retirement medical benefit payments. The fund was established in 1997. During fiscal year 1996-97 the District transferred \$1,000,000 into the Retiree Benefit Fund to partially fund this liability. The District has made yearly contributions to the Retiree Benefit Fund since 1999, based upon actuarial studies. In June 2006, the District created an Irrevocable Trust for retiree benefits. On June 28, 2023, the District transferred \$4.9 million of this trust from Placer County Pooled funds to the California Employers' Retiree Benefit Trust (CERBT) Fund which is a Section 115 trust fund dedicated to prefunding Other Post-Employment Benefits (OPEB) for California public agencies.

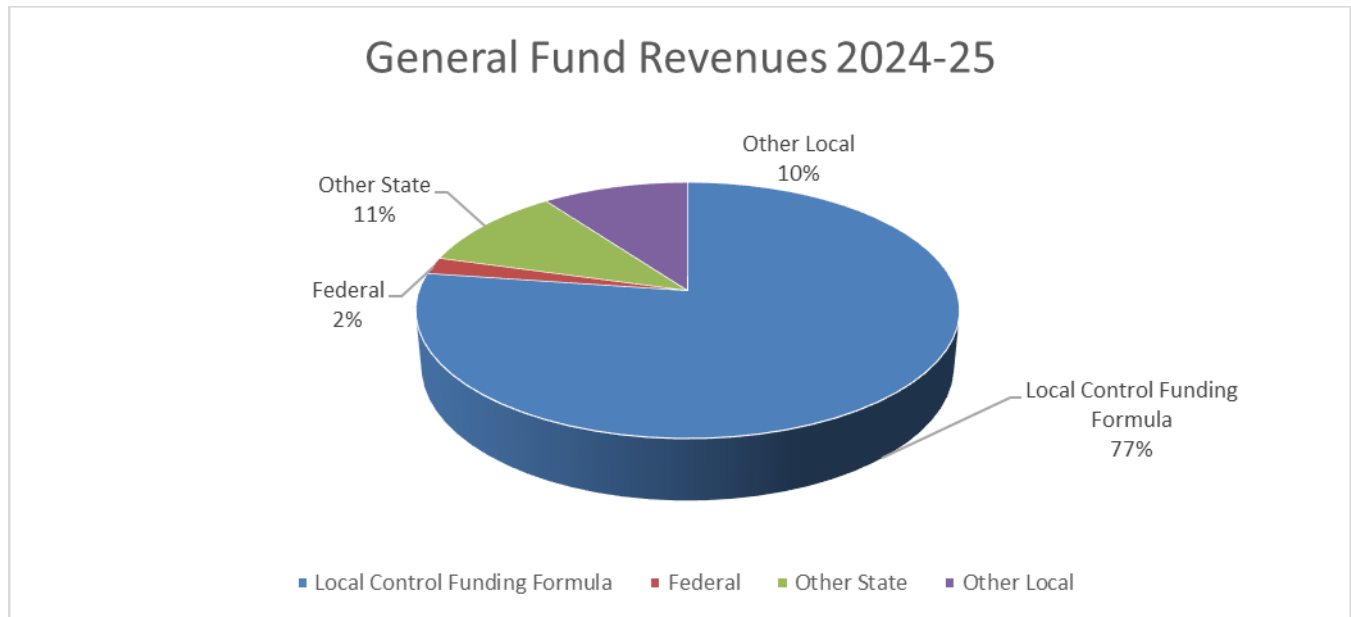
As of the most recent valuation date, June 30, 2025, the District's net OPEB liability is estimated to be \$1,044,364.

District Reserves and Net Ending Balance

Revenues that have not been expended during a budget year are carried over for expenditure in the subsequent year and identified as the District's "Net Ending Balance." Included within the projected net ending balance is a "reserve for economic uncertainties." The State of California requires districts of our size to retain at least a minimum amount equal to 3% of our budgeted expenditures to cover unforeseen shortfalls in revenues or expenditures that are higher than those budgeted. The District's reserve for economic uncertainty and unassigned fund balance on June 30, 2025, was 9.9% of general fund expenditures. Also included in the net ending balance are carryover balances that originated from sources that can only be used for selected purposes. These revenues, called "restricted," can only be expended for the purposes as determined by the grantor, and the balances in these accounts carry the same restrictions as the originating income. Thus, a net ending balance is reflected with two types of accounts, those that are restricted that can be used for selected purposes only and those that are unrestricted and, thus, can be expended by decisions of the local agency.

**ROCKLIN UNIFIED SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

General Fund Revenues and Expenditures



Most of the District’s General Fund revenue is generated from the LCFF funding model, which yields funds based on a state-determined formula times the average number of students who are in attendance throughout the school year. Public education, unlike any other public agency, receives most of its revenue based on the population it serves.

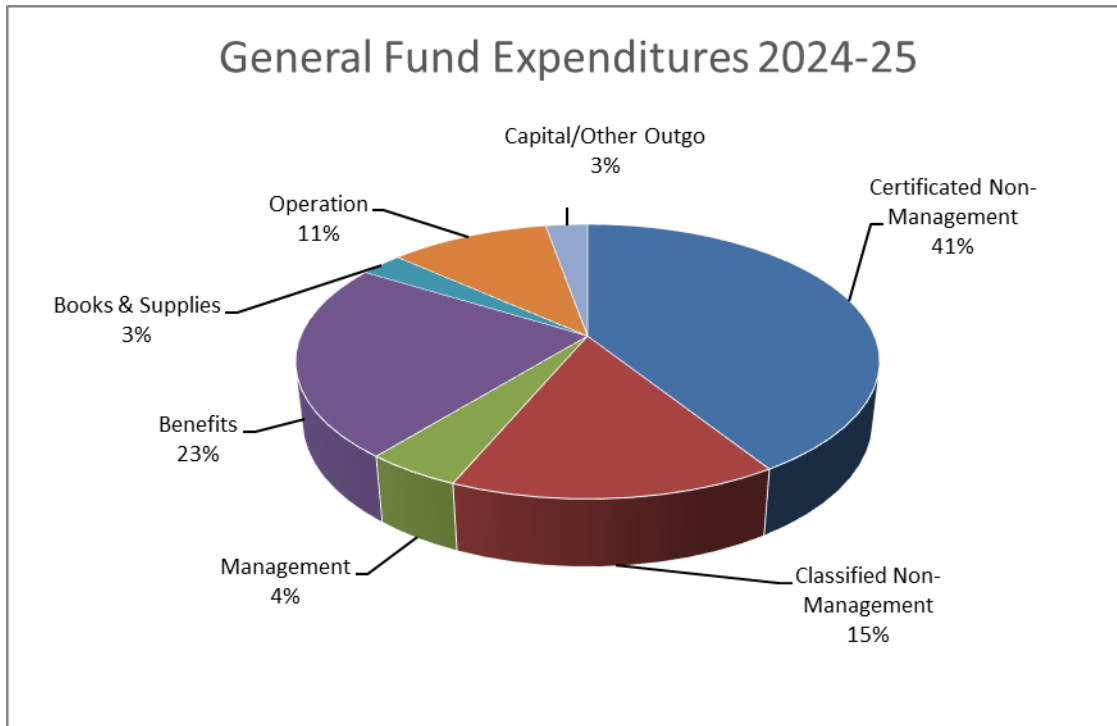
Normally the second largest source of revenue is state categorical income that must be spent for selected State-determined programs. This revenue includes \$3.3 million in lottery, \$1.9 million in ELOP, \$1.4 million in Prop 28 funding, and \$3.4 million in funding for a portion of special education services. State on-Behalf contributions to STRS of \$7.1 million are also reported as Other State Revenue. All of the Federal income received by the District is restricted since it must be expended for purposes that are determined by the grantor and not the local Board of Trustees.

**ROCKLIN UNIFIED SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

FINANCIAL INFORMATION OF THE SCHOOL DISTRICT (continued)

General Fund Revenues and Expenditures (continued)

The District's total resources for expenditure in the budget year include a "beginning balance," which reflects a carryover unexpended balance from the prior year. Under the requirement of state law, a portion of the beginning balance must remain as a Reserve for Economic Uncertainties.



Most of the expenditures of the District were to pay the salaries and benefits of the employees of the District. It takes people to teach students, and in Rocklin Unified School District, 83.9% of the District's General Fund expenditures were for the services of District employees. Salaries represented 60.9% of District expenditures. The health and welfare benefits for District employees were an additional 23% of expenditures and included expenses for areas such as retirement, both State and Federal, medical, dental and life insurance plans, and workers' compensation expenses. Included in the retirement expenses is \$7.1 million of State on-Behalf contributions to STRS.

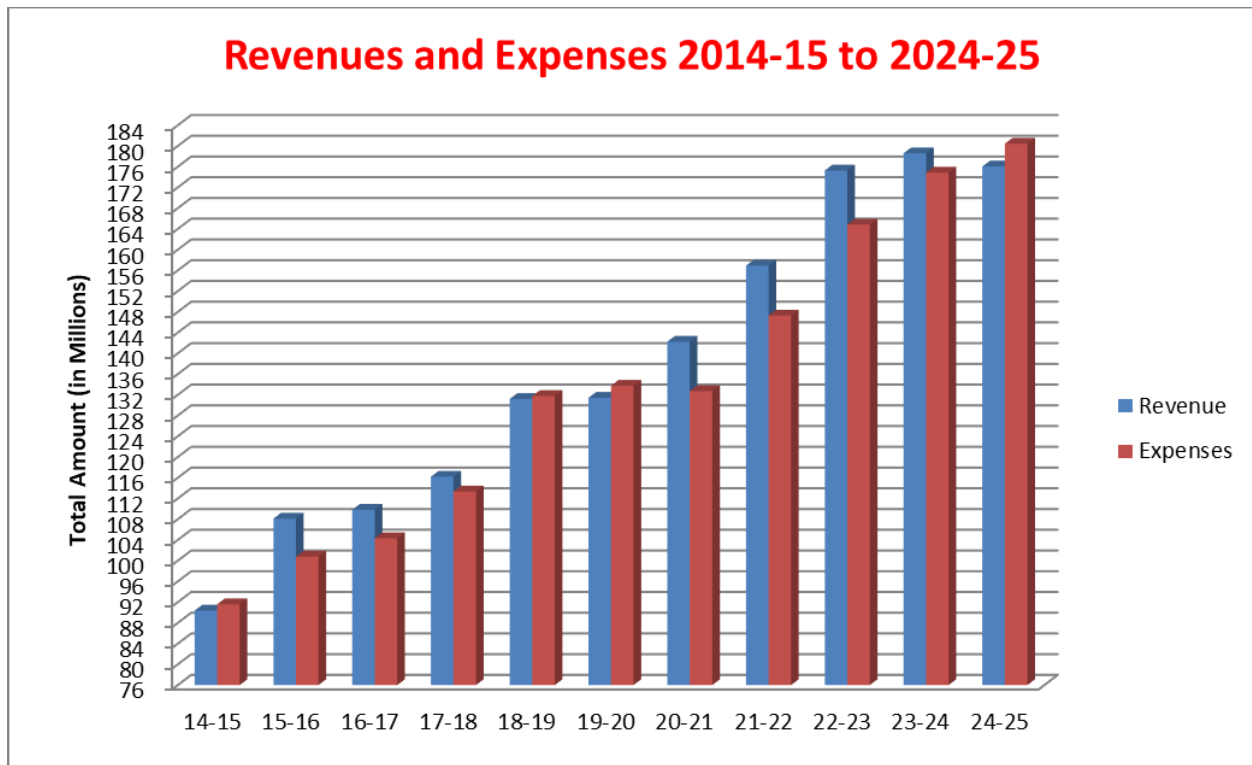
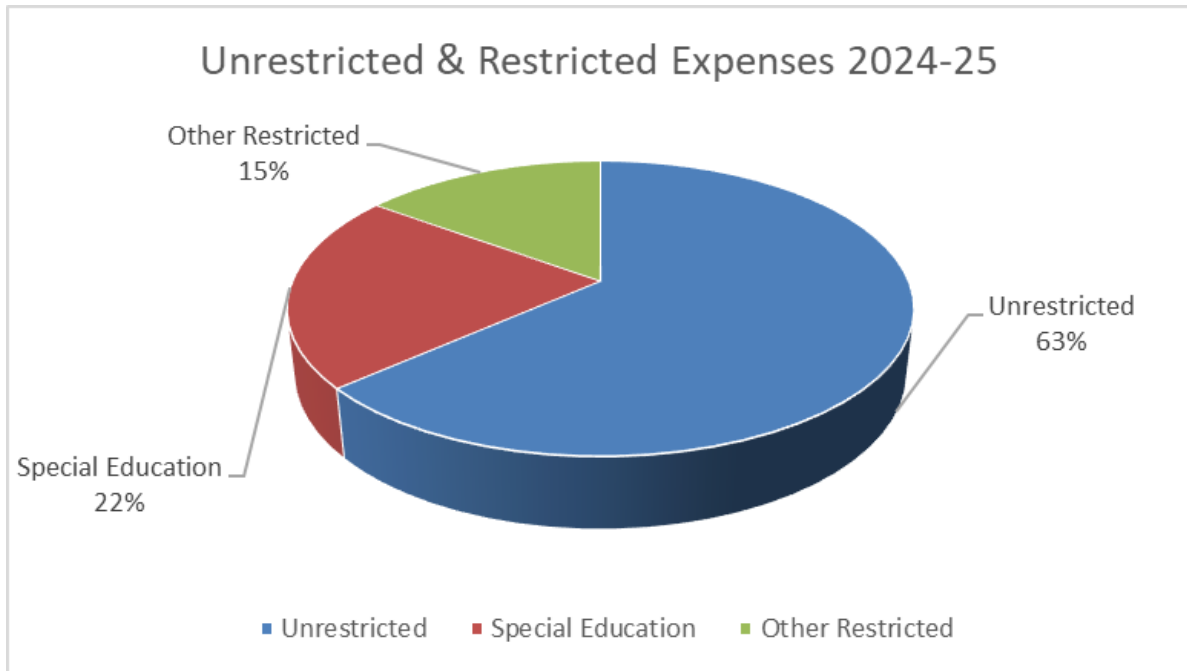
The largest restricted program in the District is special education. Local agencies are obligated for this program to expend the income for selected program purposes.

For special education, Rocklin Unified School District expended \$38.9 million to meet the obligations of the program and the obligations of State and Federal law. State and Federal special education income is significantly less than the obligations of the program and the District must use unrestricted or general-purpose income to address the full obligations of special education. The difference between the restricted income and the expenditures in special education is described as a "contribution" in that the unrestricted general-purpose revenue must be contributed to the special education program to cover the shortfall of state and federal funding. The contribution to special education in 2024-25 was \$24.4 million, or 62.7% and \$21 million, or 57.5%, in 2023-24. The \$3.4 million increase in the General Fund contribution for 2024-25 represents a significant shift in resources. This upward trend reflects the rising costs of specialized services and the ongoing disparity between legislative mandates and the actual funding provided by State and Federal agencies. This continued reliance on unrestricted funds remains a critical factor in the District's long-term multi-year financial planning and budgetary stability.

**ROCKLIN UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

FINANCIAL INFORMATION OF THE SCHOOL DISTRICT (continued)

General Fund Revenues and Expenditures (continued)



**ROCKLIN UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

FINANCIAL INFORMATION OF THE SCHOOL DISTRICT (continued)

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments primarily fall into six categories:

- Changes made to adjust to the State adopted budget and subsequent State revisions.
- Changes made to adjust to actual enrollment needs once school begins.
- Increases for carryover of categorical funding and greater/less than expected enrollment of students.
- Adjustments in projections of special education funding and bill back charges by the Placer SELPA and County Office of Education.
- Updates to federal and state funding allocations
- Changes in expenditures, including salary and benefit costs due to settlement with employee groups, staffing changes, operational costs, and program costs.

The District's final budget for the general fund reflected a decrease in fund balance of \$7.9 million, the projected decrease as presented to the Board on June 18, 2025, was \$9.2 million, and the actual net decrease in fund balance was \$4.4 million.

Revenues estimated in the revised budget were more than revenues in the original budget by \$6.1 million, primarily related to an increase in LCFF revenue of \$.4 million due to an increase in base rate funding. Additionally, federal and state special education funding increased by \$1.6 million. In addition there was \$.5 million in Medi-Cal billing due to funds only being recognized when received. There was an increase of \$1 million of local revenue due to additional interest income due to strong market activity, meeting additional funding thresholds. CTEIG funding increased by \$.5 million due to the state providing an increased allocation state-wide. The remaining \$2.1 million dollar increase was from other various state and local one-time grants.

Revised budget expenditures were \$7.5 million more than original budget primarily due to the addition of \$.9 million for salary increases, \$1.6 million for materials and supplies, \$1.7 million for contracts and \$3.3 million for capital outlay. Actual expenditures were \$3.6 million less than revised budget. \$.6 million in routine restricted maintenance projects were carried over to the following year and completed in July and August. \$.9 million in unrestricted savings is primarily due to program and department budget savings. Additional resources with savings include \$.4 million in CTEIG, \$1 million in special education spending and \$.4 million in AMIM for supplies. \$.3 million was for other miscellaneous project that were carried over to the next year.

**ROCKLIN UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

By the end of 2025 the District had invested \$246.3 million in a broad range of capital assets, including land, school buildings, athletic facilities, administrative buildings, computer and other equipment, and vehicles. This amount represents a net decrease of \$1.4 million, or $-.57\%$ in 2024-25 and a decrease of \$9 million, or $-.3.51\%$, in 2023-24. (More detailed information about capital assets can be found in Note 4 to the financial statements).

The following projects were completed during 2024-25: Quarry Trail portable project and the electric bus charging project.

As of June 30, 2025, the District had construction in progress of \$5.2 million, of which \$2.2 million was for the District-wide HVAC upgrade project, \$1.2 for the Rocklin Elementary TK portables project and \$.6 million for the EMS upgrades, along with \$1.2 million of other various projects. Total depreciation expense was \$9.3 million in 2024-25 and \$9 million in 2023-24. There was also \$.1 million of amortization expenses on the new Apple iPad lease.

Long-Term Debt

At June 30, 2025, the District had \$248 million in general obligation bonds, Mello-Roos Bonds, net pension liability and other long-term debt outstanding, a decrease of \$16.3 million from last year. (More detailed information about the District's long-term liabilities is also presented in Note 5 to the financial statements).

- A decrease in net pension liability of \$15.1M in 2024-25 and an increase 24.7 million in 2023-24.
- The District continued to pay down its debt, retiring \$7.7 million in 2024-25 and \$16.2 million in 2023-24.
- A net of \$7.3 million accreted interest paid in 2024-25 and \$6.5 million of accreted interest paid in 2023-24.

Bond Rating

In 2025 the District's Mello Roos bonds (CFDs 1 and 2) were rated AA by Fitch. In 2025 the District's General Obligation bonds (2002 and 2003) were rated Aa3 by Moody's. The Mello-Roos bonds (CFDs 1 and 2) were rated A and CFD 3 was rated A+ and the Certificates of Participation were rated A+ by Standard and Poor's.

DEBT LIMITATIONS

General Obligation Bonds

The statutory limitation for California school district general obligation bonds in any fiscal year is 2.5% of the District's assessed valuation minus the principal amount of any outstanding general obligation bonds of the District.

Mello-Roos Bonds

The California Government Code requires that the value of real property subject to a Mello-Roos special tax must be at least three times the principal amount of the Mello-Roos bonds to be sold and the principal amount of all other outstanding bonds that are secured by a Mello-Roos special tax or a special assessment levied against the same property.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

If you have questions regarding this report or need additional financial information, contact the District Business Department, Rocklin Unified School District, 2615 Sierra Meadows Drive, Rocklin, CA 95677, (916) 624-2428.

ROCKLIN UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

| | Governmental Activities |
|---|------------------------------------|
| ASSETS | |
| Cash and investments | \$ 146,796,708 |
| Accounts receivable | 14,569,954 |
| Inventory | 20,326 |
| Prepaid expenses | 1,006,962 |
| Capital assets: | |
| Capital assets, not depreciated | 52,888,674 |
| Capital assets, net of accumulated depreciation | 193,313,869 |
| Lease assets, net of accumulated amortization | 103,953 |
| Total Assets | 408,700,446 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred outflows related to pensions | 48,665,708 |
| Total Deferred Outflows of Resources | 48,665,708 |
| LIABILITIES | |
| Accrued liabilities | 10,746,087 |
| Unearned revenue | 1,103,822 |
| Long-term liabilities, current portion | 17,768,388 |
| Long-term liabilities, non-current portion | 230,216,455 |
| Total Liabilities | 259,834,752 |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred inflows related to pensions | 13,728,154 |
| Deferred inflows related to OPEB | 7,914 |
| Total Deferred Inflows of Resources | 13,736,068 |
| NET POSITION | |
| Net investment in capital assets | 192,066,000 |
| Restricted: | |
| Capital projects | 58,784,586 |
| Debt service | 20,841,442 |
| Educational programs | 11,376,056 |
| Food service | 11,907,909 |
| Associated student body | 2,276,032 |
| Unrestricted | (113,456,691) |
| Total Net Position | \$ 183,795,334 |

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

**ROCKLIN UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

| Function/Programs | Expenses | Program Revenues | | | Net (Expenses) |
|--|-----------------------|----------------------|------------------------------------|----------------------------------|--------------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Revenues and Changes in Net Position |
| GOVERNMENTAL ACTIVITIES | | | | | Governmental Activities |
| Instruction | \$ 108,283,621 | \$ 442,194 | \$ 17,309,334 | \$ 1,025 | \$ (90,531,068) |
| Instruction-related services | | | | | |
| Instructional supervision and administration | 5,519,440 | 14,953 | 1,110,677 | - | (4,393,810) |
| Instructional library, media, and technology | 1,118,215 | 2,101 | 31,555 | - | (1,084,559) |
| School site administration | 9,897,637 | 6 | - | - | (9,897,631) |
| Pupil services | | | | | |
| Home-to-school transportation | 3,754,646 | 109,070 | 336,443 | - | (3,309,133) |
| Food services | 5,584,158 | 11,628 | 8,405,155 | - | 2,832,625 |
| All other pupil services | 11,171,442 | 45,378 | 1,803,433 | - | (9,322,631) |
| General administration | | | | | |
| Centralized data processing | 2,949,987 | - | - | - | (2,949,987) |
| All other general administration | 8,823,675 | 14,645 | 955,600 | - | (7,853,430) |
| Plant services | 16,305,967 | 50,920 | 412,296 | - | (15,842,751) |
| Ancillary services | 8,124,917 | 231 | 6,288,894 | - | (1,835,792) |
| Community services | 224,642 | 947 | 4,629 | - | (219,066) |
| Interest on long-term debt | 5,226,545 | - | - | - | (5,226,545) |
| Other outgo | 1,815,416 | 1,824,795 | - | - | 9,379 |
| Total Governmental Activities | \$ 188,800,308 | \$ 2,516,868 | \$ 36,658,016 | \$ 1,025 | (149,624,399) |
| General revenues | | | | | |
| Taxes and subventions | | | | | |
| Property taxes, levied for general purposes | | | | | 69,191,792 |
| Property taxes, levied for debt service | | | | | 20,017,669 |
| Property taxes, levied for other specific purposes | | | | | 1,527,676 |
| Federal and state aid not restricted for specific purposes | | | | | 70,716,521 |
| Interest and investment earnings | | | | | 2,716,646 |
| Interagency revenues | | | | | 658,678 |
| Miscellaneous | | | | | 3,243,358 |
| Subtotal, General Revenue | | | | | 168,072,340 |
| CHANGE IN NET POSITION | | | | | 18,447,941 |
| Net Position - Beginning, as Restated | | | | | 165,347,393 |
| Net Position - Ending | | | | | \$ 183,795,334 |

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

**ROCKLIN UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025**

| | General Fund | Capital Facilities Fund | Special Reserve Fund for Capital Outlay Projects | Debt Service Fund for Blended Component Units | Non-Major Governmental Funds | Total Governmental Funds |
|--|----------------------|-------------------------|--|---|------------------------------|--------------------------|
| ASSETS | | | | | | |
| Cash and investments | \$ 50,716,625 | \$ 26,262,397 | \$ 23,673,215 | \$ 7,772,302 | \$ 38,372,169 | \$ 146,796,708 |
| Accounts receivable | 13,231,479 | 83,778 | 75,619 | 24,662 | 1,154,416 | 14,569,954 |
| Due from other funds | 151,970 | - | 7 | - | 1,721,570 | 1,873,547 |
| Stores inventory | - | - | - | - | 20,326 | 20,326 |
| Prepaid expenditures | 1,006,363 | - | - | - | 599 | 1,006,962 |
| Total Assets | \$ 65,106,437 | \$ 26,346,175 | \$ 23,748,841 | \$ 7,796,964 | \$ 41,269,080 | \$ 164,267,497 |
| LIABILITIES | | | | | | |
| Accrued liabilities | \$ 9,220,138 | \$ 717,848 | \$ 154,079 | \$ 6,673 | \$ 94,775 | \$ 10,193,513 |
| Due to other funds | - | - | 17,825 | 1,721,570 | 134,152 | 1,873,547 |
| Unearned revenue | 1,103,822 | - | - | - | - | 1,103,822 |
| Total Liabilities | 10,323,960 | 717,848 | 171,904 | 1,728,243 | 228,927 | 13,170,882 |
| FUND BALANCES | | | | | | |
| Nonspendable | 1,016,863 | - | - | - | 21,125 | 1,037,988 |
| Restricted | 11,376,056 | 25,628,327 | 23,576,937 | 6,068,721 | 39,088,558 | 105,738,599 |
| Committed | 23,839,379 | - | - | - | 1,930,470 | 25,769,849 |
| Assigned | 675,302 | - | - | - | - | 675,302 |
| Unassigned | 17,874,877 | - | - | - | - | 17,874,877 |
| Total Fund Balances | 54,782,477 | 25,628,327 | 23,576,937 | 6,068,721 | 41,040,153 | 151,096,615 |
| Total Liabilities and Fund Balances | \$ 65,106,437 | \$ 26,346,175 | \$ 23,748,841 | \$ 7,796,964 | \$ 41,269,080 | \$ 164,267,497 |

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

**ROCKLIN UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET
POSITION
JUNE 30, 2025**

Total Fund Balance - Governmental Funds \$ 151,096,615

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, lease assets, accumulated depreciation and accumulated amortization:

| | | |
|---|------------------|-------------|
| Capital assets | \$ 426,918,714 | |
| Lease assets | 415,812 | |
| Accumulated depreciation | (180,716,171) | |
| Accumulated amortization (lease assets) | <u>(311,859)</u> | 246,306,496 |

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. The additional liability for unmaturing interest owing at the end of the period was:

(552,574)

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:

| | | |
|-------------------------------------|--------------------|---------------|
| Total general obligation bonds | \$ 16,869,181 | |
| Total certificates of participation | 11,023,000 | |
| Mello-Roos bonds | 32,055,762 | |
| Unamortized premium | 3,767,091 | |
| Accreted interest | 49,449,425 | |
| Leases | 104,784 | |
| Compensated absences | 14,755,682 | |
| Net OPEB liability | 1,044,364 | |
| Net pension liability | <u>118,915,554</u> | (247,984,843) |

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 pensions are reported.

| | | |
|--|---------------------|------------|
| Deferred outflows of resources related to pensions | \$ 48,665,708 | |
| Deferred inflows of resources related to pensions | <u>(13,728,154)</u> | 34,937,554 |

Deferred outflows and inflows of resources relating to 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 inflows of resources related to OPEB | \$ <u>(7,914)</u> | (7,914) |
|---|-------------------|---------|

Total Net Position - Governmental Activities \$ 183,795,334

**ROCKLIN UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025**

| | General Fund | Capital Facilities Fund | Special Reserve Fund for Capital Outlay Projects | Debt Service Fund for Blended Component Units | Non-Major Governmental Funds | Total Governmental Funds |
|--|----------------------|-------------------------|--|---|------------------------------|--------------------------|
| REVENUES | | | | | | |
| LCFF sources | \$ 135,970,586 | \$ - | \$ - | \$ - | \$ - | \$ 135,970,586 |
| Federal sources | 3,719,752 | - | - | - | 2,666,951 | 6,386,703 |
| Other state sources | 18,570,333 | - | - | - | 5,545,278 | 24,115,611 |
| Other local sources | 17,776,090 | 3,739,322 | 1,334,081 | 6,475,766 | 21,954,240 | 51,279,499 |
| Total Revenues | 176,036,761 | 3,739,322 | 1,334,081 | 6,475,766 | 30,166,469 | 217,752,399 |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| Instruction | 113,416,543 | - | - | - | - | 113,416,543 |
| Instruction-related services | | | | | | |
| Instructional supervision and administration | 6,071,271 | - | - | - | - | 6,071,271 |
| Instructional library, media, and technology | 1,140,358 | - | - | - | - | 1,140,358 |
| School site administration | 10,365,005 | - | - | - | - | 10,365,005 |
| Pupil services | | | | | | |
| Home-to-school transportation | 3,660,290 | - | - | - | - | 3,660,290 |
| Food services | 121,003 | - | - | - | 5,613,588 | 5,734,591 |
| All other pupil services | 12,186,249 | - | - | - | - | 12,186,249 |
| General administration | | | | | | |
| Centralized data processing | 2,761,490 | - | - | - | - | 2,761,490 |
| All other general administration | 8,176,132 | 67,983 | - | - | 133,111 | 8,377,226 |
| Plant services | | | | | | |
| Facilities acquisition and construction | 1,278,025 | 1,367,916 | 2,800,436 | - | 534,426 | 5,980,803 |
| Ancillary services | 1,989,075 | - | - | - | 6,217,479 | 8,206,554 |
| Community services | 224,757 | - | - | - | - | 224,757 |
| Transfers to other agencies | 1,806,185 | - | - | - | - | 1,806,185 |
| Debt service | | | | | | |
| Principal | 95,409 | 177,828 | - | 2,775,713 | 4,716,963 | 7,765,913 |
| Interest and other | 2,884 | 302,737 | - | 2,506,682 | 9,905,974 | 12,718,277 |
| Total Expenditures | 180,440,630 | 2,002,976 | 2,898,227 | 5,282,395 | 27,494,239 | 218,118,467 |
| Excess (Deficiency) of Revenues Over Expenditures | (4,403,869) | 1,736,346 | (1,564,146) | 1,193,371 | 2,672,230 | (366,068) |
| Other Financing Sources (Uses) | | | | | | |
| Transfers in | 39,934 | - | 1,657 | - | 1,721,570 | 1,763,161 |
| Transfers out | - | - | (39,934) | (1,721,570) | (1,657) | (1,763,161) |
| Net Financing Sources (Uses) | 39,934 | - | (38,277) | (1,721,570) | 1,719,913 | - |
| NET CHANGE IN FUND BALANCE | (4,363,935) | 1,736,346 | (1,602,423) | (528,199) | 4,392,143 | (366,068) |
| Fund Balance - Beginning | 59,146,412 | 23,891,981 | 25,179,360 | 6,596,920 | 36,648,010 | 151,462,683 |
| Fund Balance - Ending | \$ 54,782,477 | \$ 25,628,327 | \$ 23,576,937 | \$ 6,068,721 | \$ 41,040,153 | \$ 151,096,615 |

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

**ROCKLIN UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Net Change in Fund Balances - Governmental Funds \$ (366,068)

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, including lease assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets, including lease assets are allocated over their estimated useful lives as depreciation expense and amortization expense, respectively. The difference between capital outlay expenditures and depreciation expense and amortization expense for the period is:

| | | | |
|--------------------------------------|----|-------------|-------------|
| Expenditures for capital outlay: | \$ | 8,095,284 | |
| Depreciation expense: | | (9,281,279) | |
| Amortization expense (lease assets): | | (103,953) | (1,289,948) |

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:

7,765,913

Gain or loss from the disposal of capital assets:

In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss is:

(123,357)

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 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:

33,591

Accreted interest on long-term debt:

In governmental funds, accreted interest on capital appreciation bonds is not recorded as an expenditure from current sources. In the government-wide statement of activities, however, this is recorded as interest expense for the period.

7,283,213

Compensated absences:

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was:

(333,626)

(continued on following page)

**ROCKLIN UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES, continued
FOR THE YEAR ENDED JUNE 30, 2025**

Postemployment benefits other than pensions (OPEB):

In governmental funds, OPEB expenses are recognized when employer OPEB 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: (240,393)

Pensions:

In governmental funds, pension costs are recognized when employer contributions are made. In the government-wide statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and employer contributions was: 5,552,919

Amortization of debt issuance 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 over the life of the debt. Amortization of premium or discount for the period is: 165,697

| | |
|--|----------------------|
| Change in Net Position of Governmental Activities | \$ 18,447,941 |
|--|----------------------|

ROCKLIN UNIFIED SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2025

| | Retiree Benefit Trust Fund |
|---------------------------|---------------------------------------|
| ASSETS | |
| Cash and investments | \$ 85,081 |
| Accounts receivable | 597,684 |
| Total Assets | <u>682,765</u> |
| LIABILITIES | |
| Accrued liabilities | 2,582 |
| Total Liabilities | <u>2,582</u> |
| NET POSITION | |
| Restricted | 680,183 |
| Total Net Position | <u>\$ 680,183</u> |

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

**ROCKLIN UNIFIED SCHOOL DISTRICT
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2025**

| | <u>Retiree Benefit Trust Fund</u> |
|-----------------------------------|---------------------------------------|
| ADDITIONS | |
| Contributions | \$ 593,557 |
| Investment earnings | 11,652 |
| Other local income | 749,090 |
| Total Additions | <u>1,354,299</u> |
| DEDUCTIONS | |
| Benefits payments | <u>1,319,511</u> |
| Total Deductions | <u>1,319,511</u> |
| CHANGE IN NET POSITION | 34,788 |
| Net Position - Beginning | 645,395 |
| Net Position - Ending | <u>\$ 680,183</u> |

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

**ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Rocklin Unified School District (the “District”) accounts for its financial transactions in accordance with the policies and procedures of the 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).

The District operates under a locally elected Board form of government and provides educational services to grades K-12 as mandated by the state. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student-related activities.

B. Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. The District and Community Facilities Districts #1, #2 and #3 (the CFDs) have financial and operational relationships which meet the reporting entity definition criteria for inclusion of the CFDs as component units of the District. Accordingly, the financial activities of the CFDs have been included in the financial statements of the District. For financial presentation purposes, the CFD's financial activity has been blended, or combined, with the financial data of the District. The financial statements present the CFD's financial activity within the District's debt service and capital projects funds. There are no separately issued financial statements. Special tax bonds issued by the CFDs are included in long-term liabilities of the District.

C. Basis of Presentation

Government-Wide Statements. The statement of net position and the statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting of operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District.

**ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Fund Financial Statements. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Governmental funds are used to account for activities that are governmental in nature. Governmental activities are typically tax-supported and include education of pupils, operation of food service and child development programs, construction and maintenance of school facilities, and repayment of long-term debt.

Fiduciary funds are used to account for resources held for the benefit of parties outside of the District that cannot be used to support the District's own programs.

Major Governmental Funds

General Fund: The General Fund is the main operating fund of the District. It is used to account for all activities except those that are required to be accounted for in another fund. In keeping with the minimum number of funds principle, all of the District's activities are reported in the General Fund unless there is a compelling reason to account for an activity in another fund. A District may have only one General Fund.

Capital Facilities Fund: This fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (*Education Code Sections 17620–17626*). The authority for these levies may be county/city ordinances (*Government Code Sections 65970–65981*) or private agreements between the District and the developer. Interest earned in the Capital Facilities Fund is restricted to that fund (*Government Code Section 66006*).

Special Reserve Fund for Capital Outlay Projects: This fund exists primarily to provide for the accumulation of General Fund moneys for capital outlay purposes (*Education Code Section 42840*).

Debt Service Fund for Blended Component Units: This fund is used to account for the accumulation of resources for the payment of principal and interest on bonds issued by Mello-Roos Community Facilities Districts and similar entities that are considered blended component units of the District under generally accepted accounting principles (GAAP).

Non-Major Governmental Funds

Special Revenue Funds: Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The District maintains the following special revenue funds:

Student Activity Fund: This fund may be used to account for student body activities that do not meet the fiduciary criteria established in GASB Statement No. 84.

Cafeteria Fund: This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code Sections 38090–38093*). The Cafeteria Fund shall be used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code Sections 38091 and 38100*).

**ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Non-Major Governmental Funds (continued)

Special Revenue Funds (continued)

Deferred Maintenance Fund: This fund is used to account separately for state apportionments and the District's contributions for deferred maintenance purposes (*Education Code Sections 17582–17587*). In addition, whenever the state funds provided pursuant to *Education Code Sections 17584 and 17585* (apportionments from the State Allocation Board) are insufficient to fully match the local funds deposited in this fund, the governing board of a school district may transfer the excess local funds deposited in this fund to any other expenditure classifications in other funds of the District (*Education Code Sections 17582 and 17583*).

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

County School Facilities Fund: This fund is established pursuant to *Education Code Section 17070.43* to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), or the 2004 State School Facilities Fund (Proposition 55) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code Section 17070 et seq.*).

Capital Projects Fund for Blended Component Units: This fund is used to account for capital projects financed by Mello-Roos Community Facilities Districts and similar entities that are considered blended component units of the District under generally accepted accounting principles (GAAP).

Debt Service Funds: 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.

Bond Interest and Redemption Fund: This fund is used for the repayment of bonds issued for the District (*Education Code Sections 15125–15262*). The board of supervisors of the county issues the bonds. The proceeds from the sale of the bonds are deposited in the county treasury to the Building Fund of the District. Any premiums or accrued interest received from the sale of the bonds must be deposited in the Bond Interest and Redemption Fund of the District. The county auditor maintains control over the District's Bond Interest and Redemption Fund. The principal and interest on the bonds must be paid by the county treasurer from taxes levied by the county auditor-controller.

**ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

Retiree Benefit Trust Fund: This fund exists to account separately for amounts held in trust from salary reduction agreements, other irrevocable contributions for employees' retirement benefit payments, or both.

D. Basis of Accounting – Measurement Focus

Government-Wide and Fiduciary Fund Financial Statements

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Net Position equals assets and deferred outflows of resources minus liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The net position should be reported as restricted when constraints placed on its use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities results from special revenue funds and the restrictions on their use.

Governmental Funds

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Governmental funds use the modified 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. Generally, "available" means collectible within the current period or within 60 days after year-end. However, to achieve comparability of reporting among California school districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for school districts as collectible within one year.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus (continued)

Revenues – Exchange and Non-Exchange Transactions, (continued)

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 the 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.

Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Certain grants received that have not met eligibility requirements are recorded as unearned revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also 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.

**ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position

Cash and Cash Equivalents

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

Investments

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

Inventories

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time the individual inventory items are requisitioned. Inventories are valued at historical cost and consist of expendable supplies held for consumption.

Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund is determined by its measurement focus. Capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition value as of the date received. The District maintains a capitalization threshold of \$15,000. The District does not own any infrastructure as defined in GASB Statement No. 34. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. All reported capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Included in capital assets are right to use lease assets as a result of implementing GASB Statement No. 87. The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, plus ancillary charges necessary to place the lease into service. The right to use lease assets are amortized on a straight-line basis over the life of the related lease.

Capital assets are depreciated using the straight-line method over 5 - 50 years depending on asset types.

**ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds." These amounts are eliminated in the statement of net position.

Compensated Absences

In accordance with GASB Statement No. 101, *Compensated Absences*, accumulated unpaid employee vacation and sick leave benefits are accrued as a liability in the government-wide financial statements as the benefits are earned, provided they accumulate and are more likely than not to be used or paid. The measurement of this liability includes estimated salary amounts and the employer's share of related taxes and benefits, as applicable, that are directly related to these compensated absences.

For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are recorded in the fund from which the employees who have accumulated leave are paid. For accumulated sick leave benefits, a liability is recognized for the portion that employees have earned and that are more likely than not to be used or paid. The District's policy for sick leave recognition aligns with this criterion, accruing the liability based on historical usage patterns and other relevant factors.

Accrued Liabilities and Long-Term Obligations

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

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

| | |
|--------------------|-------------------------------|
| Valuation Date | June 30, 2025 |
| Measurement Date | June 30, 2025 |
| Measurement Period | July 1, 2024 to June 30, 2025 |

**ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)

Postemployment Benefits Other Than Pensions (OPEB) (continued)

Gains and losses related to changes in net OPEB liability are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

Premiums and Discounts

In the government-wide financial statements, long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

Deferred Outflows/Deferred Inflows of Resources

In addition to assets, the District will sometimes report 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 and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the District will sometimes report 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 and so will not be recognized as an inflow of resources (revenue) until that time.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans (the Plans) of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. 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.

ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification reflects amounts that are not in spendable form. Examples include inventory, lease receivables (net of related deferred inflows), prepaid items, the long-term portion of loans receivable, and nonfinancial assets held for resale. This classification also reflects amounts that are in spendable form but that are legally or contractually required to remain intact, such as the principal of a permanent endowment.

Restricted - The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Governing Board. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. In contrast to restricted fund balance, committed fund balance may be redirected by the government to other purposes as long as the original constraints are removed or modified in the same manner in which they were imposed, that is, by the same formal action of the Governing Board.

Assigned - The assigned fund balance classification reflects amounts that the government *intends* to be used for specific purposes. Assignments may be established either by the Governing Board or by a designee of the governing body and are subject to neither the restricted nor committed levels of constraint. In contrast to the constraints giving rise to committed fund balance, constraints giving rise to assigned fund balance are not required to be imposed, modified, or removed by formal action of the Governing Board. The action does not require the same level of formality and may be delegated to another body or official. Additionally, the assignment need not be made before the end of the reporting period, but rather may be made any time prior to the issuance of the financial statements.

Unassigned - In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes. However, deficits in any fund, including the General Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements. Interfund transfers are eliminated in the statement of activities.

G. Estimates

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

H. Budgetary Data

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for. For purposes of the budget, on-behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

I. Property Tax

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

**ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. New Accounting Pronouncements

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for periods beginning after December 15, 2023. The District has implemented this Statement as of June 30, 2025.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This statement is effective for periods beginning after June 15, 2024. The District has implemented this Statement as of June 30, 2025.

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The statement is effective for periods beginning after June 15, 2025. The District has not yet determined the impact on the financial statements.

GASB Statement No. 104 – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The statement is effective for periods beginning after June 15, 2025. The District has not yet determined the impact on the financial statements.

**ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 2 – CASH AND INVESTMENTS

A. Summary of Cash and Investments

| | Governmental Activities | Fiduciary Fund |
|-------------------------------|------------------------------------|---------------------------|
| Investment in county treasury | \$ 144,019,902 | \$ 84,803 |
| Fair value adjustment | 472,530 | 278 |
| Cash on hand and in banks | 2,282,941 | - |
| Cash with fiscal agent | 635 | - |
| Cash in revolving fund | 20,700 | - |
| Total | \$ 146,796,708 | \$ 85,081 |

B. Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the state; U.S. Treasury instruments; registered state warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; collateralized mortgage obligations; and the County Investment Pool.

Investment in County Treasury – The District maintains substantially all of its cash in the County Treasury in accordance with *Education Code Section 41001*. The Placer County Treasurer’s pooled investments are managed by the County Treasurer who reports on a monthly basis to the board of supervisors. In addition, the function of the County Treasury Oversight Committee is to review and monitor the County’s investment policy. The committee membership includes the Treasurer and Tax Collector, the Auditor-Controller, Chief Administrative Officer, Superintendent of Schools Representative, and a public member. The fair value of the District’s investment in the pool is based upon the District’s pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Cash with Fiscal Agent – The District maintains accounts with BNY Mellon related to its long-term financing.

**ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 2 – CASH AND INVESTMENTS (continued)

C. General Authorizations

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies the investment types permitted by California Government Code.

| Authorized Investment Type | Maximum Remaining Maturity | Maximum Percentage of Portfolio | Maximum Investment in One Issuer |
|---|----------------------------|---------------------------------|----------------------------------|
| Local Agency Bonds, Notes, Warrants | 5 years | None | None |
| Registered State Bonds, Notes, Warrants | 5 years | None | None |
| U. S. Treasury Obligations | 5 years | None | None |
| U. S. Agency Securities | 5 years | None | None |
| Banker’s Acceptance | 180 days | 40% | 30% |
| Commercial Paper | 270 days | 25% | 10% |
| Negotiable Certificates of Deposit | 5 years | 30% | None |
| Repurchase Agreements | 1 year | None | None |
| Reverse Repurchase Agreements | 92 days | 20% of base | None |
| Medium-Term Corporate Notes | 5 years | 30% | None |
| Mutual Funds | N/A | 20% | 10% |
| Money Market Mutual Funds | N/A | 20% | 10% |
| Mortgage Pass-Through Securities | 5 years | 20% | None |
| County Pooled Investment Funds | N/A | None | None |
| Local Agency Investment Fund (LAIF) | N/A | None | None |
| Joint Powers Authority Pools | N/A | None | None |

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a fair value of approximately \$144,577,513. The average weighted maturity for this pool is 659 days.

E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investments in the County Treasury are not required to be rated.

**ROCKLIN UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2025**

NOTE 2 – CASH AND INVESTMENTS (continued)

F. Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2025, \$1,759,932 of the District's bank balance was exposed to custodial credit risk.

G. Fair Value

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Placer County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The District's fair value measurements at June 30, 2025 were as follows:

| | |
|-------------------------------|------------------------------|
| | <u>Uncategorized</u> |
| Investment in county treasury | <u>\$ 144,577,513</u> |
| Total | <u>\$ 144,577,513</u> |

ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2025 consisted of the following:

| | General Fund | Capital Facilities Fund | Special Reserve Fund for Capital Outlay Projects | Debt Service Fund for Blended Component Units | Non-Major Governmental Funds | Governmental Activities | Fiduciary Fund |
|---------------------|----------------------|-------------------------|--|---|------------------------------|-------------------------|-------------------|
| Federal Government | | | | | | | |
| Categorical aid | \$ 2,709,619 | \$ - | \$ - | \$ - | \$ 298,828 | \$ 3,008,447 | \$ - |
| State Government | | | | | | | |
| Apportionment | 2,992,852 | - | - | - | - | 2,992,852 | - |
| Categorical aid | 4,669,988 | - | - | - | 755,963 | 5,425,951 | - |
| Lottery | 705,091 | - | - | - | - | 705,091 | - |
| Local Government | | | | | | | |
| Other local sources | 2,153,929 | 83,778 | 75,619 | 24,662 | 99,625 | 2,437,613 | 597,684 |
| Total | \$ 13,231,479 | \$ 83,778 | \$ 75,619 | \$ 24,662 | \$ 1,154,416 | \$ 14,569,954 | \$ 597,684 |

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

| | Balance July 01, 2024 | Additions | Deletions | Balance June 30, 2025 |
|---|-----------------------|---------------------|---------------------|-----------------------|
| Governmental Activities | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 47,679,583 | \$ - | \$ - | \$ 47,679,583 |
| Construction in progress | 2,823,571 | 5,613,848 | 3,228,328 | 5,209,091 |
| Total capital assets not being depreciated | 50,503,154 | 5,613,848 | 3,228,328 | 52,888,674 |
| Capital assets being depreciated | | | | |
| Land improvements | 49,538,752 | 533,969 | - | 50,072,721 |
| Buildings & improvements | 305,951,338 | 2,870,312 | 464,524 | 308,357,126 |
| Furniture & equipment | 13,646,574 | 2,305,483 | 351,864 | 15,600,193 |
| Total capital assets being depreciated | 369,136,664 | 5,709,764 | 816,388 | 374,030,040 |
| Less: Accumulated depreciation | | | | |
| Land improvements | 33,368,435 | 1,862,366 | - | 35,230,801 |
| Buildings & improvements | 131,959,741 | 6,436,782 | 366,975 | 138,029,548 |
| Furniture & equipment | 6,799,747 | 982,131 | 326,056 | 7,455,822 |
| Total accumulated depreciation | 172,127,923 | 9,281,279 | 693,031 | 180,716,171 |
| Total capital assets being depreciated, net | 197,008,741 | (3,571,515) | 123,357 | 193,313,869 |
| Lease assets being amortized | | | | |
| Furniture & equipment | 415,812 | - | - | 415,812 |
| Total lease assets being amortized | 415,812 | - | - | 415,812 |
| Less: Accumulated amortization for lease assets | | | | |
| Furniture & equipment | 207,906 | 103,953 | - | 311,859 |
| Total accumulated amortization for lease assets | 207,906 | 103,953 | - | 311,859 |
| Total lease assets being amortized, net | 207,906 | (103,953) | - | 103,953 |
| Governmental Activities | | | | |
| Capital Assets, net | \$ 247,719,801 | \$ 1,938,380 | \$ 3,351,685 | \$ 246,306,496 |

**ROCKLIN UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2025**

NOTE 4 – CAPITAL ASSETS (continued)

Depreciation and amortization expense was charged to governmental activities as follows:

| | |
|--|---------------------|
| Instruction | \$ 8,081,182 |
| Instructional supervision and administration | 146,234 |
| School site administration | 468,096 |
| Home-to-school transportation | 280,369 |
| Food services | 19,779 |
| Centralized data processing | 243,338 |
| All other general administration | 146,234 |
| Total | \$ 9,385,232 |

NOTE 5 – INTERFUND TRANSACTIONS

A. Interfund Receivables/Payables (Due From/Due To)

Individual interfund receivable and payable balances at June 30, 2025 were as follows:

| Due To Other Funds | Due From Other Funds | | | | Total |
|--|----------------------|--|------------------------------------|-------------|------------------|
| | General Fund | Special Reserve Fund for Capital Outlay Projects | Non-Major Governmental Funds | | |
| Special Reserve Fund for Capital Outlay Projects | \$ 17,825 | \$ - | \$ - | \$ - | 17,825 |
| Debt Service Fund for Blended Component Units | - | - | 1,721,570 | | 1,721,570 |
| Non-Major Governmental Funds | 134,145 | 7 | 7 | | 134,152 |
| Total | \$ 151,970 | \$ 7 | \$ 1,721,570 | \$ - | 1,873,547 |

| | |
|--|---------------------|
| Due from the County School Facilities Fund to the Special Reserve Fund for Capital Outlay Projects to transfer cash balance. | \$ 7 |
| Due from the Cafeteria Fund to the General Fund for indirect costs. | 134,145 |
| Due from the Special Reserve Fund for Capital Outlay Projects to the General Fund to accrue payment. | 17,825 |
| Due from the Debt Service Fund for Blended Component Units to the Capital Projects Fund for Blended Component Units for bond payments. | 1,721,570 |
| Total | \$ 1,873,547 |

B. Operating Transfers

Interfund transfers for the year ended June 30, 2025 consisted of the following:

| Interfund Transfers Out | Interfund Transfers In | | | | Total |
|--|------------------------|--|------------------------------------|-------------|------------------|
| | General Fund | Special Reserve Fund for Capital Outlay Projects | Non-Major Governmental Funds | | |
| Special Reserve Fund for Capital Outlay Projects | \$ 39,934 | \$ - | \$ - | \$ - | 39,934 |
| Debt Service Fund for Blended Component Units | - | - | 1,721,570 | | 1,721,570 |
| Non-Major Governmental Funds | - | 1,657 | - | | 1,657 |
| Total | \$ 39,934 | \$ 1,657 | \$ 1,721,570 | \$ - | 1,763,161 |

| | |
|---|---------------------|
| Transfer from the County School Facilities Fund to the Special Reserve Fund for Capital Outlay Projects to transfer cash balance. | \$ 1,657 |
| Transfer from the Special Reserve Fund for Capital Outlay Projects to the General Fund to accrue payments. | 39,934 |
| Transfer from the Debt Service Fund for Blended Component Units to the Capital Projects Fund for Blended Component Units for bond payments. | 1,721,570 |
| Total | \$ 1,763,161 |

**ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 6 – ACCRUED LIABILITIES

Accrued liabilities at June 30, 2025 consisted of the following:

| | General Fund | Capital Facilities Fund | Special Reserve Fund for Capital Outlay Projects | Debt Service Fund for Blended Component Units | Non-Major Governmental Funds | District-Wide | Governmental Activities | Fiduciary Fund |
|---------------------------|---------------------|-------------------------|--|---|------------------------------|-------------------|-------------------------|-----------------|
| Payroll | \$ 871,319 | \$ - | \$ - | \$ - | \$ 31,835 | \$ - | \$ 903,154 | \$ - |
| Construction | - | 717,848 | - | - | - | - | 717,848 | - |
| Vendors payable | 6,488,692 | - | 154,079 | 6,673 | 32,940 | - | 6,682,384 | 2,582 |
| Unmatured interest | - | - | - | - | - | 552,574 | 552,574 | - |
| Due to grantor government | 1,860,127 | - | - | - | 30,000 | - | 1,890,127 | - |
| Total | \$ 9,220,138 | \$ 717,848 | \$ 154,079 | \$ 6,673 | \$ 94,775 | \$ 552,574 | \$ 10,746,087 | \$ 2,582 |

NOTE 7 – UNEARNED REVENUE

Unearned revenue at June 30, 2025 consisted of the following:

| | General Fund |
|---------------------------|---------------------|
| Federal sources | \$ 28,974 |
| State categorical sources | 1,074,848 |
| Total | \$ 1,103,822 |

NOTE 8 – LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the year ended June 30, 2025 consisted of the following:

| | Restated Balance July 01, 2024 | Additions | Deductions | Balance June 30, 2025 | Balance Due In One Year |
|--------------------------------|--------------------------------|---------------------|----------------------|-----------------------|-------------------------|
| Governmental Activities | | | | | |
| General obligation bonds | \$ 21,183,144 | \$ - | \$ 4,313,963 | \$ 16,869,181 | \$ 4,306,989 |
| Certificates of participation | 11,596,000 | - | 573,000 | 11,023,000 | 592,000 |
| Mello-Roos bonds | 34,831,475 | - | 2,775,713 | 32,055,762 | 2,300,530 |
| Unamortized premium | 3,932,788 | - | 165,697 | 3,767,091 | - |
| Accreted interest | 56,732,638 | 3,747,945 | 11,031,158 | 49,449,425 | 8,386,851 |
| Leases | 208,021 | - | 103,237 | 104,784 | 104,784 |
| Compensated absences* | 14,422,056 | 333,626 | - | 14,755,682 | 2,077,234 |
| Net OPEB liability | 1,141,255 | - | 96,891 | 1,044,364 | - |
| Net pension liability | 134,074,694 | - | 15,159,140 | 118,915,554 | - |
| Total | \$ 278,122,071 | \$ 4,081,571 | \$ 34,218,799 | \$ 247,984,843 | \$ 17,768,388 |

*The change in the compensated absences liability is presented as a net change.

- Payments for general obligation bonds are made in the Bond Interest and Redemption Fund.
- Payments for certificates of participation are made in the Capital Facilities Fund and the Capital Projects Fund for Blended Component Units.
- Payments for Mello-Roos bonds are made in the Debt Service Fund for Blended Component Units.
- Payments for leases are made in the General Fund and Capital Facilities Fund.

**ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 8 – LONG-TERM LIABILITIES (continued)

A. Compensated Absences

Restated beginning total unpaid employee compensated absences was \$14,422,056 and increased by a net amount of \$333,626 during the year ended June 30, 2025. The ending compensated absences at June 30, 2025 amounted to \$14,755,682. This amount is included as part of long-term liabilities in the government-wide financial statements.

B. General Obligation and Mello-Roos Bonds

The outstanding bonded debt of the District as of and during June 30, 2025 was as follows:

| Series | Maturity Date | Interest Rate | Original Issue | Bonds Outstanding July 01, 2024 | Additions | Deductions | Bonds Outstanding June 30, 2025 |
|--------------------------------|---------------|---------------|----------------|---------------------------------|-------------|---------------------|---------------------------------|
| 2002 GO Bond | 2028 | 5.08 - 5.71% | \$ 19,998,745 | \$ 7,230,987 | \$ - | \$ 1,869,850 | \$ 5,361,137 |
| 2003 GO Bond | 2029 | 4.99 - 5.59% | 31,998,859 | 13,952,157 | - | 2,444,113 | 11,508,044 |
| Series 2000 - CFD #1 | 2026 | 4.75 - 6.10% | 16,415,790 | 227,721 | - | 193,488 | 34,233 |
| Series 2007 - CFD #1 | 2039 | 4.00 - 5.41% | 6,793,381 | 673,381 | - | 130,833 | 542,548 |
| Series 2007 - CFD #2 | 2039 | 4.00 - 5.36% | 12,309,968 | 5,540,373 | - | 471,392 | 5,068,981 |
| Series 2017 Refunding - CFD #1 | 2030 | 2.37% | 9,900,000 | 4,125,000 | - | 1,365,000 | 2,760,000 |
| Series 2019 - CFD #3 | 2050 | 3.00 - 5.00% | 25,160,000 | 24,265,000 | - | 615,000 | 23,650,000 |
| | | | | \$ 56,014,619 | \$ - | \$ 7,089,676 | \$ 48,924,943 |

The annual payments required to amortize the general obligation and Mello-Roos bonds outstanding as of June 30, 2025 were as follows:

| Year Ended June 30, | Principal | Interest | Total |
|---------------------|----------------------|----------------------|-----------------------|
| 2026 | \$ 6,607,519 | \$ 12,606,384 | \$ 19,213,903 |
| 2027 | 5,791,706 | 13,199,286 | 18,990,992 |
| 2028 | 5,447,469 | 13,786,017 | 19,233,486 |
| 2029 | 5,348,413 | 14,309,281 | 19,657,694 |
| 2030 | 1,110,812 | 1,902,938 | 3,013,750 |
| 2031 - 2035 | 5,332,798 | 9,332,352 | 14,665,150 |
| 2036 - 2040 | 7,461,226 | 6,578,374 | 14,039,600 |
| 2041 - 2045 | 5,845,000 | 1,752,500 | 7,597,500 |
| 2046 - 2050 | 5,980,000 | 547,600 | 6,527,600 |
| Total | \$ 48,924,943 | \$ 74,014,732 | \$ 122,939,675 |

**ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 8 – LONG-TERM LIABILITIES (continued)

C. Certificates of Participation

The District issued Certificates of Participation (COPs) in the amount of \$6,750,000 during the 2018-19 fiscal year and COPs in the amount of \$14,159,000 to refund the Series 2006 COPs in their entirety during the 2019-20 fiscal year.

| Series | Funding Source | Maturity Date | Interest Rate | Original Issue | Outstanding July 01, 2024 | Additions | Deductions | Outstanding June 30, 2025 |
|-------------|------------------|---------------|---------------|----------------|---------------------------|-----------|------------|---------------------------|
| Series 2019 | Developer fees | 2045 | 3.00 - 5.00% | \$ 6,750,000 | \$ 6,135,000 | \$ - | \$ 170,000 | \$ 5,965,000 |
| Series 2020 | Mello-Roos taxes | 2036 | 3.00 - 5.00% | 14,159,000 | 5,461,000 | - | 403,000 | 5,058,000 |
| | | | | | \$ 11,596,000 | \$ - | \$ 573,000 | \$ 11,023,000 |

The annual payments required to amortize the Certifications of Participation outstanding as of June 30, 2025 were as follows:

| Year Ended June 30, | Principal | Interest | Total |
|---------------------|----------------------|---------------------|----------------------|
| 2026 | \$ 592,000 | \$ 399,038 | \$ 991,038 |
| 2027 | 611,000 | 380,750 | 991,750 |
| 2028 | 630,000 | 361,767 | 991,767 |
| 2029 | 649,000 | 342,088 | 991,088 |
| 2030 | 669,000 | 321,704 | 990,704 |
| 2031 - 2035 | 3,666,000 | 1,276,390 | 4,942,390 |
| 2036 - 2040 | 2,136,000 | 733,669 | 2,869,669 |
| 2041 - 2045 | 2,070,000 | 465,750 | 2,535,750 |
| Total | \$ 11,023,000 | \$ 4,281,156 | \$ 15,304,156 |

D. Leases

The District holds a lease agreement for equipment. The lease’s interest and yield is 1.50% and is scheduled to mature through 2026. The annual requirements to amortize the lease outstanding as of June 30, 2025 were as follows:

| Year Ended June 30, | Principal | Interest | Total |
|---------------------|-------------------|-----------------|-------------------|
| 2026 | \$ 104,784 | \$ 1,572 | \$ 106,356 |
| Total | \$ 104,784 | \$ 1,572 | \$ 106,356 |

E. Other Postemployment Benefits

The District’s beginning net OPEB liability was \$1,141,255 and decreased by \$96,891 during the year ended June 30, 2025. The ending net OPEB liability at June 30, 2025 was \$1,044,364. See Note 10 for additional information regarding the net OPEB liability.

F. Net Pension Liability

The District’s beginning net pension liability was \$134,074,694 and decreased by \$15,159,140 during the year ended June 30, 2025. The ending net pension liability at June 30, 2025 was \$118,915,554. See Note 11 for additional information regarding the net pension liability.

**ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 9 – FUND BALANCES

Fund balances were composed of the following elements at June 30, 2025:

| | General Fund | Capital Facilities Fund | Special Reserve Fund for Capital Outlay Projects | Debt Service Fund for Blended Component Units | Non-Major Governmental Funds | Total Governmental Funds |
|-------------------------|----------------------|-------------------------|--|---|------------------------------|--------------------------|
| Non-spendable | | | | | | |
| Revolving cash | \$ 20,500 | \$ - | \$ - | \$ - | \$ 200 | \$ 20,700 |
| Stores inventory | - | - | - | - | 20,326 | 20,326 |
| Prepaid expenditures | 996,363 | - | - | - | 599 | 996,962 |
| Total non-spendable | 1,016,863 | - | - | - | 21,125 | 1,037,988 |
| Restricted | | | | | | |
| Educational programs | 11,376,056 | - | - | - | - | 11,376,056 |
| Food service | - | - | - | - | 11,907,909 | 11,907,909 |
| Associated student body | - | - | - | - | 2,276,032 | 2,276,032 |
| Capital projects | - | 25,628,327 | 23,576,937 | - | 9,579,322 | 58,784,586 |
| Debt service | - | - | - | 6,068,721 | 15,325,295 | 21,394,016 |
| Total restricted | 11,376,056 | 25,628,327 | 23,576,937 | 6,068,721 | 39,088,558 | 105,738,599 |
| Committed | | | | | | |
| Stabilization | 5,413,219 | - | - | - | - | 5,413,219 |
| Other commitments | 18,426,160 | - | - | - | 1,930,470 | 20,356,630 |
| Total committed | 23,839,379 | - | - | - | 1,930,470 | 25,769,849 |
| Assigned | | | | | | |
| Other assignments | 675,302 | - | - | - | - | 675,302 |
| Total assigned | 675,302 | - | - | - | - | 675,302 |
| Unassigned | 17,874,877 | - | - | - | - | 17,874,877 |
| Total | \$ 54,782,477 | \$ 25,628,327 | \$ 23,576,937 | \$ 6,068,721 | \$ 41,040,153 | \$ 151,096,615 |

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The state of California recommends a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than three percent of General Fund expenditures and other financing uses for a District this size.

**ROCKLIN UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2025**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

The Rocklin Unified School District’s Retiree Health Care Plan (Plan) is a single-employer defined benefit postemployment health care plan that covers eligible retired employees of the District. The Plan, which is administered by the District, allows employees who retire and meet retirement eligibility requirements under one of the District’s retirement plans to continue medical, dental and life insurance coverage as a participant in the District’s plan. The District’s Governing Board has the authority to establish or amend the benefit terms offered by the Plan. The District’s Governing Board also retains the authority to establish the requirements for paying the Plan benefits as they come due. The District established an irrevocable trust under the California Employer’s Retiree Benefit Trust Program (CERBT) to prefund the costs of other postemployment benefits. The funds in the CERBT are held in trust and will be administered by the California Public Employees’ Retirement System (CalPERS) as an agent multiple-employer plan. Benefit provisions are established and may be amended by District labor agreements which are approved by the Board of Education. However this is for a closed group of retirees. The District’s contributions to the irrevocable trust are included in the CERBT, which is included in the CalPERS CAFR. Copies of the CalPERS’ CAFR may be obtained from the CalPERS Executive Office – 400 P Street – Sacramento, CA 95814.

B. Benefits Provided

The eligibility requirements and benefits provided by the Plan are described below.

| | <u>Certificated</u> | <u>Classified</u> | <u>Confidential</u> |
|-------------------------|-------------------------------|--------------------------------|-----------------------------|
| Eligible employees | Hired before February 7, 1991 | Hired before February 27, 1997 | Hired before April 19, 2002 |
| Benefit types provided | Medical, dental and vision | Medical, dental and vision | Medical, dental and vision |
| Duration of Benefits | Lifetime | To age 65*** | To age 65*** |
| Required Service | 15 years | 15 years | 15 years |
| Minimum Age | 55 | 55 | 55 |
| Dependent Coverage | No* | Yes | No |
| District Contribution % | 100% | 100% | 100% |
| District Cap | \$490 per month** | \$328 per month | \$500 per month |

*Those retired prior to June 30, 1983 eligible for spouse coverage

**No cap for those retired prior to October 11, 1996

***Employees hired before December 1, 1993 eligible for lifetime coverage

C. Contributions

California Government Code specifies that the District’s contribution requirements for covered employees are established and may be amended by the Governing Board. Contributions to the Plan are voluntary. Contributions to the Plan from the District were \$593,556 for the year ended June 30, 2025.

**ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

D. Plan Membership

Membership of the Plan consisted of the following:

| | <u>Number of participants</u> |
|--|-----------------------------------|
| Inactive employees receiving benefits | 128 |
| Inactive employees entitled to but not receiving benefits* | - |
| Participating active employees | <u>5</u> |
| Total number of participants** | <u>133</u> |

*Information not provided

**As of the June 30, 2025 valuation date

E. Net OPEB Liability

The components of the net OPEB liability of the District at June 30, 2025, were as follows:

| | |
|--|----------------------------|
| Total OPEB liability | \$ 6,191,003 |
| Plan fiduciary net position | <u>(5,146,639)</u> |
| District's net OPEB liability | <u>\$ 1,044,364</u> |
| Plan fiduciary net position as a percentage of total OPEB liability | 83.13% |

F. Investments

The plan discount rate of 5.55% was determined using the following asset allocation and assumed rate of return blended with the 20-year high grade municipal bond rate as of June 30, 2025:

| <u>Asset Class</u> | <u>Percentage of Portfolio</u> | <u>Assumed Real Rate of Return</u> |
|--|------------------------------------|--|
| All Equities | 23% | 7.250% |
| All Fixed Income | 51% | 4.250% |
| Real Estate Investment Trusts | 14% | 7.250% |
| All Commodities | 3% | 7.250% |
| Treasury Inflation Protected Securities (TIPS) | 9% | 3.000% |

For the year ended, June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 9.47 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

G. Actuarial Assumptions and Other Inputs

The net OPEB liability as of June 30, 2025 was determined by an actuarial valuation as of June 30, 2025 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement.

Economic assumptions:

| | |
|----------------------------|-------|
| Inflation | 2.50% |
| Salary increases | 2.75% |
| Discount rate | 5.55% |
| Healthcare cost trend rate | 4.00% |

Non-economic assumptions:

Mortality:

| | |
|--------------|---|
| Certificated | 2020 CalSTRS Mortality Table |
| Classified | 2021 CalPERS Active Mortality for Miscellaneous Employees Table |

Retirement rates:

| | |
|--------------|--|
| Certificated | 2020 CalSTRS Retirement Rates Table |
| Classified | 2021 CalPERS Retirement Rates for School Employees Table |

The discount rate was based on the Bond Buyer 20 Bond Index. The actuary assumed contributions would be sufficient to fully fund the obligation over a period not to exceed eleven years.

H. Changes in Net OPEB Liability

| | <u>June 30, 2025</u> |
|---|----------------------|
| Total OPEB Liability | |
| Service cost | \$ 6,421 |
| Interest on total OPEB liability | 351,655 |
| Difference between expected and actual experience | (67,335) |
| Changes of assumptions | 84,219 |
| Benefits payments | <u>(593,556)</u> |
| Net change in total OPEB liability | (218,596) |
| Total OPEB liability - beginning | <u>6,409,599</u> |
| Total OPEB liability - ending (a) | <u>\$ 6,191,003</u> |
| Plan fiduciary net position | |
| Net investment income | \$ 475,476 |
| Benefit payments | (593,556) |
| Administrative expenses | <u>(3,625)</u> |
| Net change in plan fiduciary net position | (121,705) |
| Plan fiduciary net position - beginning | <u>5,268,344</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 5,146,639</u> |
| District's net OPEB liability - ending (a) - (b) | <u>\$ 1,044,364</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 83.13% |

**ROCKLIN UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2025**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

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

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

| | 1% Decrease (4.55%) | Valuation Discount Rate (5.55%) | 1% Increase (6.55%) |
|--------------------|--------------------------------|--|--------------------------------|
| Net OPEB liability | \$ 1,499,819 | \$ 1,044,364 | \$ 643,763 |

J. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the Rocklin Unified School District, as well as what the District’s net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

| | 1% Decrease (3.00%) | Healthcare Cost Trend Rate (4.00%) | 1% Increase (5.00%) |
|--------------------|--------------------------------|---|--------------------------------|
| Net OPEB liability | \$ 931,502 | \$ 1,044,364 | \$ 1,166,832 |

K. OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the Rocklin Unified School District recognized OPEB expense of \$240,393. At June 30, 2025, the Rocklin Unified School District reported deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Inflows of Resources</u> |
|--|---|
| Differences between projected and actual earnings on plan investments | \$ 7,914 |
| Total | \$ 7,914 |

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

| <u>Year Ended June 30,</u> | <u>Deferred Inflows of Resources</u> |
|-----------------------------------|---|
| 2026 | \$ (70,811) |
| 2027 | (1,418) |
| 2028 | 42,200 |
| 2029 | 37,943 |
| Total | \$ 7,914 |

**ROCKLIN UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2025**

NOTE 11 – PENSION PLANS

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS), and classified employees are members of the California Public Employees' Retirement System (CalPERS). The District reported its proportionate share of the net pension liabilities, pension expense, deferred outflow of resources, and deferred inflow of resources for each of the above plans as follows:

| | Net pension liability | Deferred outflows related to pensions | Deferred inflows related to pensions | Pension expense |
|-----------------|------------------------------|--|---|------------------------|
| CalSTRS Pension | \$ 76,965,509 | \$ 34,313,976 | \$ 13,392,864 | \$ 9,274,851 |
| CalPERS Pension | 41,950,045 | 14,351,732 | 335,290 | 6,548,083 |
| Total | \$ 118,915,554 | \$ 48,665,708 | \$ 13,728,154 | \$ 15,822,934 |

A. California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the California State Teachers' Retirement System (CalSTRS); a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. 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. CalSTRS issues a separate annual comprehensive financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, P.O. Box 15275, Sacramento, CA 95851-0275.

Benefits Provided

The CalSTRS defined benefit plan has two benefit formulas:

1. CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.
2. CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

**ROCKLIN UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2025**

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers’ Retirement System (CalSTRS) (continued)

Contributions

Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 10.205% of their salary for fiscal year 2025, respectively, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2025 was 19.10% of annual payroll. The contribution requirements of the plan members are established by state statute. Contributions to the plan from the District were \$14,756,108 for the year ended June 30, 2025.

On-Behalf Payments

The District was the recipient of on-behalf payments made by the State of California to CalSTRS for K-12 education. These payments consist of state general fund contributions of approximately \$7,130,256 to CalSTRS.

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

At June 30, 2025, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

| | |
|---|------------------------------|
| District's proportionate share of the net pension liability | \$ 76,965,509 |
| State's proportionate share of the net pension liability associated with the District | <u>35,312,582</u> |
| Total | <u>\$ 112,278,091</u> |

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2023 and rolling forward the total pension liability to June 30, 2024. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2024, the District’s proportion was 0.115 percent, which was a decrease of 0.003 percent from its proportion measured as of June 30, 2023.

**ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers’ Retirement System (CalSTRS) (continued)

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

For the year ended June 30, 2025, the District recognized pension expense of \$9,274,851. In addition, the District recognized pension expense and revenue of \$(3,373,894) for support provided by the State. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between projected and actual earnings on plan investments | \$ - | \$ 310,553 |
| Differences between expected and actual experience | 8,705,790 | 3,365,658 |
| Changes in assumptions | 336,910 | 5,256,477 |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 10,515,168 | 4,460,176 |
| District contributions subsequent to the measurement date | 14,756,108 | - |
| Total | <u>\$ 34,313,976</u> | <u>\$ 13,392,864</u> |

The \$14,756,108 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ended June 30,</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|----------------------------|---|--|
| 2026 | \$ 4,546,068 | \$ 8,834,318 |
| 2027 | 3,413,614 | (2,844,146) |
| 2028 | 3,264,299 | 3,645,031 |
| 2029 | 3,287,129 | 2,003,212 |
| 2030 | 3,093,491 | 875,507 |
| 2031 | 1,953,267 | 878,942 |
| Total | <u>\$ 19,557,868</u> | <u>\$ 13,392,864</u> |

**ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers’ Retirement System (CalSTRS) (continued)

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|----------------------------|-------|
| Consumer Price Inflation | 2.75% |
| Investment Rate of Return* | 7.10% |
| Wage Growth | 3.50% |

* Net of investment expenses, but gross of administrative expenses.

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on MP-2021 series tables adjusted to fit CalSTRS experience.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2022.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance–PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2024 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS’ independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2024, are summarized in the following table:

| Asset Class | Assumed Asset Allocation | Long-Term Expected Real Rate of Return* |
|----------------------------|---------------------------------|--|
| Public Equity | 38% | 5.25% |
| Real Estate | 15% | 4.05% |
| Private Equity | 14% | 6.75% |
| Fixed Income | 14% | 2.45% |
| Risk Mitigating Strategies | 10% | 2.25% |
| Inflation Sensitive | 7% | 3.65% |
| Cash/Liquidity | 2% | 0.05% |
| | 100% | |

*Real return is net of assumed 2.75% inflation.

**ROCKLIN UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2025**

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers’ Retirement System (CalSTRS) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the 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.

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

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

| | 1% Decrease (6.10%) | Current Discount Rate (7.10%) | 1% Increase (8.10%) |
|--|------------------------------------|--|------------------------------------|
| | <hr/> | <hr/> | <hr/> |
| District's proportionate share of the net pension liability | \$ 136,896,455 | \$ 76,965,509 | \$ 26,920,681 |

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalSTRS financial report.

**ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees' Retirement System (CalPERS)

Plan Description

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 Laws. CalPERS issues a separate annual comprehensive financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 Q Street, Sacramento, CA 95811.

Benefits Provided

The benefits for the defined benefit plan are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years of credited service.

Contributions

Active plan members who entered into the plan prior to January 1, 2013, are required to contribute 7.0% of their salary. The California Public Employees' Pension Reform Act (PEPRA) specifies that new members entering into the plan on or after January 1, 2013, shall pay the higher of fifty percent of normal costs or 8.0% of their salary. Additionally, for new members entering the plan on or after January 1, 2013, the employer is prohibited from paying any of the employee contribution to CalPERS unless the employer payment of the member's contribution is specified in an employment agreement or collective bargaining agreement that expires after January 1, 2013.

The District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2025 was 27.05% of annual payroll. Contributions to the plan from the District were \$6,619,745 for the year ended June 30, 2025.

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

At June 30, 2025, the District reported a liability of \$41,950,045 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2023 and rolling forward the total pension liability to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2024, the District's proportion was 0.117 percent, which was a decrease of 0.004 percent from its proportion measured as of June 30, 2023.

**ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees’ Retirement System (CalPERS) (continued)

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

For the year ended June 30, 2025, the District recognized pension expense of \$6,548,083. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between projected and actual earnings on plan investments | \$ 1,629,517 | \$ - |
| Differences between expected and actual experience | 3,516,898 | 300,235 |
| Changes in assumptions | 927,238 | - |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 1,658,334 | 35,055 |
| District contributions subsequent to the measurement date | 6,619,745 | - |
| Total | <u>\$ 14,351,732</u> | <u>\$ 335,290</u> |

The \$6,619,745 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ended June 30,</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|----------------------------|---|--|
| 2026 | \$ 3,408,222 | \$ 335,290 |
| 2027 | 4,152,262 | - |
| 2028 | 687,108 | - |
| 2029 | (515,605) | - |
| Total | <u>\$ 7,731,987</u> | <u>\$ 335,290</u> |

**ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees’ Retirement System (CalPERS) (continued)

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2023, and rolling forward the total pension liability to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|------------------|---------------------------------|
| Inflation | 2.30% |
| Discount Rate | 6.90% |
| Salary Increases | Varies by Entry Age and Service |

CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are derived using CalPERS’ membership data for all funds. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 80% of scale MP 2020.

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from 2000 through 2019.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows were taken into account. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

**ROCKLIN UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2025**

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees’ Retirement System (CalPERS) (continued)

Actuarial Assumptions (continued)

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

| Asset Class | Assumed Asset Allocation | Real Return Years 1 – 10* |
|----------------------------------|---------------------------------|----------------------------------|
| 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)% |
| | <u>100.0%</u> | |

*An expected inflation of 2.30% used for this period. Figures are based on the 2021-22 CalPERS Asset Liability Management Study

Discount Rate

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

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

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

| | 1% Decrease (5.90%) | Current Discount Rate (6.90%) | 1% Increase (7.90%) |
|---|--------------------------------|--|--------------------------------|
| District's proportionate share of the net pension liability | \$ 62,317,143 | \$ 41,950,045 | \$ 25,125,202 |

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial report.

**ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025**

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2025.

B. Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2025.

C. Construction Commitments

As of June 30, 2025, the District had commitments with respect to unfinished capital projects of \$1,375,962.

NOTE 13 – PARTICIPATION IN JOINT POWERS AUTHORITIES

The District participates in one joint ventures under joint powers authorities (JPAs), the Schools Insurance Group. The relationship between the District and the JPA is such that the JPA is not a component unit of the District for financial reporting purposes.

The JPA has budgeting and financial reporting requirements independent of member units, and its financial statements are not presented in these financial statements. However, fund transactions between the JPA and the District are included in these statements. The audited financial statements are generally available from the entity.

NOTE 14 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

A. Pension Plans

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District recognized deferred outflows of resources related to pensions and deferred inflows of resources related to pensions in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 11. At June 30, 2025, total deferred outflows related to pensions was \$48,665,708 and total deferred inflows related to pensions was \$13,728,154.

B. Other Postemployment Benefits

Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District recognized deferred outflows of resources related to other postemployment benefits and deferred inflows of resources related to other postemployment benefits in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 10. At June 30, 2025, total deferred inflows related to other postemployment benefits was \$7,914.

ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 15 – RESTATEMENT OF NET POSITION

The beginning net position of the Governmental Activities has been restated due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB 101 establishes recognition and measurement guidance for liabilities related to compensated absences, requiring that the liability be recognized when leave is attributable to services already rendered and it is probable that the leave will be used or paid. This standard supersedes certain provisions of GASB Statement No. 16.

The cumulative effect of applying GASB 101 required a restatement of the beginning net position, as follows:

| | Governmental Activities |
|--|------------------------------------|
| Net Position - Beginning, as Previously Reported | \$ 179,100,338 |
| Restatement | (13,752,945) |
| Net Position - Beginning, as Restated | <u>\$ 165,347,393</u> |

REQUIRED SUPPLEMENTARY INFORMATION

**ROCKLIN UNIFIED SCHOOL DISTRICT
GENERAL FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025**

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variances - Final to Actual |
|--|----------------------|----------------------|-----------------------------|--------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| LCFF sources | \$ 135,299,535 | \$ 135,761,507 | \$ 135,970,586 | \$ 209,079 |
| Federal sources | 3,317,786 | 3,732,900 | 3,719,752 | (13,148) |
| Other state sources | 17,151,944 | 18,653,258 | 18,570,333 | (82,925) |
| Other local sources | 14,118,452 | 17,990,054 | 17,776,090 | (213,964) |
| Total Revenues | 169,887,717 | 176,137,719 | 176,036,761 | (100,958) |
| EXPENDITURES | | | | |
| Certificated salaries | 78,751,156 | 79,957,428 | 81,023,386 | (1,065,958) |
| Classified salaries | 28,190,370 | 28,440,765 | 28,767,367 | (326,602) |
| Employee benefits | 42,141,596 | 41,574,837 | 41,473,768 | 101,069 |
| Books and supplies | 5,183,822 | 6,838,830 | 5,074,763 | 1,764,067 |
| Services and other operating expenditures | 18,562,276 | 20,293,108 | 19,103,948 | 1,189,160 |
| Capital outlay | 2,367,634 | 5,619,044 | 3,226,031 | 2,393,013 |
| Other outgo | | | | |
| Excluding transfers of indirect costs | 1,503,963 | 1,485,600 | 1,904,478 | (418,878) |
| Transfers of indirect costs | (155,688) | (162,802) | (133,111) | (29,691) |
| Total Expenditures | 176,545,129 | 184,046,810 | 180,440,630 | 3,606,180 |
| Excess (Deficiency) of Revenues Over Expenditures | (6,657,412) | (7,909,091) | (4,403,869) | 3,505,222 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | - | 22,110 | 39,934 | 17,824 |
| Net Financing Sources (Uses) | - | 22,110 | 39,934 | 17,824 |
| NET CHANGE IN FUND BALANCE | (6,657,412) | (7,886,981) | (4,363,935) | 3,523,046 |
| Fund Balance - Beginning | 59,146,412 | 59,146,412 | 59,146,412 | - |
| Fund Balance - Ending | \$ 52,489,000 | \$ 51,259,431 | \$ 54,782,477 | \$ 3,523,046 |

See accompanying notes to required supplementary information.

**ROCKLIN UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2025**

| | <u>June 30, 2025</u> | <u>June 30, 2024</u> | <u>June 30, 2023</u> | <u>June 30, 2022</u> | <u>June 30, 2021</u> | <u>June 30, 2020</u> | <u>June 30, 2019</u> | <u>June 30, 2018</u> | <u>June 30, 2017</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total OPEB Liability | | | | | | | | | |
| Service cost | \$ 6,421 | \$ 6,249 | \$ 12,681 | \$ 12,342 | \$ 6,345 | \$ 6,175 | \$ 14,838 | \$ 14,441 | \$ 14,055 |
| Interest on total OPEB liability | 351,655 | 364,532 | 387,254 | 399,101 | 412,141 | 425,644 | 459,049 | 467,423 | 474,272 |
| Difference between expected and actual experience | (67,335) | (10,036) | (145,959) | (28,610) | (265,700) | (9,115) | (371,284) | - | - |
| Changes of assumptions | 84,219 | - | (13,855) | - | 483,862 | - | - | - | - |
| Benefits payments | (593,556) | (585,444) | (643,510) | (588,329) | (583,999) | (655,411) | (645,515) | (597,764) | (607,938) |
| Net change in total OPEB liability | (218,596) | (224,699) | (403,389) | (205,496) | 52,649 | (232,707) | (542,912) | (115,900) | (119,611) |
| Total OPEB liability - beginning | 6,409,599 | 6,634,298 | 7,037,687 | 7,243,183 | 7,190,534 | 7,423,241 | 7,966,153 | 8,082,053 | 8,201,664 |
| Total OPEB liability - ending (a) | \$ 6,191,003 | \$ 6,409,599 | \$ 6,634,298 | \$ 7,037,687 | \$ 7,243,183 | \$ 7,190,534 | \$ 7,423,241 | \$ 7,966,153 | \$ 8,082,053 |
| Plan fiduciary net position | | | | | | | | | |
| Contributions - employer | \$ - | \$ 656 | \$ 1,641 | \$ 2,390 | \$ 2,683 | \$ 360,595 | \$ 637,292 | \$ 645,384 | \$ 635,644 |
| Net investment income | 475,476 | 322,611 | 112,122 | 17,572 | 29,842 | 123,068 | 94,205 | 116,620 | 96,071 |
| Benefit payments | (593,556) | (585,444) | (643,510) | (588,329) | (583,999) | (655,411) | (645,515) | (597,764) | (653,271) |
| Administrative expenses | (3,625) | (4,229) | - | - | - | - | - | - | - |
| Net change in plan fiduciary net position | (121,705) | (266,406) | (529,747) | (568,367) | (551,474) | (171,748) | 85,982 | 164,240 | 78,444 |
| Plan fiduciary net position - beginning | 5,268,344 | 5,534,750 | 6,064,497 | 6,632,864 | 7,184,338 | 7,356,086 | 7,270,104 | 7,105,864 | 7,027,420 |
| Plan fiduciary net position - ending (b) | \$ 5,146,639 | \$ 5,268,344 | \$ 5,534,750 | \$ 6,064,497 | \$ 6,632,864 | \$ 7,184,338 | \$ 7,356,086 | \$ 7,270,104 | \$ 7,105,864 |
| District's net OPEB liability - ending (a) - (b) | \$ 1,044,364 | \$ 1,141,255 | \$ 1,099,548 | \$ 973,190 | \$ 610,319 | \$ 6,196 | \$ 67,155 | \$ 696,049 | \$ 976,189 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 83.13% | 82.19% | 83.43% | 86.17% | 91.57% | 99.91% | 99.10% | 91.26% | 87.92% |
| Covered-employee payroll | \$ 448,061 | \$ 596,457 | \$ 774,691 | \$ 859,000 | \$ 1,113,000 | \$ 1,399,000 | \$ 1,800,288 | \$ 2,999,690 | \$ 2,999,690 |
| District's net OPEB liability as a percentage of covered-employee payroll | 233.09% | 191.34% | 141.93% | 113.29% | 54.84% | 0.44% | 3.73% | 23.20% | 32.54% |

See accompanying notes to required supplementary information.

**ROCKLIN UNIFIED SCHOOL DISTRICT
 SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN ON OPEB PLAN INVESTMENTS
 FOR THE YEAR ENDED JUNE 30, 2025**

| | <u>June 30, 2025</u> | <u>June 30, 2024</u> | <u>June 30, 2023</u> | <u>June 30, 2022</u> | <u>June 30, 2021</u> | <u>June 30, 2020</u> | <u>June 30, 2019</u> | <u>June 30, 2018</u> | <u>June 30, 2017</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Annual money-weighted rate of return, net of investment expense | 9.47% | 6.20% | 5.97% | 0.29% | 0.45% | 1.71% | 1.92% | 1.60% | 1.35% |

See accompanying notes to required supplementary information.

**ROCKLIN UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2025**

| | <u>June 30, 2025</u> | <u>June 30, 2024</u> | <u>June 30, 2023</u> | <u>June 30, 2022</u> | <u>June 30, 2021</u> | <u>June 30, 2020</u> | <u>June 30, 2019</u> | <u>June 30, 2018</u> | <u>June 30, 2017</u> | <u>June 30, 2016</u> |
|--|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| District's proportion of the net pension liability | 0.115% | 0.118% | 0.099% | 0.098% | 0.109% | 0.110% | 0.100% | 0.097% | 0.098% | 0.099% |
| District's proportionate share of the net pension liability | \$ 76,965,509 | \$ 90,150,699 | \$ 68,917,000 | \$ 44,556,000 | \$ 106,034,000 | \$ 99,432,000 | \$ 92,194,000 | \$ 89,321,000 | \$ 79,470,000 | \$ 66,650,760 |
| State's proportionate share of the net pension liability associated with the District | 35,312,582 | 43,194,516 | 38,953,000 | 26,510,000 | 57,947,000 | 54,247,000 | 52,785,000 | 52,842,000 | 45,245,000 | 35,399,000 |
| Total | <u>\$ 112,278,091</u> | <u>\$ 133,345,215</u> | <u>\$ 107,870,000</u> | <u>\$ 71,066,000</u> | <u>\$ 163,981,000</u> | <u>\$ 153,679,000</u> | <u>\$ 144,979,000</u> | <u>\$ 142,163,000</u> | <u>\$ 124,715,000</u> | <u>\$ 102,049,760</u> |
| District's covered payroll | \$ 76,002,247 | \$ 71,029,000 | \$ 65,552,000 | \$ 61,919,000 | \$ 62,715,000 | \$ 60,479,000 | \$ 54,141,000 | \$ 51,173,000 | \$ 48,968,000 | \$ 46,144,000 |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 101.27% | 126.92% | 105.13% | 71.96% | 169.07% | 164.41% | 170.28% | 174.55% | 162.29% | 144.44% |
| Plan fiduciary net position as a percentage of the total pension liability | 83.55% | 80.62% | 81.20% | 87.21% | 71.82% | 72.56% | 70.99% | 69.46% | 70.04% | 74.02% |

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

**ROCKLIN UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALPERS
FOR THE YEAR ENDED JUNE 30, 2025**

| | <u>June 30, 2025</u> | <u>June 30, 2024</u> | <u>June 30, 2023</u> | <u>June 30, 2022</u> | <u>June 30, 2021</u> | <u>June 30, 2020</u> | <u>June 30, 2019</u> | <u>June 30, 2018</u> | <u>June 30, 2017</u> | <u>June 30, 2016</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| District's proportion of the net pension liability | 0.117% | 0.121% | 0.118% | 0.115% | 0.117% | 0.112% | 0.109% | 0.108% | 0.107% | 0.106% |
| District's proportionate share of the net pension liability | \$ 41,950,045 | \$ 43,923,995 | \$ 40,501,000 | \$ 23,481,000 | \$ 35,887,000 | \$ 32,676,000 | \$ 28,994,000 | \$ 25,723,000 | \$ 21,162,000 | \$ 15,668,725 |
| District's covered payroll | \$ 23,171,030 | \$ 21,024,000 | \$ 18,015,000 | \$ 16,574,000 | \$ 16,850,000 | \$ 15,831,000 | \$ 14,509,000 | \$ 13,622,000 | \$ 12,855,000 | \$ 11,773,000 |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 181.05% | 208.92% | 224.82% | 141.67% | 212.98% | 206.41% | 199.83% | 188.83% | 164.62% | 133.09% |
| Plan fiduciary net position as a percentage of the total pension liability | 72.29% | 69.96% | 69.76% | 80.97% | 70.00% | 70.05% | 70.85% | 71.87% | 73.90% | 79.43% |

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

**ROCKLIN UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2025**

| | <u>June 30, 2025</u> | <u>June 30, 2024</u> | <u>June 30, 2023</u> | <u>June 30, 2022</u> | <u>June 30, 2021</u> | <u>June 30, 2020</u> | <u>June 30, 2019</u> | <u>June 30, 2018</u> | <u>June 30, 2017</u> | <u>June 30, 2016</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Contractually required contribution | \$ 14,756,108 | \$ 14,399,563 | \$ 13,566,617 | \$ 11,091,422 | \$ 9,999,995 | \$ 10,724,334 | \$ 9,845,929 | \$ 7,812,574 | \$ 6,437,566 | \$ 5,254,234 |
| Contributions in relation to the contractually required contribution* | (14,756,108) | (14,399,563) | (13,566,617) | (11,091,422) | (9,999,995) | (10,724,334) | (9,845,929) | (7,812,574) | (6,437,566) | (5,254,234) |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's covered payroll | \$ 78,879,128 | \$ 76,002,247 | \$ 71,029,000 | \$ 65,552,000 | \$ 61,919,000 | \$ 62,715,000 | \$ 60,479,000 | \$ 54,141,000 | \$ 51,173,000 | \$ 48,968,000 |
| Contributions as a percentage of covered payroll | 18.71% | 18.95% | 19.10% | 16.92% | 16.15% | 17.10% | 16.28% | 14.43% | 12.58% | 10.73% |

*Amounts do not include on-behalf contributions

**ROCKLIN UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALPERS
FOR THE YEAR ENDED JUNE 30, 2025**

| | <u>June 30, 2025</u> | <u>June 30, 2024</u> | <u>June 30, 2023</u> | <u>June 30, 2022</u> | <u>June 30, 2021</u> | <u>June 30, 2020</u> | <u>June 30, 2019</u> | <u>June 30, 2018</u> | <u>June 30, 2017</u> | <u>June 30, 2016</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Contractually required contribution | \$ 6,619,745 | \$ 6,177,069 | \$ 5,333,774 | \$ 4,127,230 | \$ 3,430,724 | \$ 3,323,057 | \$ 2,859,387 | \$ 2,253,417 | \$ 1,891,806 | \$ 1,522,927 |
| Contributions in relation to the contractually required contribution* | (6,619,745) | (6,177,069) | (5,333,774) | (4,127,230) | (3,430,724) | (3,323,057) | (2,859,387) | (2,253,417) | (1,891,806) | (1,522,927) |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's covered payroll | \$ 24,496,037 | \$ 23,171,030 | \$ 21,024,000 | \$ 18,015,000 | \$ 16,574,000 | \$ 16,850,000 | \$ 15,831,000 | \$ 14,509,000 | \$ 13,622,000 | \$ 12,855,000 |
| Contributions as a percentage of covered payroll | 27.02% | 26.66% | 25.37% | 22.91% | 20.70% | 19.72% | 18.06% | 15.53% | 13.89% | 11.85% |

*Amounts do not include on-behalf contributions

**ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

This schedule is required by GASB Statement No. 34 as required supplementary information (RSI) for the General Fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedule presents both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the District's budgetary basis. A separate column to report the variance between the final budget and actual amounts is also presented, although not required.

Schedule of Changes in Net OPEB Liability and Related Ratios

This 10-year schedule is required by GASB Statement No. 75 for all sole and agent employers that provide other postemployment benefits (OPEB). Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 75 was applicable. The schedule presents the sources of change in the net OPEB liability, and the components of the net OPEB liability and related ratios, including the OPEB plan's fiduciary net position as a percentage of the total OPEB liability, and the net OPEB liability as a percentage of covered-employee payroll.

Changes in Benefit Terms

There were no changes in benefit terms since the previous valuation.

Changes in Assumptions

The discount rate changed from 5.75% to 5.55% since the previous valuation.

Schedule of the District Contributions – OPEB

This 10-year schedule is not required to be presented as there was no actuarially determined contribution, nor any contribution requirement established by statute or contract.

Schedule of Money-Weighted Rate of Return on OPEB Plan Investments

This 10-year schedule presents information for the money-weighted rate of return associated with the OPEB trust.

Schedule of the District's Proportionate Share of the Net Pension Liability

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. The schedule presents the District's proportion (percentage) of the collective net pension liability, the District's proportionate share (amount) of the collective net pension liability, the District's covered payroll, the District's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

Changes in Benefit Terms

There were no changes in benefit terms since the previous valuations for CalSTRS or CalPERS.

Changes in Assumptions

There were no changes in economic assumptions since the previous valuations for CalSTRS or CalPERS.

**ROCKLIN UNIFIED SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION, continued
 FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – PURPOSE OF SCHEDULES (continued)

Schedule of District Contributions

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. The schedule presents the District’s statutorily or contractually required employer contribution, the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the District’s covered payroll, and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of the District’s covered payroll.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2025, the District incurred an excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule by major object code as follows:

| | Expenditures and Other Uses | | |
|---------------------------------------|------------------------------------|---------------|---------------|
| | Budget | Actual | Excess |
| General Fund | | | |
| Certificated salaries | \$ 79,957,428 | \$ 81,023,386 | \$ 1,065,958 |
| Classified salaries | \$ 28,440,765 | \$ 28,767,367 | \$ 326,602 |
| Other outgo | | | |
| Excluding transfers of indirect costs | \$ 1,485,600 | \$ 1,904,478 | \$ 418,878 |

SUPPLEMENTARY INFORMATION

**ROCKLIN UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

| <u>Federal Grantor/Pass-Through Grantor/Program or Cluster</u> | <u>AL Number</u> | <u>Pass-Through Entity Identifying Number</u> | <u>Federal Expenditures</u> |
|---|----------------------|---|---------------------------------|
| U. S. DEPARTMENT OF EDUCATION: | | | |
| <i>Passed through California Department of Education:</i> | | | |
| Title I, Part A, Basic Grants Low-Income and Neglected | 84.010 | 14329 | \$ 582,670 |
| Title II, Part A, Supporting Effective Instruction Local Grants | 84.367 | 14341 | 131,989 |
| Title III | | | |
| Title III, English Learner Student Program | 84.365 | 14346 | 79,800 |
| Title III, Immigrant Education Program | 84.365 | 15146 | 24,299 |
| Subtotal Title III | | | <u>104,099</u> |
| Title IV, Part A, Student Support and Academic Enrichment Grants | 84.424 | 15396 | 34,469 |
| Special Education Cluster | | | |
| IDEA Basic Local Assistance Entitlement, Part B, Sec 611 | 84.027 | 13379 | 2,509,839 |
| IDEA Local Assistance, Part B, Sec 611, Private School ISPs | 84.027 | 10115 | 22,576 |
| IDEA Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611 | 84.027A | 15197 | 140,247 |
| IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5) | 84.173 | 13430 | 45,791 |
| Subtotal Special Education Cluster | | | <u>2,718,453</u> |
| Strengthening Career and Technical Education for the 21st Century (Perkins V) | 84.048 | 14894 | 60,795 |
| Total U. S. Department of Education | | | <u>3,632,475</u> |
| U. S. DEPARTMENT OF AGRICULTURE: | | | |
| <i>Passed through California Department of Education:</i> | | | |
| Child Nutrition Cluster | | | |
| School Breakfast Program - Basic | 10.553 | 13525 | 427,597 |
| School Breakfast Program - Needy | 10.553 | 13526 | 33,490 |
| National School Lunch Program | 10.555 | 13391 | 1,581,676 |
| USDA Commodities | 10.555 | * | 598,154 |
| Local Food for Schools | 10.555 | 15708 | 26,034 |
| Subtotal Child Nutrition Cluster | | | <u>2,666,951</u> |
| Total U. S. Department of Agriculture | | | <u>2,666,951</u> |
| U. S. DEPARTMENT OF DEFENSE: | | | |
| <i>Direct Award:</i> | | | |
| Air Force Defense Research Sciences Program | 12.800 | * | 87,277 |
| Total U. S. Department of the Treasury | | | <u>87,277</u> |
| Total Federal Expenditures | | | <u>\$ 6,386,703</u> |

* - Pass-Through Entity Identifying Number not available or not applicable

**ROCKLIN UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
FOR THE YEAR ENDED JUNE 30, 2025**

| | Second Period Report | Annual Report |
|---|-------------------------------------|--------------------------|
| SCHOOL DISTRICT | | |
| TK/K through Third | | |
| Regular ADA | 3,149.97 | 3,156.31 |
| Extended Year Special Education | 5.14 | 5.14 |
| Special Education - Nonpublic Schools | 0.73 | 0.97 |
| Extended Year Special Education - Nonpublic Schools | 0.11 | 0.11 |
| Total TK/K through Third | 3,155.95 | 3,162.53 |
| Fourth through Sixth | | |
| Regular ADA | 2,363.84 | 2,363.75 |
| Extended Year Special Education | 3.51 | 3.51 |
| Special Education - Nonpublic Schools | 2.71 | 3.46 |
| Extended Year Special Education - Nonpublic Schools | 0.47 | 0.47 |
| Total Fourth through Sixth | 2,370.53 | 2,371.19 |
| Seventh through Eighth | | |
| Regular ADA | 1,688.67 | 1,689.79 |
| Extended Year Special Education | 1.07 | 1.07 |
| Special Education - Nonpublic Schools | 2.16 | 2.90 |
| Extended Year Special Education - Nonpublic Schools | 0.25 | 0.25 |
| Total Seventh through Eighth | 1,692.15 | 1,694.01 |
| Ninth through Twelfth | | |
| Regular ADA | 3,861.65 | 3,844.98 |
| Extended Year Special Education | 3.58 | 3.58 |
| Special Education - Nonpublic Schools | 6.28 | 7.93 |
| Extended Year Special Education - Nonpublic Schools | 0.49 | 0.49 |
| Total Ninth through Twelfth | 3,872.00 | 3,856.98 |
| TOTAL SCHOOL DISTRICT | 11,090.63 | 11,084.71 |

**ROCKLIN UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2025**

| Grade Level | Minutes Requirement | 2024-25 Actual Minutes | Actual Number of Days | Status |
|--------------------|----------------------------|-------------------------------|------------------------------|---------------|
| Kindergarten | 36,000 | 50,100 | 180 | Complied |
| Grade 1 | 50,400 | 54,140 | 180 | Complied |
| Grade 2 | 50,400 | 54,570 | 180 | Complied |
| Grade 3 | 50,400 | 54,570 | 180 | Complied |
| Grade 4 | 54,000 | 55,940 | 180 | Complied |
| Grade 5 | 54,000 | 55,940 | 180 | Complied |
| Grade 6 | 54,000 | 55,940 | 180 | Complied |
| Grade 7 | 54,000 | 61,262 | 180 | Complied |
| Grade 8 | 54,000 | 61,262 | 180 | Complied |
| Grade 9 | 64,800 | 65,115 | 180 | Complied |
| Grade 10 | 64,800 | 65,115 | 180 | Complied |
| Grade 11 | 64,800 | 65,115 | 180 | Complied |
| Grade 12 | 64,800 | 65,115 | 180 | Complied |

**ROCKLIN UNIFIED SCHOOL DISTRICT
 SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
 FOR THE YEAR ENDED JUNE 30, 2025**

| | 2026 (Budget) | 2025 | 2024 | 2023 |
|--|----------------------|----------------|----------------|----------------|
| General Fund - Budgetary Basis | | | | |
| Revenues And Other Financing Sources | \$ 177,969,054 | \$ 176,076,695 | \$ 178,710,164 | \$ 175,971,750 |
| Expenditures And Other Financing Uses | 180,434,643 | 180,440,630 | 174,859,917 | 164,951,799 |
| Net change in Fund Balance | \$ (2,465,589) | \$ (4,363,935) | \$ 3,850,247 | \$ 11,019,951 |
| Ending Fund Balance | \$ 52,316,888 | \$ 54,782,477 | \$ 59,146,412 | \$ 55,296,165 |
| Available Reserves* | \$ 18,263,902 | \$ 17,874,877 | \$ 17,902,020 | \$ 18,571,267 |
| Available Reserves As A Percentage Of Outgo | 10.12% | 9.91% | 10.24% | 11.26% |
| Long-term Liabilities | \$ 230,216,455 | \$ 247,984,843 | \$ 264,369,126 | \$ 262,738,285 |
| Average Daily Attendance At P-2 | 11,090 | 11,091 | 11,097 | 10,843 |

The General Fund ending fund balance has decreased by \$513,688 over the past two years. The fiscal year 2025-26 budget projects a further decrease of \$2,465,589. For a District this size, the State recommends available reserves of at least 3% of General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in two of the past three years but anticipates incurring an operating deficit during the 2025-26 fiscal year. Total long-term obligations have decreased by \$14,753,442 over the past two years.

Average daily attendance has increased by 248 ADA over the past two years. A decrease of 1 ADA is anticipated during the 2025-26 fiscal year.

*Available reserves consist of all unassigned fund balance within the General Fund.

**ROCKLIN UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

There were no audit adjustments proposed to funds of the District.

**ROCKLIN UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2025**

| Charter # | Charter School | Status | Included in Audit Report |
|------------------|-----------------------------------|---------------|-------------------------------------|
| 0308 | Rocklin Academy | Active | No |
| 1042 | Maria Montessori Charter Academy | Active | No |
| 1071 | Western Sierra Collegiate Academy | Active | No |

See accompanying notes to supplementary information.

**ROCKLIN UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
JUNE 30, 2025**

| | Student Activity Fund | Cafeteria Fund | Deferred Maintenance Fund | County School Facilities Fund | Capital Projects Fund for Blended Component Units | Bond Interest and Redemption Fund | Non-Major Governmental Funds |
|--|--------------------------|----------------------|---------------------------------|----------------------------------|---|--------------------------------------|------------------------------------|
| ASSETS | | | | | | | |
| Cash and investments | \$ 2,276,032 | \$ 11,020,179 | \$ 1,902,790 | \$ 4 | \$ 7,847,869 | \$ 15,325,295 | \$ 38,372,169 |
| Accounts receivable | - | 1,101,620 | 27,680 | 3 | 25,113 | - | 1,154,416 |
| Due from other funds | - | - | - | - | 1,721,570 | - | 1,721,570 |
| Stores inventory | - | 20,326 | - | - | - | - | 20,326 |
| Prepaid expenditures | - | 599 | - | - | - | - | 599 |
| Total Assets | \$ 2,276,032 | \$ 12,142,724 | \$ 1,930,470 | \$ 7 | \$ 9,594,552 | \$ 15,325,295 | \$ 41,269,080 |
| LIABILITIES | | | | | | | |
| Accrued liabilities | \$ - | \$ 79,545 | \$ - | \$ - | \$ 15,230 | \$ - | \$ 94,775 |
| Due to other funds | - | 134,145 | - | 7 | - | - | 134,152 |
| Total Liabilities | - | 213,690 | - | 7 | 15,230 | - | 228,927 |
| FUND BALANCES | | | | | | | |
| Non-spendable | - | 21,125 | - | - | - | - | 21,125 |
| Restricted | 2,276,032 | 11,907,909 | - | - | 9,579,322 | 15,325,295 | 39,088,558 |
| Committed | - | - | 1,930,470 | - | - | - | 1,930,470 |
| Total Fund Balances | 2,276,032 | 11,929,034 | 1,930,470 | - | 9,579,322 | 15,325,295 | 41,040,153 |
| Total Liabilities and Fund Balances | \$ 2,276,032 | \$ 12,142,724 | \$ 1,930,470 | \$ 7 | \$ 9,594,552 | \$ 15,325,295 | \$ 41,269,080 |

See accompanying notes to supplementary information.

**ROCKLIN UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025**

| | Student Activity Fund | Cafeteria Fund | Deferred Maintenance Fund | County School Facilities Fund | Capital Projects Fund for Blended Component Units | Bond Interest and Redemption Fund | Non-Major Governmental Funds |
|--|-----------------------|----------------------|---------------------------|-------------------------------|---|-----------------------------------|------------------------------|
| REVENUES | | | | | | | |
| Federal sources | \$ - | \$ 2,666,951 | \$ - | \$ - | \$ - | \$ - | \$ 2,666,951 |
| Other state sources | - | 5,478,602 | - | 1,025 | - | 65,651 | 5,545,278 |
| Other local sources | 6,313,620 | 481,432 | 140,736 | 632 | 715,995 | 14,301,825 | 21,954,240 |
| Total Revenues | 6,313,620 | 8,626,985 | 140,736 | 1,657 | 715,995 | 14,367,476 | 30,166,469 |
| EXPENDITURES | | | | | | | |
| Current | | | | | | | |
| Pupil services | | | | | | | |
| Food services | - | 5,613,588 | - | - | - | - | 5,613,588 |
| General administration | | | | | | | |
| All other general administration | - | 133,111 | - | - | - | - | 133,111 |
| Plant services | - | - | - | - | 372,698 | - | 372,698 |
| Facilities acquisition and construction | - | 41,573 | - | - | 492,853 | - | 534,426 |
| Ancillary services | 6,217,479 | - | - | - | - | - | 6,217,479 |
| Debt service | | | | | | | |
| Principal | - | - | - | - | 403,000 | 4,313,963 | 4,716,963 |
| Interest and other | - | - | - | - | 123,362 | 9,782,612 | 9,905,974 |
| Total Expenditures | 6,217,479 | 5,788,272 | - | - | 1,391,913 | 14,096,575 | 27,494,239 |
| Excess (Deficiency) of Revenues Over Expenditures | 96,141 | 2,838,713 | 140,736 | 1,657 | (675,918) | 270,901 | 2,672,230 |
| Other Financing Sources (Uses) | | | | | | | |
| Transfers in | - | - | - | - | 1,721,570 | - | 1,721,570 |
| Transfers out | - | - | - | (1,657) | - | - | (1,657) |
| Net Financing Sources (Uses) | - | - | - | (1,657) | 1,721,570 | - | 1,719,913 |
| NET CHANGE IN FUND BALANCE | 96,141 | 2,838,713 | 140,736 | - | 1,045,652 | 270,901 | 4,392,143 |
| Fund Balance - Beginning | 2,179,891 | 9,090,321 | 1,789,734 | - | 8,533,670 | 15,054,394 | 36,648,010 |
| Fund Balance - Ending | \$ 2,276,032 | \$ 11,929,034 | \$ 1,930,470 | \$ - | \$ 9,579,322 | \$ 15,325,295 | \$ 41,040,153 |

See accompanying notes to supplementary information.

**ROCKLIN UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2025**

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The District has not elected to use the de minimis indirect cost rate of up to 15 percent.

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the article 8 (commencing with section 46200) of chapter 2 of part 26 of the *Education Code*.

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.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Charter Schools

This schedule lists all charter schools chartered by the District and displays information for each charter school on whether or not the charter school is included in the District audit.

Combining Statements – Non-Major Funds

These statements provide information on the District's non-major funds.

OTHER INFORMATION

**ROCKLIN UNIFIED SCHOOL DISTRICT
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
 JUNE 30, 2025**

Rocklin Unified School District was established in 1866 and unified in 1987. It is comprised of approximately 13 square miles of Placer County. The District currently operates twelve elementary schools, two middle schools, two high schools, and one alternative education center. There were no changes in the boundaries of the District during the current year.

GOVERNING BOARD

| Member | Office | Term Expires |
|---------------------|----------------|---------------------|
| Rachelle Price | President | December 2028 |
| Tiffany Saathoff | Vice President | December 2026 |
| Julie Hupp | Clerk | December 2028 |
| Dereck Counter | Member | December 2026 |
| Michelle Sutherland | Member | December 2026 |

DISTRICT ADMINISTRATORS

Roger Stock
Superintendent

Jennifer Stahlheber
Deputy Superintendent, Business & Operations

Tony Limoges
Associate Superintendent, Human Resources

Martin Flowers
Associate Superintendent, Secondary Education

Bill MacDonald
Associate Superintendent, Elementary Education

Craig Rouse
Senior Director, Facilities and Operations

Mario da Costa
Director of Fiscal Services

OTHER INDEPENDENT AUDITORS' REPORTS

**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 Auditors' Report

Governing Board
Rocklin Unified School District
Rocklin, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Rocklin Unified School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Rocklin Unified School District's basic financial statements, and have issued our report thereon dated January 22, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Christy White, Inc.

San Diego, California
January 22, 2026

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**Independent Auditors' Report

Governing Board
Rocklin Unified School District
Rocklin, California

Report on Compliance for Each Major Federal Program***Opinion on Each Major Federal Program***

We have audited Rocklin Unified School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Rocklin Unified School District's major federal programs for the year ended June 30, 2025. Rocklin Unified School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Rocklin Unified School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) 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 Rocklin Unified School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on compliance for each major federal program. Our audit does not provide a legal determination of Rocklin Unified School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit for 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 Rocklin Unified School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance 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. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user of the report on compliance about Rocklin Unified School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards and *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 Rocklin Unified School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Rocklin Unified School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Rocklin Unified School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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.

Report on Internal Control Over Compliance (continued)

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.

Christy White, Inc.

San Diego, California
January 22, 2026

**REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL
OVER COMPLIANCE FOR STATE PROGRAMS**Independent Auditors' Report

Governing Board
Rocklin Unified School District
Rocklin, California

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

We have audited Rocklin Unified School District's compliance with the requirements specified in the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to Rocklin Unified School District's state program requirements as identified in the table in the Auditor's Responsibilities for the Audit of State Compliance section of our report for the year ended June 30, 2025.

In our opinion, Rocklin Unified School District complied, in all material respects, with the laws and regulations of the applicable laws and regulations of the applicable state programs for the year ended June 30, 2025.

Basis for Opinion on State Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2024-2025 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (the K-12 Audit Guide). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor’s Responsibilities for the Audit of State Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the state compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Rocklin Unified School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the K-12 Audit Guide 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 Rocklin Unified School District's compliance with the requirements of the applicable state programs as a whole.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, and the K-12 Audit Guide, we:

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

| PROGRAM NAME | PROCEDURES PERFORMED |
|--|-----------------------------|
| Local Education Agencies Other Than Charter Schools | |
| Attendance | Yes |
| Teacher Certification and Misassignments | Yes |
| Independent Study | No |
| Continuation Education | No |
| Instructional Time | Yes |
| Instructional Materials | Yes |
| Ratio of Administrative Employees to Teachers | Yes |
| Classroom Teacher Salaries | Yes |
| Early Retirement Incentive | Not Applicable |
| Gann Limit Calculation | Yes |
| School Accountability Report Card | Yes |
| Juvenile Court Schools | Not Applicable |
| Middle or Early College High Schools or Programs | Not Applicable |
| K-3 Grade Span Adjustment | Yes |
| Apprenticeship: Related and Supplemental Instruction | Not Applicable |
| Comprehensive School Safety Plan | Yes |
| District of Choice | Not Applicable |
| Home to School Transportation Reimbursement | Yes |

Auditor’s Responsibilities for the Audit of State Compliance (continued)

| PROGRAM NAME | PROCEDURES PERFORMED |
|--|-----------------------------|
| School Districts, County Offices of Education, and Charter Schools | |
| Proposition 28 Arts and Music in Schools | Yes |
| After/Before School Education and Safety Program | Not Applicable |
| 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 | Not Applicable |
| Immunizations | Yes |
| Educator Effectiveness | Yes |
| Expanded Learning Opportunities Grant (ELO-G) | Yes |
| Career Technical Education Incentive Grant | Yes |
| Expanded Learning Opportunities Program | Yes |
| Transitional Kindergarten | Yes |
| Kindergarten Continuance | Yes |
| Charter Schools | |
| Attendance; for charter schools | Not Applicable |
| Mode of Instruction; for charter schools | Not Applicable |
| Nonclassroom-Based Instruction/Independent Study; for charter schools | Not Applicable |
| Determination of Funding for Nonclassroom-Based Instruction; for charter schools | Not Applicable |
| Annual Instructional Minutes - Classroom Based | Not Applicable |
| Charter School Facility Grant Program | Not Applicable |

We did not perform testing for Independent Study or Continuation Education because the amounts reported on the Second Period Attendance Report did not meet the threshold required for testing.

The term “Not Applicable” is used above to mean either the District did not offer the program during the current fiscal year, the District did not participate in the program during the current fiscal year, or the program applies to a different type of local education agency.

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

Report on Internal Control Over Compliance (continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of State Compliance section 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 K-12 Audit Guide. Accordingly, this report is not suitable for any other purpose.

Christy White, Inc.

San Diego, California
January 22, 2026

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**ROCKLIN UNIFIED SCHOOL DISTRICT
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2025**

FINANCIAL STATEMENTS

| | |
|--|----------------------|
| Type of auditors' report issued: | <u>Unmodified</u> |
| Internal control over financial reporting: | |
| Material weakness(es) identified? | <u>No</u> |
| Significant deficiency(ies) identified? | <u>None Reported</u> |
| Non-compliance material to financial statements noted? | <u>No</u> |

FEDERAL AWARDS

| | |
|---|----------------------|
| Internal control over major program: | |
| Material weakness(es) identified? | <u>No</u> |
| Significant deficiency(ies) identified? | <u>None Reported</u> |
| Type of auditors' report issued: | <u>Unmodified</u> |
| Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)? | <u>No</u> |
| Identification of major programs: | |

| | |
|---------------------|---|
| <u>AL Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
| 10.553, 10.555 | Child Nutrition Cluster |

| | |
|--|-------------------|
| Dollar threshold used to distinguish between Type A and Type B programs: | <u>\$ 750,000</u> |
| Auditee qualified as low-risk auditee? | <u>Yes</u> |

STATE AWARDS

| | |
|---|----------------------|
| Internal control over state programs: | |
| Material weaknesses identified? | <u>No</u> |
| Significant deficiency(ies) identified? | <u>None Reported</u> |
| Any audit findings disclosed that are required to be reported in accordance with <i>2024-25 Guide for Annual Audits of California K-12 Local Education Agencies</i> ? | <u>No</u> |
| Type of auditors' report issued on compliance for state programs: | <u>Unmodified</u> |

**ROCKLIN UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

FIVE DIGIT CODE

20000
30000

AB 3627 FINDING TYPE

Inventory of Equipment
Internal Control

There were no financial statement findings for the year ended June 30, 2025.

**ROCKLIN UNIFIED SCHOOL DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

FIVE DIGIT CODE

50000

AB 3627 FINDING TYPE

Federal Compliance

There were no federal award findings or questioned costs for the year ended June 30, 2025.

**ROCKLIN UNIFIED SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

FIVE DIGIT CODE

10000
40000
42000
43000
60000
61000
62000
70000
71000
72000

AB 3627 FINDING TYPE

Attendance
State Compliance
Charter School Facilities Programs
Apprenticeship: Related and Supplemental Instruction
Miscellaneous
Classroom Teacher Salaries
Local Control Accountability Plan
Instructional Materials
Teacher Misassignments
School Accountability Report Card

There were no state award findings or questioned costs for the year ended June 30, 2025.

**ROCKLIN UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

There were no findings or questioned costs for the year ended June 30, 2024.