

ORINDA UNION SCHOOL DISTRICT

AUDIT REPORT
JUNE 30, 2025



ORINDA UNION SCHOOL DISTRICT
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FINANCIAL SECTION

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTSIndependent Auditors' Report

Governing Board
Orinda Union School District
Orinda, California

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Orinda Union School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Orinda Union 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Orinda Union School District, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Orinda Union 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 Orinda Union 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 Orinda Union 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 Orinda Union 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 Orinda Union 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, 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 Orinda Union 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 26, 2026 on our consideration of the Orinda Union 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 Orinda Union 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 Orinda Union School District's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Christy White, Inc." in a cursive, flowing script.

San Diego, California
January 26, 2026

ORINDA UNION SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

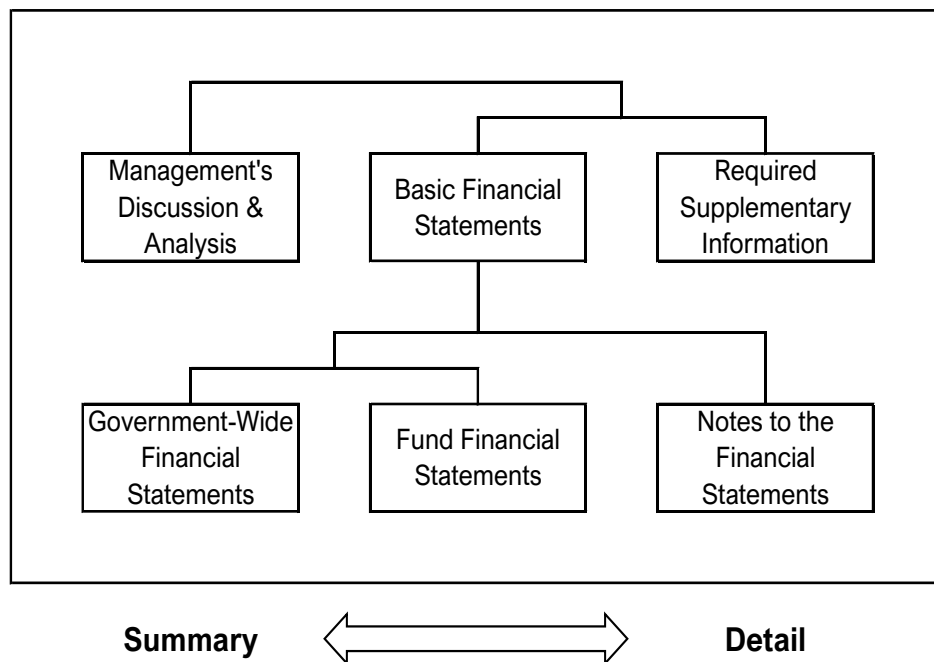
Our discussion and analysis of Orinda Union School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2025. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's net position was \$9,707,492 for governmental activities, and \$81,557 for its business-type activities at June 30, 2025.
- Overall revenues were \$52,932,456 which exceeded expenses of \$50,838,998 in the governmental activities. For business-type activities, revenues were \$2,949,617 which were exceeded by expenses of \$ 2,975,700.

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financial Section



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

OVERVIEW OF FINANCIAL STATEMENTS (continued)

Components of the Financial Section (continued)

This annual report consists of three parts – Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- ▶ **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.
- ▶ **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.
 - ▶ **Governmental Funds** provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.
 - ▶ **Proprietary Funds** report services for which the District charges customers a fee. Like the government-wide statements, they provide both long- and short-term financial information.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of required and other supplementary information that further explain and support the financial statements.

Government-Wide Statements

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

The government-wide financial statements of the District include governmental activities. All of the District's basic services are included here, such as regular education, food service, maintenance and general administration. Local control formula funding and federal and state grants finance most of these activities.

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

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's combined net position was \$9,789,049 at June 30, 2025, as reflected in the table below. Of this amount, \$(39,701,518) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Governing Board's ability to use that net position for day-to-day operations.

	Governmental Activities			Business-Type Activities		
	2025	2024	Net Change	2025	2024	Net Change
ASSETS						
Current and other assets	\$ 56,744,807	\$ 68,561,103	\$ (11,816,296)	\$ 93,483	\$ 176,932	\$ (83,449)
Capital assets	100,666,345	85,079,473	15,586,872	-	-	-
Total Assets	157,411,152	153,640,576	3,770,576	93,483	176,932	(83,449)
DEFERRED OUTFLOWS OF RESOURCES	12,606,451	13,393,070	(786,619)	-	-	-
LIABILITIES						
Current liabilities	14,136,488	9,316,095	4,820,393	11,926	69,292	(57,366)
Long-term liabilities	137,552,677	140,524,474	(2,971,797)	-	-	-
Total Liabilities	151,689,165	149,840,569	1,848,596	11,926	69,292	(57,366)
DEFERRED INFLOWS OF RESOURCES	8,620,946	6,093,510	2,527,436	-	-	-
NET POSITION						
Net investment in capital assets	41,970,608	41,499,647	470,961	-	-	-
Restricted	7,519,959	8,398,078	(878,119)	-	-	-
Unrestricted	(39,783,075)	(38,798,158)	(984,917)	81,557	107,640	(26,083)
Total Net Position	\$ 9,707,492	\$ 11,099,567	\$ (1,392,075)	\$ 81,557	\$ 107,640	\$ (26,083)

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

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the Statement of Activities. The table below takes the information from the Statement and rearranges it slightly, so you can see our total revenues and expenses for the year.

	Governmental Activities			Business-Type Activities		
	2025	2024	Net Change	2025	2024	Net Change
REVENUES						
Program revenues						
Charges for services	\$ 212,921	\$ 224,068	\$ (11,147)	\$ 2,938,472	\$ 2,288,067	\$ 650,405
Operating grants and contributions	7,655,382	4,256,992	3,398,390	-	-	-
General revenues						
Property taxes	30,078,382	29,356,390	721,992	-	-	-
Unrestricted federal and state aid	10,207,793	9,879,242	328,551	-	-	-
Other	4,777,978	7,750,367	(2,972,389)	11,145	7,836	3,309
Total Revenues	52,932,456	51,467,059	1,465,397	2,949,617	2,295,903	653,714
EXPENSES						
Instruction	28,741,338	27,804,411	936,927	-	-	-
Instruction-related services	4,080,465	3,901,438	179,027	-	-	-
Pupil services	4,703,313	3,833,316	869,997	-	-	-
General administration	4,287,228	4,168,698	118,530	-	-	-
Plant services	6,048,993	4,454,837	1,594,156	-	-	-
Ancillary services	137,753	167,935	(30,182)	-	-	-
Debt service	2,598,092	3,589,732	(991,640)	-	-	-
Other outgo	242,449	(93,307)	335,756	-	-	-
Enterprise activities	(633)	-	(633)	2,975,700	2,188,263	787,437
Total Expenses	50,838,998	47,827,060	3,011,938	2,975,700	2,188,263	787,437
Change in net position	2,093,458	3,639,999	(1,546,541)	(26,083)	107,640	(133,723)
Net Position - Beginning, as Restated*	7,614,034	7,459,568	154,466	107,640	-	107,640
Net Position - Ending	\$ 9,707,492	\$ 11,099,567	\$ (1,392,075)	\$ 81,557	\$ 107,640	\$ (26,083)

*Beginning net position for the governmental activities was restated for the 2025 year only.

The cost of all our governmental activities this year was \$50,838,998 (refer to the table above). The amount that our taxpayers ultimately financed for these activities through taxes was only \$30,078,382 because a portion of the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions. The cost of our business-type activities was \$2,975,700. The District's business-type activities relate to providing before and after school child care.

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

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position (continued)

In the table below, we have presented the net cost of each of the District's functions related to governmental activities. Net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

	Net Cost of Services	
	2025	2024
Instruction	\$ 23,449,900	\$ 25,167,496
Instruction-related services	3,960,368	3,816,227
Pupil services	2,595,436	2,256,529
General administration	4,189,863	4,149,564
Plant services	5,981,591	4,426,576
Ancillary services	137,753	167,935
Debt service	2,598,092	3,589,732
Transfers to other agencies	58,325	(228,059)
Enterprise activities	(633)	-
Total	\$ 42,970,695	\$ 43,346,000

FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of \$47,678,598, which is less than last year's ending fund balance of \$64,521,475. The District's General Fund had an overall increase in fund balance of \$260,403 for the year ended June 30, 2025. The District's Building Fund had an overall decrease in fund balance of \$15,843,203 for the year ended June 30, 2025.

CURRENT YEAR BUDGET 2024-2025

During the fiscal year, budget revisions and appropriation transfers are presented to the Board for their approval on a regular basis to reflect changes to both revenues and expenditures that become known during the year. In addition, the Board of Education approves financial projections included with the Adopted Budget, First Interim, and Second Interim financial reports. The Unaudited Actuals reflect the District's financial projections and current budget based on State and local financial information.

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

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

By the end of 2024-2025 the District had invested \$100,666,345 in capital assets, net of accumulated depreciation. There were no capital assets recorded for business-type activities.

	Governmental Activities		
	2025	2024	Net Change
CAPITAL ASSETS			
Land	\$ 3,792,395	\$ 3,792,395	\$ -
Construction in progress	17,551,869	38,937,956	(21,386,087)
Land improvements	8,541,026	10,334,723	(1,793,697)
Buildings & improvements	109,745,700	66,830,245	42,915,455
Furniture & equipment	941,683	909,375	32,308
Less: Accumulated depreciation	(39,906,328)	(35,725,221)	(4,181,107)
Total	\$ 100,666,345	\$ 85,079,473	\$ 15,586,872

Long-Term Liabilities

At year-end, the District had \$137,552,677 in long-term liabilities, a decrease of 4.89% from last year, after restatement, as shown in the table below. More detailed information about the District's long-term liabilities is presented in footnotes to the financial statements.

	Governmental Activities		
	2025	2024	Net Change
LONG-TERM LIABILITIES			
Total general obligation bonds	\$ 88,782,850	\$ 91,605,142	\$ (2,822,292)
Clean renewable energy bonds	2,095,000	2,235,000	(140,000)
Compensated absences*	4,445,779	4,200,320	245,459
Net OPEB liability	17,888,501	20,104,834	(2,216,333)
Net pension liability	28,013,071	29,445,893	(1,432,822)
Less: current portion of long-term liabilities	(3,672,524)	(2,962,292)	(710,232)
Total	\$ 137,552,677	\$ 144,628,897	\$ (7,076,220)

**The amount previously reported for compensated absences at June 30, 2024 has been restated to reflect the District's implementation of GASB Statement 101 for the year ended June 30, 2025.*

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Several economic and fiscal factors could influence the District's financial condition in the coming year, including continued enrollment declines, uncertain Federal and State revenues, high pension obligations, and a cooling California economy.

Long-Term Declining Enrollment

California's K–12 system continues to experience enrollment decline. Statewide enrollment fell another 0.5% in 2024–25 to about 5.8 million students, roughly 420,000 fewer than a decade ago. The Department of Finance projects an additional 586,000-student decline by 2033–34. Lower birth rates, high housing costs, and out-migration are key drivers, along with growing competition from charter and private schools. Because many costs—such as staffing and facilities—cannot easily adjust, revenue loss from declining Average Daily Attendance (ADA) creates structural fiscal challenges that require multi-year planning.

ORINDA UNION SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS, continued FOR THE YEAR ENDED JUNE 30, 2025

Revenue Uncertainties

- **Status of Proposition 98:** The 2025–26 State Budget sets the Proposition 98 guarantee at \$114.6 billion, slightly below earlier projections. To maintain K–12 funding commitments amid weaker tax receipts, the State relied on reserve drawdowns, internal borrowing, and limited deferrals. The outlook remains fragile since Proposition 98 revenues are highly sensitive to income-tax and capital-gains fluctuations. A market slowdown could trigger future adjustments. The Legislative Analyst's Office urges districts to budget cautiously and preserve flexibility given ongoing volatility.
- **Federal Funding Uncertainties:** Federal funding for K–12 education remains uncertain heading into 2025–26. Several large federal programs—including Title I, Title II, IDEA, and after-school and enrichment grants—face potential reductions or delays under current federal budget proposals and continuing appropriations negotiations. The U.S. Department of Education has also paused or delayed disbursement of certain previously approved formula and competitive grants, creating short-term cash-flow and planning challenges for districts. Analyses by nonpartisan agencies such as the Congressional Budget Office and the Learning Policy Institute note that up to \$5–6 billion in K-12 formula funds nationwide remain at risk of reduction or deferral if congressional appropriations are not finalized. While districts are expected to continue receiving baseline allocations during temporary funding resolutions, long-term federal support levels for education could decline modestly in real terms, requiring districts to plan for possible funding interruptions or reductions in future years.

Pension Liabilities and Employer Rates

The District participates in CalSTRS and CalPERS, both of which remain underfunded and continue to exert upward pressure on budgets. For 2025–26, the CalSTRS employer rate is 19.10%, and the CalPERS Schools Pool rate is 26.81%. These elevated rates—well above pre-2014 levels—will likely persist through the decade as both systems address unfunded liabilities. Districts must continue to account for escalating pension costs in long-range projections.

Economic and Market Conditions

California's economy has cooled following its post-pandemic rebound. High interest rates, weaker venture investment, and commercial-real-estate softness have slowed growth, especially in tech-dependent regions. The UCLA Anderson Forecast (Fall 2025) expects subdued growth into 2026, with unemployment near 5%. Inflation has eased, but interest-rate uncertainty continues to constrain housing and business investment.

Because the State's tax base depends heavily on capital-gains income, stock-market volatility remains a major risk to General Fund and Proposition 98 revenues. Fiscal advisors therefore recommend that districts maintain prudent reserves and avoid long-term commitments based on one-time revenue gains.

Summary

Declining enrollment, volatile revenues, persistent pension costs, and broader economic uncertainty all contribute to a challenging fiscal environment for California school districts. The District's 2025–26 budget reflects these conditions through conservative revenue assumptions, strong reserves, and continued monitoring of State fiscal trends.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Business Office at (925) 258-6210.

ORINDA UNION SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 53,847,807	\$ 87,008	\$ 53,934,815
Accounts receivable	2,839,610	6,475	2,846,085
Prepaid expenses	57,390	-	57,390
Capital assets:			
Capital assets, not depreciated	21,344,264	-	21,344,264
Capital assets, net of accumulated depreciation	79,322,081	-	79,322,081
Total Assets	157,411,152	93,483	157,504,635
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	10,632,902	-	10,632,902
Deferred outflows related to OPEB	1,973,549	-	1,973,549
Total Deferred Outflows of Resources	12,606,451	-	12,606,451
LIABILITIES			
Accrued liabilities	10,447,643	11,926	10,459,569
Unearned revenue	16,321	-	16,321
Long-term liabilities, current portion	3,672,524	-	3,672,524
Long-term liabilities, non-current portion	137,552,677	-	137,552,677
Total Liabilities	151,689,165	11,926	151,701,091
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	2,225,571	-	2,225,571
Deferred inflows related to OPEB	6,395,375	-	6,395,375
Total Deferred Inflows of Resources	8,620,946	-	8,620,946
NET POSITION			
Net investment in capital assets	41,970,608	-	41,970,608
Restricted:			
Capital projects	2,982,444	-	2,982,444
Debt service	2,679,267	-	2,679,267
Educational programs	1,218,765	-	1,218,765
Food service	639,483	-	639,483
Unrestricted	(39,783,075)	81,557	(39,701,518)
Total Net Position	\$ 9,707,492	\$ 81,557	\$ 9,789,049

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

**ORINDA UNION SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Function/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 28,741,338	\$ 177,707	\$ 5,113,731	\$ (23,449,900)	
Instruction-related services					
Instructional supervision and administration	1,408,868	3,763	116,334	(1,288,771)	
Instructional library, media, and technology	268,563	-	-	(268,563)	
School site administration	2,403,034	-	-	(2,403,034)	
Pupil services					
Home-to-school transportation	695,914	12,307	124,679	(558,928)	
Food services	1,686,197	-	1,498,733	(187,464)	
All other pupil services	2,321,202	6,114	466,044	(1,849,044)	
General administration					
Centralized data processing	853,059	-	-	(853,059)	
All other general administration	3,434,169	1,985	95,380	(3,336,804)	
Plant services	6,048,993	6,481	60,921	(5,981,591)	
Ancillary services	137,753	-	-	(137,753)	
Enterprise activities	(633)	-	-	633	
Interest on long-term debt	2,598,092	-	-	(2,598,092)	
Other outgo	242,449	4,564	179,560	(58,325)	
Total Governmental Activities	\$ 50,838,998	\$ 212,921	\$ 7,655,382	(42,970,695)	
BUSINESS-TYPE ACTIVITIES					
Enterprise activities	\$ 2,975,700	\$ 2,938,472	\$ -		\$ (37,228)
Total Business-Type Activities	2,975,700	2,938,472	-		(37,228)
Total School District	\$ 53,814,698	\$ 3,151,393	\$ 7,655,382		\$ (43,007,923)
General revenues					
Taxes and subventions					
Property taxes, levied for general purposes				18,860,906	-
Property taxes, levied for debt service				5,316,912	-
Property taxes, levied for other specific purposes				5,900,564	-
Federal and state aid not restricted for specific purposes				10,207,793	-
Interest and investment earnings				2,771,750	-
Miscellaneous				2,006,228	11,145
Subtotal, General Revenue				45,064,153	11,145
CHANGE IN NET POSITION				2,093,458	(26,083)
Net Position - Beginning, as Restated				7,614,034	107,640
Net Position - Ending				\$ 9,707,492	\$ 81,557
					\$ 9,789,049

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

**ORINDA UNION SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025**

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 6,237,252	\$ 39,658,993	\$ 7,951,562	\$ 53,847,807
Accounts receivable	2,678,150	-	161,460	2,839,610
Prepaid expenditures	57,390	-	-	57,390
Total Assets	\$ 8,972,792	\$ 39,658,993	\$ 8,113,022	\$ 56,744,807
LIABILITIES				
Accrued liabilities	\$ 1,158,935	\$ 7,476,880	\$ 414,073	\$ 9,049,888
Unearned revenue	16,321	-	-	16,321
Total Liabilities	1,175,256	7,476,880	414,073	9,066,209
FUND BALANCES				
Nonspendable	64,890	-	-	64,890
Restricted	1,218,765	32,182,113	7,698,949	41,099,827
Committed	2,770,812	-	-	2,770,812
Assigned	2,331,035	-	-	2,331,035
Unassigned	1,412,034	-	-	1,412,034
Total Fund Balances	7,797,536	32,182,113	7,698,949	47,678,598
Total Liabilities and Fund Balances	\$ 8,972,792	\$ 39,658,993	\$ 8,113,022	\$ 56,744,807

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

ORINDA UNION SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET
POSITION
JUNE 30, 2025

Total Fund Balance - Governmental Funds **\$ 47,678,598**

Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:

Capital assets	\$ 140,572,673	
Accumulated depreciation	<u>(39,906,328)</u>	100,666,345

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 unmatrued interest owing at the end of the period was:

(1,397,755)

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	\$ 88,782,850	
Clean renewable energy bonds	2,095,000	
Compensated absences	4,445,779	
Net OPEB liability	17,888,501	
Net pension liability	<u>28,013,071</u>	(141,225,201)

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	\$ 10,632,902	
Deferred inflows of resources related to pensions	<u>(2,225,571)</u>	8,407,331

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 outflows of resources related to OPEB	\$ 1,973,549	
Deferred inflows of resources related to OPEB	<u>(6,395,375)</u>	(4,421,826)

Total Net Position - Governmental Activities	<u>\$ 9,707,492</u>
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**ORINDA UNION SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025**

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
LCFF sources	\$ 28,343,814	\$ -	\$ -	\$ 28,343,814
Federal sources	592,396	-	255,194	847,590
Other state sources	3,292,298	-	1,243,205	4,535,503
Other local sources	13,954,293	2,192,367	5,751,079	21,897,739
Total Revenues	46,182,801	2,192,367	7,249,478	55,624,646
EXPENDITURES				
Current				
Instruction	29,071,553	-	-	29,071,553
Instruction-related services				
Instructional supervision and administration	1,387,921	-	-	1,387,921
Instructional library, media, and technology	265,819	-	-	265,819
School site administration	2,436,026	-	-	2,436,026
Pupil services				
Home-to-school transportation	695,914	-	-	695,914
Food services	71,122	-	1,596,313	1,667,435
All other pupil services	2,542,815	-	-	2,542,815
General administration				
Centralized data processing	529,661	-	-	529,661
All other general administration	3,035,731	-	15,450	3,051,181
Plant services	4,360,601	-	486,080	4,846,681
Facilities acquisition and construction	523,012	18,035,570	547,443	19,106,025
Ancillary services	147,145	-	-	147,145
Enterprise activities	94	-	-	94
Transfers to other agencies	594,741	-	-	594,741
Debt service				
Principal	140,000	-	2,470,000	2,610,000
Interest and other	120,243	-	3,394,269	3,514,512
Total Expenditures	45,922,398	18,035,570	8,509,555	72,467,523
NET CHANGE IN FUND BALANCE	260,403	(15,843,203)	(1,260,077)	(16,842,877)
Fund Balance - Beginning	7,537,133	48,025,316	8,959,026	64,521,475
Fund Balance - Ending	\$ 7,797,536	\$ 32,182,113	\$ 7,698,949	\$ 47,678,598

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

**ORINDA UNION 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 \$ (16,842,877)

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

Capital outlay:

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

Expenditures for capital outlay:	\$	19,078,157	
Depreciation expense:		(4,110,175)	14,967,982

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:

2,610,000

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:

916,420

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:

(245,459)

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:

(923,619)

(Continued on the following page)

**ORINDA UNION 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**

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:

1,258,719

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:

352,292

Change in Net Position of Governmental Activities

\$ 2,093,458

ORINDA UNION SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2025

	Business-Type Activities Before and After School Child Care Fund
ASSETS	
Current assets	
Cash and investments	\$ 87,008
Accounts receivable	6,475
Total Assets	93,483
LIABILITIES	
Current liabilities	
Accrued liabilities	11,926
Total Liabilities	11,926
NET POSITION	
Unrestricted	81,557
Total Net Position	\$ 81,557

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

**ORINDA UNION SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2025**

	Business-Type Activities
	Before and After School Child Care Fund
OPERATING REVENUES	
Other local revenues	\$ 2,938,472
Total operating revenues	<u>2,938,472</u>
OPERATING EXPENSES	
Salaries and benefits	2,359,137
Supplies and materials	100,448
Professional services	516,115
Total operating expenses	<u>2,975,700</u>
Operating income/(loss)	<u>(37,228)</u>
NON-OPERATING REVENUES/(EXPENSES)	
Interest income	11,145
Total non-operating revenues/(expenses)	<u>11,145</u>
CHANGE IN NET POSITION	(26,083)
Net Position - Beginning	107,640
Net Position - Ending	<u>\$ 81,557</u>

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

**ORINDA UNION SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2025**

	Business-Type Activities Before and After School Child Care
Cash flows from operating activities	
Cash received (paid) from assessments made to (from) other funds	\$ 2,932,298
Cash payments for payroll, insurance, and operating costs	(3,033,066)
Net cash provided by (used for) operating activities	(100,768)
Cash flows from investing activities	
Interest received	11,145
Net cash provided by (used for) investing activities	11,145
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(89,623)
CASH AND CASH EQUIVALENTS	
Beginning of year	176,631
End of year	\$ 87,008
Reconciliation of operating income (loss) to cash provided by (used for) operating activities	
Operating income/(loss)	\$ (37,228)
Changes in assets and liabilities:	
(Increase) decrease in accounts receivables	(6,174)
Increase (decrease) in accrued liabilities	(57,366)
Net cash provided by (used for) operating activities	\$ (100,768)

ORINDA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Orinda Union 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 TK-8 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 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 has no such component units.

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. 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.

Fund Financial Statements. The fund financial statements provide information about the District's funds and proprietary funds. Separate statements for each fund category – governmental, and proprietary – 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.

ORINDA UNION 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 (continued). Proprietary funds are used to account for activities that are more business-like than government-like in nature. Business-type activities include those for which a fee is charged to external users or to other organizational units of the District, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting.

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.

Building Fund: This fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code Section 15146*) and may not be used for any purposes other than those for which the bonds were issued. Other authorized revenues to the Building Fund are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code Section 17462*) and revenue from rentals and leases of real property specifically authorized for deposit into the fund by the governing board (*Education Code Section 41003*).

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:

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*).

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.

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*).

ORINDA UNION 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)

Capital Project Funds: (continued)

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 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.

Proprietary Funds

Enterprise Funds: Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services.

Before and After School Child Care Fund: This enterprise fund is used to account for the District's financial transactions related to before and after school child care in the District.

D. Basis of Accounting – Measurement Focus

Government-Wide and Proprietary Fund Financial Statements

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary 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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the internal service fund are charges to other funds for self-insurance costs. Operating expenses for internal service funds include the costs of insurance premiums and claims related to self-insurance.

ORINDA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus (continued)

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.

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.

ORINDA UNION 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 \$5,000. 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. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings and Improvements	5 – 50 years
Furniture and Equipment	2 – 15 years

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 governmental activities columns of 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.

ORINDA UNION 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)

Compensated Absences (continued)

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, 2024
Measurement Date	June 30, 2025
Measurement Period	July 1, 2024 – June 30, 2025

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 applicable governmental activities 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.

ORINDA UNION 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)

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.

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.

ORINDA UNION 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 (continued)

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.

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 governmental activities columns of 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.

ORINDA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

ORINDA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 2 – CASH AND INVESTMENTS

A. Summary of Cash and Investments

	Governmental Activities	Business-Type Activities
Investment in county treasury	\$ 51,221,103	\$ 77,583
Fair value adjustment	(32,810)	(50)
Cash on hand and in banks	-	9,475
Cash in revolving fund	7,500	-
Local agency investment fund (LAIF)	2,652,014	-
Total	\$ 53,847,807	\$ 87,008

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 Contra Costa 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.

Local Agency Investment Fund - The investments are held with the Local Agency Investment Fund (LAIF). The program is offered to local agencies and is also part of the Pooled Money Investment Account (PMIA).

ORINDA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 2 – CASH AND INVESTMENTS (continued)

C. 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 and local agency investment fund. The District maintains a pooled investment with the County Treasury with a fair value of approximately \$51,265,826. The average weighted maturity for this pool is 277 days. The local agency investment fund maintains a fair market value of approximately \$2,652,014 which is equal to the adjusted book value.

D. 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.

E. 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

ORINDA UNION 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, the District's bank balance was not 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 Contra Costa County Treasury Investment Pool and Local Agency Investment Funds 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	\$ 51,265,826
Local agency investment fund (LAIF)	2,652,014
Total	<u>\$ 53,917,840</u>

ORINDA UNION 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	Non-Major Governmental Funds	Governmental Activities	Business-Type Activities
Federal Government				
Categorical aid	\$ 1,102,482	\$ 20,964	\$ 1,123,446	\$ -
State Government				
Apportionment	992,204	-	992,204	-
Categorical aid	290,677	140,496	431,173	-
Lottery	192,808	-	192,808	-
Local Government				
Other local sources	99,979	-	99,979	6,475
Total	\$ 2,678,150	\$ 161,460	\$ 2,839,610	\$ 6,475

NOTE 4 – CAPITAL ASSETS

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

	Balance July 01, 2024	Adjustments	Restated Balance July 01, 2024	Additions	Deletions	Balance June 30, 2025
Governmental Activities						
Capital assets not being depreciated						
Land	\$ 3,792,395	\$ -	\$ 3,792,395	\$ -	\$ -	\$ 3,792,395
Construction in progress	38,937,956	(607,057)	38,330,899	19,066,423	39,845,453	17,551,869
Total capital assets not being depreciated	42,730,351	(607,057)	42,123,294	19,066,423	39,845,453	21,344,264
Capital assets being depreciated						
Land improvements	10,334,723	(1,793,697)	8,541,026	-	-	8,541,026
Buildings & improvements	66,830,245	3,070,002	69,900,247	39,845,453	-	109,745,700
Furniture & equipment	909,375	51,346	960,721	11,734	30,772	941,683
Total capital assets being depreciated	78,074,343	1,327,651	79,401,994	39,857,187	30,772	119,228,409
Less: Accumulated depreciation						
Land improvements	5,935,905	-	5,935,905	175,444	-	6,111,349
Buildings & improvements	29,280,108	336	29,280,444	3,878,534	-	33,158,978
Furniture & equipment	509,208	101,368	610,576	56,197	30,772	636,001
Total accumulated depreciation	35,725,221	101,704	35,826,925	4,110,175	30,772	39,906,328
Total capital assets being depreciated, net	42,349,122	1,225,947	43,575,069	35,747,012	-	79,322,081
Governmental Activities						
Capital Assets, net	\$ 85,079,473	\$ 618,890	\$ 85,698,363	\$ 54,813,435	\$ 39,845,453	\$ 100,666,345

ORINDA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 4 – CAPITAL ASSETS (continued)

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

Governmental Activities	
Instruction	\$ 2,117,408
Instructional supervision and administration	95,143
Instructional library, media, and technology	24,012
School site administration	247,618
Food services	15,275
All other pupil services	88,024
Centralized data processing	367,621
All other general administration	32,698
Plant services	1,122,376
Total	\$ 4,110,175

NOTE 5 – ACCRUED LIABILITIES

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

	General Fund	Building Fund	Non-Major Governmental Funds	District-Wide	Governmental Activities	Business-Type Activities
Payroll	\$ 84,973	\$ 142,317	\$ -	\$ -	\$ 227,290	\$ 5,141
Vendors payable	1,073,962	7,334,563	414,073	-	8,822,598	6,785
Unmatured interest	-	-	-	1,397,755	1,397,755	-
Total	\$ 1,158,935	\$ 7,476,880	\$ 414,073	\$ 1,397,755	\$ 10,447,643	\$ 11,926

NOTE 6 – UNEARNED REVENUE

Unearned revenue at June 30, 2025 consisted of \$16,321 from state categorical sources in the General Fund.

ORINDA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 7 – 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	\$ 81,925,000	\$ -	\$ 2,470,000	\$ 79,455,000	\$ 2,140,000
Unamortized premium	9,680,142	-	352,292	9,327,850	352,292
Total general obligation bonds	91,605,142	-	2,822,292	88,782,850	2,492,292
Clean renewable energy bonds	2,235,000		140,000	2,095,000	150,000
Compensated absences*	4,200,320	245,459	-	4,445,779	1,030,232
Net OPEB liability	20,104,834	-	2,216,333	17,888,501	-
Net pension liability	29,445,893	-	1,432,822	28,013,071	-
Total	\$ 147,591,189	\$ 245,459	\$ 6,611,447	\$ 141,225,201	\$ 3,672,524

*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 clean renewable energy bonds are made in the General Fund.

A. General Obligation Bonds

The outstanding general obligation bonded debt of the District as of June 30, 2025 is as follows:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 01, 2024	Additions	Deductions	Bonds Outstanding June 30, 2025
2018 Measure E, Series A	2020	2050	3.00% - 4.00%	\$ 10,000,000	\$ 5,350,000	\$ -	\$ 45,000	\$ 5,305,000
2018 Measure I, Series A	2020	2050	3.00% - 4.00%	10,000,000	5,460,000	-	45,000	5,415,000
2018 Measure E, Series B	2022	2052	3.13% - 4.00%	25,000,000	20,970,000	-	420,000	20,550,000
2018 Measure I, Series B	2022	2052	3.13% - 4.00%	20,000,000	15,915,000	-	330,000	15,585,000
2018 Measure E, Series C	2023	2032	5.00%	15,000,000	13,080,000	-	910,000	12,170,000
2018 Measure I, Series C	2023	2036	5.00%	25,000,000	21,150,000	-	720,000	20,430,000
					\$ 81,925,000	\$ -	\$ 2,470,000	\$ 79,455,000

Debt service payments are made from property tax levy authorized by the voters. The annual requirements to amortize the general obligation bonds are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	\$ 2,140,000	\$ 3,285,194	\$ 5,425,194
2027	2,460,000	3,174,719	5,634,719
2028	2,810,000	3,050,744	5,860,744
2029	3,180,000	2,906,894	6,086,894
2030	3,580,000	2,744,869	6,324,869
2031-2035	19,645,000	10,849,194	30,494,194
2036-2040	12,395,000	7,056,269	19,451,269
2041-2045	10,840,000	5,443,581	16,283,581
2046-2050	15,705,000	3,163,375	18,868,375
2051-2052	6,700,000	406,600	7,106,600
Total	\$ 79,455,000	\$ 42,081,439	\$ 121,536,439

ORINDA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 7 – LONG-TERM LIABILITIES (continued)

B. Compensated Absences

The restated beginning compensated absences balance was \$4,200,320 and increased by a net amount of \$245,459 during the year ended June 30, 2025. The ending compensated absences at June 30, 2025 amounted to \$4,445,779. This amount is included as part of long-term liabilities in the government-wide financial statements.

C. Other Postemployment Benefits

The District's beginning net OPEB liability was \$20,104,834 and decreased by \$2,216,333 during the year ended June 30, 2025. The ending net OPEB liability at June 30, 2025 was \$17,888,501. See Note 9 for additional information regarding the net OPEB liability.

D. Net Pension Liability

The District's beginning net pension liability was \$29,445,893 and decreased by \$1,432,822 during the year ended June 30, 2025. The ending net pension liability at June 30, 2025 was \$28,013,071. See Note 10 for additional information regarding the net pension liability.

E. Clean Renewable Energy Bonds

The outstanding clean renewable energy bonds of the District as of June 30, 2025 is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 01, 2024	Additions	Deductions	Bonds Outstanding June 30, 2025
2015	2035	3.56%	\$ 2,905,000	\$ 2,235,000	\$ -	\$ 140,000	\$ 2,095,000
				\$ 2,235,000	\$ -	\$ 140,000	\$ 2,095,000

On November 1, 2015, the District entered into a financed purchase agreement to provide for the financing of the acquisition, construction, and installation of photovoltaic panels for five schools within the District. The agreement is between the District and the Public Property Financing Corporation of California as the "lender". The lender's funds for acquiring these items were generated by the issuance of \$2,905,000 of Clean Renewable Energy Bonds (CREBS). The lease was issued with an effective interest rate of 3.56%.

CREBS are long-term debt instruments which provide federal tax credits in lieu of a portion of the traditional bond interest, resulting in a lower effective interest rate for the borrower. The annual requirements to amortize these bonds are as follows:

Year Ending June 30,	Principal	Interest
2026	\$ 150,000	\$ 112,711
2027	160,000	104,641
2028	175,000	96,033
2029	185,000	86,618
2030	200,000	76,665
2031-2035	1,225,000	205,785
	<u>\$ 2,095,000</u>	<u>\$ 682,453</u>

ORINDA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 8 – FUND BALANCES

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

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Funds
Nonspendable				
Revolving cash	\$ 7,500	\$ -	\$ -	\$ 7,500
Prepaid expenditures	57,390	-	-	57,390
Total nonspendable	64,890	-	-	64,890
Restricted				
Educational programs	1,218,765	-	-	1,218,765
Food service	-	-	639,483	639,483
Capital projects	-	32,182,113	2,982,444	35,164,557
Debt service	-	-	4,077,022	4,077,022
Total restricted	1,218,765	32,182,113	7,698,949	41,099,827
Committed				
Other commitments	2,770,812	-	-	2,770,812
Total committed	2,770,812	-	-	2,770,812
Assigned				
School Site Funds	21,794	-	-	21,794
Measure Z Step/Column Fund	182,858	-	-	182,858
Local capital donations	654,761	-	-	654,761
FTE Increase in FY2025-26	1,471,622	-	-	1,471,622
Total assigned	2,331,035	-	-	2,331,035
Unassigned	1,412,034	-	-	1,412,034
Total	\$ 7,797,536	\$ 32,182,113	\$ 7,698,949	\$ 47,678,598

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 District's Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than 3 percent of General Fund expenditures and other financing uses.

ORINDA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

The Orinda Union School District's defined benefit OPEB plan, Orinda Union School District Retiree Benefit Plan (the Plan) is described below. The Plan is a single-employer defined benefit plan administered by the District. The District is a participant in the California Employer's Retiree Benefit Trust (CERBT), an agent multiple-employer defined benefit post-employment healthcare plan administered by CalPERS.

B. OPEB Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately-issued Plan Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained by contacting the District.

C. Benefits Provided

The District sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act (PEMHCA), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options. Participation in PEMHCA is financed in part by the District through a contribution to PEMHCA that varies by employee group.

The District makes the required statutory PEMHCA contribution as described above, subject to the "Unequal Contribution Method" under which the District's contribution for retirees increases each year to 5 percent of its contribution for active employees multiplied by the years the District has participated in PEMHCA until the two amounts are equal. The PEMHCA minimum contribution is paid for the lifetime of the retiree and continues for the lifetime of an eligible surviving spouse. The District also pays the PEMCHA administrative fees.

ORINDA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

D. Benefits Provided

The District makes additional contributions towards certain eligible retirees' premiums based on employee classification and date of hire, as described below.

	Certificated Employees		Management Certificated	
	Hired Before 02/12/2018	Hired On/After 02/12/2018	Hired Before 03/12/2018	Hired On/After 03/12/2018
Minimum Age	50	50	55	55
Required Service	10 Years	20 Years	5 Years	30 Years
Duration of PEMHCS Minimum Benefit	Lifetime	Lifetime	Lifetime	Lifetime
Additional Contribution Cap	Certificated Cap at Retirement	Certificated Cap at Retirement	Certificated Cap at Retirement	Certificated Cap at Retirement
Duration of Additional Contribution	5 years; not to exceed age 66	5 years; not to exceed age 66	5 years; not to exceed age 66	5 years; not to exceed age 66

	Classified Employees		Management Classified	
	Hired Before 01/01/2018	Hired On/After 01/01/2018	Hired Before 03/12/2018	Hired On/After 03/12/2018
Minimum Age	55	55	55	55
Required Service	10 Years	17 Years	5 Years	30 Years
Duration of PEMHCS Minimum Benefit	Lifetime	Lifetime	Lifetime	Lifetime
Additional Contribution Cap	Classified Cap at Retirement	2-Party Medicare Cap at Retirement	Classified Cap at Retirement	Classified Cap at Retirement
Duration of Additional Contribution	Lifetime	Lifetime	Lifetime	5 years; not to exceed age 66

	Confidential Employees		Unrepresented/Other	
	Hired Before 03/12/2018	Hired On/After 03/12/2018	Hired Before 03/12/2018	Hired On/After 03/12/2018
Minimum Age	55	55	55	55
Required Service	10 Years	30 Years	30 Years	30 Years
Duration of PEMHCS Minimum Benefit	Lifetime	Lifetime	Lifetime	Lifetime
Additional Contribution Cap	Classified Cap at Retirement	Classified Cap at Retirement	N/A	N/A
Duration of Additional Contribution	Lifetime	5 years; not to exceed age 66	N/A	N/A

E. Contributions

The contribution requirements of Plan members and the Orinda Union School District are established and may be amended by the Orinda Union School District, the District's bargaining units and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually through agreements between the District, the District's bargaining units and unrepresented groups. For the measurement period, the District contributed \$841,358 to the Plan, all of which was used for current premiums.

ORINDA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

F. Plan Membership

Membership of the Plan consisted of the following:

	<u>Number of participants</u>
Inactive employees receiving benefits	137
Inactive employees entitled to but not receiving benefits*	-
Participating active employees	267
Total number of participants**	<u>404</u>

*Information not provided

**As of the June 30, 2024 valuation date

G. Net OPEB Liability

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

Total OPEB liability	\$ 19,783,707
Plan fiduciary net position	<u>(1,895,206)</u>
District's net OPEB liability	<u>\$ 17,888,501</u>
 Plan fiduciary net position as a percentage of total OPEB liability	 9.58%

H. Investments

Investment Policy

The District's policy regarding the allocation of the plan's invested assets is established and may be amended by District management. The District participates in the California Employers' Retiree Benefit Trust (CERBT), a Section 115 trust fund dedicated to prefunding Other Postemployment Benefits for all eligible California public agencies.

The District has adopted the CERBT Strategy 1 portfolio with an objective to seek returns that reflect the broad investment performance of the financial markets through capital appreciation and investment income. The portfolio is invested in various asset classes in percentages approved by the CalPERS Board.

ORINDA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

H. Investments (continued)

Concentrations

The Plan held the following investments:

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Target Range</i>	<i>Benchmark</i>
Global Equity	49%	± 5%	MSCI All County World Index IMI (net)
Fixed Income	23%	± 5%	Bloomberg Long Liability Index
Treasury Inflation-Protected Securities	5%	± 3%	Bloomberg US TIPS Index, Series L
Real Estate Investment Trust	20%	± 5%	FTSE EPRA/NAREIT Developed Liquid Index (net)
Commodities	3%	± 3%	S&P GSCI Total Return Index
Cash	-	+ 2%	91-Day Treasury Bill

Rate of Return

For the year ended, June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 12.35 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

I. Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2025 was determined by an actuarial valuation as of June 30, 2024 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement period of July 1, 2023 to June 30, 2024.

Actuarial cost method	Entry Age, Level Percent of Pay
Recognition of deferred inflows and outflows of resources	Closed period equal to the average of the expected remaining service lives of all employees provided with OPEB
Salary increases	3.00 percent
Inflation rate	2.50 percent
Investment rate of return	6.25 percent, net of OPEB plan investment expense
Healthcare cost trend rate	7.00 percent for 2025 decreasing to 5.40 percent for 2029, 5.25 percent for 2030-2034, 4.60 percent for 2035-2049, 4.50 percent for 2050-2064, 4.25 percent for 2065-2074, and 4.00 percent for 2070 and later years; Medicare ages: 4.50 percent for all years.

Pre-retirement mortality rates were based on the CalSTRS Active Member Mortality (2015-2018) for Certificated Employees and CalPERS Pre Retirement Mortality Miscellaneous and Schools (2000-2019) for all other employees. Post-retirement mortality rates were based on the CalSTRS Retired Member Mortality (2015-2018) for Certificated Employees and CalPERS Post Retirement Mortality miscellaneous and schools (2000-2019) for all other employees.

Actuarial assumptions used in the June 30, 2024 valuation were based on a review of plan experience during the period July 1, 2022 to June 30, 2024.

ORINDA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

I. Actuarial Assumptions and Other Inputs (continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. The calculated investment rate of return was set equal to the expected ten-year compound (geometric) real return plus inflation (rounded to the nearest 25 basis points, where appropriate). The table on the following page provides the long-term expected real rates of return by asset class (based on published capital market assumptions).

Asset Class	Assumed Asset Allocation	Real Rate of Return
Global ex-U.S. Equity	49%	4.8%
U.S. Fixed	23%	1.8%
TIPS	5%	1.6%
Real Estate	20%	3.7%
Commodities	3%	1.9%

The discount rate of 5.27 percent 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 thirty years.

J. Changes in Net OPEB Liability

	<u>June 30, 2025</u>
Total OPEB Liability	
Service cost	\$ 1,124,601
Interest on total OPEB liability	913,151
Changes of assumptions	(3,195,993)
Benefits payments	(841,358)
Net change in total OPEB liability	(1,999,599)
Total OPEB liability - beginning	21,783,306
Total OPEB liability - ending (a)	<u>\$ 19,783,707</u>
 Plan fiduciary net position	
Contributions - employer	\$ 851,358
Net investment income	208,044
Benefit payments	(841,358)
Administrative expenses	(1,310)
Net change in plan fiduciary net position	216,734
Plan fiduciary net position - beginning	1,678,472
Plan fiduciary net position - ending (b)	<u>\$ 1,895,206</u>
 District's net OPEB liability - ending (a) - (b)	<u>\$ 17,888,501</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	9.58%
 Covered-employee payroll	\$ 37,958,774
 District's net OPEB liability (asset) as a percentage of covered-employee payroll	47.13%

ORINDA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

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

The following presents the net OPEB liability of the Orinda Union 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 (4.27%)	Valuation Discount Rate (5.27%)	1% Increase (6.27%)
Net OPEB liability	\$ 20,474,431	\$ 17,888,501	\$ 15,745,050

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

The following presents the net OPEB liability of the Orinda Union 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 (6.00%)	Healthcare Cost Trend Rate (7.00%)	1% Increase (8.00%)
Net OPEB liability	\$ 15,509,184	\$ 17,888,501	\$ 20,603,069

M. OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the Orinda Union School District recognized OPEB expense of \$1,774,977. At June 30, 2025, the Orinda Union School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	\$ 62,407	\$ 138,308
Differences between expected and actual experience	240,886	3,232,573
Changes in assumptions	1,670,256	3,024,494
Total	\$ 1,973,549	\$ 6,395,375

ORINDA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

M. OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB (continued)

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

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2026	\$ 1,102,169	\$ 1,389,950
2027	530,900	1,389,949
2028	303,517	1,298,774
2029	8,597	505,128
2030	8,597	444,824
Thereafter	19,769	1,366,750
Total	\$ 1,973,549	\$ 6,395,375

NOTE 10 – 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:

	<u>Net pension liability</u>	<u>Deferred outflows related to pensions</u>	<u>Deferred inflows related to pensions</u>	<u>Pension expense</u>
CalSTRS Pension	\$ 17,837,049	\$ 7,141,369	\$ 2,152,742	\$ 1,997,991
CalPERS Pension	10,176,022	3,491,533	72,829	1,595,614
Total	\$ 28,013,071	\$ 10,632,902	\$ 2,225,571	\$ 3,593,605

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.

ORINDA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 10 – PENSION PLANS (continued)

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

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.

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 \$3,454,955 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 \$1,652,475 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	\$ 17,837,049
State's proportionate share of the net pension liability associated with the District	8,183,825
Total	<u>\$ 26,020,874</u>

ORINDA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 10 – 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)

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 0.027 percent, which increased 0.001 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$1,997,991. In addition, the District recognized pension expense and revenue of \$(781,913) 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	\$ -	\$ 71,972
Differences between expected and actual experience	2,017,600	780,004
Changes in assumptions	78,080	1,218,209
Changes in proportion and differences between District contributions and proportionate share of contributions	1,590,734	82,557
District contributions subsequent to the measurement date	3,454,955	-
Total	<u>\$ 7,141,369</u>	<u>\$ 2,152,742</u>

The \$3,454,955 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	\$ 759,542	\$ 1,745,300
2027	759,543	(976,221)
2028	739,577	512,036
2029	706,769	465,027
2030	492,616	202,901
2031	228,367	203,699
Total	<u>\$ 3,686,414</u>	<u>\$ 2,152,742</u>

ORINDA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 10 – 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%
	<hr/> 100% <hr/>	

*Real return is net of assumed

ORINDA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 10 – 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%)
District's proportionate share of the net pension liability	\$ 31,726,273	\$ 17,837,049	\$ 6,238,970

Pension Plan Fiduciary Net Position

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

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.

ORINDA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 10 – PENSION PLANS (continued)

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

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 \$1,397,369 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 \$10,176,022 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 0.028 percent, which increased 0.002 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$1,595,614. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	\$ 395,280	\$ -
Differences between expected and actual experience	853,111	72,829
Changes in assumptions	224,924	-
Changes in proportion and differences between District contributions and proportionate share of contributions	620,849	-
District contributions subsequent to the measurement date	1,397,369	-
Total	\$ 3,491,533	\$ 72,829

ORINDA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 10 – 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)

The \$1,397,369 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	\$ 815,930	\$ 72,829
2027	1,127,968	-
2028	275,338	-
2029	(125,072)	-
Total	\$ 2,094,164	\$ 72,829

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.

ORINDA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 10 – 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	\$ 15,116,566	\$ 10,176,022	\$ 6,094,740

Pension Plan Fiduciary Net Position

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

ORINDA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 11 – 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 \$78,530,305 with respect to unfinished capital projects.

NOTE 12 – PARTICIPATION IN JOINT POWERS AUTHORITIES

The District participates in three joint ventures under joint powers authorities (JPAs), the Contra Costa County Schools Insurance Group (CCCSIG) for workers' compensation insurance, the East Bay Schools Insurance Group (EBSIG) for property and liability insurance, and Schools Self-Insurance of Contra Costa County (SSICCC) for dental and vision insurance. The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes.

The JPAs have budgeting and financial reporting requirements independent of member units, and their financial statements are not presented in these financial statements. However, fund transactions between the JPAs and the District are included in these statements. The audited financial statements are generally available from the respective entities.

NOTE 13 – 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 10. At June 30, 2025, total deferred outflows related to pensions was \$10,632,902 and total deferred inflows related to pensions was \$2,225,571.

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 9. At June 30, 2025, total deferred outflows related to other postemployment benefits was \$1,973,549 and total deferred inflows related to other postemployment benefits was \$6,395,375.

ORINDA UNION SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2025

NOTE 14 – 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. Additionally, capital assets has been restated in order to more accurately reflect the substance of transactions that occurred in the prior year.

The effect on beginning net position is presented as follows:

	Governmental Activities
Net Position - Beginning, as Previously Reported	\$ 11,099,567
Restatement	(3,485,533)
Net Position - Beginning, as Restated	<u>\$ 7,614,034</u>

REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts		Actual*	Variances -
	Original	Final	(Budgetary Basis)	Final to Actual
REVENUES				
LCFF sources	\$ 28,220,747	\$ 28,027,336	\$ 28,343,814	\$ 316,478
Federal sources	592,186	590,316	592,396	2,080
Other state sources	3,329,334	3,325,117	3,550,100	224,983
Other local sources	11,179,005	12,521,867	13,227,964	706,097
Total Revenues	43,321,272	44,464,636	45,714,274	1,249,638
EXPENDITURES				
Certificated salaries	18,243,769	18,501,077	18,621,351	(120,274)
Classified salaries	6,179,170	6,369,265	6,383,656	(14,391)
Employee benefits	11,996,616	12,553,933	12,395,852	158,081
Books and supplies	1,363,334	1,366,679	1,215,246	151,433
Services and other operating expenditures	6,617,509	6,263,022	6,194,587	68,435
Capital outlay	-	389,132	519,974	(130,842)
Other outgo				
Excluding transfers of indirect costs	772,688	676,154	854,984	(178,830)
Transfers of indirect costs	(12,899)	(16,257)	(15,450)	(807)
Total Expenditures	45,160,187	46,103,005	46,170,200	(67,195)
Excess (Deficiency) of Revenues				
Over Expenditures	(1,838,915)	(1,638,369)	(455,926)	1,182,443
Other Financing Sources (Uses)				
Other sources	71,259	71,259	71,568	309
Transfers out	(10,000)	(10,000)	(10,000)	-
Net Financing Sources (Uses)	61,259	61,259	61,568	309
NET CHANGE IN FUND BALANCE	(1,777,656)	(1,577,110)	(394,358)	1,182,752
Fund Balance - Beginning	5,737,231	7,537,133	7,537,133	-
Fund Balance - Ending	\$ 3,959,575	\$ 5,960,023	\$ 7,142,775	\$ 1,182,752

*The actual amounts reported on this schedule do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance due to audit adjustments and reclassifications.

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

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability								
Service cost	\$ 1,124,601	\$ 906,089	\$ 848,157	\$ 692,332	\$ 1,025,021	\$ 863,375	\$ 767,841	\$ 745,477
Interest on total OPEB liability	913,151	871,135	817,389	1,039,652	1,049,286	912,759	802,404	744,210
Difference between expected and actual experience	-	(940,870)	-	(5,934,097)	-	2,305,600	-	(1,603,990)
Changes of assumptions	(3,195,993)	79,948	(304,582)	2,261,048	1,862,753	1,766,558	-	-
Benefits payments	(841,358)	(778,867)	(524,178)	(474,508)	(596,669)	(617,594)	(571,832)	(469,237)
Net change in total OPEB liability	(1,999,599)	137,435	836,786	(2,415,573)	3,340,391	5,230,698	998,413	(583,540)
Total OPEB liability - beginning	21,783,306	21,645,871	20,809,085	23,224,658	19,884,267	14,653,569	13,655,156	14,238,696
Total OPEB liability - ending (a)	\$ 19,783,707	\$ 21,783,306	\$ 21,645,871	\$ 20,809,085	\$ 23,224,658	\$ 19,884,267	\$ 14,653,569	\$ 13,655,156
Plan fiduciary net position								
Contributions - employer	\$ 851,358	\$ 788,867	\$ 544,178	\$ 474,508	\$ 596,669	\$ 617,594	\$ 571,832	\$ 683,480
Net investment income	208,044	167,099	110,846	(215,310)	343,394	72,330	70,609	81,552
Benefit payments	(841,358)	(778,867)	(524,178)	(474,508)	(596,669)	(617,594)	(571,832)	(469,237)
Administrative expenses	(1,310)	(1,328)	(1,217)	(1,349)	(1,215)	(30,280)	(968)	(924)
Net change in plan fiduciary net position	216,734	175,771	129,629	(216,659)	342,179	42,050	69,641	294,871
Plan fiduciary net position - beginning	1,678,472	1,502,701	1,373,072	1,589,731	1,247,552	1,205,502	1,135,861	840,990
Plan fiduciary net position - ending (b)	\$ 1,895,206	\$ 1,678,472	\$ 1,502,701	\$ 1,373,072	\$ 1,589,731	\$ 1,247,552	\$ 1,205,502	\$ 1,135,861
District's net OPEB liability - ending (a) - (b)	\$ 17,888,501	\$ 20,104,834	\$ 20,143,170	\$ 19,436,013	\$ 21,634,927	\$ 18,636,715	\$ 13,448,067	\$ 12,519,295
Plan fiduciary net position as a percentage of the total OPEB liability	9.58%	7.71%	6.94%	6.60%	6.85%	6.27%	8.23%	8.32%
Covered-employee payroll	\$ 37,958,774	\$ 33,487,876	\$ 30,158,115	\$ 20,107,195	\$ 25,932,744	\$ 16,384,131	\$ 19,459,621	\$ 20,129,689
District's net OPEB liability (asset) as a percentage of covered-employee payroll	47.13%	60.04%	66.79%	96.66%	83.43%	113.75%	69.11%	62.19%

See accompanying notes to required supplementary information.

**ORINDA UNION SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS AND INVESTMENT RETURNS FOR OPEB
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>
Actuarially determined contributions	\$ 2,059,665	\$ 1,999,675	\$ 1,333,528	\$ 1,294,688	\$ 1,728,279	\$ 1,461,278	\$ 1,418,717	\$ 1,358,255
Actual contributions made	841,358	778,867	524,178	474,508	596,669	617,594	571,832	683,480
Contribution deficiency/(excess)	<u>\$ 1,218,307</u>	<u>\$ 1,220,808</u>	<u>\$ 809,350</u>	<u>\$ 820,180</u>	<u>\$ 1,131,610</u>	<u>\$ 843,684</u>	<u>\$ 846,885</u>	<u>\$ 674,775</u>
Covered-employee payroll	\$ 37,958,774	\$ 33,487,876	\$ 30,158,115	\$ 20,107,195	\$ 25,932,744	\$ 16,384,131	\$ 19,459,621	\$ 20,129,689
Contributions as a percentage of covered- employee payroll	3.21%	3.65%	2.68%	4.08%	4.36%	5.15%	4.35%	3.35%
	<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>
Annual money-weighted rate of return, net of investment expense	12.35%	11.02%	6.42%	(13.55%)	27.54%	3.53%	6.18%	9.70%

See accompanying notes to required supplementary information.

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

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
District's proportion of the net pension liability	0.027%	0.026%	0.025%	0.026%	0.025%	0.025%	0.025%	0.025%	0.026%	0.026%
District's proportionate share of the net pension liability	\$ 17,837,049	\$ 19,877,679	\$ 17,300,978	\$ 11,683,949	\$ 24,390,734	\$ 22,953,383	\$ 22,837,355	\$ 23,514,625	\$ 21,369,527	\$ 17,510,494
State's proportionate share of the net pension liability associated with the District	8,183,825	9,524,127	8,664,380	5,879,032	12,573,774	12,522,703	13,075,518	13,911,054	12,195,291	9,261,121
Total	\$ 26,020,874	\$ 29,401,806	\$ 25,965,358	\$ 17,562,981	\$ 36,964,508	\$ 35,476,086	\$ 35,912,873	\$ 37,425,679	\$ 33,564,818	\$ 26,771,615
District's covered payroll	\$ 17,654,933	\$ 14,549,187	\$ 14,852,315	\$ 14,174,504	\$ 14,021,302	\$ 13,625,606	\$ 13,477,670	\$ 13,576,120	\$ 12,677,162	\$ 12,817,399
District's proportionate share of the net pension liability as a percentage of its covered payroll	101.03%	136.62%	116.49%	82.43%	173.95%	168.46%	169.45%	173.21%	168.57%	136.62%
Plan fiduciary net position as a percentage of the total pension liability	80.62%	81.20%	87.21%	71.82%	72.56%	70.99%	69.46%	69.46%	70.04%	74.02%

See accompanying notes to required supplementary information.

**ORINDA UNION 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	0.028%	0.026%	0.026%	0.026%	0.027%	0.028%	0.031%	0.032%	0.032%	0.033%
District's proportionate share of the net pension liability	\$ 10,176,022	\$ 9,568,214	\$ 9,106,133	\$ 5,243,440	\$ 8,156,380	\$ 5,193,539	\$ 8,218,567	\$ 7,546,921	\$ 6,263,987	\$ 4,805,272
District's covered payroll	\$ 5,699,850	\$ 4,062,451	\$ 4,197,483	\$ 3,695,125	\$ 3,870,871	\$ 3,657,525	\$ 4,114,836	\$ 4,119,802	\$ 4,031,394	\$ 3,731,622
District's proportionate share of the net pension liability as a percentage of its covered payroll	178.53%	235.53%	216.94%	141.90%	210.71%	142.00%	199.73%	183.19%	155.38%	128.77%
Plan fiduciary net position as a percentage of the total pension liability	69.96%	69.76%	80.97%	70.00%	70.05%	70.85%	71.87%	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.

**ORINDA UNION 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	\$ 3,454,955	\$ 3,322,871	\$ 3,000,815	\$ 2,428,427	\$ 2,222,265	\$ 2,341,521	\$ 2,223,629	\$ 1,904,108	\$ 1,682,876	\$ 1,346,881
Contributions in relation to the contractually required contribution*	(3,454,955)	(3,322,871)	(3,000,815)	(2,428,427)	(2,222,265)	(2,341,521)	(2,223,629)	(1,904,108)	(1,682,876)	(1,346,881)
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	\$ 18,419,927	\$ 17,654,933	\$ 14,549,187	\$ 14,852,315	\$ 14,174,504	\$ 14,021,302	\$ 13,625,606	\$ 13,477,670	\$ 13,576,120	\$ 12,677,162
Contributions as a percentage of covered payroll	18.76%	18.82%	20.63%	16.35%	15.68%	16.70%	16.32%	14.13%	12.40%	10.62%

*Amounts do not include on-behalf contributions

**ORINDA UNION 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	\$ 1,397,369	\$ 1,258,145	\$ 1,028,299	\$ 858,296	\$ 734,388	\$ 756,380	\$ 660,131	\$ 638,531	\$ 571,584	\$ 474,260
Contributions in relation to the contractually required contribution*	(1,397,369)	(1,258,145)	(1,028,299)	(858,296)	(734,388)	(756,380)	(660,131)	(638,531)	(571,584)	(474,260)
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	\$ 6,623,885	\$ 5,699,850	\$ 4,062,451	\$ 4,197,483	\$ 3,695,125	\$ 3,870,871	\$ 3,657,525	\$ 4,114,836	\$ 4,119,802	\$ 4,031,394
Contributions as a percentage of covered payroll	21.10%	22.07%	25.31%	20.45%	19.87%	19.54%	18.05%	15.52%	13.87%	11.76%

*Amounts do not include on-behalf contributions

**ORINDA UNION 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 valuations for OPEB.

Changes in Assumptions

The discount rate changed from 4.06 percent to 5.27 percent since the previous measurement for OPEB. The healthcare cost trend rate changed from 7.50 to 7.00 percent since the previous measurement.

Schedule of District Contributions and Investment Returns for OPEB

This schedule presents information on the District's actuarially determined contribution, contributions in relation to the actuarially determined contribution, and any excess of deficiency related to the actuarially determined contribution. It also presents information on the annual money weighted rate of return on OPEB plan investments. In future years, as data becomes available, ten years of information will be presented.

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.

ORINDA UNION 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	\$ 18,501,077	\$ 18,621,351	\$ 120,274
Classified salaries	\$ 6,369,265	\$ 6,383,656	\$ 14,391
Capital outlay	\$ 389,132	\$ 519,974	\$ 130,842
Other outgo			
Excluding transfers of indirect costs	\$ 676,154	\$ 854,984	\$ 178,830

SUPPLEMENTARY INFORMATION

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

Federal Grantor/Pass-Through Grantor/Program or Cluster	AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION:			
<i>Passed through California Department of Education:</i>			
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	25,047
Special Education Cluster [1]			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	535,108
IDEA Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611	84.027A	15197	31,169
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	1,072
Subtotal Special Education Cluster			567,349
Total U. S. Department of Education			592,396
U. S. DEPARTMENT OF AGRICULTURE:			
<i>Passed through California Department of Education:</i>			
Child Nutrition Cluster			
School Breakfast Program - Basic	10.553	13525	38,903
National School Lunch Program	10.555	13391	132,006
USDA Commodities	10.555	*	84,285
Subtotal Child Nutrition Cluster			255,194
Total U. S. Department of Agriculture			255,194
Total Federal Expenditures			\$ 847,590

[1] - Major Program

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

**ORINDA UNION 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	1,141.23	1,143.60
Extended Year Special Education	0.05	0.91
Total TK/K through Third	1,141.28	1,144.51
Fourth through Sixth		
Regular ADA	811.60	810.48
Extended Year Special Education	0.03	0.20
Special Education - Nonpublic Schools	0.16	0.51
Extended Year Special Education - Nonpublic Schools	-	0.02
Total Fourth through Sixth	811.79	811.21
Seventh through Eighth		
Regular ADA	539.55	539.47
Extended Year Special Education	-	0.26
Special Education - Nonpublic Schools	7.59	11.38
Extended Year Special Education - Nonpublic Schools	0.10	0.35
Total Seventh through Eighth	547.24	551.46
TOTAL SCHOOL DISTRICT	2,500.31	2,507.18

**ORINDA UNION SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2025**

Grade Level	Minutes Requirement	Actual Instructional Minutes	Number of Days	Status
Kindergarten	36,000	45,200	180	Complied
Grade 1	50,400	50,410	180	Complied
Grade 2	50,400	50,410	180	Complied
Grade 3	50,400	50,410	180	Complied
Grade 4	54,000	57,120	180	Complied
Grade 5	54,000	57,120	180	Complied
Grade 6	54,000	59,400	180	Complied
Grade 7	54,000	59,400	180	Complied
Grade 8	54,000	59,400	180	Complied

**ORINDA UNION 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	\$ 47,404,953	\$ 45,785,842	\$ 43,295,800	\$ 40,197,994
Expenditures And Other Financing Uses	48,112,327	46,180,200	43,367,952	39,585,175
Net change in Fund Balance	\$ (707,374)	\$ (394,358)	\$ (72,152)	\$ 612,819
Ending Fund Balance	\$ 6,435,401	\$ 7,142,775	\$ 7,537,133	\$ 7,609,285
Available Reserves*	\$ 1,847,105	\$ 1,412,033	\$ 1,453,006	\$ 3,155,961
Available Reserves As A Percentage Of Outgo	3.84%	3.06%	3.35%	7.97%
Long-term Liabilities	\$ 137,552,677	\$ 141,225,201	\$ 143,486,766	\$ 145,338,955
Average Daily Attendance At P-2	2,606	2,500	2,465	2,405

The General Fund ending fund balance has decreased by \$466,510 over the past two years. The fiscal year 2025-26 budget projects a further decrease of \$707,374. 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 deficits in two of the past three years and anticipates incurring an operating deficit during the 2025-26 fiscal year. Total long-term obligations have decreased by \$4,113,754 over the past two years.

Average daily attendance has increased by 95 ADA over the past two years. An further increase of 105 ADA is anticipated during the 2025-26 fiscal year.

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

**Audit adjustments and reclassifications are not included in this schedule.

**ORINDA UNION SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
MEASURE A AND MEASURE B – PARCEL TAX
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Measure A</u>	<u>Measure B</u>	<u>Measure Z</u>	<u>Total</u>
REVENUES				
Parcel tax proceeds	\$ 2,883,650	\$ 928,760	\$ 2,071,785	\$ 5,884,195
Less: refunds/uncollected taxes	<u>2,403</u>	<u>774</u>	<u>1,726</u>	<u>4,903</u>
Total Revenues	<u>2,886,053</u>	<u>929,534</u>	<u>2,073,511</u>	<u>5,889,098</u>
EXPENDITURES				
Salaries	1,921,156	618,762	1,380,273	3,920,191
Benefits	943,472	303,872	677,846	1,925,190
Other operating services	<u>21,424</u>	<u>6,900</u>	<u>15,393</u>	<u>43,717</u>
Total Expenditures	<u>2,886,052</u>	<u>929,534</u>	<u>2,073,512</u>	<u>5,889,098</u>
CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	<u>General Fund</u>
June 30, 2025, annual financial and budget report fund balance	\$ 7,142,775
Adjustments and reclassifications:	
Increase (decrease) in total fund balances:	
Unearned revenue	654,761
June 30, 2025, audited financial statement fund balance	<u>\$ 7,797,536</u>

**ORINDA UNION SCHOOL DISTRICT
COMBINING BALANCE SHEET
JUNE 30, 2025**

	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Non-Major Governmental Funds
ASSETS						
Cash and investments	\$ 618,315	\$ 10,700	\$ 531,059	\$ 2,714,466	\$ 4,077,022	\$ 7,951,562
Accounts receivable	161,460	-	-	-	-	161,460
Total Assets	\$ 779,775	\$ 10,700	\$ 531,059	\$ 2,714,466	\$ 4,077,022	\$ 8,113,022
LIABILITIES						
Accrued liabilities	\$ 140,292	\$ 10,700	\$ 263,081	\$ -	\$ -	\$ 414,073
Total Liabilities	140,292	10,700	263,081	-	-	414,073
FUND BALANCES						
Restricted	639,483	-	267,978	2,714,466	4,077,022	7,698,949
Total Fund Balances	639,483	-	267,978	2,714,466	4,077,022	7,698,949
Total Liabilities and Fund Balances	\$ 779,775	\$ 10,700	\$ 531,059	\$ 2,714,466	\$ 4,077,022	\$ 8,113,022

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

	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Non-Major Governmental Funds
REVENUES						
Federal sources	\$ 255,194	\$ -	\$ -	\$ -	\$ -	\$ 255,194
Other state sources	1,227,594	-	-	-	15,611	1,243,205
Other local sources	30,603	2,278	168,271	127,698	5,422,229	5,751,079
Total Revenues	<u>1,513,391</u>	<u>2,278</u>	<u>168,271</u>	<u>127,698</u>	<u>5,437,840</u>	<u>7,249,478</u>
EXPENDITURES						
Current						
Pupil services						
Food services	1,596,313	-	-	-	-	1,596,313
General administration						
All other general administration	15,450	-	-	-	-	15,450
Plant services	-	48,953	71,370	365,757	-	486,080
Facilities acquisition and construction	-	-	497,420	50,023	-	547,443
Debt service						
Principal	-	-	-	-	2,470,000	2,470,000
Interest and other	-	-	-	-	3,394,269	3,394,269
Total Expenditures	<u>1,611,763</u>	<u>48,953</u>	<u>568,790</u>	<u>415,780</u>	<u>5,864,269</u>	<u>8,509,555</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(98,372)</u>	<u>(46,675)</u>	<u>(400,519)</u>	<u>(288,082)</u>	<u>(426,429)</u>	<u>(1,260,077)</u>
NET CHANGE IN FUND BALANCE	<u>(98,372)</u>	<u>(46,675)</u>	<u>(400,519)</u>	<u>(288,082)</u>	<u>(426,429)</u>	<u>(1,260,077)</u>
Fund Balance - Beginning	737,855	46,675	668,497	3,002,548	4,503,451	8,959,026
Fund Balance - Ending	<u>\$ 639,483</u>	<u>\$ -</u>	<u>\$ 267,978</u>	<u>\$ 2,714,466</u>	<u>\$ 4,077,022</u>	<u>\$ 7,698,949</u>

**ORINDA UNION SCHOOL DISTRICT
NOTE 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 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.

Measure A, Measure B, and Measure Z – Parcel Tax – Schedule of Revenues, Expenditures, and Changes in Fund Balance

This schedule discloses the revenues, expenditures, and remaining fund balance of the District's Measure A, Measure B, and Measure Z parcel tax. In accordance with the ballot measure, proceeds from the parcel tax were used to reduce the impact of state budget cuts, maintain small class size and neighborhood schools, attract and retain skilled, qualified teachers with competitive compensation and training, and protect classroom programs and strong core academics. All expenditures reviewed were made in accordance with the purposes identified in the ballot measure.

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.

Combining Statements – Non-Major Funds

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

OTHER INFORMATION

**ORINDA UNION SCHOOL DISTRICT
LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
JUNE 30, 2025**

The Orinda Union School District was established August 1, 1923. The District currently operates four elementary schools and one intermediate school, serving pupils in Transitional Kindergarten through eighth grade. The District encompasses and serves the City of Orinda. There were no changes in the boundaries of the District during the year.

GOVERNING BOARD

Member	Office	Term Expires
Edda Collins Coleman	President	December 2026
Katie Shogan	Vice-President	December 2026
Eva Phillips	Member	December 2028
Hillary Weiner	Member	December 2028
Vinita Anantavat	Member	December 2028

DISTRICT ADMINISTRATORS

Aida Glimme
Superintendent

Mika Arbelbide
Chief Business Official

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
Orinda Union School District
Orinda, 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, the business-type activities, each major fund, and the aggregate remaining fund information of Orinda Union School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Orinda Union School District's basic financial statements, and have issued our report thereon dated January 26, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Orinda Union 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 Orinda Union School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Orinda Union 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 Orinda Union 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 26, 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
Orinda Union School District
Orinda, California

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

We have audited Orinda Union 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 Orinda Union School District's major federal programs for the year ended June 30, 2025. Orinda Union 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, Orinda Union 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 Orinda Union 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 Orinda Union 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 Orinda Union 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 Orinda Union 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 Orinda Union 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 Orinda Union 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 Orinda Union 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 Orinda Union 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.

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 Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Christy White, Inc.

San Diego, California
December 26, 2025

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

Governing Board
Orinda Union School District
Orinda, California

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

We have audited Orinda Union 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 Orinda Union 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, Orinda Union 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 Orinda Union 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 Orinda Union 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 Orinda Union 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 Orinda Union 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 Orinda Union 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 Orinda Union 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 Orinda Union 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 Orinda Union School District's internal control over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine Orinda Union 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	Not Applicable
Continuation Education	Not Applicable
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	Not Applicable
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Not Applicable
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

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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying schedule of findings and questioned costs as Finding #2025-001. Our opinion on state compliance is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

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 26, 2026

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**ORINDA UNION 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>	
84.027, 84.027A, 84.173	Special Education 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 2024-25 Guide for Annual Audits of California K-12 Local Education Agencies ?	<u>Yes</u>
Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>

**ORINDA UNION 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.

**ORINDA UNION 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.

**ORINDA UNION 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

FINDING #2025-001: EXPANDED LEARNING OPPORTUNITIES PROGRAM (40000)

Criteria: Pursuant to California Education Code Section 46120(b)(1), a District must offer all unduplicated students in classroom-based instructional programs access to expanded learning opportunity programs. The expanded learning program shall be offered on all days on which school is taught for the purpose of meeting the 180-instructional day offering and for at least 30 nonschool days.

Condition: The District did not offer expanded learning opportunities for at least 30 nonschool days. Additionally, the District was not able to provide adequate support that communication regarding the program was sent to unduplicated students to inform families that the program was available to them at no cost.

Cause: The District has offered a before-and-after program during the 2024-25 school year. However, the development of extended learning programs for non-school days is still in the planning phase and has not yet been implemented.

Effect: The District was not in compliance with Education Code Section 46120(b)(1).

**ORINDA UNION SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2025**

FINDING #2025-001: EXPANDED LEARNING OPPORTUNITIES PROGRAM (40000) (continued)

Questioned Cost: \$123,867, as seen in the table below:

Item Number	Calculating the Cost of ELO-P Audit Finding	School District Data Input and Calculated Fields
1	LEA Funding Rate	Rate 2
2	ELO-P Entitlement Calculation based on Rate 1 or Rate 2	\$123,867
3	Total Classroom-Based Enrollment, Grades TK/K-6	
4	Total Classroom-Based UPC, Grades TK/K-6	135
5	Students Eligible for ELO-P Offering and Access (Rate 1 = Item Number 3, Rate 2 = Item Number 4)	135
6	Number of Eligible Students Not Offered and Provided Access to ELO-P	135
7	Proportional Penalty Factor	1.000000
8	46120(c)(2)	\$123,867
	Section B - Days	
9	Instructional Days	180
10	ELO-P offered on instructional days totaling 9 hours	180
11	Required Intersession ELO-P days	30
12	Actual ELO-P intersession days totaling 9 hours	0
13	ELO-P days short	30
14	Penalty Factor	0.0048
15	Penalty Calculation	\$0
16	Total Penalty Total penalty	\$123,867

Repeat Finding: Yes, see prior year Finding #2024-001.

Recommendation: We recommend that the District document their communication with unduplicated families and offer an expanded learning opportunity program for 30 nonschool days.

Corrective action plan: The District is collaborating with the city to establish extended learning programs during non-school days. Communication about the availability of free before-and-after programs has been sent directly to all eligible families, regardless of their participation requests.

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

FINDING #2024-001: EXPANDED LEARNING OPPORTUNITIES PROGRAM (40000)

Criteria: Pursuant to California Education Code Section 46120(b)(1), a District must offer all unduplicated students in classroom-based instructional programs access to expanded learning opportunity programs. The expanded learning program shall be offered on all days on which school is taught for the purpose of meeting the 180-instructional day offering and for at least 30 nonschool days.

Condition: The District did not offer expanded learning opportunities for at least 30 nonschool days. Additionally, the District was not able to provide adequate support that communication was sent to all families of unduplicated students about the availability of the expanded learning opportunity program. None of the District's 111 unduplicated students received the program.

Cause: The District has offered a before-and-after program during the 2023-24 school year. However, the development of extended learning programs for non-school days is still in the planning phase and has not yet been implemented. The free before-and-after program was communicated to, and provided for, eligible families who requested participation.

Effect: The District was not in compliance with Education Code Section 46120(b)(1).

Questioned Cost: \$156,123.

Repeat Finding: Yes.

Recommendation: We recommend that the District document their communication with unduplicated families and offer an expanded learning opportunity program for 30 nonschool days.

Corrective action plan: The District is collaborating with the city to establish extended learning programs during non-school days. Communication about the availability of free before-and-after programs has been sent directly to all eligible families, regardless of their participation requests.

Current Status: Not implemented, See Finding #2025-001.