ARVIN UNION SCHOOL DISTRICT

COUNTY OF KERN
ARVIN, CALIFORNIA

AUDIT REPORT
JUNE 30, 2022

LPS
Certified Public Accountants

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Introductory Section

Arvin Union School District
Audit Report
For The Year Ended June 30, 2022

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Financial Section

LPS
Certified Public Accountants

Independent Auditor's Report

To the Board of Trustees
Arvin Union School District
Arvin, California 93203

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Arvin Union School District ("the District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Arvin Union School District as of June 30, 2022, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and budgetary comparison information and schedule of the District's proportionate share of the net pension liability and schedule of District pension contributions, identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements**.** Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Arvin Union School District's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis as required by the State's audit guide, *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* prescribed in Title 5, *California Code of Regulations,* Section 19810 and is also 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 combining financial statements and other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2022 on our consideration of Arvin 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 District's internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Arvin Union School District's internal control over financial reporting and compliance.

Respectfully submitted,

Linger, Peterson & Shrum

Linger, Peterson & Shrum
Fresno, California
December 13, 2022

Management's Discussion and Analysis

GEORGIA RHETT
District Superintendent

EMMA PEREIDA-MARTINEZ
Assistant Superintendent

ARVIN UNION
SCHOOL DISTRICT
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ARVIN UNION SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

The discussion and analysis of the Arvin Union School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2022 are as follows:

- Total assets increased $11,664,473. Net position increased $8,678,756 from the prior year net position, which represents a -45.57% increase from fiscal year 2021 net position.

- General revenues accounted for $40,631,241 of the total revenues. Program specific revenues, in the form of charges for services were $543,054, operating grants and contributions accounted for $25,567,267.

- The District had $58,062,806 in expenses related to governmental activities; only $26,110,321 of these expenses were offset by program specific charges for services, grants and contributions. General revenues (primarily interest, property taxes, and Federal and State aid not restricted to specific purposes) of $40,631,241 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, or as an entire operating entity.

The Statement of Net Position and Statement of Activities provide information about the activities as a whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant/major funds with all other nonmajor funds presented in total in a single column. For the District, the General Fund and the Building Fund are the significant/major funds.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

While this report contains a large number of funds used by the District to provide programs and activities, the view of the District as a whole, looks at all financial transactions and asks the question: "How did we do financially during the fiscal year?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses, regardless of when cash was received or paid.

These two statements report the District's net position and changes in net position. This change in net position is important because it identifies whether the financial position of the District has improved or diminished for the District as a whole. The cause of this change may be the result of many factors, some financial, some not. Nonfinancial factors include the District's property tax base, current property tax laws in California restricting revenue growth, facility conditions, required educational programs, and other factors.

In the Statement of Net Position and the Statement of Activities, the District is divided into two distinct kinds of activities:

- Governmental activities – All of the District's programs and services are reported here, including instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities.

- Business-type activities – This service is provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The District had no business-type activities for the fiscal year ended June 30, 2022.

Reporting the District's Most Significant/Major Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the General Fund and the Building Fund.

Governmental Funds

All of the District's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at the fiscal year end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed, short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the Statement of Net Position and the Statement of Activities, and the governmental funds is reconciled in the financial statements.

Fiduciary Funds

For assets that belong to others, the District may act as the trustee or fiduciary. In such cases, the District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes, and by those to whom the assets belong. A separate Statement of Fiduciary Net Position-Fiduciary Fund and a Statement of Changes in Assets and Liabilities-Agency Fund report the District's fiduciary activities. These activities are excluded from the District-wide financial statements, as the assets cannot be used by the District to finance its operations.

THE DISTRICT AS A WHOLE

Net Position

The perspective of the Statement of Net Position is of the District as a whole. Table 1 provides a summary of the District's net position for 2022 compared to 2021:

Table 1: Net Position

	Governmental Activities	
	2022	2021
Assets		
Current and other assets	$ 34,187,111	$ 27,794,747
Capital assets, net	52,963,622	47,691,513
Total Assets	87,150,733	75,486,260
Deferred Outflows	19,953,198	18,642,759
Liabilities		
Current liabilities	5,672,891	5,230,935
Long-term liabilities	91,790,256	107,035,772
Total Liabilities	97,463,147	112,266,707
Deferred Inflows	20,006,912	907,195
Net Position		
Net investment in capital assets	19,488,856	18,736,031
Restricted	21,430,651	13,816,256
Unrestricted	(51,285,635)	(51,597,171)
Total Net Position	$ (10,366,128)	$ (19,044,884)

Total assets increased $11,664,473. Net position of the District's governmental activities increased $8,678,756 from the prior year net position.

Changes in Net Position

Table 2 reflects the change in net position for fiscal year 2022 compared to 2021:

Table 2: Changes in Net Position

	Governmental Activities	
	2022	2021
Revenues:		
Program revenues:		
Charges for services	$ 543,054	$ 775,722
Operating and capital grants and contributions	25,567,267	17,727,294
Capital grants and contributions	-	2,724,660
General revenues		
LCFF sources	37,535,008	34,323,238
Federal revenues	-	57,661
State revenues	769,854	4,155,285
Local revenues	2,326,379	2,607,564
Total Revenues	66,741,562	62,371,424
Program expenses:		
Instruction	28,004,158	16,048,568
Instruction-related services	9,014,246	5,432,375
Pupil services	8,228,244	4,492,842
Ancillary services	36,797	-
Community services	520,541	328,473
General administration	3,097,544	1,952,655
Plant services	6,336,332	4,187,718
Other outgo	1,462,009	1,419,023
Interest on long-term debt	1,362,935	1,286,921
Total Expenses	58,062,806	35,148,575
Changes in Net Position	$ 8,678,756	$ 27,222,849

THE DISTRICT'S FUNDS

The District's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues of $66,209,335, and expenditures of $66,566,009. The negative change in the governmental fund balance for the year of $356,674, reflects that the District was not able to meet current costs with current revenue.

General Fund Budgeting Highlights

The District's budget is prepared according to California law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2022, the District amended its General Fund budget as needed. The District uses a site-based budget. The budgeting systems are designed to tightly control total site budgets, but provide flexibility for site management.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2022, the District had $52,963,622 invested in capital assets. Table 3 reflects fiscal year 2022 balances compared to 2021:

Table 3: Capital Assets at Year-End (Net of Depreciation/Amortization)

	Governmental Activities	
	2022	2021
Land	$ 1,461,489	$ 1,462,548
Land improvement	1,788,333	897,208
Buildings	42,725,176	38,735,456
Equipment	2,081,369	1,876,069
Leased assets	22,916	-
Work-in-progress	4,884,339	4,720,232
Totals	$ 52,963,622	$ 47,691,513

The work-in-progress is costs incurred for modernization.

Long-Term Debt

At year-end, the District had $21,260,327 in net pension liability. This is a decrease of $19,071,558 from last year as shown in Table 4.

Table 4: Outstanding Debt, at Year-End

	Governmental Activities	
	2022	2021
Net pension liability	$ 21,260,327	$ 40,331,885
Postemployment health benefits	34,288,176	36,652,036
General obligation bonds	27,594,223	22,544,223
Accreted interest on general obligation bonds	5,735,992	5,123,121
Early retirement incentives	1,475,688	800,920
Note payable	951,850	1,181,904
Compensated absences	460,696	401,683
Lease liability	23,304	-
Totals	$ 91,790,256	$ 107,035,772

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In light of the COVID pandemic, the United States Department of Agriculture declared that all K-12 students are eligible to receive free meals, regardless of the students' household incomes. This change increased the District's cafeteria funding to provide meals to students.

With the current Governor’s interest in supporting school facility funding, there is hope for additional funding. With the challenges that are currently faced at Arvin Union School District we will continue to explore and advocate for any possible funding sources to update and improve facilities. The District is committed to remaining fiscally conservative while making certain we address our facilities updates in an organized and informed fashion.

The Arvin Union School District maintains more than the required 5% reserve for economic uncertainties, and continues to build its special reserves. The Arvin Union School District has no long-term debt other than the net pension liability and, as in the past, will continue to be fiscally conservative.

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This outbreak has continued to spread, and any related adverse public health developments have affected School Districts and Governments globally, resulting in an economic downturn. It has also disrupted the normal operations of the School District, forcing closures and changes needed to operate. It is not possible to predict the duration or magnitude of the adverse results of the outbreak and its effects on the School District or the results of operations at this time.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances, and to reflect the District's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to Chris Davis, Chief Business Official, Arvin Union School District, 737 Bear Mountain Boulevard, Arvin, California 93203.

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Basic Financial Statements

ARVIN UNION SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
ASSETS:	
Cash in County Treasury	$ 27,606,905
Cash on Hand and in Banks	97,198
Cash in Revolving Fund	6,000
Investments	1,532,732
Accounts Receivable	3,910,662
Due from Grantor Governments	901,898
Prepaid Expenses	117,995
Unamortized Issuance Costs	13,721
Capital Assets:	
Land	1,461,489
Land Improvements, Net	1,788,333
Buildings, Net	42,725,176
Equipment, Net	2,081,369
Leased Assets, Net	22,916
Work in Progress	4,884,339
Total Assets	87,150,733
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred Outflows of Resources - Pensions	8,833,102
Deferred Outflows of Resources - OPEB	11,120,096
Total Deferred Outflows of Resources	19,953,198
LIABILITIES:	
Accounts Payable	3,888,302
Due to Grantor Governments	1,975
Unearned Revenue	1,782,614
Noncurrent Liabilities:	
Net Pension Liability	21,260,327
Other Postemployment Benefit Obligation	34,288,176
Due within one year	1,479,624
Due in more than one year	34,762,129
Total Liabilities	97,463,147
DEFERRED INFLOWS OF RESOURCES:	
Deferred Inflows of Resources - Pensions	15,219,762
Deferred Inflows of Resources - OPEB	4,787,150
Total Deferred Inflows of Resources	20,006,912
NET POSITION:	
Net Investment in Capital Assets	19,488,856
Restricted For:	
Debt Service	1,875,564
Capital Projects	12,483,414
Other Purposes	7,071,673
Unrestricted	(51,285,635)
Total Net Position	$ (10,366,128)

The accompanying notes are an integral part of this statement.

ARVIN UNION SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
PRIMARY GOVERNMENT:				
Governmental Activities:				
Instruction	$ 28,004,158	$ 103,739	$ 11,396,552	$ (16,503,867)
Instruction-Related Services	9,014,246	33,707	3,616,279	(5,364,260)
Pupil Services	8,228,244	18,975	5,766,781	(2,442,488)
Ancillary Services	36,797	20	2,070	(34,707)
Community Services	520,541	1,879	194,547	(324,115)
General Administration	3,097,544	10,995	1,138,308	(1,948,241)
Plant Services	6,336,332	373,739	3,452,730	(2,509,863)
Other Outgo	1,462,009	-	-	(1,462,009)
Interest on Long-Term Obligations	1,362,935	-	-	(1,362,935)
Total Governmental Activities	58,062,806	543,054	25,567,267	(31,952,485)
Total Primary Government	$ 58,030,645	$ 543,054	$ 25,567,267	(31,920,324)
	General Revenues:			
	LCFF Sources			37,535,008
	State Revenues			769,854
	Local Revenues			2,326,379
	Total General Revenues			40,631,241
	Change in Net Position			8,678,756
	Net Position - Beginning			(19,044,884)
	Net Position - Ending			$ (10,366,128)

The accompanying notes are an integral part of this statement.

ARVIN UNION SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:				
Cash in County Treasury	$ 16,157,618	$ 6,025,676	$ 5,423,611	$ 27,606,905
Cash on Hand and in Banks	-	-	97,198	97,198
Cash in Revolving Fund	5,000	-	1,000	6,000
Investments	888,986	-	643,746	1,532,732
Accounts Receivable	3,311,093	8,701	590,868	3,910,662
Due from Grantor Governments	901,898	-	-	901,898
Due from Other Funds	5,656,001	263,567	74,777	5,994,345
Prepaid Expenditures	-	-	117,995	117,995
Total Assets	26,920,596	6,297,944	6,949,195	40,167,735
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts Payable	$ 3,644,647	$ 8,900	$ 99,787	$ 3,753,334
Due to Grantor Governments	1,975	-	-	1,975
Due to Other Funds	5,441,667	-	552,678	5,994,345
Unearned Revenue	1,739,618	-	42,996	1,782,614
Total Liabilities	10,827,907	8,900	695,461	11,532,268
Fund Balance:				
Nonspendable Fund Balances:				
Revolving Cash	5,000	-	1,000	6,000
Prepaid Items	-	-	117,995	117,995
Restricted Fund Balances	5,320,697	6,289,044	5,462,843	17,072,584
Committed Fund Balances	9,217,024	-	-	9,217,024
Assigned Fund Balances	1,549,968	-	671,896	2,221,864
Total Fund Balance	16,092,689	6,289,044	6,253,734	28,635,467
Total Liabilities and Fund Balances	$ 26,920,596	$ 6,297,944	$ 6,949,195	$ 40,167,735

The accompanying notes are an integral part of this statement.

ARVIN UNION SCHOOL DISTRICT

RECONCILIATION OF THE BALANCE SHEET, GOVERNMENTAL FUNDS,
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total Fund Balances - Balance Sheet, Governmental Funds	$	28,635,467
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Capital assets		76,250,280
Accumulated depreciation/amortization		(23,286,658)
Certain debt issue costs are recognized in the funds as expenditures in the period the debt was incurred, whereas in the government-wide statements, they are amortized over the life of the debt:		
Unamortized prepaid insurance related to debt		13,721
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest payable		(134,968)
General obligation bonds payable		(27,594,223)
Accreted interest		(5,735,992)
Other post-employment benefits payable (OPEB)		(34,288,176)
Net pension liability		(21,260,327)
Compensated absences payable		(460,696)
Leases payable		(23,304)
Early Retirement Incentives-STRS		(1,144,628)
Early Retirement Incentives-PERS		(331,060)
Note payable		(239,555)
Other long-term liabilities		(712,295)
Deferred outflows and inflows of resources are not reported in the funds because they are applicable to future periods:		
Deferred outflows of resources related to pensions		8,833,102
Deferred inflows of resources related to pensions		(15,219,762)
Deferred outflows of resources related to OPEB		11,120,096
Deferred inflows of resources related to OPEB		(4,787,150)
Total Fund Balance of Governmental Activities - Statement of Net Position	$	(10,366,128)

The accompanying notes are an integral part of this statement.

ARVIN UNION SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
LCFF Sources:				
State Apportionment or State Aid	$ 21,391,104	$ -	$ -	$ 21,391,104
Education Protection Account Funds	12,900,604	-	-	12,900,604
Local Sources	3,243,300	-	-	3,243,300
Federal Revenue	11,334,146	-	3,938,535	15,272,681
Other State Revenue	7,474,228	-	924,322	8,398,550
Other Local Revenue	3,074,838	14,043	1,914,215	5,003,096
Total Revenues	59,418,220	14,043	6,777,072	66,209,335
Expenditures:				
Current:				
Instruction	28,584,516	-	606,596	29,191,112
Instruction - Related Services	9,278,724	-	117,065	9,395,789
Pupil Services	4,725,951	-	3,551,688	8,277,639
Ancillary Services	5,127	-	32,161	37,288
Community Services	541,903	-	-	541,903
General Administration	3,181,364	-	-	3,181,364
Plant Services	5,391,892	-	101,411	5,493,303
Other Outgo	1,241,512	-	-	1,241,512
Capital Outlay	4,733,979	721,434	1,839,037	7,294,450
Debt Service:				
Principal	226,598	-	950,000	1,176,598
Interest	27,576	-	707,475	735,051
Total Expenditures	57,939,142	721,434	7,905,433	66,566,009
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,479,078	(707,391)	(1,128,361)	(356,674)
Other Financing Sources (Uses):				
Proceeds From Sale of Bonds	-	5,779,504	-	5,779,504
Other Sources	1	-	542,591	542,592
Total Other Financing Sources (Uses)	1	5,779,504	542,591	6,322,096
Net Change in Fund Balance	1,479,079	5,072,113	(585,770)	5,965,422
Fund Balance, July 1	14,613,610	1,216,931	6,839,504	22,670,045
Fund Balance, June 30	$ 16,092,689	$ 6,289,044	$ 6,253,734	$ 28,635,467

The accompanying notes are an integral part of this statement.

ARVIN UNION SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Net Change in Fund Balances - Total Governmental Funds	$	5,965,422
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:		
Expenditures for capital outlay		7,783,102
Depreciation expense		(2,414,659)
In the funds, the entire proceeds from disposal of capital of assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss was:		(96,334)
Governmental funds report repayments of long-term debt 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:		1,176,598
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds:		
Change in accrued interest payable and accreted interest		(627,884)
Compensated absences		(59,013)
Other post-employment benefits cost in excess of contributions		(2,003,263)
Early Retirement Incentives-STRS		(641,665)
Early Retirement Incentives-PERS		(33,103)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Amounts recognized in the funds as proceeds from debt were:		(5,802,807)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(217,041)
In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual basis pension costs and actual employer contributions was:		5,649,403
Change in Net Position of Governmental Activities - Statement of Activities	$	8,678,756

The accompanying notes are an integral part of this statement.

A. Summary of Significant Accounting Policies

Arvin Union School District (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 accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

1. Reporting Entity

The District's combined financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the District's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in its name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

The District also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the District to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the District, its component units or its constituents; and 2) The District or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the District.

Based on these criteria, the District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by the GASB Statement.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities 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 revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues 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. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. 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 nonmajor funds.

The District reports the following major governmental funds:

General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund. The General Fund, reported in these financial statements, includes four Funds maintained by the District: The General Fund (Fund 01), the Deferred Maintenance Fund (Fund 14), the Special Reserve Fund for Other Than Capital Outlay (Fund 17) and the Special Reserve Fund for Postemployment Benefits (Fund 20). Although Funds 17 and 20 are separate funds authorized in the Education Code, neither fund meets the definition of a Special Revenue Fund under accounting principles generally accepted in the United States of America, and have therefore been combined into the General Fund for financial reporting purposes. The beginning fund balances have also been combined.

Building Fund is used to account for the acquisition of major governmental capital facilities and buildings from the sale of bond proceeds.

The District reports the following nonmajor funds:

Student Body Fund is used to account for revenues received and expenditures made related to student activity funds.

Child Development Fund is used to account for resources committed to child development programs maintained by the District.

Cafeteria Fund is used to account for revenues received and expenditures made to operate the District's cafeterias.

Capital Facilities Fund is used to account for resources received from developer impact fees assessed under provisions of the California Environmental Quality Act (CEQA).

County School Facilities Fund is used to account for the accumulation and expenditure of funds for projects funded under the Leroy F. Greene School Facilities Act of 1998, as established by the Board in accordance with Education Code 42840 et seq.

Special Reserve (Capital Projects) Fund is used to account for the accumulation and expenditure of funds for capital outlay purposes, as established by the Board in accordance with Education Code 42840 et seq.

Bond Interest and Redemption Fund is maintained by the County Treasurer and is used to account for both the accumulation of resources from ad valorem tax levies and the interest and redemption of principal of bonds issued by the District.

b. Measurement Focus, Basis of Accounting

Government-wide Financial Statements:

These financial statements are reported using the economic resources measurement focus. They 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. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

3. Encumbrances

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

4. Assets, Liabilities, and Equity

a. Deposits and Investments

Cash balances held in banks and in revolving funds are insured to $250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institutions is fully insured or collateralized.

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

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

Information regarding the amount of dollars invested in derivatives with Kern County Treasury was not available.

b. Stores Inventories and Prepaid Expenditures

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventories are valued at average cost and consist of expendable supplies held for consumption. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets. Inventories of the General Fund are immaterial and have been omitted from these statements.

The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure when incurred.

c. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of $5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Examples	Estimated Useful Life in Years
Land		N/A
Site improvements	Paving, flagpoles, retaining walls, sidewalks, fencing, outdoor lighting	20
School buildings		50
Portable classrooms		25
HVAC systems	Heating, ventilation AC systems	20
Roofing		20
Interior construction		25
Carpet replacement		7
Electrical/plumbing		30
Sprinkler/fire system	Fire suppression systems	25
Outdoor equipment	Playground, radio towers, fuel tanks, pumps	20
Machinery and tools	Shop, maintenance equipment, tools	15
Kitchen equipment	Appliances	15
Custodial equipment	Floor scrubbers, vacuums, other	15
Science and engineering	Lab equipment, scientific apparatus	10
Furniture and accessories	Classroom and other furniture	20
Business machines	Fax, duplicating and printing equipment	10
Copiers		5
Communication equipment	Mobile, portable radios, non-computerized	10
Computer hardware	PC's, printers, network hardware	5
Computer software	Instructional, other short-term	5 to 10
Computer software	Administrative or long-term	10 to 20
Audio visual equipment	Projectors, cameras (still and digital)	10
Athletic equipment	Gymnastics, football, weight machines, wrestling mats	10
Musical instruments	Pianos, strings, brass, percussion	10
Library books	Collections	5 to 7
Licensed vehicles	Buses, other on-road vehicles	8
Contractors equipment	Major off-road vehicles, front-end loaders, large tractors, mobile air compressors	10
Grounds equipment	Mowers, tractors, attachments	15

d. Receivable and Payable Balances

There are no significant receivables which are not scheduled for collection within one year of year end.

e. Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. The current portion of the liabilities is recognized in the general fund at year end.

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

f. 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.

g. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the Government-wide Statement of Activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

h. Property Taxes

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on November 15 and March 15. Unsecured property taxes are payable in one installment on or before August 31. The County of Kern bills and collects the taxes for the District.

i. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

5. Deferred Inflows and Deferred Outflows of Resources

Deferred outflows of resources is a consumption of net assets or net position that is applicable to a future reporting period. Deferred inflows of resources is an acquisition of net assets or net position that is applicable to a future reporting period. Deferred outflows of resources and deferred inflows of resources are recorded in accordance with GASB Statement numbers 63 and 65.

6. GASB 54 Fund Presentation

Consistent with fund reporting requirements established by GASB Statement No. 54, Fund 14 (Deferred Maintenance Fund), Fund 17 (Special Reserve Fund for Other Than Capital Outlay) and Fund 20 (Special Reserve Fund for Postemployment Benefits) are merged with the General Fund for purposes of presentation in the audit report, as applicable.

7. 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 CalPERS Schools Pool Cost-Sharing Multiple-Employer Plan (CalPERS Plan) and CalSTRS Schools Pool Cost-Sharing Multiple Employer Plan (CalSTRS Plan) and additions to/deductions from the CalPERS Plan and CalSTRS Plan's fiduciary net positions have been determined on the same basis as they are reported by the CalPERS Financial Office and CalSTRS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms**.** Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined time frames. For this report, the following time frames are used:

Valuation Date (VD) (STRS)	June 30, 2021
Valuation Date (VD) (PERS)	June 30, 2020
Measurement Date (MD)	June 30, 2021
Measurement Period (MP)	July 1, 2020 to June 30, 2021

8. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates**.** Actual results could differ from those estimates.

9. Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles as defined by Governmental Accounting Standards Board (GASB) Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy is detailed as follows:

Level 1 Inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.

Level 2 Inputs: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3 Inputs: Unobservable inputs for an asset or liability.

For the current fiscal year the District did not have any recurring or nonrecurring fair value measurements.

10 Implementation of New Standards

In the current fiscal year, the District implemented the following new standard. The applicable provisions of the new standard are summarized below. Implementation is reflected in the financial statements and the notes to the financial statements.

GASB Statement No. 87, *Leases*

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

B. Excess of Expenditures Over Appropriations

As of June 30, 2022, expenditures exceeded appropriations in individual funds as follows:

Appropriations Category	Excess Expenditures
General Fund:	
Certificated Salaries	$ 69,731
Classified Salaries	130,006
Employee Benefits	2,407,876
Services And Other Operating Expenditures	1,750,521
Capital Outlay	1,177,487
Debt Service	79,074

General Fund: The District incurred unanticipated expenditures for inflationary salary increases, employee benefits, Services and operating expenditures, capital outlay, and debt service.

C. Cash and Investments

1. Cash in County Treasury:

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Kern County Treasury as part of the common investment pool ($5,062,899,304 as of June 30, 2022). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was $27,606,905. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

2. Cash on Hand, in Banks, and in Revolving Fund

Cash balances on hand and in banks ($97,198 as of June 30, 2022) and in the revolving fund $6,000 are insured up to $250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institution is fully insured or collateralized.

3. Investments:

The District's investments at June 30, 2022 are shown below.

Investment or Investment Type	Maturity	Fair Value
Cash in County Treasury	Less than 12 months	$ 27,606,905
Cash on Hand and in Banks	Less than 12 months	97,198
Cash in Revolving Fund	Less than 12 months	6,000
Investments	Less than 12 months	1,532,732
Total Investments		$ 29,242,835

4. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The county is restricted by Government Code Section 53635 pursuant to Section 53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not exposed to significant credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At year end, the District was not exposed to significant custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to significant concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to significant interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to significant foreign currency risk.

5. Investment Accounting Policy

The District is required by GASB Statement No. 31 to disclose its policy for determining which investments, if any, are reported at amortized cost. The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

The District's investments in external investment pools are reported in conformity with GASB Statement No. 77 unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

D. Accounts Receivable

Accounts receivable at June 30, 2022 consisted of the following:

	General Fund	Building Fund	All Other Government Funds	Total Governmental Funds
Federal programs	$ 3,018,011	$ -	$ 1,771	3,019,782
State categorical aid programs	200,000	-	30,308	230,308
Interest	19,747	6,215	(2,146)	23,816
Other local receivables	73,335	2,486	560,935	636,756
Total	$ 3,311,093	$ 8,701	$ 590,868	3,910,662

E. Capital Assets

Capital asset activity for the year ended June 30, 2022, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 1,462,548	$ -	$ (1,059)	$ 1,461,489
Work in progress	4,720,232	6,181,289	(6,017,182)	4,884,339
Total capital assets not being depreciated	6,182,780	6,181,289	(6,018,241)	6,345,828
Capital assets being depreciated:				
Buildings	56,638,837	6,017,182	(1,166,099)	61,489,920
Improvements	2,304,437	997,357	-	3,301,794
Equipment	5,016,273	581,152	(507,991)	5,089,434
Leased assets	-	23,304	-	23,304
Total capital assets being depreciated	63,959,547	7,618,995	(1,674,090)	69,904,452
Less accumulated depreciation for:				
Buildings	17,903,381	1,988,917	(1,127,554)	18,764,744
Improvements	1,407,229	106,232	-	1,513,461
Equipment	3,140,204	319,122	(451,261)	3,008,065
Leased Assets	-	388	-	388
Total accumulated depreciation	22,450,814	2,414,659	(1,578,815)	23,286,658
Total capital assets being depreciated, net	41,508,733	5,204,336	(95,275)	46,617,794
Governmental activities capital assets, net	$ 47,691,513	$ 11,385,625	$ (6,113,516)	$ 52,963,622

Depreciation was charged to functions as follows:

Instruction	$ 670,293
Instruction-Related Services	180,445
Pupil Services	186,918
Community Services	500
General Administration	13,715
Plant Services	1,362,788
Total	$ 2,414,659

F. Interfund Balances and Activities

Due To and From Other Funds

Balances due to and due from other funds during the year ended June 30, 2022, consisted of the following:

Fund	Interfund Receivables	Interfund Payables
General Fund	$ 407,677	$ 5,441,667
Child Development Fund	74,777	235,481
Cafeteria Special Revenue Fund	-	317,197
Special Revenue Fund for Other Than Capital Outlay Projects	1,539,000	-
Special Reserve Fund for Postemployment Benefits	3,709,324	-
Building Fund	263,567	-
Total	$ 5,994,345	$ 5,994,345

All amounts due relate to short-term borrowing and are scheduled to be repaid within one year.

G. Accounts Payable

Accounts payable at June 30, 2022 consisted of the following:

	General Fund	Building Fund	All Other Government Funds	Total Governmental Funds
Vendor payables	$ 2,271,754	$ 8,900	77,919	$ 2,358,573
Salaries and benefits	500,119		(2,101)	498,018
Other	872,774		23,969	896,743
Total	$ 3,644,647	$ 8,900	99,787	$ 3,753,334

H. Unearned Revenue

The District has received revenues for programs as advances, or before program expenditures were incurred. Such revenues are reported in these statements as "unearned," and will be recognized in subsequent periods as program expenditures are made.

Unearned revenue at June 30, 2022 consisted of the following:

	General Fund	Other Governmental Funds	Total Fund
In-Person Instruction (IPI) Grant	$ 712,474	$ -	$ 712,474
Universal Prekinder (UPK) Planning & Implementation Grant Pgm	163,326	-	163,326
After School Education and Safety (ASES)	118,267	-	118,267
American Rescue Plan - Homeless Children and Youth II	6,159	-	6,159
Child Nutrition: NSLP Equipment Assistance Grants	18,936	-	18,936
ESEA (ESSA) : Title III, English Learner Student Program	105,413	-	105,413
ESEA (ESSA): Title II, Part A, Supporting Effective Instruc Loc Grants	46,576	-	46,576
Special Ed: IDEA Basic Local Assistance Entitlement, Part B, Section 611	247,238	-	247,238
Special Ed: ARP IDEA Part B, Sec. 619, Preschool Grants	10,150	-	10,150
Special Ed: ARP IDEA Part B, Sec. 611, Loc Assist Entitlement	126,485	-	126,485
ExpandLearn Opport (ELO) Grant: ESSER III State Reserve	103,452	-	103,452
Expanded Learning Opportunities Grant: ESSER III State Reserve	60,013	-	60,013
Expanded Learning Opportunities (ELO) Grant GEER II	21,129	-	21,129
Child Development: Quality Improvement Activities	-	1,142	1,142
Other Fed: AB 114 CANS Demonst Proj & AB 114 Implement Grant	-	38,791	38,791
Child Develop: Cal State Preschool Program QRIS Block Grant RFA	-	3,063	3,063
Total	$ 1,739,618	$ 42,996	$ 1,782,614

I. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2022, are as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
General obligation bonds	$ 22,544,223	$ 6,000,000	$ 950,000	$ 27,594,223	$ 935,000
Accreted Interest	5,123,121	612,871	-	5,735,992	-
Lease liability	3,456	23,304	3,456	23,304	5,488
Note Payable	1,178,448	-	226,598	951,850	239,555
Other postemployment benefits payable	36,652,036	-	2,363,860	34,288,176	-
Compensated absences	401,683	59,013	-	460,696	-
Net pension liability	40,331,885	-	19,071,558	21,260,327	-
Early retirement incentives - STRS	708,251	641,665	205,288	1,144,628	205,288
Early retirement incentives - PERS	92,669	276,609	38,218	331,060	94,293
Total governmental activities	$ 107,035,772	$ 7,613,462	$ 22,858,978	$ 91,790,256	$ 1,479,624

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
General obligation bonds	Governmental	Bond Interest and Redemption
Accreted Interest	Governmental	Bond Interest and Redemption
Lease liability	Governmental	General
Other postemployment benefits payable	Governmental	General
Note Payable	Governmental	General
Compensated absences	Governmental	General
Net pension liability	Governmental	General
Early retirement incentives - STRS	Governmental	General
Early retirement incentives - PERS	Governmental	General

2. General Obligation Bonds and Accreted Interest on Capital Appreciation Bonds

The outstanding general obligation bond debt of the District at June 30, 2022, is as follows:

Bond	Issue Date	Maturity Date	Interest Rate %
2004, Series 2004A	5/27/04	5/1/48	3.25-5.90
2004, Series 2008	8/14/08	5/1/48	2.25-6.20
2014, Series 2015A	6/24/15	11/1/44	3.375-4.00
Refunding Bond, Series 2015A	6/24/15	11/1/25	4.00
2014, Series 2017B	2/7/17	11/1/48	1.20-4.50
2018, Series 2019A	3/7/19	11/1/48	3.50-5.00
2014, Series 2019C	12/3/19	11/1/48	6.00
2018, Series 2020B	6/30/20	11/1/49	6.00
2018, Series 2022C	4/27/22	11/1/50	5.00-6.00
2014, Series 2022D	4/27/22	11/1/50	5.00-6.00

Bond	Original Issue	Bonds Outstanding July 1, 2021	Issued During Year	Redeemed During Year	Bonds Outstanding June 30, 2022
2004, Series 2004A	$ 5,059,349	$ 129,349	$ -	$ -	$ 129,349
2004, Series 2008	5,059,874	4,584,874	-	75,000	4,509,874
2014, Series 2015A	3,115,000	2,420,000	-	25,000	2,395,000
Refunding Bond, Series 2015A	3,860,000	2,215,000	-	370,000	1,845,000
2014, Series 2017B	3,500,000	3,035,000	-	35,000	3,000,000
2018, Series 2019A	3,385,000	3,070,000	-	305,000	2,765,000
2014, Series 2019C	4,100,000	4,100,000	-	140,000	3,960,000
2018, Series 2020B	2,990,000	2,990,000	-	-	2,990,000
2018, Series 2022C	2,715,000	-	2,715,000	-	2,715,000
2014, Series 2022D	3,285,000	-	3,285,000	-	3,285,000
	$ 37,069,223	$ 22,544,223	$ 6,000,000	$ 950,000	$ 27,594,223

The annual requirements to amortize general obligation bonds, payable and outstanding, and accreted interest as of June 30, 2022 are as follows:

	General Obligation Bonds		
Year Ending June 30,	Principal	Interest	Total
2023	$ 935,000	$ 956,269	$ 1,891,269
2024	1,050,000	916,151	1,966,151
2025	980,000	867,038	1,847,038
2026	990,000	820,401	1,810,401
2027	221,931	1,371,429	1,593,360
2028-2032	1,719,923	7,251,128	8,971,051
2033-2037	3,325,298	7,507,004	10,832,302
2038-2042	4,899,211	8,206,960	13,106,171
2043-2047	7,027,202	8,784,095	15,811,297
2048-2050	6,445,658	2,958,635	9,404,293
Totals	$ 27,594,223	$ 39,639,110	$ 67,233,333

Year Ending June 30,	Accreted Interest
2023	$ -
2024	-
2025	-
2026	-
2027	309,974
2028-2032	1,410,129
2033-2037	1,354,294
2038-2042	1,238,045
2043-2047	1,108,968
2048-2050	314,582
Totals	$ 5,735,992

3. Early Retirement Incentive

The Board has adopted early retirement incentive programs. Under the State Teachers' Retirement Law, certain early retirement incentives require the employer to pay the present value of the additional benefit which may be paid on either a current or deferred basis.

The District has also granted early retirement incentives under CalSTRS to eligible certificated employees and early retirement incentives under CalPERS to eligible classified employees.

The District entered into contracts with certain eligible employees who receive supplementary retirement benefits. Eligible Certificated Non-Management, Certificated Management, Classified Management and Classified or Confidential employees receive contributions to a 403(b) annuity contract.

Year Ending June 30,	Principal	Interest	Total
2023	$ 205,288	$ 68,679	$ 273,967
2024	205,289	56,364	261,653
2025	188,615	44,042	232,657
2026	175,397	32,727	208,124
2027	157,333	22,202	179,535
2028-2029	212,706	17,572	230,278
Totals	$ 1,144,628	$ 241,586	$ 1,386,214

J. Compensated Absences

Compensated absences at June 30, 2022 consisted of:

	Compensated Absences	Benefits	Totals
Classified	$ 350,046	$ 110,650	$ 460,696

All amounts are due after one year.

K. Leases

The District has one leasing arrangement for the use of copy machines totaling $23,304 outstanding at year end with an interest rate of 4.0 percent. Variable payments not included in the measurement of the leases are estimated by the District and payable upon lease expiration.

Future lease payment maturity schedule is as follows:

Year ended June 30,	Principal	Interest	Total
2023	$ 5,488	$ 932	$ 6,420
2024	5,707	713	6,420
2025	5,936	484	6,420
2026	6,173	247	6,420
	$ 23,304	$ 2,376	$ 25,680

L. Pension

1. General Information About the Pension Plans

a. Plan Descriptions

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. Support by the State for the CalSTRS plan is such that the plan has a special funding situation as defined by GASB Statement No. 68. CalSTRS and CalPERS issue publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on their respective websites.

b. Benefits Paid

CalSTRS and CalPERS provide service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 62 for normal benefits or at age 55 with statutorily reduced benefits. Employees hired prior to January 1, 2013 are eligible to retire at age 60 for normal benefits or at age 55 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. All members are eligible for death benefits after one year of total service.

The Plans' provisions and benefits in effect at June 30, 2022 are summarized as follows:

	CalSTRS	
	Before	On or After
Hire Date	Jan. 1, 2013	Jan. 1, 2013
Benefit Formula	2% at 60	2% at 62*
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	55-60	55-62
Monthly benefits, as a % of eligible compensation	1.4-2.4%	1.16-2.4%**
Required Employee Contribution Rates (at June 30, 2022)	10.25%	10.21%
Required Employer Contribution Rates (at June 30, 2022)	16.920%	16.920%
Required State Contribution Rates (at June 30, 2022)	10.828%	10.828%

*Amounts are limited to 120% of Social Security Wage Base.
**The contribution rate for CalSTRS 2% at 62 members is based, in part, on the normal cost of benefits and may increase or decrease in future years.

	CalPERS	
	Before	On or After
Hire Date	Jan. 1, 2013	Jan. 1, 2013
Benefit Formula	2% at 60	2% at 62*
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly For Life
Retirement Age	50-62	52-67
Monthly Benefits as a % of Eligible Compensation	1.1-2.5%	1.0-2.5%
Required Employee Contribution Rates (at June 30, 2022)	7.00%	7.00%
Required Employer Contribution Rates (at June 30, 2022)	22.91%	22.91%

*Amounts are limited to 120% of Social Security Wage Base.

c. Contributions

CalSTRS

For the fiscal year ended June 30, 2022 (measurement date June 30, 2021), California Education Code Section 22950 requires members to contribute monthly to the system 10.205% (if hired on or after January 1, 2013) or 10.25% (if hired before January 1, 2013) of the creditable compensation upon which members' contributions under this part are based. In addition, the employer required rates established by the CalSTRS Board have been established at 16.92% of creditable compensation for the fiscal year ended June 30, 2022. Beginning in the fiscal year June 30, 2022 and for each fiscal year thereafter, the CalSTRS Board has the authority to increase or decrease percentages paid specific to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Board based upon a recommendation from its actuary. Those adjustments are limited to 1% annually, not to exceed 20.25% of creditable compensation. For 2021-22, the employer rate reflects a 2.18% reduction from the rate that was originally required in the funding plan.

CalPERS

California Public Employees' Retirement Law section 20814(c) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The CalPERS Board retains the authority to amend contribution rates. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees**.** For the fiscal year ended June 30, 2022 (measurement date June 30, 2021) the employee contribution rate was 7.00% and the employer contribution rate was 22.910% of covered payroll. For 2021-22, the employer rate reflects a 2.16% reduction from the rate originally adopted by the board on April 20, 2021, due to an amendment of Government Code 20825.2 (c).

On Behalf Payments

Consistent with California Education Code Section 22955.1, the State of California makes contributions to CalSTRS on behalf of employees working for the District. For the fiscal year ended June 30, 2022 (measurement date June 30, 2021) the State contributed 10.828% of salaries creditable to CalSTRS. Consistent with the requirements of generally accepted accounting principles, the District has recorded these contributions as revenue and expense in the fund financial statements (current financial resources measurement focus). The government-wide financial statements have recorded revenue and expense for pension expense paid on behalf of the District (economic resources measurement focus). Contributions reported for on behalf payments are based on the District's proportionate share of the States contribution for the fiscal year. Contributions made by the state on behalf of the District and the State's pension expense associated with District employees for the past three fiscal years are as follows:

	CalSTRS	
Year Ended June 30,	On Behalf Contribution Rate	On Behalf Contribution Amount
2020	10.328%	1,467,206
2021	10.328%	1,604,385
2022	10.828%	1,819,638

The State contributed an additional $1.1 Billion to CalSTRS during the 2019-20 fiscal year and $297 Million to CalSTRS during the 2020-21 fiscal year as a continuing settlement associated with SB90.

d. Contributions Recognized

For the fiscal year ended June 30, 2022 (measurement period June 30, 2021), the contributions recognized for each plan were:

	Fund Financial Statements (Current Financial Resources Measurement Focus)		
	CalSTRS	CalPERS	Total
Contributions - Employer	$ 2,962,232	$ 1,517,484	$ 4,479,716
Contributions - State On Behalf Payments	1,819,638	-	1,819,638
Total Contributions	$ 4,781,870	$ 1,517,484	$ 6,299,354

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

As of June 30, 2022 (measured June 30, 2021), the District reported net pension liabilities for its proportionate shares of the net pension liability of each plan as follows:

	Proportionate Share of Net Pension Liability
CalSTRS	$ 12,876,034
CalPERS	8,384,293
Total Net Pension Liability	$ 21,260,327

The District's net pension liability for each Plan is measured as the proportionate share of the total net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2021. The total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 (STRS) and June 30, 2020 (PERS) rolled forward to measurement date June 30, 2021 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, as actuarially determined.

The District's proportionate share of the net pension liability for each Plan as of June 30, 2021 and June 30, 2022 were as follows:

	CalSTRS			CalPERS
	District's Proportionate Share	State's Proportionate Share*	Total For District Employees	District's Proportionate Share
Proportion June 30, 2021	0.0284%	0.0146%	0.0430%	0.0418%
Proportion June 30, 2022	0.0283%	0.0142%	0.0425%	0.0412%
Change in Proportion	-0.0001%	-0.0004%	-0.0005%	-0.0006%

*Represents State's Proportionate Share on Behalf of District employees

a. Pension Expense

	CalSTRS	CalPERS	Total
Change in Net Pension Liability (Asset)	$ (14,624,802)	$ (4,446,756)	$ (19,071,558)
On Behalf Contribution Amount	1,819,638	-	1,819,638
Employer Contributions to Pension Plan	2,962,232	1,517,484	4,479,716
Change in Other Outflows/Inflows of Resources	10,054,907	3,367,248	13,422,155
Total Pension Expense	$ 211,975	$ 437,976	$ 649,951

b. Deferred Outflows and Inflows of Resources

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	CalSTRS	CalPERS	Total
Pension contributions subsequent to measurement date	$ 4,781,870	$ 1,517,484	$ 6,299,354
Differences between actual and expected experience	32,255	250,293	282,548
Changes in assumptions	1,824,397	-	1,824,397
Net difference between projected and actual earnings	-	426,803	426,803
Total Deferred Outflows of Resources	$ 6,638,522	$ 2,194,580	$ 8,833,102

	Deferred Inflows of Resources		
	CalSTRS	CalPERS	Total
Differences between actual and expected experience	$ (1,370,278)	$ (19,765)	$ (1,390,043)
Change in employer's proportionate share	-	-	-
Net difference between projected and actual earnings	(10,185,274)	(3,644,445)	(13,829,719)
Total Deferred Inflows of Resources	$ (11,555,552)	$ (3,664,210)	$ (15,219,762)

Pension contributions made subsequent to measurement date reported as deferred outflows of resources will be recognized as a portion of pension expense in the year ended June 30, 2022. The remaining amounts reported as deferred outflows or deferred inflows of resources will be recognized as an increase or decrease to pension expense over a five year period. Pension expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

	Deferred Outflows of Resources		Deferred Inflows of Resources		Net Effect
Year Ended June 30	CalSTRS	CalPERS	CalSTRS	CalPERS	on Expenses
2023	$ 5,647,808	$ 338,970	$ (2,890,463)	$ (966,367)	$ 2,129,948
2024	865,938	212,366	(2,621,387)	(901,477)	(2,444,560)
2025	41,592	125,760	(2,674,156)	(901,477)	(3,408,281)
2026	41,592	1,517,484	(3,058,294)	(894,889)	(2,394,107)
2027	41,592	-	(175,064)	-	(133,472)
Thereafter	-	-	(136,188)	-	(136,188)
Total	$ 6,638,522	$ 2,194,580	$ (11,555,552)	$ (3,664,210)	$ (6,386,660)

c. Actuarial Assumptions

Total pension liabilities for the fiscal year ended June 30, 2022 were based on actuarial valuations were determined using the following actuarial assumptions:

	CalSTRS	CalPERS
Fiscal Year	June 30, 2022	June 30, 2022
Measurement Date	June 30, 2021	June 30, 2021
Valuation Date	June 30, 2021	June 30, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Experience Study Period	2015-2018	1997-2015
Actuarial Assumptions:		
Discount Rate	7.10%	7.15%
Inflation	2.75%	2.50%
Wage Growth	3.50%	(3)
Investment Rate of Return	7.10%	7.15%
Post Retirement Benefit Increase	(1)	(4)
Mortality	(2)	(5)

(1) CalSTRS post retirement benefit increases assumed at 2% simple (annually) maintaining 85% purchasing power level.

(2) CalSTRS base mortality tables are custom tables derived to best fit the patterns of mortality among CalSTRS members. The projection scale was set to equal 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP-2019) table issued by the Society of Actuaries.

(3) Varies by entry age and service.

(4) CalPERS post retirement benefit increases assumes 2.00% until PPPA floor on purchasing power applies, 2.50% thereafter.

(5) CalPERS mortality table was developed based on CalPERS specific data. The table includes 15 years of mortality improvement using the Society of Actuaries 90% of scale MP-2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

d. Discount Rate

The discount rate used to measure the total pension liability was 7.10% CalSTRS and 7.15% for CalPERS. The projection of cash flows used to determine the discount rate assumed the contributions from plan members, employers, and state contributing agencies (where applicable) will be made at statutory contribution rates. To determine whether the District bond rate should be used in the calculation of a discount rate for each plan, CalSTRS and CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rates are adequate and the use of the discount bond rate calculation is not necessary for either plan. The stress test results are presented in a detailed report that can be obtained from the CalPERS and CalSTRS respective websites.

The CalPERS discount rate was increased from 7.50% to 7.65% at measurement date June 30, 2015 (Fiscal year June 30, 2016) to correct for an adjustment to exclude administrative expenses. Subsequently, CalPERS discount rate was decreased from 7.65% to 7.15% at measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from actuarially determined amounts.

The CalSTRS discount rate was adjusted from 7.60% to 7.10% for measurement date June 30, 2017 (Fiscal year June 30, 2018) to adjust for changes resulting from a new actuarial experience study.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The investment return assumption used in the accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalSTRS and CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalSTRS and CalPERS are scheduled to review actuarial assumptions as part of their regular Asset Liability Management (ALM) review cycle. CalSTRS completed their ALM November 2019 with new policies in effect on July 1, 2021. CalPERS completed their ALM in 2018 with new policies in effect on July 1, 2018. Both CalSTRS and CalPERS conduct new ALM's every 4 years.

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, CalSTRS and CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and long-term (11-60 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 rounded down to the nearest quarter of one percent.

The tables below reflect the 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 rates of return are net of administrative expenses.

CalSTRS

Asset Class	Assumed Asset Allocation	Long Term Expected Real Rate of Return*
Public Equity	42.00%	4.80%
Real Estate	15.00%	3.60%
Private Equity	13.00%	6.30%
Fixed Income	12.00%	1.30%
Risk Mitigating Strategies	10.00%	1.80%
Inflation Sensitive	6.00%	3.30%
Cash/Liquidity	2.00%	-0.40%

*20 year average

CalPERS

Asset Class (1)	Assumed Asset Allocation	Real Return Years 1-10 (2,4)	Real Return Years 11+ (3,4)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

(1) In the Basic Financial Statements, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities
(2) An expected inflation of 2.00% used for this period
(3) An expected inflation of 2.92% used for this period
(4) Figures are based on the previous ALM of 2017

e. Sensitivity to Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	CalSTRS	CalPERS
1% Decrease	6.10%	6.15%
Net Pension Liability	$ 26,210,996	$ 14,137,095
Current Discount Rate	7.10%	7.15%
Net Pension Liability	$ 12,876,034	$ 8,384,293
1% Increase	8.10%	8.15%
Net Pension Liability	$ 1,808,270	$ 3,608,233

3. Total Pension Liability, Pension Plan Fiduciary Net Position and Net Pension Liability

CalSTRS - Governmental Activities

	Increase (Decrease)				
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	State's Share of Net Pension Liability (c)	District's Share of Net Pension Liability (a) - (b) - (c)
Balance at June 30, 2021 (Previously Reported)	$ 153,894,075	$ 112,216,670	$ 41,677,405	$ 14,176,569	$ 27,500,836
Changes for the year:					
CalSTRS Auditor Adjustment	-	-	-	-	-
Change in Prop share	(173,015)	125,287	(298,302)	(325,327)	27,025
Service Cost	3,237,439	-	3,237,439	1,083,700	2,153,739
Interest	10,366,018	-	10,366,018	3,469,921	6,896,097
Differences between expected and actual experience	(1,432,861)	-	(1,432,861)	(479,636)	(953,225)
Change in assumptions	-	-	-	-	-
Change in benefits	-	-	-	-	-
Contributions:					
Employer	-	2,448,921	(2,448,921)	(819,752)	(1,629,169)
Employee	-	1,591,716	(1,591,716)	(532,811)	(1,058,905)
State On Behalf Payments	-	1,586,780	(1,586,780)	(531,159)	(1,055,621)
Net Investment Income	-	28,512,021	(28,512,021)	(9,544,114)	(18,967,907)
Other Income	-	38,471	(38,471)	(12,878)	(25,593)
Benefit Payments, including refunds of employee contributions	(4,684,206)	(4,813,129)	128,923	43,156	85,767
Administrative expenses	-	106,988	(106,988)	(35,813)	(71,175)
Borrowing Costs	-	38,110	(38,110)	(12,757)	(25,353)
Other Expenses	-	725	(725)	(243)	(482)
Net Changes	7,313,375	29,635,890	(22,322,515)	(7,697,713)	(14,624,802)
Balance at June 30, 2022	$ 161,207,450	$ 141,852,560	$ 19,354,890	$ 6,478,856	$ 12,876,034

(1) - Includes refunds of employee contributions

CalPERS - Governmental Activities

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2021 (Previously Reported)	$ 42,635,105	$ 29,804,056	$ 12,831,049
Changes for the year:			
Change in Proportionate Share	(428,100)	(248,298)	(179,802)
Service Cost	967,879	-	967,879
Interest	2,975,601	-	2,975,601
Differences between expected and actual experience	(26,354)	-	(26,354)
Change in Assumptions	-	-	-
Contributions:			
Employer	-	1,225,506	(1,225,506)
Employee	-	420,218	(420,218)
Nonemployer	-	-	-
Net Investment Income	-	6,567,638	(6,567,638)
Plan to Plan Resource Movement	-	-	-
Benefit Payments, including refunds of employee contributions	(2,033,725)	(2,033,725)	-
Administrative expenses	-	(29,282)	29,282
Other expenses	-	-	-
Net Changes	1,455,301	5,902,057	(4,446,756)
Balance at June 30, 2022	$ 44,090,406	$ 35,706,113	$ 8,384,293

(1) - Includes refunds of employee contributions

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

M. Other Retirement Plans

Section 403(b) Tax-Sheltered Annuity Plan

Plan Description

The District's Board of Trustees authorized the establishment of a Section 403(b) Tax-Sheltered Annuity Plan**.** This is a retirement plan funded by elective deferrals made under salary reduction agreements.

Funding Policy

All eligible employees electing to participate in this plan choose the amount of monthly compensation deferrals up to the maximums allowed by the Internal Revenue Code and its regulations and rulings. The District does not contribute to the plan on behalf of participating employees. For the fiscal year ended June 30, 2022, there were 59 employees that had elected to participate, with total compensation deferrals of $298,906.

N. Early Retirement Incentive Program

The District has adopted an early retirement incentive program, pursuant to Education Code Sections 22714 and 44929, whereby the service credit to eligible employees is increased by two years. Eligible employees must have five or more years of service under the State Teachers' Retirement System and retire during a period of not more than 120 days or less than 60 days from the date of the formal action taken by the District.

Retiree Information

A total of 11 employees have retired in exchange for the additional two years of service credit.

			Retired Employees		Replacement Employees (If Applicable)	
Position Vacated	Age	Service Credit	Salary	Benefits	Salary	Benefits
Teacher	61	35	$ 97,154	$ 19,928	$ 52,968	$ 19,928
TOSA	61	30	111,753	19,928	52,968	19,928
Teacher	61	30	97,154	19,928	52,968	19,928
Teacher	65	22	101,811	19,448	54,292	19,448
Teacher	62	16	95,087	19,448	54,292	19,448
Teacher	61	30	72,382	19,448	-	-
Admin	58	25	170,459	19,448	154,493	19,448
Teacher	65	24	100,311	19,448	54,292	19,448
Librarian	65	8	91,979	19,448	90,391	19,448
Teacher	63	17	93,587	19,448	54,292	19,448
Teacher	62	26	105,306	19,448	54,292	19,448
Totals			$ 1,136,983	$ 215,368	$ 675,248	$ 195,920

Additional Costs

As a result of the early retirement incentive program, the District expects to incur additional costs. The breakdown in additional costs is as follows:

Retirement Costs, Including Administrative Fees	$ 824,915
Health Benefit Costs	430,744
Total Additional Costs	$ 1,255,659

Yearly Payroll Savings

The District expects this early retirement program to generate annual payroll savings of $481,183 which equals the difference in payroll costs for the 11 retirees and their replacements.

Financial Impact

The early retirement incentive program is expected to generate $1,255,6259 in additional costs before savings. The program has a pay-back period of 4.199 years.

O. Postemployment Benefits Other Than Pension Benefits

1. General Information about the OPEB Plan

Plan Description

Arvin Union School District provides medical insurance benefits to those retiring from the District under a single employer defined benefit OPEB plan. The health and welfare benefit plans of the District include medical, prescription drug, behavioral health insurance, and dental and vision insurance. The medical plans include two Blue Cross Prudent Buyer options (one for classified, the other for all other groups). Prescription drug coverage is carved out and provided through two Medco Drug Card plans, one for each of the PPO options, with behavioral health benefits carved out and provided through BHP**.** Delta Dental and VSP vision insurance are also offered to both active employees and retirees of the District**.** Dental and vision benefits through the Self-Insured Schools of California (SISC).

Benefit provisions and the authority to pay benefits as they come due are established and may be amended by the District, as approved by the Board of Education. The OPEB Plan is administered by the District. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

The OPEB plan does not issue stand-alone financial reports that are available to the public.

Eligibility for District-Paid Benefits

Certificated (Arvin Teachers Association) and Certificated Management

If hired prior to July 1, 1993, age 55 and completing at least 7 1/2 consecutive years of full-time service with the District.

If hired on or after July 1, 1993, age 55 and completing at least 15 consecutive years of full-time service with the District.

At age 52, with 30 consecutive years of service, regardless of date of employment.

Classified (CSEA) and Confidential

If hired prior to July 1, 1991, age 50 and completing at least 5 consecutive years of full-time service with the District.

If hired between July 1, 1991, and June 30, 1999, age 55 and completing at least 10 consecutive years of full-time service with the District.

If hired after July 1, 1999, age 55 and completing at least 15 consecutive years of full-time service with the District.

Duration of District-Paid Benefits

Certificated (Arvin Teachers Association) and Certificated Management

If hired prior to July 1, 1992, for life plus additional premium for eligible spouse after age 65 if enrolled in Medicare Part B.

If hired between July 1, 1992 and June 30, 1997, for retiree's life only.

If hired on or after July 1, 1997, until age 65.

Classified (CSEA) and Confidential

If hired prior to July 1, 1997, until age 75 (spousal benefits end at age 65).

If hired on or after July 1, 1997, until age 65.

Employees Covered by Benefit Terms

At June 30, 2022, the following retirees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	94
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	284
Total number of participants	378

2. Total OPEB Liability

Actuarial Assumptions and Other Inputs

The total OPEB liability actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.50%
Salary Increases	2.75% per year
Discount Rate	3.54%
Healthcare Cost Trend Rates	4.00% per year
Retiree's Share of Costs	0.00% of projected health insurance premiums

The discount rate was based on the Bond Buyer 20 Bond Index.

Mortality rates were based on the 2017 CalPERS Active Mortality for Miscellaneous Employees table created by CalPERS. The CalPERS mortality tables created by CalPERS are modified versions of the Society of Actuaries Scale BB mortality table, as adjusted for data from CalSTRS members.

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2021	$ 36,652,036
Changes for the year:	
Service cost	1,187,607
Interest	812,183
Assumption changes	(5,243,070)
Experience gains/losses	1,143,293
Benefit payments	(1,238,200)
Other Adjustments	974,327
Net changes	(2,363,860)
Balance at June 30, 2022	$ 34,288,176

There were no changes in benefit terms for the fiscal year ended June 30, 2022. The interest assumption changed from 2.20% to 3.54%. There were no changes to any other inputs or assumptions.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point-higher than the current discount rate:

	1% Decrease 2.54%	Discount Rate 3.54%	1% Increase 4.54%
Total OPEB Liability	$ 30,381,098	$ 34,288,176	$ 38,942,596

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point-lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 3.00%	Healthcare Cost Trend Rate 4.00%	1% Increase 5.00%
Total OPEB Liability	$ 37,980,136	$ 34,288,176	$ 31,084,431

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

For the fiscal year ended June 30, 2022, the District recognized OPEB expense of $2,003,263.

At June 30, 2022 the District reported the following deferred outflows of resources related to other postemployment benefits.

	Deferred Inflows of Resources	Deferred Outflows of Resources
Assumption changes	$ 4,787,150	$ 6,048,102
Experience gains/losses	-	3,884,026
Contributions made subsequent to measurement date	-	1,187,968
Total	$ 4,787,150	$ 11,120,096

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

Year ending June 30,	Deferred Inflows of Resources	Deferred Outflows of Resources
2023	$ 455,920	$ 2,174,918
2024	455,920	986,950
2025	455,920	986,950
2026	455,920	986,950
2027	455,920	986,950
Thereafter	2,507,550	4,997,378
Total	$ 4,787,150	$ 11,120,096

P. Commitments and Contingencies

1. State and Federal Allowances, Awards, and Grants

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

2. Pending Assessment for Disputed Tax Revenues

The Kern County Auditor-Controller's Office has impounded disputed revenues of school district taxes on secured and unsecured property based on claims or actions filed for the return of such tax revenues. The claims and actions are regarding the valuation of mineral rights that could trigger repayment of property taxes. Revenues are impounded until the final disposition of the claim or action.

The Kern County Auditor-Controller has estimated the contingent liability as of June 30, 2022 as follows:

Pending appeals for taxes	$ 290,877
Pending appeals for interest	7,113
Total	297,990
Less amount held by Kern County Auditor-Controller	(162,729)
Net contingent liability	$ 135,261

Q. Construction In Progress

Construction in Progress at June 30, 2022 are as follows:

	Project Authorization	Expended to June 30, 2022	Remaining Commitment
Sierra Vist Multi-Purpose Building	3,535,657	1,839,037	1,696,620

R. Restricted Fund Balances

Restricted fund balances at June 30, 2022 are as follows:

Expanded Learning Opportunities Program	$	2,585,153
Medi-Cal Billing Option		38,678
Educator Effectiveness, FY 2021-22		575,776
Lottery: Instructional Materials		436,106
CA Community Schools Partnership Act - Planning Grant		196,030
Special Education Early Intervention Preschool Grant		158,025
Child Nutrition: Kitchen Infrastructure Upgrade Funds		130,086
Classified School Employee Professional Development Block Grant		23,938
SB 117 COVID-19 LEA Response Funds		11,625
Expanded Learning Opportunities (ELO) Grant		263,668
Expanded Learning Opportunities (ELO) Grant: Paraprofessional Staff		64,668
Other Restricted Local		836,944
Student Body Fund		31,443
Child Development Fund		137,997
Cafeteria Fund		1,580,361
Building Fund		6,289,044
Capital Facilities Fund		925,132
County Schools Facilities Fund		912,346
Bond Interest and Debt Service Fund		1,875,564
Totals	$	17,072,584

S. Joint Ventures (Joint Powers Agreements)

The District participates in five joint ventures under joint powers agreements (JPAs) as follows:

Partners in Nutrition Cooperative (PINCO)
(commodities and other food items)

Schools Legal Services
(legal services)

Self-Insured Schools of California I (SISC I)
(workers' compensation insurance)

Self-Insured Schools of California II (SISC II)
(property and liability insurance)

Self-Insured Schools of California III (SISC III)
(health insurance)

The relationships between the District and the other JPAs are such that none of the other JPAs are component units of the District for financial reporting purposes.

The JPAs provide insurance and services as noted for member school districts.

Each JPA is governed by a board consisting of a representative from each member district. Such governing board controls the operations of its JPA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond representation on the governing board.

Each district pays premiums and fees commensurate with the level of coverage or services requested, and shares surpluses and deficits proportionate to its participation in each JPA.

Each JPA is independently accountable for its fiscal matters, and maintains its own accounting records.

The District's share of year-end assets, liabilities, or fund equity has not been calculated by the entities.

Condensed financial information for the above JPAs for the year ended June 30, 2022 was not available as of the audit report date. Complete financial statements for the JPAs may be obtained from the JPAs at the addresses indicated below:

PINCO	C/O Antelope Valley Union High School District 44811 N. Sierra Highway Lancaster, CA 93534-3226
Schools Legal Services	Kern County Superintendent of Schools 1300 17th St., No. 7 Bakersfield, CA 93301
SISC I, II and III	Self-Insured Schools of California Kern County Superintendent of Schools P. O. Box 1847 Bakersfield, CA 93303-1847

T. Subsequent Events

Subsequent events have been evaluated through the date these financial statements were available to be issued.

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

ARVIN UNION SCHOOL DISTRICT

EXHIBIT B-1

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022

	1	2	3	Variance with Final Budget Positive
	Budgeted Amounts			
	Original	Final	Actual	(Negative)
Revenues:				
LCFF Sources:				
State Apportionment or State Aid	$ 27,597,846	$ 24,191,543	$ 21,391,104	$ (2,800,439)
Education Protection Account Funds	5,725,710	10,644,421	12,900,604	2,256,183
Local Sources	2,592,460	2,734,429	3,243,300	508,871
Federal Revenue	9,043,405	12,159,593	11,334,146	(825,447)
Other State Revenue	2,960,594	3,216,956	7,474,228	4,257,272
Other Local Revenue	340,000	340,000	3,074,838	2,734,838
Total Revenues	48,260,015	53,286,942	59,418,220	6,131,278
Expenditures:				
Current:				
Certificated Salaries	17,205,167	18,079,020	18,148,751	(69,731)
Classified Salaries	5,861,233	6,323,770	6,453,776	(130,006)
Employee Benefits	11,120,830	11,730,117	14,137,993	(2,407,876)
Books And Supplies	3,861,502	5,010,209	4,856,108	154,101
Services And Other Operating Expenditures	5,363,389	6,362,328	8,112,849	(1,750,521)
Other Outgo	1,420,000	1,420,000	1,241,512	178,488
Capital Outlay	3,364,207	3,556,492	4,733,979	(1,177,487)
Debt Service:				
Principal	175,100	175,100	226,598	(51,498)
Interest	-	-	27,576	(27,576)
Total Expenditures	48,371,428	52,657,036	57,939,142	(5,282,106)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(111,413)	629,906	1,479,078	849,172
Other Financing Sources (Uses):				
Other Sources	-	-	1	1
Total Other Financing Sources (Uses)	-	-	1	1
Net Change in Fund Balance	(111,413)	629,906	1,479,079	849,173
Fund Balance, July 1	14,613,610	14,613,610	14,613,610	-
Fund Balance, June 30	$ 14,502,197	$ 15,243,516	$ 16,092,689	$ 849,173

ARVIN UNION SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.028%	0.028%	0.029%	0.027%	0.025%	0.027%	0.030%	0.032%	-	-
District's proportionate share of the net pension liability (asset)	$ 12,876,034	$ 27,500,836	$ 25,746,833	$ 25,187,105	25,677,139	21,699,537	19,820,000	$ 18,284,000	$ -	$ -
State's proportionate share of the net pension liability (asset) associated with the District	6,478,856	14,176,569	14,235,496	14,474,432	15,247,219	14,216,486	10,483,000	11,041,000	-	-
Total	$ 19,354,890	$ 41,677,405	$ 39,982,329	$ 39,661,537	$ 40,924,358	$ 35,916,023	$ 30,303,000	$ 29,325,000	$ -	$ -
District's covered-employee payroll	$ 18,446,753	$ 16,244,027	$ 16,463,248	$ 16,297,033	$ 6,447,332	$ 8,351,558	$ 10,483,000	$ 11,041,000	$ -	$ -
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	69.80%	169.30%	156.39%	154.55%	398.26%	259.83%	189.07%	165.60%	-	-
Plan fiduciary net position as a percentage of the total pension liability	88.02%	72.92%	72.56%	70.99%	69.46%	69.93%	74.02%	74.00%	-	-

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

ARVIN UNION SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS
CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 2,962,232	$ 2,529,939	$ 2,659,142	$ 2,511,201	2,162,700	1,050,626	1,533,128	$ 1,213,395	$ -	$ -
Contributions in relation to the contractually required contribution	(2,962,232)	(2,529,939)	(2,659,142)	(2,511,201)	(2,162,700)	(1,050,626)	(1,533,128)	(1,213,395)	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 18,446,753	$ 16,244,027	$ 16,463,248	$ 16,297,033	8,993,779	8,351,558	14,288,000	$ 13,664,000	$ -	$ -
Contributions as a percentage of covered-employee payroll	16.06%	15.57%	16.15%	15.41%	24.05%	12.58%	10.73%	8.88%	-	-

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

ARVIN UNION SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.041%	0.042%	0.041%	0.039%	0.038%	0.037%	0.036%	0.037%	-	-
District's proportionate share of the net pension liability (asset)	$ 8,384,293	$ 12,831,049	$ 12,040,948	$ 10,322,104	$ 8,941,735	$ 7,255,909	$ 5,320,000	$ 4,168,000	$ -	$ -
District's covered-employee payroll	$ 7,467,197	$ 6,227,743	$ 6,367,972	$ 6,207,102	$ 8,993,779	$ 4,810,707	$ 4,428,000	$ 3,995,000	$ -	$ -
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	112.28%	206.03%	189.09%	166.30%	99.42%	150.83%	120.14%	104.33%	-	-
Plan fiduciary net position as a percentage of the total pension liability	80.98%	69.91%	70.05%	70.85%	71.87%	73.92%	79.43%	79.40%	-	-

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

ARVIN UNION SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS *

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 1,517,484	$ 1,227,947	$ 1,188,481	$ 1,055,493	$ 799,568	$ 668,111	$ 524,611	$ 470,294	$ -	$ -
Contributions in relation to the contractually required contribution	(1,517,484)	(1,227,947)	(1,188,481)	(1,055,493)	(799,568)	(668,111)	(524,611)	(470,294)	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 7,467,197	$ 6,227,743	$ 6,367,972	$ 6,207,102	$ 5,148,207	$ 4,810,707	$ 4,428,000	$ 3,995,000	$ -	$ -
Contributions as a percentage of covered-employee payroll	20.32%	19.72%	18.66%	17.00%	15.53%	13.89%	11.85%	11.77%	-	-

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

ARVIN UNION SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
SINGLE EMPLOYER PLAN
LAST TEN FISCAL YEARS *

	Fiscal Year Ended									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total OPEB liability:										
Service cost	$ 1,187,607	$ -	$ 777,765	$ 777,765	$ 756,949	$ -	$ -	$ -	$ -	$ -
Interest	812,183	-	976,390	981,020	947,524	-	-	-	-	-
Other Adjustments	974,327	-	-	-	-	-	-	-	-	-
Experience gains/losses	1,143,293	-	3,692,198	-	-	-	-	-	-	-
Changes of assumptions or other inputs	(5,243,070)	-	7,677,566	-	-	-	-	-	-	-
Benefit payments	(1,238,200)	-	(985,517)	(1,770,642)	(867,072)	-	-	-	-	-
Net change in total OPEB liability	(2,363,860)	-	12,138,402	(11,857)	837,401	-	-	-	-	-
Total OPEB liability - beginning	36,652,036	36,652,036	24,513,634	24,525,491	23,688,090	-	-	-	-	-
Total OPEB liability - ending	$ 34,288,176	$ 36,652,036	$ 36,652,036	$ 24,513,634	$ 24,525,491	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 25,913,950	$ 22,471,770	$ 22,504,135	$ 21,490,032	$ -	$ -	$ -	$ -	$ -	$ -
Total OPEB liability as a percentage of covered-employee payroll	132.32%	163.10%	162.87%	114.07%	-	-	-	-	-	-

Notes to Schedule:

There were no changes of benefit terms in 2022.

There were no changes of assumptions in 2022. The following are the discount rates used in each period.

2022	3.54%
2021	2.20%
2020	2.20%
2019	4.00%
2018	4.00%
2017	NA
2016	NA
2015	NA
2014	NA
2013	NA

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

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Combining Statements and Budget Comparisons as Supplementary Information

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

ARVIN UNION SCHOOL DISTRICT

COMBINING BALANCE SHEET
ALL GENERAL FUNDS
JUNE 30, 2022

	General Fund	Deferred Maintenance Fund
ASSETS:		
Cash in County Treasury	$ 15,491,411	$ 1,183
Cash in Revolving Fund	5,000	-
Investments	-	-
Accounts Receivable	3,309,435	3
Due from Grantor Governments	901,898	-
Due from Other Funds	407,677	-
Total Assets	20,115,421	1,186
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable	$ 3,644,647	$ -
Due to Grantor Governments	1,975	-
Due to Other Funds	5,441,667	-
Unearned Revenue	1,739,618	-
Total Liabilities	10,827,907	-
Fund Balance:		
Nonspendable Fund Balances:		
Revolving Cash	5,000	-
Restricted Fund Balances	5,320,697	-
Committed Fund Balances	3,539,451	-
Assigned Fund Balances	422,366	1,186
Total Fund Balance	9,287,514	1,186
Total Liabilities and Fund Balances	$ 20,115,421	$ 1,186

Special Reserve General Fund	Post Employment Benefits Fund	Totals June 30, 2022
$ 263,694	$ 401,330	$ 16,157,618
-	-	5,000
643,747	245,239	888,986
656	999	3,311,093
-	-	901,898
1,539,000	3,709,324	5,656,001
2,447,097	4,356,892	26,920,596
$ -	$ -	$ 3,644,647
-	-	1,975
-	-	5,441,667
-	-	1,739,618
-	-	10,827,907
-	-	5,000
-	-	5,320,697
1,324,708	4,352,865	9,217,024
1,122,389	4,027	1,549,968
2,447,097	4,356,892	16,092,689
$ 2,447,097	$ 4,356,892	$ 26,920,596

ARVIN UNION SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL GENERAL FUNDS
YEAR ENDED JUNE 30, 2022

	General Fund	Deferred Maintenance Fund
Revenues:		
LCFF Sources:		
State Apportionment or State Aid	$ 21,391,104	$ -
Education Protection Account Funds	12,900,604	-
Local Sources	3,243,300	-
Federal Revenue	11,334,146	-
Other State Revenue	7,474,228	-
Other Local Revenue	3,068,155	11
Total Revenues	59,411,537	11
Expenditures:		
Current:		
Instruction	28,584,516	-
Instruction - Related Services	9,278,724	-
Pupil Services	4,725,951	-
Ancillary Services	5,127	-
Community Services	541,903	-
General Administration	3,181,364	-
Plant Services	5,391,892	-
Other Outgo	1,241,512	-
Capital Outlay	4,733,979	-
Debt Service:		
Principal	226,598	-
Interest	27,576	-
Total Expenditures	57,939,142	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,472,395	11
Other Financing Sources (Uses):		
Other Sources	1	-
Total Other Financing Sources (Uses)	1	-
Net Change in Fund Balance	1,472,396	11
Fund Balance, July 1	7,815,118	1,175
Fund Balance, June 30	$ 9,287,514	$ 1,186

Special Reserve General Fund	Post Employment Benefits Fund	Totals June 30, 2022
$ -	$ -	$ 21,391,104
-	-	12,900,604
-	-	3,243,300
-	-	11,334,146
-	-	7,474,228
2,645	4,027	3,074,838
2,645	4,027	59,418,220
-	-	28,584,516
-	-	9,278,724
-	-	4,725,951
-	-	5,127
-	-	541,903
-	-	3,181,364
-	-	5,391,892
-	-	1,241,512
-	-	4,733,979
-	-	226,598
-	-	27,576
-	-	57,939,142
2,645	4,027	1,479,078
-	-	1
-	-	1
2,645	4,027	1,479,079
2,444,452	4,352,865	14,613,610
$ 2,447,097	$ 4,356,892	$ 16,092,689

ARVIN UNION SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds	Debt Service Fund: Bond Interest & Redemption	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS:				
Cash in County Treasury	$ 1,774,616	$ 1,875,564	$ 1,773,431	$ 5,423,611
Cash on Hand and in Banks	31,443	-	65,755	97,198
Cash in Revolving Fund	1,000	-	-	1,000
Investments	-	-	643,746	643,746
Accounts Receivable	586,106	-	4,762	590,868
Due from Other Funds	74,777	-	-	74,777
Prepaid Expenditures	117,995	-	-	117,995
Total Assets	2,585,937	1,875,564	2,487,694	6,949,195
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts Payable	$ 93,498	$ -	$ 6,289	$ 99,787
Due to Other Funds	552,678	-	-	552,678
Unearned Revenue	42,996	-	-	42,996
Total Liabilities	689,172	-	6,289	695,461
Fund Balance:				
Nonspendable Fund Balances:				
Revolving Cash	1,000	-	-	1,000
Prepaid Items	117,995	-	-	117,995
Restricted Fund Balances	1,749,801	1,875,564	1,837,478	5,462,843
Assigned Fund Balances	27,969	-	643,927	671,896
Total Fund Balance	1,896,765	1,875,564	2,481,405	6,253,734
Total Liabilities and Fund Balances	$ 2,585,937	$ 1,875,564	$ 2,487,694	$ 6,949,195

ARVIN UNION SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Funds	Debt Service Fund: Bond Interest & Redemption	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenues:				
Federal Revenue	$ 3,938,535	$ -	$ -	$ 3,938,535
Other State Revenue	913,951	10,371	-	924,322
Other Local Revenue	33,746	1,514,138	366,331	1,914,215
Total Revenues	4,886,232	1,524,509	366,331	6,777,072
Expenditures:				
Current:				
Instruction	606,596	-	-	606,596
Instruction - Related Services	117,065	-	-	117,065
Pupil Services	3,551,688	-	-	3,551,688
Ancillary Services	32,161	-	-	32,161
Plant Services	318	-	101,093	101,411
Capital Outlay	-	-	1,839,037	1,839,037
Debt Service:				
Principal	-	950,000	-	950,000
Interest	-	707,475	-	707,475
Total Expenditures	4,307,828	1,657,475	1,940,130	7,905,433
Excess (Deficiency) of Revenues Over (Under) Expenditures	578,404	(132,966)	(1,573,799)	(1,128,361)
Other Financing Sources (Uses):				
Other Sources	-	542,591	-	542,591
Total Other Financing Sources (Uses)	-	542,591	-	542,591
Net Change in Fund Balance	578,404	409,625	(1,573,799)	(585,770)
Fund Balance, July 1	1,318,361	1,465,939	4,055,204	6,839,504
Fund Balance, June 30	$ 1,896,765	$ 1,875,564	$ 2,481,405	$ 6,253,734

ARVIN UNION SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	Student Activity Special Revenue Fund	Child Development Fund	Cafeteria Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-3)
ASSETS:				
Cash in County Treasury	$ -	$ 341,059	$ 1,433,557	$ 1,774,616
Cash on Hand and in Banks	31,443	-	-	31,443
Cash in Revolving Fund	-	-	1,000	1,000
Accounts Receivable	-	32,409	553,697	586,106
Due from Other Funds	-	74,777	-	74,777
Prepaid Expenditures	-	-	117,995	117,995
Total Assets	31,443	448,245	2,106,249	2,585,937
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts Payable	$ -	$ 6,865	$ 86,633	$ 93,498
Due to Other Funds	-	235,481	317,197	552,678
Unearned Revenue	-	39,933	3,063	42,996
Total Liabilities	-	282,279	406,893	689,172
Fund Balance:				
Nonspendable Fund Balances:				
Revolving Cash	-	-	1,000	1,000
Prepaid Items	-	-	117,995	117,995
Restricted Fund Balances	31,443	137,997	1,580,361	1,749,801
Assigned Fund Balances	-	27,969	-	27,969
Total Fund Balance	31,443	165,966	1,699,356	1,896,765
Total Liabilities and Fund Balances	$ 31,443	$ 448,245	$ 2,106,249	$ 2,585,937

ARVIN UNION SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Student Activity Special Revenue Fund	Child Development Fund	Cafeteria Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-4)
Revenues:				
Federal Revenue	$ -	$ 77,800	$ 3,860,735	$ 3,938,535
Other State Revenue	-	706,178	207,773	913,951
Other Local Revenue	17,678	3,561	12,507	33,746
Total Revenues	17,678	787,539	4,081,015	4,886,232
Expenditures:				
Current:				
Instruction	-	606,596	-	606,596
Instruction - Related Services	-	117,065	-	117,065
Pupil Services	-	-	3,551,688	3,551,688
Ancillary Services	32,161	-	-	32,161
Plant Services	-	-	318	318
Total Expenditures	32,161	723,661	3,552,006	4,307,828
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,483)	63,878	529,009	578,404
Net Change in Fund Balance	(14,483)	63,878	529,009	578,404
Fund Balance, July 1	45,926	102,088	1,170,347	1,318,361
Fund Balance, June 30	$ 31,443	$ 165,966	$ 1,699,356	$ 1,896,765

ARVIN UNION SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2022

	Capital Facilities Fund	County School Facilities Fund	Special Reserve (Capital Projects) Fund	Total Nonmajor Capital Projects Funds (See Exhibit C-3)
ASSETS:				
Cash in County Treasury	$ 863,496	$ 909,754	$ 181	$ 1,773,431
Cash on Hand and in Banks	65,755	-	-	65,755
Investments	-	-	643,746	643,746
Accounts Receivable	2,170	2,592	-	4,762
Total Assets	931,421	912,346	643,927	2,487,694
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts Payable	$ 6,289	$ -	$ -	$ 6,289
Total Liabilities	6,289	-	-	6,289
Fund Balance:				
Restricted Fund Balances	925,132	912,346	-	1,837,478
Assigned Fund Balances	-	-	643,927	643,927
Total Fund Balance	925,132	912,346	643,927	2,481,405
Total Liabilities and Fund Balances	$ 931,421	$ 912,346	$ 643,927	$ 2,487,694

ARVIN UNION SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Capital Facilities Fund	County School Facilities Fund	Special Reserve (Capital Projects) Fund	Total Nonmajor Capital Projects Funds (See Exhibit C-4)
Revenues:				
Other Local Revenue	$ 348,895	$ 17,434	$ 2	$ 366,331
Total Revenues	348,895	17,434	2	366,331
Expenditures:				
Current:				
Plant Services	101,093	-	-	101,093
Capital Outlay	-	1,839,037	-	1,839,037
Total Expenditures	101,093	1,839,037	-	1,940,130
Excess (Deficiency) of Revenues Over (Under) Expenditures	247,802	(1,821,603)	2	(1,573,799)
Net Change in Fund Balance	247,802	(1,821,603)	2	(1,573,799)
Fund Balance, July 1	677,330	2,733,949	643,925	4,055,204
Fund Balance, June 30	$ 925,132	$ 912,346	$ 643,927	$ 2,481,405

ARVIN UNION SCHOOL DISTRICT **EXHIBIT C-9**

BUILDING FUND
CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022

	1 Budget	2 Actual	3 Variance Positive (Negative)
Revenues:			
Other Local Revenue	$ 20,782	$ 14,043	$ (6,739)
Total Revenues	20,782	14,043	(6,739)
Expenditures:			
Capital Outlay	902,211	721,434	180,777
Total Expenditures	902,211	721,434	180,777
Excess (Deficiency) of Revenues Over (Under) Expenditures	(881,429)	(707,391)	174,038
Other Financing Sources (Uses):			
Other Sources	-	5,779,504	5,779,504
Total Other Financing Sources (Uses)	-	5,779,504	5,779,504
Net Change in Fund Balance	(881,429)	5,072,113	5,953,542
Fund Balance, July 1	1,216,931	1,216,931	-
Fund Balance, June 30	$ 335,502	$ 6,289,044	$ 5,953,542

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

ARVIN UNION SCHOOL DISTRICT

LOCAL EDUCATION AGENCY
ORGANIZATION STRUCTURE
JUNE 30, 2022

The District was established in about 1913 in the city of Arvin, located in Kern County. There were no changes in the boundaries of the District during the year ended June 30, 2022. The District is currently operating three elementary schools and one intermediate school.

Governing Board

Name	Office	Term Expiration
Monica Franetovich	President	2024
Lilianna Nunez	Clerk	2022
Geri Rivera	Member	2022
Toni Pichardo	Member	2022
Wendy Gonzalez	Member	2024

Administration

Georgia Rhett
Superintendent

Emma Pereida-Martinez
Assistant Superintendent

Chris Davis
Chief Business Official

ARVIN UNION SCHOOL DISTRICT

Table D-1

SCHEDULE OF AVERAGE DAILY ATTENDANCE
YEAR ENDED JUNE 30, 2022

	Second Period Report	Annual Report
TK/K-3:		
Regular ADA	1,167.01	1,176.81
Extended Year Special Education	0.69	0.69
TK/K-3 Totals	1,167.70	1,177.50
Grades 4-6:		
Regular ADA	911.58	915.79
Extended Year Special Education	1.02	1.02
Grades 4-6 Totals	912.60	916.81
Grades 7 and 8:		
Regular ADA	589.22	590.87
Extended Year Special Education	0.20	0.20
Grades 7 and 8 Totals	589.42	591.07
ADA Totals	2,669.72	2,685.38

There were no audit findings which resulted in necessary revisions to attendance.

Average daily attendance is a measurement of the number of pupils attending classes of the district or charter school**.** 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 and charter schools. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

ARVIN UNION SCHOOL DISTRICT

TABLE D-2

SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2022

Grade Level	Ed. Code 46207 Minutes Requirement	Ed. Code 46207 Adjusted & Reduced	2021-22 Actual Minutes	Number of Days Traditional Calendar	Number of Days Multitrack Calendar	Status
Transitional Kindergarten	36,000	N/A	58,857	180	N/A	Complied
Kindergarten	36,000	N/A	58,857	180	N/A	Complied
Grade 1	50,400	N/A	57,157	180	N/A	Complied
Grade 2	50,400	N/A	57,157	180	N/A	Complied
Grade 3	50,400	N/A	57,157	180	N/A	Complied
Grade 4	54,000	N/A	57,157	180	N/A	Complied
Grade 5	54,000	N/A	57,157	180	N/A	Complied
Grade 6	54,000	N/A	57,157	180	N/A	Complied
Grade 7	54,000	N/A	60,526	180	N/A	Complied
Grade 8	54,000	N/A	60,526	180	N/A	Complied

School districts and charter schools must maintain their instructional minutes as defined in Education Code Section 46207**.** This schedule is required of all districts, including basic aid districts.

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instruction time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 through 46206.

ARVIN UNION SCHOOL DISTRICT

TABLE D-3

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
YEAR ENDED JUNE 30, 2022

General Fund	Budget 2023 (see note 1)	2022	2021	2020
Revenues and other financial sources	$ 57,605,123	$ 59,418,221	$ 44,698,152	$ 44,698,152
Expenditures	56,119,484	57,939,142	43,012,947	43,012,947
Other uses and transfers out	-	-	-	-
Total outgo	56,119,484	57,939,142	43,012,947	43,012,947
Change in fund balance (deficit)	1,485,639	1,479,079	1,685,205	1,685,205
Ending fund balance	$ 17,578,328	$ 16,092,689	$ 14,613,610	$ 8,810,389
Available reserves (see note 2)	$ 1,122,390	$ (1,472,394)	$ 5,795,993	$ 1,697,461
Available reserves as a percentage of total outgo	2.0%	-	13.5%	3.9%
Total long-term debt	$ 90,310,632	$ 91,790,256	$ 107,035,772	$ 105,695,012
Average daily attendance at P-2	2,943	2,670	2,957	2,957

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.

The fund balance of the general fund has increased by $3,164,284 (35.9%) over the past two years. The fiscal year 2022-2023 budget projects an increase of $1,485,639 (12.4%). For a district of this size, the State recommends available reserves of at least 3% of total general fund expenditures, transfers out and other uses (total outgo).

The District has not incurred any operating deficits in any of the past three years, but projects an increase during the 2022-2023 fiscal year. Total long-term debt has decreased by $15,384,380 over the past two years.

The District's budgeted General Fund reserves indicate (2.0%). This was caused by a misinterpretation of COVID funding revenue recognition by the district. The district will not have negative reserves in 2023.

Average daily attendance has decreased by 326 over the past two years. During fiscal year 2022-2023, an increase of 312 average daily attendance is anticipated.

NOTES:

1. The budget for 2023 is included for analytical purposes only and has not been subjected to audit.
2. Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainties contained within the General Fund.

ARVIN UNION SCHOOL DISTRICT

TABLE D-4

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET
REPORT WITH AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

	Cafeteria Fund	Student Body Fund
June 30, 2022, annual financial and budget report fund balances	$ 1,148,429	$ -
Adjustments and reclassifications:		
Decreasing the fund balance:		
Stores inventory adjustment to physical count	550,927	-
Adjustment to record current year activity	-	31,443
Net adjustments and reclassifications	550,927	31,443
June 30, 2022, audited financial statement fund balances	$ 1,699,356	$ 31,443

This schedule provides the information necessary to reconcile the fund balances of all funds and the total liabilities balance of the general long-term debt account group as reported on the SACS report to the audited financial statements. Funds that required no adjustment are not presented.

ARVIN UNION SCHOOL DISTRICT

TABLE D-5

SCHEDULE OF CHARTER SCHOOLS AND OTHER INFORMATION
YEAR ENDED JUNE 30, 2022

No charter schools are chartered by Arvin Union School District.

Charter Schools	Included In Audit?
None	N/A

Subrecipients
The District did not provide any awards to subrecipients.

De Minimis Cost Rate
The District did not elect to use the 10% de minimis cost rate.

Excess Sick Leave
The District did not authorize or accrue any excess sick leave as that term is defined in subdivision (c) of Education Code Section 22170.5 for the District's employees who are members of the California State Teachers' Retirement System (CalSTRS).

ARVIN UNION SCHOOL DISTRICT **TABLE D-6**
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal ALN Number	Pass-Through Entity Identifying Number	Federal Expenditures
CCDF CLUSTER:			
U. S. Department of Health and Human Services			
Passed Through California Department of Education:			
Child Development: ARP California State Preschool Program One-time Stipend	93.575	15640	$ 77,800
Total U. S. Department of Health and Human Services			77,800
Total CCDF Cluster			77,800
CHILD NUTRITION CLUSTER:			
U. S. Department of Agriculture			
Passed Through California Department of Education:			
School Breakfast Program-Basic	10.553	13526	951,836
National School Lunch Program	10.555	13523, 13524	2,474,709
Child Nutrition: Fresh Fruit and Vegetable Program	10.582	14968	131,786
Total Passed Through California Department of Education			3,558,331
Total U. S. Department of Agriculture			3,558,331
Total Child Nutrition Cluster			3,558,331
MEDICAID CLUSTER:			
U. S. Department of Health and Human Services			
Passed Through County Office of Education:			
DEPT HEALTH SERVICE: MEDI-CAL BILLING OPTION (DHS)	93.778	10013	142,965
Total U. S. Department of Health and Human Services			142,965
Total Medicaid Cluster			142,965
SPECIAL EDUCATION (IDEA) CLUSTER:			
U. S. Department of Education			
Passed Through California Department of Education:			
Special Education: IDEA Basic Local Assistance Entitlement, Part B, Section 611	84.027	13379	285,787
Total U. S. Department of Education			319,726
Total Special Education (IDEA) Cluster			319,726
OTHER PROGRAMS:			
U. S. Department of the Education			
Passed Through California Department of Education:			
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	2,281,634
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425	15536	458,765
Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425	15547	3,823,979
Expanded Learning Opportunities (ELO) Grant ESSER II State Reserve	84.425	15618	283,906
American Rescue Plan - Homeless Children and Youth II (ARP HYC II)	84.825	15566	9,701
ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	2,151,109
ESEA (ESSA): Title I, Part C, Migrant Education (MESRP)	84.011	10144	51,929
ESEA (ESSA): Title I, Part C, Migrant Ed (Regular and Summer Program)	84.011	14326	673,573
ESEA (ESSA): Title IV, Part B, 21st Century Community Learning Centers Progra	84.287	14349	451,318
ESEA (ESSA) : Title III, English Learner Student Program	84.365	14346	246,963
ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	302,390
ESEA (ESSA) Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	136,188
Total Passed Through California Department of Education			10,871,455
Total U. S. Department of Education			10,871,455
U. S. Department of Agriculture			
Passed Through California Department of Education:			
Child Nutrition: CACFP Claims - Centers and Family Day Care	10.558	13393	302,404
Total U. S. Department of Agriculture			302,404
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 15,272,681

The accompanying notes are an integral part of this schedule.

ARVIN UNION SCHOOL DISTRICT

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Basis of Presentation

The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal grant activity of Arvin Union School District. The information in the Schedule is presented in accordance with the 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"). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Arvin Union School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

The District did not participate in any loan or loan guarantee programs as described in Title 2, Code of Federal Regulations, Part 200.502(b) during the year.

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Other Independent Auditor's Reports

LPS
Certified Public Accountants

Independent Auditor's Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance With *Government Auditing Standards*

Board of Trustees
Arvin Union School District
Arvin, California 93203

Members of the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Arvin Union School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Arvin Union School District's basic financial statements, and have issued our report thereon dated December 13, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Arvin 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 Arvin Union School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Arvin 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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Arvin 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.

Respectfully submitted,

Linger, Peterson & Shrum

Linger, Peterson & Shrum
Fresno, California
December 13, 2022

LPS
Certified Public Accountants

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Board of Trustees
Arvin Union School District
Arvin, California 93203

Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Arvin 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 Arvin Union School District's major federal programs for the year ended June 30, 2022. Arvin 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, Arvin Union School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Arvin 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 legal determination of Arvin 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 laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Arvin Union School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Arvin Union School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of Arvin 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 Arvin 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Respectfully submitted,

Linger, Peterson & Shrum

Linger, Peterson & Shrum
Fresno, California
December 13, 2022

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Independent Auditor's Report on State Compliance

Board of Trustees
Arvin Union School District
Arvin, California 93203

Members of the Board of Trustees:

Report on Compliance

Opinion
We have audited the District's compliance with the requirements specified in the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, applicable to the District's state program requirements identified below for the year ended June 30, 2022.

In our opinion, Arvin Union School District complied, in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2022.

Basis for Opinion
We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above performing such other procedures as we consider necessary in the circumstances;

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance**.** Accordingly, we express no such opinion; and

- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

2021-22 K-12 Audit Guide Procedures	Procedures Performed?
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS:	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	N/A
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Yes
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	N/A
Middle or Early College High Schools	N/A
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	N/A
Comprehensive School Safety Plan	Yes
District of Choice	N/A
SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS:	
California Clean Energy Jobs Act	No
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	N/A
Immunizations…	N/A
Educator Effectiveness	Yes
Expanded Learning Opportunities (ELO-G)	Yes
Career Technical Education Incentive Grant	N/A
In Person Instruction Grant	Yes

CHARTER SCHOOLS:

Independent Study-Course Based	N/A
Attendance	N/A
Mode of Instruction	N/A
Nonclassroom-Based Instruction/Independent Study	N/A
Determination of Funding for Nonclassroom-Based Instruction	N/A
Annual Instructional Minutes - Classroom Based	N/A
Charter School Facility Grant Program	N/A

The term "N/A" is used above to mean either the District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

We did not perform procedures for California Clean Energy Job Act as the district did not have any expenditures during the current fiscal year.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were 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 2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Linger, Peterson & Shrum

Linger, Peterson & Shrum
Fresno, California
December 13, 2022

Findings and Recommendations Section

ARVIN UNION SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued:	Unmodified		
Internal control over financial reporting:			
One or more material weaknesses identified?	____ Yes	_X_ No	
One or more significant deficiencies identified that are not considered to be material weaknesses?	____ Yes	_X_ None Reported	
Noncompliance material to financial statements noted?	____ Yes	_X_ No	

2. Federal Awards

Internal control over major programs:			
One or more material weaknesses identified?	____ Yes	_X_ No	
One or more significant deficiencies identified that are not considered to be material weaknesses?	____ Yes	_X_ None Reported	
Type of auditor's report issued on compliance for major programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, para. 200.516(a)?	____ Yes	_X_ No	

Identification of major programs:

ALN	Name of Federal Program or Cluster
10.553, 10.555, 10.582	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs:	$750,000		
Auditee qualified as low-risk auditee?	_X_ Yes	____ No	

3. State Awards

Any audit findings disclosed that are required to be reported in accordance with the state's Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting? ____ Yes X No

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

B. Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of "Government Auditing Standards."

There were no Financial Statement findings or questioned costs.

C. Federal Award Findings and Questioned Costs

This section identifies the audit findings required to be reported by the Uniform Guidance (e.g., significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

There were no Federal award findings or questioned costs.

D. State Award Findings and Questioned Costs

This section identifies the audit findings pertaining to noncompliance with State program rules and regulations.

There were no State award findings or questioned costs.

ARVIN UNION SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

Finding/Recommendation	Current Status	Management's Explanation If Not Implemented

There were no prior year findings and questioned costs.