Arvin Union School District
County of Kern
Arvin, California
June 30, 2024

Independent Auditor's Report
and Financial Statements

LPS
Certified Public Accountants

Arvin Union School District
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Independent Auditor's Report

To the Board of Trustees
Arvin Union School District
Arvin, California 93312

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, 2024, 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, 2024, 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, budgetary comparison information, schedule of the District's proportionate share of the net pension liability, schedule of District pension contributions, and schedule of changes in the District's OPEB liability and related ratios, 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, *2023-24 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 12, 2024 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 12, 2024

GEORGIA RHETT
District Superintendent

EMMA PEREIDA-MARTINEZ
Assistant Superintendent

ARVIN UNION SCHOOL DISTRICT
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Management Discussion and Analysis
For the year ended June 30, 2024

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, 2024. 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 2024 are as follows:

- Total assets increased $14,532,468. Net position increased $14,267,209 from the prior year net position, which represents an increase of 313.06% from fiscal year 2023 net position.
- General revenues accounted for $52,988,255 of the total revenues. Program specific revenues, in the form of charges for services were $219,492, operating grants were 30,008,221 and Capital grants accounted for 4,955,713.
- The District had $73,904,472 in expenses related to governmental activities; only 35,183,426 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 $52,988,255 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 funds with all other nonmajor funds presented in total in a single column. For the District, the General Fund is the most significant Fund.

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, 2024.

Reporting the District's Most Significant 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 fund is the General 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.

The District as a Whole

Net Position

The perspective of the Statement of Net Position is of the District as a whole. The following table provides a summary of the District's net position for 2024 compared to 2023:

	2024	2023	
Assets			
Current and other assets	$ 56,732,224	$ 50,410,840	12.54%
Capital assets	64,540,202	56,329,118	14.58%
Total Assets	$ 121,272,426	$ 106,739,958	13.61%
Deferred Outflows of Resources	$ 22,461,122	$ 19,975,265	12.44%
Liabilities			
Current liabilities	$ 8,627,494	$ 9,264,603	-6.88%
Long-term liabilities	110,507,653	105,290,617	4.95%
Total Liabilities	$ 119,135,147	$ 114,555,220	4.00%
Deferred Inflows of Resources	$ 5,773,839	$ 7,602,650	-24.05%
Net Position			
Net investment in capital assets	$ 31,189,190	$ 22,431,336	39.04%
Restricted	35,298,902	30,567,190	15.48%
Unrestricted	(47,663,530)	(48,441,173)	-1.61%
Total Net Position	$ 18,824,562	$ 4,557,353	313.06%

Total assets increased $14,532,468. Net position of the District's governmental activities increased $14,267,209 from the prior year net position.

Changes in Net Position

The following table reflects the change in net position for fiscal year 2024 compared to 2023:

	2024	2023	
Revenues			
Program revenues:			
Charges for services	$ 219,492	$ 635,689	-65.47%
Operating grants and contributions	30,008,221	33,922,601	-11.54%
Capital grants and contributions	4,955,713	2,526,117	96.18%
General revenues:			
LCFF sources	44,262,141	42,172,235	4.96%
Federal revenues	170,396	-	0.00%
State revenues	5,514,026	3,606,001	52.91%
Local revenues	3,041,692	2,745,039	10.81%
Total Revenues	$ 88,171,681	$ 85,607,682	3.00%
Expenses			
Program expenses:			
Instruction	$ 38,575,415	$ 37,845,887	1.93%
Instruction-related services	8,665,406	8,397,377	3.19%
Pupil services	12,206,543	9,966,977	22.47%
Ancillary services	169,488	206,387	-17.88%
Community services	758,471	655,603	15.69%
General administration	3,072,500	3,199,348	-3.96%
Plant services	8,124,087	7,414,559	9.57%
Other	979,250	1,413,623	-30.73%
Interest on long-term obligations	1,353,312	1,629,749	-16.96%
Total Expenses	$ 73,904,472	$ 70,729,510	4.49%
Changes in Net Position	$ 14,267,209	$ 14,878,172	-4.11%

The District's Funds

The District’s governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues and other sources of $85,573,840, and expenditures and other uses of $78,405,030. The positive change in the governmental fund balance for the year of $7,168,810, reflects that the District positive 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 2024, 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 2024, the District had $64,540,202 invested in capital assets. The following table reflects fiscal year 2024 balances compared to 2023:

	2024	2023	Percentage Change
Land	$ 1,461,489	$ 1,461,489	0.00%
Work-in-Progress	18,415,608	8,360,788	120.26%
Land improvements	3,690,281	3,726,690	-0.98%
Buildings	38,451,504	40,539,582	-5.15%
Leased assets	13,594	18,255	-25.53%
Equipment	2,507,726	2,222,314	12.84%
Total capital assets	$ 64,540,202	$ 56,329,118	14.58%

Long-Term Debt

At year-end, the District had $110,507,653 in long-term liabilities. This is an increase of $5,217,036 from last year as shown in the following table.

	2024	2023	Percentage Change
Net pension liability	$ 41,457,000	$ 35,299,000	17.45%
Other post-employment benefits payable	34,521,450	34,521,450	0.00%
General obligation bonds payable	25,609,223	26,659,223	-3.94%
Accreted interest	7,104,401	6,394,196	11.11%
Early retirement incentives-STRS	734,051	939,340	-21.85%
Compensated absences payable	622,354	510,530	21.90%
Note payable	267,275	712,295	-62.48%
Early retirement incentives-PERS	146,355	236,767	-38.19%
Lease liability	45,544	17,816	155.64%
Total	$ 110,507,653	$ 105,290,617	4.95%

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 3% 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.

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.

Basic Financial Statements

Arvin Union School District
Statement of Net Position
June 30, 2024

	Governmental Activities
Assets:	
Cash and cash equivalents	$ 48,470,904
Investments	1,532,732
Accounts receivable	5,755,402
Due from grantor governments	841,470
Prepaid expenses	117,995
Unamortized issuance costs	13,721
Capital assets not depreciated	19,877,097
Capital assets, net of accumulated depreciation and amortization	44,663,105
Total assets	121,272,426
Deferred Outflows of Resources:	
Deferred outflows of resources - Pensions	13,192,626
Deferred outflows of resources - OPEB	9,268,496
Total deferred outflows of resources	22,461,122
Liabilities:	
Accounts payable	5,406,600
Due to grantor governments	61,261
Unearned revenue	2,967,718
Long-term liabilities	
Other than pensions and OPEB due within one year	1,521,572
Other than pensions and OPEB due after one year	33,199,546
Net pension liability	41,457,000
Other postemployment benefits liability (OPEB)	34,521,450
Total liabilities	119,135,147
Deferred Inflows of Resources:	
Deferred inflows of resources - Pensions	1,572,720
Deferred inflows of resources - OPEB	4,201,119
Total deferred inflows of resources	5,773,839
Net Position:	
Net investment in capital assets	31,189,190
Restricted for:	
Debt service	1,506,129
Capital projects	7,856,680
Other purposes	25,936,093
Unrestricted	(47,663,530)
Total net position	$ 18,824,562

The accompanying notes are an integral part of this statement.

Arvin Union School District
Statement of Activities
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Primary Government:					
Governmental Activities:					
Instruction	$38,575,415	$ 4,591	$ 13,769,057	$ 2,030,425	$ (22,771,342)
Instruction-related services	8,665,406	917	2,897,148	574,065	(5,193,276)
Pupil services	12,206,543	19,985	6,848,562	424,178	(4,913,818)
Ancillary services	169,488	-	76,546	6,920	(86,022)
Community services	758,471	104,898	819,678	49,284	215,389
General administration	3,072,500	1,770	84,305	322,270	(2,664,155)
Plant services	8,124,087	87,331	4,786,043	1,283,101	(1,967,612)
Other outgo	979,250	-	726,882	265,470	13,102
Interest on long-term obligations	1,353,312	-	-	-	(1,353,312)
Total governmental activities	73,904,472	219,492	30,008,221	4,955,713	(38,721,046)
Total primary government	$73,904,472	$ 219,492	$ 30,008,221	$ 4,955,713	(38,721,046)
	General Revenues:				
	LCFF sources				44,262,141
	Federal revenues				170,396
	State revenues				5,514,026
	Local revenues				3,041,692
	Total general revenues				52,988,255
	Change in Net Position				14,267,209
	Net Position - Beginning				4,557,353
	Net Position - Ending				$ 18,824,562

The accompanying notes are an integral part of this statement.

Arvin Union School District
Balance Sheet - Governmental Funds
June 30, 2024

	General Fund (Combined)	Other Governmental Funds	Total Governmental Funds
Assets:			
Cash in County Treasury	$ 34,580,348	$ 13,773,710	$ 48,354,058
Cash on hand and in banks	-	110,846	110,846
Cash in revolving fund	5,000	1,000	6,000
Investments	888,986	643,746	1,532,732
Accounts receivable	5,619,058	136,344	5,755,402
Due from grantor governments	841,470	-	841,470
Due from other funds	5,656,002	382,864	6,038,866
Prepaid expenditures	-	117,995	117,995
Total assets	47,590,864	15,166,505	62,757,369
Liabilities and Fund Balance:			
Liabilities:			
Accounts payable	$ 5,202,076	$ 58,149	$ 5,260,225
Due to grantor governments	61,261	-	61,261
Due to other funds	5,486,188	552,678	6,038,866
Unearned revenue	2,592,227	375,491	2,967,718
Total liabilities	13,341,752	986,318	14,328,070
Fund Balance:			
Nonspendable fund balances:			
Revolving cash	5,000	1,000	6,000
Prepaid items	-	117,995	117,995
Restricted fund balances	21,927,910	13,370,992	35,298,902
Committed fund balances	4,378,639	-	4,378,639
Assigned fund balances	5,476,177	690,200	6,166,377
Reserve for economic uncertainty	2,461,386	-	2,461,386
Total fund balance	34,249,112	14,180,187	48,429,299
Total liabilities and fund balances	$ 47,590,864	$ 15,166,505	$ 62,757,369

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, 2024

Total Fund Balances - Balance Sheet, Governmental Funds	$ 48,429,299
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	92,470,077
Accumulated depreciation/amortization	(27,929,875)
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	(146,375)
General obligation bonds payable	(25,609,223)
Accreted interest	(7,104,401)
Other post-employment benefits payable (OPEB)	(34,521,450)
Net pension liability	(41,457,000)
Compensated absences payable	(622,354)
Leases payable	(45,544)
Early Retirement Incentives-STRS	(734,051)
Early Retirement Incentives-PERS	(146,355)
Note payable	(267,275)
Other long-term liabilities	(191,915)
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	13,192,626
Deferred inflows of resources related to pensions	(1,572,720)
Deferred outflows of resources related to OPEB	9,268,496
Deferred inflows of resources related to OPEB	(4,201,119)
Total Fund Balance of Governmental Activities - Statement of Net Position	$ 18,824,562

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
Year Ended June 30, 2024

	General Fund (Combined)	Other Governmental Funds	Total Governmental Funds
Revenues:			
LCFF sources:			
State apportionment or State aid	$ 36,665,391	$ -	$ 36,665,391
Education protection account funds	4,285,311	-	4,285,311
Local sources	3,311,439	-	3,311,439
Federal revenue	11,075,934	3,713,624	14,789,558
Other State revenue	12,771,269	6,528,093	19,299,362
Other local revenue	5,002,807	2,219,972	7,222,779
Total revenues	73,112,151	12,461,689	85,573,840
Expenditures:			
Current:			
Instruction	34,883,360	387,763	35,271,123
Instruction-related services	7,661,882	161,431	7,823,313
Pupil services	6,832,818	3,942,639	10,775,457
Ancillary services	117,373	44,844	162,217
Community services	693,320	-	693,320
General administration	2,820,029	-	2,820,029
Plant services	6,816,658	166,352	6,983,010
Other outgo	979,250	-	979,250
Capital outlay	5,621,360	5,040,028	10,661,388
Debt service:			
Principal	561,218	1,050,000	1,611,218
Interest and other service charges	(291,445)	916,150	624,705
Total expenditures	66,695,823	11,709,207	78,405,030
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,416,328	752,482	7,168,810
Net Change in Fund Balance	6,416,328	752,482	7,168,810
Fund Balance, July 1	27,832,784	13,427,705	41,260,489
Fund Balance, June 30	$ 34,249,112	$ 14,180,187	$ 48,429,299

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 Balances - Governmental Funds, to the Statement of Activities
Year Ended June 30, 2024

Net Change in Fund Balances - Total Governmental Funds	$ 7,168,810
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	11,169,068
Depreciation and amortization expense	(2,934,908)
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:	(23,076)
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:	1,611,218
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	(728,607)
Compensated absences	(111,824)
Other post-employment benefits cost in excess of contributions	(500,015)
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:	(40,140)
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:	(1,343,317)
Change in Net Position of Governmental Activities - Statement of Activities	$ 14,267,209

The accompanying notes are an integral part of this statement.

Note 1 - 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).

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.

Basis of Presentation, Basis of Accounting

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, excluding fiducary funds, 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 the following Funds maintained by the District:

- Deferred Maintenance Fund (Fund 14)
- Special Revenue Fund for Other Than Capital Outlay Projects (Fund 17)
- Special Reserve Fund for Postemployment Benefits (Fund 20)

Although funds listed above are separate funds authorized in the Education Code, they don't meet 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.

The District reports the following nonmajor governmental 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.

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

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 Fund for Capital Projects 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.

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.

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.

Assets, Liabilities, and Equity

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.

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.

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.

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.

Depreciation is computed 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, air conditioning 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	Appliance	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
Communications equipment	Mobile, portable radios, noncomputerized	10
Computer hardware	PC's, printers, network hardware	5
Computer software	Instructional, other short-term	5 to 20
Computer software	Administrative or long-term	10 to 20
Audiovisual 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

Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

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

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.

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.

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.

Amounts due to and due from other funds as of June 30, 2024, consisted of the following:

	Interfund Receivables	Interfund Payables
General Fund	$ 407,678	$ 5,486,188
Child Development Fund	119,297	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	$ 6,038,866	$ 6,038,866

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.

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.

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.

GASB 54 Fund Presentation

Consistent with fund reporting requirements established by GASB Statement No. 54, 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, if applicable.

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, 2022
Valuation Date (VD) (PERS)	June 30, 2022
Measurement Date (MD)	June 30, 2023
Measurement Period (MP)	July 1, 2022 to June 30, 2023

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.

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.

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).

Excess Expenditures Over Appropriations

As of June 30, 2024, expenditures exceeded appropriations in individual funds as follows:

Appropriations Category	Excess Expenditures
General Fund (Combined):	
Classified Salaries	$ 368,946
Employee Benefits	1,639,325
Other Outgo	52,163
Debt Service	94,673

General Fund: The District incurred unanticipated expenditures for salaries and benefits, other outgo, and debt service payments.

Implementation of New Standards

The following Governmental Accounting Standards Board (GASB) statements are effective for the current fiscal year:

GASB Statement No. 99, Omnibus 2022

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Some requirements of GASB Statement No. 99 were effective immediately upon issuance, some were effective for fiscal years beginning after June 15, 2022, and the remaining requirements were effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 100, Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections. Furthermore, this Statement addresses how information that is affected these changes and corrections should be presented in required supplementary information and supplementary information.

Future Standards

The following Governmental Accounting Standards Board (GASB) statements are effective for future years:

GASB Statement No. 101, Compensated Absences

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences - including parental leave, military leave, and jury duty leave, not be recognized until the leave commences. This Statement also establishes guidance for measuring a liability for leave that has not been used.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 102, Certain Risk Disclosures

This Statement requires a government to assess whether a concentration or constraint as they relate to inflows and outflows of resources makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

GASB Statement No. 103, Financial Reporting Model Improvements

This Statement requires that the information presented in management's discussion and analysis (MD&A) be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that “boilerplate” discussions should be avoided by presenting only the most relevant information, focused on the primary government.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

Note 2 - Cash and Investments

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 ($6,867,501,460 as of June 30, 2024). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was $48,354,058. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

Cash on hand, in banks, and in revolving fund

Cash balances on hand and in banks ($110,846 as of June 30, 2024) 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.

The District's cash and investments balances at June 30, 2024 are as follows:

	Fair Value
Cash in County Treasury	$ 48,354,058
Cash on hand and in banks	110,846
Cash in revolving fund	6,000
Total cash and cash equivalents	$ 48,470,904
Investments	1,532,732
Total cash and investments	$ 50,003,636

Analysis of Specific Deposit and Investment Risks

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.

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.

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.

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.

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.

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.

Note 3 - Accounts Receivable

Accounts receivable at June 30, 2024 consisted of the following:

	General Fund (Combined)	All Other Governmental Funds	Total Governmental Funds
Federal programs	$ 5,550,659	$ 21,073	$ 5,571,732
State categorical aid programs	591,142	-	591,142
Interest	290,118	114,244	404,362
Other local receivables	28,609	1,027	29,636
Total	$ 6,460,528	$ 136,344	$ 6,596,872

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 1,461,489	$ -	$ -	$ 1,461,489
Work in progress	8,360,788	10,054,820	-	18,415,608
Total capital assets not being depreciated	9,822,277	10,054,820	-	19,877,097
Capital assets being depreciated:				
Buildings	61,489,920	77,490	(102,800)	61,464,610
Improvements of sites	5,472,867	329,448	-	5,802,315
Equipment	4,858,472	707,310	(263,031)	5,302,751
Leased assets	23,304	-	-	23,304
Total capital assets being depreciated	71,844,563	1,114,248	(365,831)	72,592,980
Less: Accumulated depreciation/amortization for:				
Buildings	(20,950,338)	(2,165,568)	102,800	(23,013,106)
Improvements of sites	(1,746,177)	(365,857)	-	(2,112,034)
Equipment	(2,636,158)	(398,822)	239,955	(2,795,025)
Leased assets amortization	(5,049)	(4,661)	-	(9,710)
Total accumulated depreciation/amortization	(25,337,722)	(2,934,908)	342,755	(27,929,875)
Total capital assets being depreciated/amortized, net	46,506,841	(1,820,660)	(23,076)	44,663,105
Total governmental activities capital assets, net	$ 56,329,118	$ 8,234,160	$ (23,076)	$ 64,540,202

Depreciation/amortization was charged to functions as follows:

Instruction	$ 670,840
Instructional library, media, and technology	120,663
School site administration	93,056
Home-to-school transportation	201,342
Food services	13,057
All other general administration	14,922
Plant services	1,821,028
Total	$ 2,934,908

Note 5 - Accounts Payable

Accounts payable at June 30, 2024 consisted of the following:

	General Fund (Combined)	All Other Governmental Funds	Total Governmental Funds
Vendor payables	$ 5,167,209	$ 50,268	$ 5,217,477
Salaries and benefits	63,736	5,881	69,617
Other	32,392	2,000	34,392
Total	$ 5,263,337	$ 58,149	$ 5,321,486

Note 6 - 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.

	General Fund (Combined)	All Other Governmental Funds	Total Governmental Funds
Every Student Succeeds Act (ESSA): Title I, Part A, Basic Grants Low Income and Neglected	$ 1,006,846	$ -	$ 1,006,846
ESSA: Title I, Part C, Migrant Ed (Regular and Summer Program)	200,461	-	200,461
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	36,658	-	36,658
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve Emergency Needs	40,227	-	40,227
Special Ed: Individuals with Disabilities Act (IDEA) Basic Local Assistance Entitlement, Part B, Sec 611	697,950	-	697,950
ESSA: Title II, Part A, Supporting Effective Instruction	164,131	-	164,131
ESSA: Title IV, Part A, Student Support and Academic Enrichment	150,849	-	150,849
ESSA: Title III, English Learner Student Program	49,403	-	49,403
Child Development: Quality Improvement Activities	-	1,142	1,142
American Rescue Plan – Homeless Children and Youth II (ARP HCY II)	1,826	-	1,826
Other Restricted Federal	-	3,063	3,063
Child Dev: California Prekindergarten Planning and Implementation Grant Program – California Universal Prekindergarten Planning Grants	243,876	-	243,876
Child Development: California State Preschool Program	-	339,506	339,506
Child Development: CA State Preschool Program Quality Rating and Improvement System (QRIS) Block Grant	-	31,780	31,780
Total	$ 2,592,227	$ 375,491	$ 2,967,718

Note 7 - Long-term Obligations other than Pension and OPEB

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, 2024, are as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
General obligation bonds	$ 26,659,223	$ -	$ (1,050,000)	$ 25,609,223	$ 980,000
Accreted interest	6,394,196	710,205	-	7,104,401	-
Other post-employment benefits	34,521,450	-	-	34,521,450	-
Net pension liability	35,299,000	6,158,000	-	41,457,000	-
Compensated absences	510,530	111,824	-	622,354	-
Leases liability	17,816	40,140	(12,412)	45,544	14,636
Note payable	712,295	-	(253,105)	459,190	267,275
Early retirement incentives-STRS	939,340	-	(205,289)	734,051	188,615
Early retirement incentives-PERS	236,767	-	(90,412)	146,355	71,046
Total governmental activities	$ 105,290,617	$ 7,020,169	$ (1,611,218)	$ 110,699,568	$ 1,521,572

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	General
Other post-employment benefits	Governmental	General
Net pension liability	Governmental	General
Compensated absences	Governmental	General
Leases liability	Governmental	General
Note payable	Governmental	General
Early retirement incentives-STRS	Governmental	General
Early retirement incentives-PERS	Governmental	General

General Obligation Bonds and Accreted Interest

The outstanding general obligation bond debt of the District at June 30, 2024, is as follows:

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

Bond	Original Issue	Bond Outstanding 07/01/2023	Issued During Year	Redeemed During Year	Bond Outstanding 06/30/2024
Election of 2014, Series 2019C	$ 4,100,000	$ 3,925,000	$ -	$ (50,000)	$ 3,875,000
Election of 2018, Series 2020B	2,990,000	2,655,000	-	(290,000)	2,365,000
Election of 2018, Series 2019A	3,385,000	2,765,000	-	-	2,765,000
Election of 2004, Series 2004A	5,059,349	129,349	-	-	129,349
Election of 2004, Series 2008	5,059,874	4,434,874	-	(100,000)	4,334,874
Election of 2014, Series 2015A	3,115,000	2,360,000	-	(40,000)	2,320,000
Refunding Bonds, Series 2015A	3,860,000	1,435,000	-	(440,000)	995,000
Election of 2014, Series 2017B	3,500,000	2,955,000	-	(50,000)	2,905,000
Election of 2018, Series 2022C	2,715,000	2,715,000	-	(40,000)	2,675,000
Election of 2014, Series 2022D	3,285,000	3,285,000	-	(40,000)	3,245,000
	$ 37,069,223	$ 26,659,223	$ -	$ (1,050,000)	$ 25,609,223

The annual requirements to amortize general obligation bonds, payable and outstanding, and accreted interest as of June 30, 2024 are as follows:

	General Obligation Bonds		
Year Ending June 30,	Debt	Interest	Total
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	277,530	1,391,709	1,669,239
2029	304,888	1,418,042	1,722,930
2030-2034	2,299,579	7,358,137	9,657,716
2035-2039	3,911,004	7,788,892	11,699,896
2040-2044	5,664,830	8,462,079	14,126,909
2045-2049	7,994,461	8,145,654	16,140,115
2050-2051	2,965,000	143,309	3,108,309
Total	$ 25,609,223	$ 37,766,690	$ 63,375,913

Year Ending June 30,	Accreted Interest
2025	$ -
2026	-
2027	399,632
2028	370,706
2029	348,760
2030-2034	1,749,132
2035-2039	1,603,474
2040-2044	1,449,023
2045-2049	1,183,674
Total	$ 7,104,401

Compensated Absences

Compensated absences at June 30, 2024 consisted of:

	Compensated Absences	Benefits	Total
Classified	$ 459,723	$ 162,631	$ 622,354

Leases

The District has three leasing arrangements 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 obligations are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 14,636	$ 1,821	$ 16,457
2026	14,873	1,237	16,110
2027	7,020	641	7,661
2028	7,020	361	7,381
2029	1,995	79	2,074
Total	$ 45,544	$ 4,139	$ 49,683

Note Payable

In May 2016, the District entered into a $2,375,135 agreement with U.S. Bancorp Government Leasing and Finance, Inc. to finance the construction and installation of energy conservation measures including building automation systems, lighting, mechanical and other. The contract is to be repaid over a period of 10 years, at 4.65% interest. The assets acquired with this agreement were added to Buildings at June 30, 2016.

Future commitments for the note payable as of June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 267,275	$ 10,745	$ 278,020
2026	191,915	4,491	196,406
Total	$ 459,190	$ 15,236	$ 474,426

Early Retirement Incentives

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.

The annual requirements to amortize early retirement incentives relating to STRS as of June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 188,615	$ 44,042	$ 232,657
2026	175,397	32,727	208,124
2027	157,333	22,202	179,535
2028	132,495	12,761	145,256
2029	80,211	4,811	85,022
Total	$ 734,051	$ 116,543	$ 850,594

The annual requirements to amortize early retirement incentives relating to PERS as of June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 71,046	$ 8,781	$ 79,827
2026	75,309	4,519	79,828
Total	$ 146,355	$ 13,300	$ 159,655

Note 8 - Pension

General Information About the Pension Plans

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.

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, 2024 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	10.25%	10.21%
Required Employer Contribution Rates	19.10%	19.10%
Required State Contribution Rates	10.83%	10.83%

	CalPERS	
	Before	On or After
Hire Date	Jan. 1, 2013	Jan. 1, 2013
Benefit Formula	2% at 55	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	7.00%	8.00%
Required Employer Contribution Rates	26.68%	26.68%

*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.

Contributions

CalSTRS

For the fiscal year ended June 30, 2024 (measurement date June 30, 2023), California Education Code Section 22950 requires members to contribute monthly to the system 10.21% (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 19.10% of creditable compensation for the fiscal year ended June 30, 2024. For fiscal year June 30, 2024 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.

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, 2024 (measurement date June 30, 2023), employees hired prior to January 1, 2013 contributed 7.00%, employees hired on or after January 1, 2013 contributed 8.00% of annual pay, and the contribution rate was 26.68% of covered payroll.

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, 2024 (measurement date June 30, 2023) the State contributed 10.83% 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. The government-wide financial statements have recorded revenue and expense for pension expense paid on behalf of the District. 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
2022	10.83%	$ 1,819,638
2023	10.83%	1,649,795
2024	10.83%	1,880,430

Contributions Recognized

For the fiscal year ended June 30, 2024 (measurement period June 30, 2023), the contributions recognized for each plan were:

	Fund Financial Statements (Current Financial Resources Measurement Focus)		
	CalSTRS	CalPERS	Total
Contributions - Employer	$ 4,088,771	$ 2,452,945	$ 6,541,716
Contributions - State On Behalf Payments	1,880,430	-	1,880,430
Total Contributions	$ 5,969,201	$ 2,452,945	$ 8,422,146

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

As of June 30, 2024 (measured June 30, 2023), 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	$ 24,537,000
CalPERS	16,920,000
Total Net Pension Liability	$ 41,457,000

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, 2023. The total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 (STRS) and June 30, 2022 (PERS) rolled forward to measurement date June 30, 2023 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, 2023 and June 30, 2024 were as follows:

	CalSTRS			CalPERS
	District's Proportionate Share	State's Proportionate Share*	Total For District Employees	District's Proportionate Share
Proportion June 30, 2023	0.030%	0.015%	0.045%	0.043%
Proportion June 30, 2024	0.032%	0.015%	0.047%	0.047%
Change in Proportion	0.002%	0.000%	0.002%	0.004%

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

Pension Expense

	CalSTRS	CalPERS	Total
Change in Net Pension Liability (Asset)	$ 4,001,000	$ 2,157,000	$ 6,158,000
On Behalf Contribution Amount	1,880,430	-	1,880,430
Employer Contributions to Pension Plan	3,699,733	2,052,860	5,752,593
Change in Other Outflows/Inflows of Resources	(4,027,205)	(787,478)	(4,814,683)
Total Pension Expense	$ 5,553,958	$ 3,422,382	$ 8,976,340

Deferred Outflows and Inflows of Resources

At June 30, 2024, 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	$ 5,360,091	$ 2,452,945	$ 7,813,036
Differences between actual and expected experience	1,928,200	617,464	2,545,664
Changes in assumptions	142,078	779,505	921,583
Net difference between projected and actual earnings	105,028	1,807,315	1,912,343
Total Deferred Outflows of Resources	$ 7,535,397	$ 5,657,229	$ 13,192,626

	Deferred Inflows of Resources		
	CalSTRS	CalPERS	Total
Differences between actual and expected experience	$ (1,312,851)	$ (259,869)	$ (1,572,720)
Total Deferred Inflows of Resources	$ (1,312,851)	$ (259,869)	$ (1,572,720)

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, 2024. 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
2025	$ 3,639,599	$ 3,424,184	$ (366,213)	$ (140,311)	$ 6,557,259
2026	(887,004)	787,647	(361,187)	(119,558)	(580,102)
2027	2,310,876	1,389,152	(276,230)	-	3,423,798
2028	374,106	56,246	(232,093)	-	198,259
2029	275,457	-	(77,128)	-	198,329
Thereafter	1,822,363	-	-	-	1,822,363
Total	$ 7,535,397	$ 5,657,229	$ (1,312,851)	$ (259,869)	$ 11,619,906

Actuarial Assumptions

Total pension liabilities for the fiscal year ended June 30, 2024 were based on actuarial valuations were determined using the following actuarial assumptions:

	CalSTRS	CalPERS
Fiscal Year	June 30, 2024	June 30, 2024
Measurement Date	June 30, 2023	June 30, 2023
Valuation Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Experience Study Period	2015-2018	2000-2019
Actuarial Assumptions:		
Discount Rate	7.10%	6.90%
Inflation	2.75%	2.30%
Wage Growth	3.50%	(3)
Investment Rate of Return	7.10%	6.80%
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, 2.30% thereafter.

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

Discount Rate

The discount rate used to measure the total pension liability was 7.10% CalSTRS and 6.90% 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.

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 2021 with new policies in effect on July 1, 2022. 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	38.00%	5.25%
Real Estate	15.00%	4.05%
Private Equity	14.00%	6.75%
Fixed Income	14.00%	2.45%
Risk Mitigating Strategies	10.00%	2.25%
Inflation Sensitive	7.00%	3.65%
Cash/Liquidity	2.00%	0.05%

*20 year average

CalPERS

Asset Class	Assumed Asset Allocation	Real Return (1)(2)
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

(1) An expected inflation of 2.30% used for this period
(2) Figures are based on the 2021-22 Asset Liability Management Study

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%	5.90%
Net Pension Liability	$ 41,158,780	$ 24,462,172
Current Discount Rate	7.10%	6.90%
Net Pension Liability	$ 24,537,000	$ 16,920,000
1% Increase	8.10%	7.90%
Net Pension Liability	$ 10,730,587	$ 10,686,851

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

Note 9 - Postemployment Benefits other than Pension Benefits (OPEB)

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	Classified
Benefit types provided	Medical, dental and vision	Medical, dental and vision
Duration of benefits	To age 65*	Hired prior to 7/1/1997: to age 75**** Hired after to 7/1/1997: to age 65
Required service	Hired prior to 7/1/1993: 7.5 yrs Hired after to 7/1/1993: 15 yrs	Hired prior to 7/1/1991: 5 years Hired 7/1/1991 to 7/1/1999: 10 years Hired after to 7/1/1999: 15 years
Minimum age	55 years old**	Hired prior to 7/1/1991: 50 yrs old Hired after to 7/1/1991: 55 yrs old
Dependent coverage	Yes***	Yes
District distribution %	100%	100%
District cap	None	None

*Those hired between 7/1/1992 and 7/1/1997 are entitled to lifetime retiree-only coverage and spousal coverage to age 65. Those hired prior to 7/1/1992 are entitled to lifetime coverage for the retiree and spouse if enrolled in Medicare.
**An employees may retire at age 52 with 30 years of service.
***Single-only coverage post-65 for employees hired after 7/1/1992.
****Single-only coverage after age 65.

Employees Covered by Benefit Terms

At June 30, 2024, the following retirees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	94
Inactive employees entitled to but not yet receiving benefit payments	-
Participating active employees	284
Total number of participants	378

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
Investment return / discount rate	3.65%
Healthcare cost trend rates	4.00% per year
Retirees' share of costs	0.00% of projected health insurance premiums

The discount rate was based on an index of 20-year general obligation municipal bonds.

Mortality rates were based on the 2017 CalPERS Mortality for Miscellaneous and Schools 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 OPEB Liability

	Total OPEB liability
Balance at June 30, 2023	$ 34,521,450
Changes for the year:	
None	-
Balance at June 30, 2024	$ 34,521,450

There were no changes in benefit terms for the fiscal year ended June 30, 2024.

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 one percentage-point lower or one percentage-point higher than the current discount rate:

	1 % Decrease 2.65%	Valuation discount rate 3.65%	1 % Increase 4.65%
Total OPEB liability	$ 30,382,844	$ 34,521,450	$ 39,426,607

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 one percentage-point lower or one percentage-point higher than the current discount rate:

	1 % Decrease 3%	Health care cost valuation trend 4%	1 % Increase 5%
Total OPEB liability	$ 38,164,884	$ 34,521,450	$ 31,416,783

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

For the fiscal year ended June 30, 2024, the District recognized OPEB expense of 998,828.

At June 30, 2024 the District reported the following deferred outflows and inflows of resources related to other postemployment benefits.

	Deferred Inflows of Resources	Deferred Outflows of Resources
Assumption changes	$ 4,201,119	$ 4,457,635
Employer contributions subsequent to measurement date	-	1,310,268
Differences between expected and actual experience	-	3,500,593
Total	$ -	$ 4,810,861

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

Year end June 30	Deferred Inflows of Resources	Deferred Outflows of Resources
2025	$ 490,216	$ 2,297,218
2026	490,216	986,950
2027	490,216	986,950
2028	490,216	986,950
2029	490,216	986,950
Thereafter	1,750,039	3,023,478
Total	$ 4,201,119	$ 9,268,496

Note 10 - 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.

Note 11 - Commitments and Contingencies

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.

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, 2024 as follows:

Pending appeals for taxes	$	384,691
Pending appeals for interest		9,405
Total		394,096
Less amount held by Kern County Auditor-Controller		(243,237)
Net contingent liability	$	150,859

Litigation

The District is involved in various litigation. In the opinion of management and legal counsel, the disposition of all litigation pending will not have a material effect on the financial statements.

Construction Commitments

The District has construction contracts-in-progress as follows:

	Project Authorization	Expended to June 30, 2024	Remaining Commitment
HVAC Upgrades	$ 3,203,706	$ 2,745,769	$ 457,937
Arvin District Wide ELOP Portables	1,188,905	1,021,100	167,805
New District Office	5,976,236	3,206,430	2,769,806
Total	$ 10,368,847	$ 6,973,299	$ 3,395,548

Note 12 - Restricted Fund Balances

Restricted fund balances at June 30, 2024 are as follows:

Expanded Learning Opportunities Program	$ 8,804,014
Literacy Coaches and Reading Specialists Grant Program	1,979,522
Educator Ef f ectiv eness, FY 2021-22	619,807
Lottery : Instructional Materials	849,232
Mental Health-Related Services	146,776
Special Education Early Interv ention Preschool Grant	309,825
Arts, Music, and Instructional Materials Discretionary Block Grant	721,431
Arts and Music in Schools (AMS)-Funding Guarantee and Accountability Act (Prop 28)	561,532
Classif ied School Employ ee Prof essional Dev elopment Block Grant	3,678
SB 117 COVID-19 LEA Response Funds	11,625
Expanded Learning Opportunities (ELO) Grant	105,762
Learning Recov ery Emergency Block Grant	5,220,443
Other Restricted Local	2,594,263
Student Body Fund	45,091
Child Development Fund	364,358
Cafeteria Special Revenue Fund	3,598,734
Building Fund	2,064,275
Capital Facilities Fund	1,167,501
County Schools Facilities Fund	4,624,904
Bond Interest and Redemption Fund	1,506,129
Total	$ 35,298,902

Note 13 - Joint Power Agreements

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

- 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 organizations.

Each JPA is governed by a board consisting of a representative from each member organization. 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 member organization 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, 2024 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.

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

Note 14 - Subsequent Events

Subsequent events have been evaluated through December 12, 2024, the date these financial statements were available to be issued.

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Required Supplementary Information

Arvin Union School District
General Fund (Combined)
Budgetary Comparison Schedule
June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
LCFF sources:				
State apportionment or State aid	$ 32,552,343	$ 32,438,362	$ 36,665,391	$ 4,227,029
Education protection account funds	8,802,293	8,685,566	4,285,311	(4,400,255)
Local sources	2,993,381	3,196,930	3,311,439	114,509
Federal revenue	12,368,161	15,114,232	11,075,934	(4,038,298)
Other State revenue	12,858,092	11,839,191	12,771,269	932,078
Other local revenue	390,000	1,644,293	5,002,807	3,358,514
Total revenues	69,964,270	72,918,574	73,112,151	193,577
Expenditures:				
Current:				
Certificated salaries	23,070,868	24,351,392	22,305,094	(2,046,298)
Classified salaries	7,552,383	8,019,077	8,388,023	368,946
Employee benefits	14,784,929	14,891,795	16,531,120	1,639,325
Books and supplies	9,080,859	9,542,430	4,629,771	(4,912,659)
Services and other	6,669,950	8,482,412	7,971,431	(510,981)
Other outgo	927,087	927,087	979,250	52,163
Direct support / indirect costs	-	-	1	1
Capital outlay	6,550,001	10,675,403	5,621,360	(5,054,043)
Debt service:				
Principal	175,100	175,100	561,218	386,118
Interest and other service charges	-	-	(291,445)	(291,445)
Total expenditures	68,811,177	77,064,696	66,695,823	(10,368,873)
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,153,093	(4,146,122)	6,416,328	10,562,450
Other Financing Sources (Uses):				
Total other financing sources (uses)	-	-	-	-
Net Change in Fund Balance	1,153,093	(4,146,122)	6,416,328	10,562,450
Fund Balance, July 1	27,832,784	27,832,784	27,832,784	-
Fund Balance, June 30	$ 28,985,877	$ 23,686,662	$ 34,249,112	$ 10,562,450

Arvin Union Elementary 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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's portion of the net pension liability (asset)	0.032%	0.030%	0.028%	0.028%	0.029%	0.027%	0.025%	0.027%	0.030%	0.032%
District's proportionate share of the net pension liabiliy (asset)	24,537,000	20,536,000	12,846,034	27,500,826	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	11,756,364	10,284,350	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	$36,293,364	$30,820,350	$19,324,890	$41,677,395	$39,982,329	$39,661,537	$40,924,358	$35,916,023	$30,303,000	$29,325,000
District's covered-employee payroll	$22,495,322	$20,846,855	$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	109.08%	98.51%	69.64%	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	80.62%	81.20%	88.02%	72.92%	72.56%	70.99%	69.46%	69.98%	74.02%	74.00%

Arvin Union Elementary 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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's portion of the net pension liability (asset)	0.047%	0.043%	0.041%	0.042%	0.041%	0.039%	0.038%	0.037%	0.036%	0.037%
District's proportionate share of the net pension liabiliy (asset)	$16,920,000	$14,763,000	$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	$ 9,385,648	$ 8,574,313	$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	180.28%	172.18%	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	69.96%	80.97%	80.98%	69.91%	70.05%	70.85%	71.87%	73.92%	79.43%	79.40%

Arvin Union Elementary School District
Schedule of District Contributions
California State Teachers' Retirement System
Last Ten Fiscal Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	3,699,733	3,273,723	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	(3,699,733)	(3,273,723)	(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	$22,495,322	$20,846,855	$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	16.45%	15.70%	16.06%	15.57%	16.15%	15.41%	24.05%	12.58%	10.73%	8.88%

Arvin Union Elementary School District
Schedule of District Contributions
California Public Employee' Retirement System
Last Ten Fiscal Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	2,052,860	1,506,504	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	(2,052,860)	(1,506,504)	(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	$ 9,385,648	$ 8,574,313	$ 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	21.87%	17.57%	20.32%	19.72%	18.66%	17.00%	15.53%	13.89%	11.85%	11.77%

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						
	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability:							
Service cost	$ -	$ 883,021	$ 1,187,607	$ -	$ 777,765	$ 777,765	756,949
Interest	-	1,203,607	812,183	-	976,390	981,020	947,524
Experience gains/losses	-	-	1,143,293	-	3,692,198	-	-
Changes of assumptions or other inputs	-	(394,401)	(5,243,070)	-	7,677,566	-	-
Other adjustments	-	-	974,327	-	-	-	-
Benefit payments	-	(1,458,953)	(1,238,200)	-	(985,517)	(1,770,642)	(867,072)
Net change in total OPEB liability	-	233,274	(2,363,860)	-	12,138,402	(11,857)	837,401
Total OPEB liability - beginning	34,521,450	34,288,176	36,652,036	36,652,036	24,513,634	24,525,491	23,688,090
Total OPEB liability - ending	$34,521,450	$34,521,450	$34,288,176	$36,652,036	$36,652,036	$24,513,634	$24,525,491
Covered-employee payroll	31,992,794	29,421,168	25,913,950	22,471,770	22,937,828	22,504,135	21,490,032
Total OPEB liability as a percentage of covered-employee payroll	107.90%	117.34%	132.32%	163.10%	159.79%	108.93%	114.12%

Notes to schedule: There were no changes in benefit terms in 2024. The following are the discount rates used in each period.

2024	3.65%
2023	3.65%
2022	3.54%
2021	2.20%
2020	2.20%
2019	4.00%
2018	4.00%

* 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.

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Supplementary Information

Arvin Union School District
Local Education Agency Organization Structure
June 30, 2024

The District was established in about 1913 in the city of Arvin, located in Kern County, California. There were no changes in the boundaries of the District during the year ended June 30, 2024. The District is currently operating three elementary schools and one intermediate school.

Governing Board

Name	Office	Term Expiration
Wendy Gonzalez	President	2024
Toni Pichardo	Clerk	2026
Monica Franetovich	Member	2026
Elvira Moreno	Member	2026
Maria Ramos	Member	2026

Administration

Georgia Rhett
Superintendent

Emma Pereida-Martinez
Assistant Superindendent

Chris Davis
Chief Business Official

Arvin Union School District
Schedule of Average Daily Attendance
Year Ended June 30, 2024

	Second Period Report	Annual Report
Grades TK-3:		
Regular ADA	1,210.97	1,216.64
Extended Year Special Education	1.77	1.77
Grades TK-3 Total	1,212.74	1,218.41
Grades 4-6:		
Regular ADA	872.24	872.34
Extended Year Special Education	1.76	1.76
Grades 4-6 Total	874.00	874.10
Grades 7 and 8:		
Regular ADA	619.36	618.85
Extended Year Special Education	0.39	0.39
Grades 7 and 8 Total	619.75	619.24
ADA Grand Total	2,706.49	2,711.75

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 apportionment 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
Schedule of Instructional Time
Year Ended June 30, 2024

Grade Level	Ed. Code 46207 Minutes Requirement	Ed. Code 46207 Adjusted & Reduced	2023-24 Actual Minutes	Number of Days Traditional Calendar	Number of Days Multitrack Calendar	Status
Transitional Kindergarten	36,000	N/A	57,084	182	N/A	Complied
Kindergarten	36,000	N/A	57,084	182	N/A	Complied
Grade 1	50,400	N/A	55,744	182	N/A	Complied
Grade 2	50,400	N/A	55,744	182	N/A	Complied
Grade 3	50,400	N/A	55,744	182	N/A	Complied
Grade 4	54,000	N/A	55,744	182	N/A	Complied
Grade 5	54,000	N/A	55,744	182	N/A	Complied
Grade 6	54,000	N/A	55,744	182	N/A	Complied
Grade 7	54,000	N/A	58,888	182	N/A	Complied
Grade 8	54,000	N/A	58,888	182	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
Schedule of Financial Trends and Analysis
Year Ended June 30, 2024

General Fund (Combined)	Budget 2025 (see note a)	2024	2023	2022
Revenue and other financial sources	$ 64,566,901	$ 73,112,151	$ 72,663,712	$ 59,418,221
Expenditures	66,719,257	66,695,823	60,923,617	57,939,142
Other uses and transfers out	-	-	-	-
Total outgo	66,719,257	66,695,823	60,923,617	57,939,142
Change in fund balance (deficit)	(2,152,356)	6,416,328	11,740,095	1,479,079
Ending fund balance	$ 32,096,756	$ 34,249,112	$ 27,832,784	$ 16,092,689
Available reserves (see note b)	$ 2,465,386	$ 8,855,504	$ 14,173,301	$ (1,472,394)
Available reserves as a percentage of total outgo	3.7%	13.3%	23.3%	0.0%
Total long-term debt	$ 109,177,996	$ 110,699,568	$ 105,290,617	$ 91,790,256
Average daily attendance at P-2	2,690	2,706	2,704	2,670

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 (combined) has increased by $18,156,423 (112.8%) over the past two years. The fiscal year 2024-2025 budget projects a decrease of $2,152,356 (6.3%). For an organization 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 plans to increase their percentage of available reserves in the future by decreasing overall expenditures.

The District hasn't incurred an operating deficit in any of the past three years, but projects a decrease during the 2024-2025 fiscal year. Total long-term debt has increased by $18,909,312 over the past two years.

Average daily attendance has increased by 36 over the past two years. The District anticipates average daily attendance to decrease by 16 during fiscal year 2024-2025.

Notes:

a. The budget for 2025 is included for analytical purposes only and has not been subjected to audit.
b. Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainties contained within the General Fund.

Arvin Union School District
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
Year Ended June 30, 2024

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.

To record current year activity	45,091

There were no audit adjustments for any fund impacting the fund balance.

Charter Schools

The following charter schools are chartered by the Arvin Union School District.

Charter Schools	Included in Audit
None	Not applicable

Arvin Union School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal ALN	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture - passed through California Department of Education			
Child Nutrition Cluster			
Child Nutrition: School Programs	10.555	13523	$ 3,156,079
Supply Chain Assistance (SCA) Funds	10.555	15655	187,079
Child Nutrition: Fresh Fruit and Vegetable Program	10.582	14968	182,555
Total Child Nutrition Cluster			3,525,713
Child Nutrition: NSLP Equipment Assistance Grants	10.579	14906	18,936
Total U.S. Department of Agriculture			3,544,649
U.S. Department of Education - passed through California Department of Education			
Special Education Cluster			
Special Education: IDEA Basic Local Assistance Entitlement, Part B, Section 611	84.027	13379	506,767
Special Ed: IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	9,817
Total Special Education Cluster			516,584
ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	1,925,113
ESEA (ESSA): Title I, Part C, Migrant Ed (Regular and Summer Program)	84.011	14326	643,258
ESEA (ESSA): Title I, Part C, Migrant Education (MESRP)	84.011	10144	79,344
ESEA (ESSA): Title IV, Part B, 21st Century Community Learning Centers Program	84.287	14349	270,690
ESEA (ESSA) : Title III, English Learner Student Program	84.365	14346	306,849
ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	283,106
ESEA (ESSA) Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	203,796
COVID-19: Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	15547	183,791
COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425D	15559	4,112,444
COVID-19: Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425D	15620	19,786
COVID-19: Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425D	15621	413,808
COVID-19: American Rescue Plan - Homeless Children and Youth II (ARP HYC II)	84.425	15566	7,938
COVID-19: Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	1,699,099
Total U.S. Department of Education			10,665,606
U.S. Department of Health and Human Services - passed through California Department of Education			
CCDF Cluster			
Child Development: ARP California State Preschool Program One-time Stipend	93.575	15640	17,515
Total CCDF Cluster			17,515
Dept of Health Care Services (DHCS): Medi-Cal Billing Option	93.778	10013	561,788
Total U.S. Department of Health and Human Services			579,303
Total Federal Programs			$ 14,789,558

The accompanying notes are an integral part of this statement.

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, *Code of Federal Regulations,* Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F–Audit Requirements (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 did not elect 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 ended June 30, 2024.

Subrecipients

The District did not provide any awards to subrecipients.

Arvin Union School District
Combining Balance Sheet - All General Funds
June 30, 2024

	General Fund	Deferred Maintenance Fund	Special Revenue Fund for Other Than Capital Outlay Projects	Special Reserve Fund for Post-employment Benefits	General Fund (Combined)
Assets:					
Cash in County Treasury	$33,882,383	$ 1,240	$ 276,264	$ 420,461	$34,580,348
Cash in revolving fund	5,000	-	-	-	5,000
Investments	-	-	643,747	245,239	888,986
Accounts receivable	5,613,057	11	2,375	3,615	5,619,058
Due from grantor governments	841,470	-	-	-	841,470
Due from other funds	407,678	-	1,539,000	3,709,324	5,656,002
Total assets	40,749,588	1,251	2,461,386	4,378,639	47,590,864
Liabilities and Fund Balance:					
Liabilities:					
Accounts payable	$ 5,202,076	$ -	$ -	$ -	$ 5,202,076
Due to grantor governments	61,261	-	-	-	61,261
Due to other funds	5,486,188	-	-	-	5,486,188
Unearned revenue	2,592,227	-	-	-	2,592,227
Total liabilities	13,341,752	-	-	-	13,341,752
Fund Balance:					
Nonspendable fund balances:					
Revolving cash	5,000	-	-	-	5,000
Restricted fund balances	21,927,910	-	-	-	21,927,910
Committed fund balances	-	-	-	4,378,639	4,378,639
Assigned fund balances	5,474,926	1,251	-	-	5,476,177
Reserve for economic uncertainty	-	-	2,461,386	-	2,461,386
Total fund balance	27,407,836	1,251	2,461,386	4,378,639	34,249,112
Total liabilities and fund balances	$40,749,588	$ 1,251	$ 2,461,386	$ 4,378,639	$47,590,864

The accompanying notes are an integral part of this statement.

Arvin Union School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - All General Funds
Year Ended June 30, 2024

	General Fund	Deferred Maintenance Fund	Special Revenue Fund for Other Than Capital Outlay Projects	Special Reserve Fund for Post-employment Benefits	General Fund (Combined)
Revenues:					
LCFF sources:					
State apportionment or State aid	$ 36,665,391	$ -	$ -	$ -	$ 36,665,391
Education protection account funds	4,285,311	-	-	-	4,285,311
Local sources	3,311,439	-	-	-	3,311,439
Federal revenue	11,075,934	-	-	-	11,075,934
Other State revenue	12,771,269	-	-	-	12,771,269
Other local revenue	4,980,597	40	8,791	13,379	5,002,807
Total revenues	73,089,941	40	8,791	13,379	73,112,151
Expenditures:					
Current:					
Instruction	34,883,360	-	-	-	34,883,360
Instruction-related services	7,661,882	-	-	-	7,661,882
Pupil services	6,832,818	-	-	-	6,832,818
Ancillary services	117,373	-	-	-	117,373
Community services	693,320	-	-	-	693,320
General administration	2,820,029	-	-	-	2,820,029
Plant services	6,816,658	-	-	-	6,816,658
Other outgo	979,250	-	-	-	979,250
Capital outlay	5,621,360	-	-	-	5,621,360
Debt service:					
Principal	561,218	-	-	-	561,218
Interest and other service charges	(291,445)	-	-	-	(291,445)
Total expenditures	66,695,823	-	-	-	66,695,823
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,394,118	40	8,791	13,379	6,416,328
Net Change in Fund Balance	6,394,118	40	8,791	13,379	6,416,328
Fund Balance, July 1	21,013,718	1,211	2,452,595	4,365,260	27,832,784
Fund Balance, June 30	$ 27,407,836	$ 1,251	$ 2,461,386	$ 4,378,639	$ 34,249,112

The accompanying notes are an integral part of this statement.

Arvin Union School District
Combining Balance Sheet - Nonmajor Funds
June 30, 2024

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Debt Service Fund - Bond Interest and Redemption Fund	Total Nonmajor Governmental Funds
Assets:				
Cash in County Treasury	$ 4,805,972	$ 7,471,837	$ 1,495,901	$ 13,773,710
Cash on hand and in banks	45,091	65,755	-	110,846
Cash in revolving fund	1,000	-	-	1,000
Investments	-	643,746	-	643,746
Accounts receivable	60,576	65,540	10,228	136,344
Due from other funds	119,297	263,567	-	382,864
Prepaid expenditures	117,995	-	-	117,995
Total assets	5,149,931	8,510,445	1,506,129	15,166,505
Liabilities and Fund Balance:				
Liabilities:				
Accounts payable	$ 48,322	$ 9,827	$ -	$ 58,149
Due to other funds	552,678	-	-	552,678
Unearned revenue	375,491	-	-	375,491
Total liabilities	976,491	9,827	-	986,318
Fund Balance:				
Nonspendable fund balances:				
Revolving cash	1,000	-	-	1,000
Prepaid items	117,995	-	-	117,995
Restricted fund balances	4,008,183	7,856,680	1,506,129	13,370,992
Assigned fund balances	46,262	643,938	-	690,200
Total fund balance	4,173,440	8,500,618	1,506,129	14,180,187
Total liabilities and fund balances	$ 5,149,931	$ 8,510,445	$ 1,506,129	$ 15,166,505

The accompanying notes are an integral part of this statement.

Arvin Union School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Funds
Year Ended June 30, 2024

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Debt Service Fund - Bond Interest and Redemption Fund	Total Nonmajor Governmental Funds
Revenues:				
Federal revenue	$ 3,713,624	$ -	$ -	$ 3,713,624
Other State revenue	1,563,436	4,955,713	8,944	6,528,093
Other local revenue	176,912	225,126	1,817,934	2,219,972
Total revenues	5,453,972	5,180,839	1,826,878	12,461,689
Expenditures:				
Current:				
Instruction	387,763	-	-	387,763
Instruction-related services	161,431	-	-	161,431
Pupil services	3,942,639	-	-	3,942,639
Ancillary services	44,844	-	-	44,844
Plant services	-	166,352	-	166,352
Capital outlay	76,953	4,963,075	-	5,040,028
Debt service:				
Principal	-	-	1,050,000	1,050,000
Interest and other service charges	-	-	916,150	916,150
Total expenditures	4,613,630	5,129,427	1,966,150	11,709,207
Excess (Deficiency) of Revenues Over (Under) Expenditures	840,342	51,412	(139,272)	752,482
Net Change in Fund Balance	840,342	51,412	(139,272)	752,482
Fund Balance, July 1	3,333,098	8,449,206	1,645,401	13,427,705
Fund Balance, June 30	$ 4,173,440	$ 8,500,618	$ 1,506,129	$ 14,180,187

The accompanying notes are an integral part of this statement.

Arvin Union School District
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2024

	Student Body Fund	Child Development Fund	Cafeteria Special Revenue Fund	Total Nonmajor Special Revenue Funds
Assets:				
Cash in County Treasury	$ -	$ 897,699	$ 3,908,273	$ 4,805,972
Cash on hand and in banks	45,091	-	-	45,091
Cash in revolving fund	-	-	1,000	1,000
Accounts receivable	-	9,215	51,361	60,576
Due from other funds	-	119,297	-	119,297
Prepaid expenditures	-	-	117,995	117,995
Total assets	45,091	1,026,211	4,078,629	5,149,931
Liabilities and Fund Balance:				
Liabilities:				
Accounts payable	$ -	$ 7,778	$ 40,544	$ 48,322
Due to other funds	-	235,481	317,197	552,678
Unearned revenue	-	372,428	3,063	375,491
Total liabilities	-	615,687	360,804	976,491
Fund Balance:				
Nonspendable fund balances:				
Revolving cash	-	-	1,000	1,000
Prepaid items	-	-	117,995	117,995
Restricted fund balances	45,091	364,358	3,598,734	4,008,183
Assigned fund balances	-	46,166	96	46,262
Total fund balance	45,091	410,524	3,717,825	4,173,440
Total liabilities and fund balances	$ 45,091	$ 1,026,211	$ 4,078,629	$ 5,149,931

The accompanying notes are an integral part of this statement.

Arvin Union School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds
Year Ended June 30, 2024

	Student Body Fund	Child Development Fund	Cafeteria Special Revenue Fund	Total Nonmajor Special Revenue Funds
Revenues:				
Federal revenue	$ -	$ 17,515	$ 3,696,109	$ 3,713,624
Other State revenue	-	689,349	874,087	1,563,436
Other local revenue	40,838	29,319	106,755	176,912
Total revenues	40,838	736,183	4,676,951	5,453,972
Expenditures:				
Current:				
Instruction	-	387,763	-	387,763
Instruction-related services	-	161,431	-	161,431
Pupil services	-	-	3,942,639	3,942,639
Ancillary services	44,844	-	-	44,844
Capital outlay	-	413	76,540	76,953
Total expenditures	44,844	549,607	4,019,179	4,613,630
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,006)	186,576	657,772	840,342
Net Change in Fund Balance	(4,006)	186,576	657,772	840,342
Fund Balance, July 1	49,097	223,948	3,060,053	3,333,098
Fund Balance, June 30	$ 45,091	$ 410,524	$ 3,717,825	$ 4,173,440

The accompanying notes are an integral part of this statement.

Arvin Union School District
Combining Balance Sheet - Nonmajor Capital Projects Funds
June 30, 2024

	Building Fund	Capital Facilities Fund	County Schools Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Nonmajor Capital Projects Funds
Assets:					
Cash in County Treasury	$ 1,784,180	$ 1,102,008	$ 4,585,459	$ 190	$ 7,471,837
Cash on hand and in banks	-	65,755	-	-	65,755
Investments	-	-	-	643,746	643,746
Accounts receivable	16,528	9,565	39,445	2	65,540
Due from other funds	263,567	-	-	-	263,567
Total assets	2,064,275	1,177,328	4,624,904	643,938	8,510,445
Liabilities and Fund Balance:					
Liabilities:					
Accounts payable	$ -	$ 9,827	$ -	$ -	$ 9,827
Total liabilities	-	9,827	-	-	9,827
Fund Balance:					
Restricted fund balances	2,064,275	1,167,501	4,624,904	-	7,856,680
Assigned fund balances	-	-	-	643,938	643,938
Total fund balance	2,064,275	1,167,501	4,624,904	643,938	8,500,618
Total liabilities and fund balances	$ 2,064,275	$ 1,177,328	$ 4,624,904	$ 643,938	$ 8,510,445

The accompanying notes are an integral part of this statement.

Arvin Union School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds
Year Ended June 30, 2024

	Building Fund	Capital Facilities Fund	County Schools Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Nonmajor Capital Projects Funds
Revenues:					
Other State revenue	$ -	$ -	$ 4,955,713	$ -	$ 4,955,713
Other local revenue	84,328	43,214	97,577	7	225,126
Total revenues	84,328	43,214	5,053,290	7	5,180,839
Expenditures:					
Current:					
Plant services	34,536	131,816	-	-	166,352
Capital outlay	1,920,121	-	3,042,954	-	4,963,075
Total expenditures	1,954,657	131,816	3,042,954	-	5,129,427
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,870,329)	(88,602)	2,010,336	7	51,412
Net Change in Fund Balance	(1,870,329)	(88,602)	2,010,336	7	51,412
Fund Balance, July 1	3,934,604	1,256,103	2,614,568	643,931	8,449,206
Fund Balance, June 30	$ 2,064,275	$ 1,167,501	$ 4,624,904	$ 643,938	$ 8,500,618

The accompanying notes are an integral part of this statement.

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Other 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

To the Board of Trustees
Arvin Union School District
Arvin, California 93312

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, 2024, 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 12, 2024.

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 or significant deficiencies may exist that were not 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
Fresno, California
December 12, 2024

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

To the Board of Trustees
Arvin Union School District
Arvin, California 93312

Report on Compliance for Each Major Federal Program

Opinion on Each Major 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, 2024**.** 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, 2024.

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, *Code of Federal Regulations,* Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F– Audit Requirements (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 basis for our opinion on compliance for each major federal program. Our audit does not 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 regardingArvin 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.

Purpose of This Report

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 12, 2024

LPS
Certified Public Accountants

Independent Auditor's Report on State Compliance

To the Board of Trustees
Arvin Union School District
Arvin, California 93312

Report on Compliance

Opinion

We have audited the District's compliance with the requirements specified in the *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting,* (K-12 Audit Guide), published by the Education Audit Appeals Panel, applicable to the District's state program requirements identified below for the year ended June 30, 2024.

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, 2024.

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 *2023-24 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 *2023-24 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 *2023-24 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 *2023-24 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:

2023-24 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	Not applicable
Continuation Education	Not applicable
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not applicable
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not applicable
Middle or Early College High Schools	Not applicable
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not applicable
Home to School Transportation Reimbursement	Yes
School Districts, County Offices of Education, and Charter Schools:	
Proposition 28 Arts and Music in Schools	Yes
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	Not applicable
Immunizations	Not applicable
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Not applicable
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Charter Schools:	
Attendance	Not applicable
Mode of Instruction	Not applicable
Nonclassroom-Based Instruction/Independent Study	Not applicable
Determination of Funding for Nonclassroom-Based Instruction	Not applicable
Annual Instructional Minutes - Classroom Based	Not applicable
Charter School Facility Grant Program	Not applicable

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

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

Report on Internal Control over Compliance

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

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

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

Purpose of This Report

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 *2023-24 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 12, 2024

Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
One or more material weaknesses identified?	No
One or more significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
One or more material weaknesses identified?	No
One or more significant deficiencies identified that are not considered to be material weaknesses?	No
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, *Code of Federal Regulations*, Part 200, paragraph 200.516(a)?	No
Identification of major programs:	

Name of federal program or cluster	**Assistance Listing Number (ALN)**
COVID-19: ESF Programs	84.425

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

State Awards

Any audit findings disclosed that are required to be reported in accordance with the state's *2023-24 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*?	No
Type of auditor's report issued on compliance for state programs:	Unmodified

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.

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.

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
June 30, 2024

Finding/Recommendation	Current Status	Management's Explanation If Not Implemented
2023-001 Internal Control [30000] One check from the Student Body Fund was used for gift card incentives for staff. The Student Body Fund should be reimbursed for the prohibited expenditures.	Implemented	
2023-002 Attendance Reporting [10000] Newly generated attendance reports did not match the P2 and Annual ADA reported to the CDE. An amended P2 "Attendance School District" Report should be filed.	Implemented	

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